

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

FORM 10-K

(Mark One)

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

or

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

For the transition period from _____ to _____

Commission file number: **001-39755**

Navitas Semiconductor Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

3520 Challenger Street

Torrance, California

(Address of Principal Executive Offices)

85-2560226

(I.R.S. Employer
Identification No.)

90503-1640

(Zip Code)

(844) 654-2642

Registrant's telephone number, including area code

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	Nasdaq Stock Market LLC

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

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

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 28, 2024, the last business day of the registrant’s most recently completed second fiscal quarter, was approximately \$494,000,000.

Indicate the number of shares outstanding of each of the registrant’s classes of common stock, as of the latest practicable date: 190,529,835 shares of Class A common stock and 0 shares of Class B common stock were outstanding at March 14, 2025.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s proxy statement for the 2025 annual meeting of stockholders are incorporated into Part III herein.

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CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements. All statements other than statements of historical facts contained in this annual report, including statements concerning possible or assumed future actions, business strategies, events or results of operations, and any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as “may,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these terms or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this annual report and are subject to a number of important risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements, including risks and uncertainties relating to:

- our financial and business performance;
- changes in our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects and plans;
- our product development timeline and expected start of production;
- the implementation, market acceptance and success of our business model;
- our ability to scale in a cost-effective manner;
- developments relating to our competitors and industry;
- trading relationships between countries in which we operate, including primarily those between the United States and China, and related regulatory developments such as tariffs, customs duties, trade sanctions and cross-border investment restrictions;
- our ability to realize benefits from the acquisition of GeneSiC Semiconductor Inc. on August 15, 2022, as discussed elsewhere in this report including in Part II, Item 1A (Risk Factors);
- our ability to obtain and maintain intellectual property protection, and not infringe on the rights of the intellectual property of others;
- our future capital requirements and sources and uses of cash;
- our ability to obtain funding for our operations;
- our business, expansion plans and opportunities;
- the outcome of any known and unknown litigation and regulatory proceedings; and
- the risks and uncertainties described in this annual report, including under the section titled “Risk Factors.”

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur, and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate in an evolving environment. Some of these risks and uncertainties may in the future be amplified by events we do not expect or cannot predict. Additionally, new risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. As a result of these factors, the forward-looking statements in this annual report may not prove to be accurate.

Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this annual report, whether as a result of any new information, future events, changed circumstances or otherwise. You should read this annual report completely, and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

SUMMARY OF RISK FACTORS

The below summary of risk factors provides an overview of many of the risks we are exposed to in the normal course of our business activities. As a result, the below summary risks do not contain all of the information that may be important to you, and you should read the summary risks together with the more detailed and complete discussion of risks set forth under the heading “Risk Factors” in Part I, Item 1A of this annual report, as well as elsewhere in this annual report. Additional risks, beyond those summarized below or discussed elsewhere in this annual report, may apply to our activities or operations as currently conducted or as we may conduct them in the future or in the markets in which we operate or may in the future operate.

Consistent with the foregoing, we are exposed to a variety of risks, including risks associated with the following:

Risks Related to Our Business and Operations

- Our success and future revenue depend on our ability to achieve design wins and to convince our current and prospective end customers to design our products into their product offerings.
- To date we have been successful primarily as a result of introducing our leading-edge GaN power IC technology in mobile charging applications, such as wall chargers and adapters for mobile phones and laptop computers, and on motor drives for home appliances, where we believe we have achieved a market-leading position in GaN power ICs. Growth in demand for our GaN products depends on achieving similar successes in other markets where we believe our GaN technology provides comparable advantages, including consumer electronics, data center, solar and EV. Although we believe we are on track in these efforts, no assurance can be given that we will succeed in similarly displacing legacy silicon solutions in these other target markets for our GaN products.
- Our August 2022 acquisition of GeneSiC Semiconductor Inc. (“GeneSiC”) was our first significant acquisition. We have devoted, and expect to continue to devote, significant time and attention to integrating GeneSiC with our GaN operations teams. Given our relatively small size and relative inexperience with acquisitions, we expect to face challenges which present a number of risks to achieving the anticipated benefits of the acquisition. Our revenue, expenses, results of operations and financial condition could be materially adversely affected as a result.
- Since we have significant operations and revenues in China, our business development plans, results of operations and financial condition may be materially and adversely affected by significant political, social and economic developments in China, including governmental or regulatory changes, as well as trade relations between China and the United States and other countries.
- Regulatory restrictions, tariffs, or trade sanctions on certain countries, specifically China, as well as customers, or suppliers, and related developments, may impact our ability to sell or source our products.
- The recently announced U.S. tariffs on Chinese imports may lead to increased costs and supply chain adjustments for semiconductor companies.
- We currently rely on a single third-party wafer fabrication supplier and facility for the fabrication of semiconductor wafers for GaN ICs and a separate third-party wafer fabrication supplier and facility for the fabrication of semiconductor wafers SiC MOSFETs, and on a limited number of suppliers of other materials. Commencing manufacturing operations, in particular wafer fabrication, at additional suppliers is a complex and time-consuming process requiring supplier qualification and, usually, end-customer acceptance. As a result, the failure of any existing facilities or suppliers, or of additional suppliers, to continue to produce wafers or other materials, on a timely basis or at all, could harm our business and our financial results.
- We may experience difficulties in transitioning to new wafer fabrication process technologies or in achieving higher levels of design integration, which may result in reduced manufacturing yields, delays in product deliveries and increased costs.

- Because we do not have long-term purchase commitments with our end customers, orders may be cancelled, reduced, or rescheduled with little or no notice, which in turn exposes us to inventory risk, and may cause our business, financial results and future prospects to be harmed.
- The complexity of our products could result in unforeseen delays or expenses from undetected defects, errors or bugs in hardware or software which could reduce the market adoption of our products, damage our reputation with current or prospective end customers and adversely affect our operating costs.

Tax-Related Risks

- Any adjustment to the purchase price of the assets that were transferred pursuant to the restructuring of Legacy Navitas in 2020 could adversely impact our tax position.
- We could be subject to domestic or international changes in tax laws, tax rates or the adoption of new tax legislation, or we could otherwise have exposure to additional tax liabilities, which could adversely affect our business, results of operations, financial condition or future profitability.
- Our ability to use net operating loss carryforwards and other tax attributes may be limited in connection with the Business Combination or other ownership changes.

Risks Related to Intellectual Property

- We may not be able to adequately protect our intellectual property rights. If we fail to adequately enforce or defend our intellectual property rights, our business may be harmed.
- We may not be able to obtain additional patents and the legal protection afforded by any additional patents may not adequately cover the full scope of our business or permit us to gain or keep competitive advantage.
- If we infringe or misappropriate, or are accused of infringing or misappropriating, the intellectual property rights of third parties, we may incur substantial costs or be prevented from being able to commercialize new products.

Risks Related to Owning Our Common Stock

- Concentration of ownership among existing executive officers, directors and their affiliates, including the investment funds they represent, may prevent new investors from influencing significant corporate decisions.
- The issuance of additional capital stock in connection with financings, acquisitions, investments, our stock incentive plans or otherwise by us could dilute the ownership and voting power of our stockholders.
- Our management has limited public company experience. The obligations associated with being a public company involve significant expenses and require significant resources and management attention, which may divert from our business operations and if we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud.
- We may issue a substantial number of additional shares under our employee equity incentive plans.

PART I**Item 1. Business.****Overview**

We design, develop and market next-generation power semiconductors including gallium nitride (GaN) power integrated circuits (ICs), silicon carbide (SiC) power devices, associated high-speed silicon system controllers, and digital isolators used in power conversion and charging. Power supplies incorporating our products may be used in a wide variety of electronics products including fast chargers for mobile phones and laptops, consumer electronics, data centers, solar inverters and electric vehicles, among numerous other applications.

Our products provide superior efficiency, performance, size, cost and sustainability relative to existing silicon technology. Our solutions offer faster charging, higher power density and greater energy savings compared to silicon-based power systems with the same output power. By unlocking this speed and efficiency, we believe Navitas is leading a revolution in high-frequency, high-efficiency, high-density, and sustainable power electronics to “Electrify Our World”™ for a cleaner tomorrow.

Industry Overview

Most electronic devices that connect to a wall socket require a power supply to convert energy provided by utilities at 100-240V alternating current (AC) into lower-voltage direct current (DC) required by most electronic devices. Power supplies can be located inside the devices they are powering, as is the case with many consumer electronics and home appliances, or outside of the device, as is typically the case with devices like mobile phone chargers or laptop computers, typically referred to as wall chargers or power adapters.

In other applications such as electric vehicles, power may be converted from a high-voltage (e.g. 400 or 800V) DC battery to a lower voltage (e.g. 12 V) or, in the case of solar inverters, from low-voltage DC to high-voltage AC.

Additional, even-higher voltage applications are evolving, such as grid-tied converters, circuit breakers, rail, wind turbines, and industrial-scale charging (megawatt) systems.

In electronic devices today, most of these charging and power supply functions are carried out using silicon (Si) power MOSFETs (Metal Oxide Semiconductor Field Effect Transistors) or IGBTs (Insulated Gate Bipolar Transistors), along with related analog peripheral semiconductors. As the electronic content and functionality of systems have increased over time, existing silicon-based solutions have struggled to achieve high energy efficiency and fast charging, and they require large heat sinks or other thermal management methods, and large or complex form factors.

Two newer “wide band-gap” (WBG) materials have entered the power electronics market—gallium nitride (GaN) and silicon carbide (SiC). In general terms, devices rated around 700V address applications requiring output power of approximately 20 W to 20 kW, such as smartphone chargers or data center power supplies. GaN devices rated from 80-120 V optimize and enable 48 V-based systems such as AI data centers, EV, and AI robotics. Silicon Carbide (SiC) solutions are generally designed for higher power (multi kW to MW+) applications with higher device voltages (up to 6,500 V).

At the highest level, GaN is a combination of gallium and nitrogen, which forms a powerful bond with materially stronger electric fields and greater electron mobility compared to silicon. With a GaN power IC, increased power system switching speeds and energy efficiency can be achieved, which translate into notable benefits for power electronics such as smaller size, lighter weight, higher density, faster charging, energy savings and ultimately a lower system cost. These are significant gains relative to existing Si-based power solutions. A transistor is at the heart of a power supply, and a discrete (that is, non-integrated) GaN transistor requires a specialized silicon driver and multiple other components to drive and protect that GaN transistor. This additional circuitry has limited the adoption of GaN over the last decade due to cost, complexity, size, and vulnerability to system transients. Navitas has solved this problem with the GaN power IC. The Company is the first to integrate all the drive and protection components along with the GaN transistor in a single GaN chip. This provides several form-factor improvements and energy savings compared to silicon solutions. The GaN IC solution also provides several benefits compared to GaN discrete solutions, including a smaller footprint, fewer components, energy savings, and lower cost.

A new, 'bi-directional' GaN platform began sampling in 2024, and represents significant size and system-cost reductions, for solar, motor drive and battery-storage applications.

Based on third-party estimates, the GaN device market (all voltages) in 2023 was over \$250 million, with a 41% CAGR to 2029, and with the SiC market in 2023 over \$2.7 billion. Based on Navitas' estimate, Navitas is a market leader in high-voltage (600-700V) GaN, and is focused on growing market share in SiC. As new, displacement technologies, GaN and SiC market revenues are expected to grow faster than the legacy silicon market.

Combining GaN and SiC, the total potential market opportunity is estimated to be over \$22 billion per year by 2026, split \$7 billion for GaN, \$9.3 billion for SiC, and with \$6.1 billion overlapping GaN/SiC market. By the end of 2029, Yole, which is a consulting firm that specializes in the strategic analysis of markets, estimates that 33% of the legacy power silicon market will have been taken by GaN and SiC.

Company Overview

Converting power efficiently has emerged as a critical challenge as the electrification of our planet continues amid the pursuit of reduced carbon footprints. Electric vehicles, renewable energy, large-scale data processing and other applications all demand power and charging infrastructures with greater speed and efficiency than status-quo silicon technology. Navitas' GaN and SiC products solve complex and demanding challenges that are inherent in power conversion by unlocking both speed and efficiency. Since our founding in 2014, we have successfully harnessed the fundamentally superior material properties of GaN to enable cost savings and enhanced power conversion through product integration, reducing the amount of space needed to support multiple requirements while dramatically increasing charging speeds. With ten-times stronger electrical fields and twice the electron mobility compared to silicon, GaN is ideally suited for disrupting power switching applications, but challenges around manufacturing quality and reliability make commercialization difficult. By developing a fully qualified manufacturing process with over one billion device hours tested, Navitas overcame these key hurdles to successfully and reliably integrate the critical drive, control and protection circuits into a single chip, enabling mainstream GaN adoption and unlocking the full potential of GaN in speed, efficiency, simplicity and cost. Navitas estimates show that GaN-based power systems can provide 20x faster switching, up to 3x higher power density, 3x faster charging, up to 40% energy savings and are 3x smaller and lighter compared to silicon-based power systems. Navitas' ICs allow end customers to implement GaN technology with a simple, dependable solution to realize groundbreaking power density and efficiency. We are developing a differentiated GaN power IC platform utilizing decades of power semiconductor technical expertise, robust applications knowledge and strong end customer relationships. We believe our competitive strengths and robust IP portfolio of over 180 issued and pending GaN patents (over 300 company-wide) enabled us to establish a leading market position in GaN power semiconductors.

In August 2022, Navitas acquired GeneSiC Semiconductor, adding a broad range of SiC MOSFETs and diodes to the Navitas portfolio. GeneSiC proprietary trench-assisted planar-grade MOSFET technology combines the best of planar SiC (ease of manufacturing, robustness) with the best of trench SiC (low resistance, smaller die sizes). Navitas SiC MOSFETs have lower resistance than competitors at higher temperatures, and operate at cooler temperatures, for expected 3x longer device life expectancy.

Navitas is led by a team of power semiconductor industry experts with a combined 300+ years of experience in semiconductor materials, devices, applications, systems and marketing.

Navitas' Market Opportunities

We believe GaN and SiC will continue to displace silicon-based power semiconductors in a broad range of markets ranging from mobile/consumer to home appliance/industrial, data center, solar/storage, and EV. These markets are driven by major, long-term secular trends including explosive growth in data traffic, increasing electricity cost, and the transition from fossil fuel-based to sustainable energy sources to help address climate change. Industry analyst Yole estimates that by the end of 2029, GaN and SiC will have replaced 33% of the legacy silicon market.

- **Mobile/Consumer.** With short design-in times, and a strong “portability” value proposition, our initial focus and technology beachhead for GaN was the mobile fast and ultra-fast charging market for smartphones, tablets and laptops. GaN Power ICs generally can provide up to 3x more power and up to 3x faster charging, with half the size and weight of silicon chargers with the same output power. With the introduction of USB Type-C universal connectors and charging protocols, and as smartphone screen size, batteries and functions have increased, demand for high-power “ultra-fast” chargers has been established. For example, GaN-based 240 W chargers supplied with today’s flagship smartphones can enable 0-100% charging in less than 10 minutes. As over 2.5 billion chargers are shipped every year, each estimated to include potentially approximately \$1 of GaN content, the mobile charger market represents a multi-billion-dollar opportunity based on estimates from IDC PC tracker, USB-C research, Yole research and Navitas estimates. As of December 2023, all of the top-10 mobile OEMs were in production or development with Navitas, and repeat orders have continued, with some customers reaching up to 30% adoption of GaN vs. legacy silicon-based chargers in 2024. Non-mobile (non-battery) applications include ultra-thin TVs, high-powered gaming systems, desktop all-in-one PCs, and various smart home internet-connected devices.
- **Data Center.** For AI and hyperscale, the key demands are total power, power density and operating costs. As GPUs from NVIDIA (e.g. Hopper, Blackwell & Rubin) and others accelerate in power need to over 1 kW, total rack power demand is increasing from 30 kW to 60 kW, with a roadmap to 480 kW per rack. At the same time, little to no extra space is allocated to the 220V-AC-to-48V-DC ‘silver box’ power supplies. Here, no-compromise, hybrid SiC+GaN solutions deliver robust, high efficiency, high power density reference designs are available from Navitas’ data center design center, in power levels at 3kW, 4.5kW, 8.5 kW and beyond. In Q4 2024, a GaN-IP cross-licensing arrangement with Infineon Technologies AG enabled drop-in, ‘dual sourcing’ and is expected to accelerate GaN’s adoption in AI data centers, plus access to a new, low-voltage (80-120V) platform addresses 48V applications, and doubles the potential revenue up to \$10 per kilowatt of power demand. In addition, nearly 50% of the total cost of ownership of a data center is related to power, which includes the cost of power supplies as well as the cost of electricity for data processing, cooling, lighting and other power needs. For the data processing component alone, by our estimates a GaN enables a 40% reduction in losses versus legacy silicon-based systems.

- **Solar/Storage.** In residential solar, we believe GaN is well positioned to replace silicon in per-panel micro-inverters (350 – 550 W). Based on customer feedback, we estimate system cost reductions of approximately 25% compared to legacy silicon solutions, in addition to efficiency-driven energy savings over time. We estimate this translates into about a 10% improvement in the return on investment in solar systems. Overall, we estimate the GaN IC opportunity for solar applications to be over \$1 billion per year based on Markets and Markets Micro-Inverter Market report and Navitas analysis. GaN revenue is expected to begin in 2025, starting with standard GaNFast power ICs, then upgrading to a new ‘Bi-directional’ GaN platform for further efficiency upgrades, size and component count reductions. Meanwhile, higher-power, higher-voltage commercial “string” inverters have adopted SiC to replace legacy silicon IGBTs, with significant savings in weight and size. To help balance solar supply and electrical demand, and for users to become more grid-independent, the “attach rate” for battery-based energy-storage designs (or “bi-directional” EV) that require SiC, is expected to increase from less than 10% in 2022 to 30%-40% in 2025, according to a leading customer.
- **Home Appliance / Industrial.** This market is dominated by high-efficiency motor drive applications, including domestic appliances such as washing machines, vacuum cleaners, dishwasher pumps, refrigerator compressors and heat pumps, plus industrial uses such as water pumps, conveyor systems, robots, and warehouse materials handling systems. Based on Navitas estimates, high-speed GaN half-bridge power ICs deliver improved energy savings compared to legacy silicon and enable drive-motor integration due to their smaller size and lighter weight. We estimate the opportunity for GaN in 50-300 W motor drive applications to be around \$1.5 billion per year. As motor drive power increases to over 1 hp (~750 W), the higher current-handling capabilities of SiC come into play.
- **Electric Vehicles.** EV demand is increasing, with battery-electric passenger cars expected to be 25% of sales in 2025 and 50% by 2031[i]. EV adoption challenges include three main themes: the need for faster charging, demand for extended range, and lowering the cost compared to traditional, internal combustion powered cars. EVs can also act as supplementary energy back-up for your home to balance energy supply (from household AC, solar, generators) and demand (heating, cooling, cooking, device charging and other electronics), and be a critical part of an energy-independent micro-grid in the event of a grid power failure. This is known as “V2x” (vehicle to anything) charging. For 400 V-rated EV battery systems, and where 220VAC home charging is available, ~700 V-rated GaN operates at high-speeds in on-board chargers (OBCs) and DC-DC converters. For example, Navitas’ “3-in-1” platform design includes a 6.6 kW bi-directional charge/discharge and consolidated DC-DC converter. For higher-power traction inverters, and systems with 800 V-rated batteries, 1,200 V SiC is an optimized solution. We estimate GaN and SiC content per passenger EV to be approximately \$350 per vehicle. For long-haul trucking, the USA and 26 other countries signed the COP27 MoU, committing to 30% Zero-emission Vehicle (ZEV) sales by 2030 and 100% by 2040, so a significant ramp in production is anticipated. A new “Megawatt Charging System” (SAE J3271) is being finalized that will fast-charge with up to 3.5 MW of power using a 1,500V cable – requiring high-voltage SiC, where Navitas leads the industry with devices up to 6,500V.

Competitive Strengths

At December 2024, over 240 million Navitas GaN and nearly 30 million SiC devices had shipped, with proven quality and field-reliability performance (failure rates of far less than one part per million). We believe Navitas is the market and technology leader in high-voltage GaN power ICs, with leading revenue, technology and intellectual property. We believe our key competitive advantages include:

- **Industry-Leading IP Position and Proprietary Design Support.** Navitas has a broad portfolio of over 300 patents issued or pending, encompassing key aspects of GaN power circuitry analog and digital integration and SiC device design. Our patents are generally applicable to use cases in all of our targeted market applications. A key element of our intellectual property is our GaN IC process design kit (PDK), which we use to facilitate and accelerate product implementation and end customer development. We believe our PDK includes the industry's first and most mature and comprehensive device and circuit development libraries, characterization and verification tools, and robust simulation models.
- **Differentiated GaN Power Solutions.** Our integrated circuit approach to GaN power semiconductors eliminates complexity in driving, controlling and protecting GaN transistors while simultaneously fostering design simplicity. We have overcome key hurdles to commercialization with our proprietary GaN design and manufacturing test systems and are fully qualified with over one billion device hours tested to underscore reliability.
- **Industry-leading, Proprietary SiC Power Solutions.** GeneSiC proprietary trench-assisted planar-gate MOSFET technology combines the best of planar SiC (ease of manufacturing, robustness) with the best of trench SiC (low resistance, smaller die sizes). Navitas SiC MOSFETs have lower resistance than competitors at higher temperatures, and in head-to-head bench evaluations, run 25°C cooler, for 3x longer device life expectancy.
- **Enabling, High-frequency Eco-system Control and Isolation Technology.** For performance- and cost-optimized applications, high-speed GaN and SiC power components are accompanied by high-frequency system control ICs and digital isolators. Navitas is unique in having a comprehensive eco-system that enables the high levels of integration from 30 W smartphone chargers to 22 kW on-board, and megawatt roadside EV chargers.
- **Established Relationships with Key Partners and End Customers.** In support of our technology leadership, we have formed relationships with numerous Tier 1 manufacturers and suppliers, gaining significant traction in mobile and consumer charging applications.
- **Dedicated Application-Specific Design Centers.** We believe we are unique in adding application-specific design centers, either standalone or in conjunction with partner customers, for mobile, data centers, and EV, which allow us to develop GaN- and SiC-based power systems working with key customers in each of these segments, driving additional value with these customers and fueling additional system-led integration back in to our products for future generations.
- **Proven Leadership Team of Tenured Industry Experts.** Navitas' management team has over 400 years of combined power semiconductor experience and a track record of shareholder value creation. Three of Navitas' founders have worked closely together for over 25 years and are credited with power semiconductor industry achievements and successes that include over 200 issued patents and 200 industry papers and presentations.

Strategy

We are committed to offering unprecedented speed and efficiency to our end-customers through next-generation power semiconductor solutions, empowering efficient electrification while reducing the carbon footprint of our customers' products. Navitas products address a variety of power applications from 20 W to 20 MW, across markets including mobile/consumer, data centers, home appliance/industrial, solar/storage and EV. With an established track record and over 240 million GaNFast units shipped into mobile fast charging and home appliances, we believe Navitas is well positioned to expand GaN into higher power applications – with the GaNSafe platform - and in parallel, accelerate adoption of our expansive GeneSiC SiC portfolio. Our key strategic initiatives include:

- **Acceleration of Technology Development and Innovation.** We are focused on bringing to market multiple generations of high-voltage GaN, SiC, and low-voltage Si controller technology that enhance our margin profile while providing further integration benefits and advanced packaging to serve higher power markets.
- **Expansion into New End Markets and Geographies.** Building on our initial success in mobile fast charging and consumer electronics, Navitas is poised for expansion into new market applications including data centers, solar and renewable energy as well as electric vehicles and mobility. Our fabless manufacturing model allows us to scale efficiently into new markets and applications while minimizing capital expenditures.
- **Selective Acquisitions of Complementary Technologies.** We plan to continually evaluate acquisition opportunities that are complementary to our existing portfolio and increase power semiconductor content in our targeted applications. In 2022, Navitas acquired VDDTECH srl, a developer of high-speed digital isolator technology, and GeneSiC Semiconductor Inc., a producer of SiC MOSFETs and diodes. In 2023, Navitas bought-out the remainder of a joint venture with Halo Microelectronics International Corporation for high-speed, low-voltage silicon system controllers.
- **Leadership in Sustainability.** Through Navitas analysis and third-party auditing, we estimate that each GaN power IC shipped saves a net 4 kg of CO2 emissions, and each SiC MOSFET saves 25kg. To date, over 350,000 tons of CO2 emissions have been saved by GaN alone, as compared to legacy silicon solutions providing the same power output. Overall, by the target date of the Paris Accord, we estimate that GaN and SiC can reduce CO2 emissions by over 6 Gtons per year. Navitas was the first semiconductor producer solely focused on GaN and SiC products to publish a quantitative, third-party-verified sustainability report, and the first semiconductor company worldwide to be certified CarbonNeutral® by Climate Impact Partners. Each customer can adapt the CO2 footprint-reduction value of GaN and SiC to achieve their own sustainability analysis and commitments.

Sales, Marketing and End Customer Support

For GaN, our go-to-market strategy combines robust GaN commercialization and design expertise with validated success in mobile and consumer charging applications to capture market share and expand into new vertical markets. We partner with numerous platforms and end customers globally and target innovative, Tier 1 suppliers to design differentiated power semiconductor solutions. To facilitate end customer success, we offer comprehensive design support and utilize a proprietary process design kit tailored to specific engineering needs. Navitas is unique in operating separate, system-dedicated application design centers, either standalone or as joint labs with customer partners - to accelerate adoption of GaN and SiC into fast chargers, data centers and EV. Furthermore, our technologies are capable of being integrated into numerous product generations and design architectures, creating a scalable business opportunity. This technical business-to-business (B2B) approach is supplemented by commercial business-to-consumer (B2C) end-user awareness, and customer co-operative activities across in-person and virtual multi-media platforms. Key distribution partners provide additional field application engineering resources to assist in introducing our technology to a diversified end customer base and implementing our products in end customers' products and systems. In addition, Navitas' direct sales team works to facilitate development of new end customer partnerships with our distribution partners. With a focus on leading global clients, we believe Navitas is well positioned to expand both its existing end customer base and enter new markets in the near-term, while maintaining its current market leadership position in mobile fast charging.

Intellectual Property

The core strength of our business lies in our industry-leading IP position in GaN power ICs and SiC MOSFETs. We invented the first commercial GaN power ICs and along the way have patented many fundamental circuit elements which are needed in most power systems from 20 W to 20 kW and on to 20 MW. We have more than 300 issued or pending patents, which are expected to expire between the end of 2034 and early 2041.

A key element of our intellectual property is our GaN IC process design kit (PDK), which we use to facilitate and accelerate product implementation and end customer development. We believe our PDK includes the industry's first and most mature and comprehensive device and circuit development libraries, characterization and verification tools, and robust simulation models.

Competition

Our competitors include suppliers of silicon-based as well as GaN-based and SiC-based power semiconductors. Most suppliers of GaN-based devices today offer discrete (i.e., non-integrated) GaN solutions, which require silicon-based and other components for drive, control and protection. These solutions, even though they offer some benefits compared to silicon, still do not capture all the advantages of a GaN integrated power IC that Navitas provides. Our primary GaN competitors include Infineon Technologies AG, Power Integrations, Inc., Texas Instruments Incorporated, Innoscience (Suzhou) Semiconductor Co., Ltd., Renesas Electronics Corp., and Efficient Power Conversion Corporation (EPC). Primary SiC competitors include Infineon, Wolfspeed, Inc., ON Semiconductor Corporation, ROHM Co., Ltd., Qorvo, Inc., and STMicroelectronics International N.V.

Our primary silicon-based power semiconductor competitors include Infineon, STMicroelectronics, ON Semiconductor and Power Integrations, among others. Silicon-based power devices are still the incumbent solutions used for power applications and currently have a lower-cost advantage. However, given the speed, power and size advantages of an integrated GaN IC over a silicon solution, coupled with expected cost reductions, we estimate that system cost parity for GaN-based (vs. silicon-based) mobile chargers with output power of 65 W or above was reached in 2023. In higher-power systems, such as kW-level data center supplies, we believe the cost-parity point was reached even earlier, based on customer feedback.

Although we believe system cost parity for these GaN-based applications was reached in 2023, there are inherent risks that market conditions may change, which include:

- GaN wafer and assembly (packaging) prices may not be reduced by suppliers as fast as expected or committed, especially if global semiconductor shortages occur.
- GaN manufacturing yields, while demonstrated over 90% on a stable, multi-month basis, could deteriorate causing manufacturing costs of GaN ICs to increase.
- The cost of silicon controllers, which are an important complement to GaN power ICs used in all mobile chargers, is expected to decrease, but price increases could occur, particularly if global semiconductor shortages occur. Such costs are not directly controlled by Navitas.
- Passive and mechanical components (inductors, transformers, capacitors, printed circuit boards (PCBs), plastic housings, and others) are an important complement to GaN power ICs, are used in all mobile chargers and contribute to cost reduction as they generally decrease in size, weight and cost as GaN increases charger switching frequency compared to silicon-based chargers. Although we expect these cost reductions for passive and mechanical components to continue, it is possible that they will not materialize as expected, and such costs are not directly controlled by Navitas.

Even in the absence of shortages in the semiconductor industry, corresponding components in silicon-based chargers may increase, allowing GaN-based chargers to achieve expected system cost parity on a relative basis.

Manufacturability

We utilize a fabless business model, working with third parties to manufacture, assemble and test our products.

Navitas devices are fabricated in a layer of GaN sitting on a silicon substrate (known as “GaN-on-Si”). This combination traditionally posed several challenges due to physical dissimilarities in the materials and resulting defect densities, which translated into poor manufacturing, low yields, high costs, and poor reliability. We have spent a significant amount of our history working to solve these problems through process and design improvements and test methods. As a result of these efforts, we have achieved stable, predictable, and consistent yields of well over 90%.

Gallium is produced primarily as a byproduct from the production of bauxite, the chief ore of aluminum. In 2017 world production capacity was estimated at over 1,000 tons (low-grade and refined), and is estimated to be growing at about 15% per year, with a supply potential of over 2,000 tons sourced from many countries. Semiconductor applications dominate the commercial demand for gallium, representing 98% of its use, which includes microwave circuits, ultra high-speed logic chips, LEDs, laser diodes and, as is the case for Navitas GaN power ICs, in power electronics. Gallium is not considered a rare or precious metal. GaN power ICs typically use only 95 µg (micrograms) of gallium in the manufacture of a device. On this basis we estimate Navitas will consume less than .01% of the 2,000 tons estimated annual supply potential by 2026.

Our GaN wafer fab partner since inception has been Taiwan Semiconductor Manufacturing Company (TSMC). We have worked to co-develop GaN-based product manufacturing capabilities with TSMC, which has invested significant capital to develop this capability. Although we have no volume-contracted commitments with TSMC, and purchase wafers on a purchase-order basis, we believe our volumes of GaN products in TSMC wafer fabs are critical to the utilization and efficiency of TSMC’s GaN-specific infrastructure. TSMC operates as a leading global supplier, with significant capacity to meet our growth needs. Our process is compatible with multiple complementary metal-oxide-semiconductor (“CMOS”) foundries with the addition of a small number of GaN-specific process modules. Navitas’ SiC products are manufactured by XFAB Texas, Inc. on 150 mm wafers, with high yields and lead times we believe are around half that of competitors. In 2023, Navitas entered into long-term supply agreements with XFAB and raw wafer suppliers to establish capacity increases.

Research & Development

Navitas has invested its time and effort to carefully develop its proprietary GaN IC chips for power electronics and semiconductor applications. Our experienced teams around the world have made GaN adoption a reality as many end customers in different end markets start to realize the true potential of our GaN power ICs. To protect our market leadership in GaN ICs, we continually look to innovate and improve our GaN ICs, to achieve greater efficiency, integration and speed at lower costs. We evaluate various complementary technologies, look to improve our PDK and hope to keep introducing newer generations of GaN technology. In 2022, Navitas acquired GeneSiC Semiconductor for SiC MOSFETs and diodes with plans to accelerate research and development and adoption of the expansive GeneSiC SiC portfolio. Navitas’ research and development activities are located primarily in the U.S., China and Taiwan.

Sustainability

We believe we are the first company to publish a sustainability report that comprehensively quantifies the positive impact of GaN power semiconductors on climate change based on global standards. Our report includes a third-party Lifecycle Assessment (LCA) of GaN technology according to ISO14040/14044, the international standard for assessing environmental impacts throughout a product’s life cycle—from raw material acquisition through production, use, end-of-life treatment, recycling and final disposal. The Navitas report also quantifies corporate greenhouse gas (GHG) impacts through 3rd party assessments. We estimate that each GaN power IC shipped saves a net 4 kg of CO₂ emissions, and each SiC MOSFET saves 25 kg. Combined, GaN and SiC are estimated to save an aggregate of 6 Gtons of CO₂ emissions per year by 2050.

¹ DNV “Energy Transition Outlook 2024”

Human Capital Resources

As of December 31, 2024, our worldwide workforce consisted of approximately 280 full and part-time employees. Our approach to compensation attempts to align the interests of every employee with the creation of company value over time. The Company offers a wide variety of benefits for employees around the world and invests in tools and resources that are designed to support employees’ individual growth and development.

Item 1A. Risk Factors.**Product Design and Selection Risks**

Our success and future revenue depends on our ability to achieve design wins and to convince our current and prospective end customers to design our products into their product offerings.

We sell our power chips to end customers who select our solutions for inclusion in their product offerings. This selection process is typically lengthy and may require us to incur significant design and development expenditures and dedicate scarce engineering resources in pursuit of a single design win, with no assurance that our solutions will be selected. If we fail to convince our current or prospective end customers to include our products in their product offerings or to achieve a consistent number of design wins, our business, financial condition, and results of operations will be harmed.

Even if we are awarded a design win, expected revenues typically do not result for one year or more, if ever.

Because of our extended sales cycle, our revenue in future years is highly dependent on design wins we are awarded in prior years. After incurring significant design and development expenditures and dedicating engineering resources to achieve an initial design win for a product, a substantial period of time generally elapses before we may generate meaningful net sales relating to such product, if at all. The reasons for this delay include, among other things, the following:

- changing end customer requirements, resulting in an extended development cycle for the product;
- delay in the ramp-up of volume production of the customer's products into which our solutions are designed;
- delay or cancellation of the customer's product development plans;
- competitive pressures to reduce our selling price for the product;
- the discovery of design flaws, defects, errors or bugs in the products;
- lower-than-expected end customer acceptance of the solutions designed for the customer's products;
- lower-than-expected acceptance of our end customers' products; and
- higher manufacturing costs than anticipated.

we cannot guarantee that this will result in any sales of our products, as the end customer may ultimately change or cancel our product plans, or our end customers' efforts to market and sell our product may not be successful.

Even if an end customer selects our products, revenues from design wins may not materialize if our customer later decides to change or cancel the selection, if our customer decides to change suppliers, if our customer decides to delay production, or if our customer's product is not successful.

The loss of a design win, a reduction in sales to any key customer or the loss of the customer altogether, a significant delay or negative development in our end customers' product development plans, or our inability to attract new significant end customers or secure new key design wins could seriously impact our revenue and materially and adversely affect our business, financial condition, and results of operations. We may not be able to maintain sales to our key end customers or continue to secure key design wins for a variety of reasons, and our end customers can stop incorporating our products into their product offerings with limited notice to us and suffer little or no penalty.

Product and Technology Development Risks

If we fail in a timely and cost-effective manner to develop new product features or new products that address end customer preferences and achieve market acceptance, our operating results could be adversely affected.

Our products are based on novel design technology and our future success depends on the successful development of high-voltage power switching components and systems based on design technology. There can be no assurance that any

development problems we experience in the future related to our products will not cause significant delays or unanticipated costs, or that such development problems can be solved. In addition, we compete in a dynamic environment characterized by rapid technology and product evolution. Our end customers are constantly seeking new products with more features and functionality at lower cost, and our success relies heavily on our ability to continue to develop and market to our end customers new and innovative products and improvements of existing products. In order to respond to new and evolving end customer demands, achieve strong market share and keep pace with new technological, processing and other developments, we must constantly introduce new and innovative products into the market. Our failure to timely develop new technologies or to react quickly to changes in existing technologies could materially delay our development of new products, which could result in product obsolescence, decreased revenue, and/or a loss of market share to competitors. As we develop new product lines, we must adapt to market conditions that are unfamiliar to us, such as competitors and distribution channels that are different from those we have known in the past. Some of our new product lines require us to re-equip our labs to test parameters we have not tested in the past. If we are unable to adapt rapidly to these new and additional conditions, we may not be able to successfully penetrate new markets, although we strive to respond to end customer preferences and industry expectations in the development of our products. Further, if initial sales volumes for new or enhanced products do not reach anticipated levels within the time periods we expect, we may be required to engage in additional marketing efforts to promote such products and the costs of developing and commercializing such products may be higher than we predict. Moreover, new and enhanced products may not perform as expected. We may also encounter lower manufacturing yields and longer delivery schedules in commencing volume production of new products that we introduce, which could increase our costs and disrupt our supply of such products.

The success of a new product depends on accurate forecasts of long-term market demand and future technological developments, as well as on a variety of specific implementation factors, including:

- timely and efficient completion of process design and device structure improvements;
- timely and efficient implementation of manufacturing, assembly, and test processes;
- the ability to secure and effectively utilize fabrication capacity in different geometries;
- product performance;
- product availability;
- product quality and reliability; and
- effective marketing, sales and service.

To the extent that we fail to timely introduce new products or to quickly penetrate new markets, our business, financial condition and results of operations could be materially and adversely affected.

Furthermore, we face the risk that end customers may not value or be willing to bear the cost of incorporating newer solutions we develop into our product offerings, particularly if they believe their end customers are satisfied with prior offerings. Regardless of the improved features or superior performance of the newer solutions, end customers may be unwilling to adopt our new solutions due to design or pricing constraints. Because of the extensive time and resources that we invest in developing new solutions, if we are unable to sell new generations of our solutions, our revenue could decline and our business, financial condition, and results of operations would be negatively affected.

A fundamental shift in technologies, the regulatory climate or demand patterns and preferences in our existing product markets or the product markets of our end customers or end-users could make our current products obsolete, prevent or delay the introduction of new products or enhancements to our existing products or render our products irrelevant to our end customers' needs. If our new product development efforts fail to align with the needs of our end customers, including due to circumstances outside of our control like a fundamental shift in the product markets of our end customers and end users or regulatory changes, our business, financial condition and results of operations could be materially and adversely affected.

Our margins are dependent on us achieving continued yield improvement through continued technology development.

We rely on obtaining yield improvements and corresponding cost reductions in the manufacture of existing products and on introducing new products that incorporate advanced features and other price/performance factors that enable us to increase revenues while maintaining acceptable margins. Each of these depends on us continuing to successfully develop our technologies. There can be no assurance that development problems we experience in the future related will not cause significant delays in expected cost reductions and corresponding margin improvements. To the extent such cost reductions and new product introductions do not occur in a timely manner, or that our products do not achieve market acceptance, or market acceptance at acceptable pricing, our forecasts of future revenue, financial condition, and operating results could be harmed.

If we fail to accurately anticipate and respond to rapid technological change in the industries in which we operate, our ability to attract and retain end customers could be impaired and our competitive position could be harmed.

If we fail to anticipate or respond to technological shifts or market demands, or to timely develop new or enhanced products or technologies in response to the same, it could result in decreased revenue and the loss of our design wins to our competitors. Due to the interdependence of various components in the systems within which our products and the products of our competitors operate, end customers are unlikely to change to another design, once adopted, until the next generation of a technology. As a result, if we fail to introduce new or enhanced products that meet the needs of our end customers or penetrate new markets in a timely fashion, and our designs do not gain acceptance, we will lose market share and our competitive position.

We operate in industries characterized by rapidly changing technologies as well as technological obsolescence. The introduction of new products by our competitors, the delay or cancellation of any of our end customers' product offerings for which our solutions are designed, the market acceptance of products based on new or alternative technologies, or the emergence of new industry standards could render our existing or future products uncompetitive, obsolete, and otherwise unmarketable. Our failure to anticipate or timely develop new or enhanced products or technologies in response to changing market demand, whether due to technological shifts or otherwise, could result in the loss of end customers and decreased revenue and have an adverse effect on our business, financial condition, and results of operations.

The success of some of our products are dependent on our end customers' ability to develop products that achieve market acceptance.

The success of some of our products are heavily dependent on the timely introduction, quality, and market acceptance of our end customers' products incorporating our solutions, which are impacted by factors beyond our control. Our end customers' products are often very complex and subject to design complexities that may result in design flaws, as well as potential defects, errors, and bugs. As the company offers more products to new and existing customers, potentially expands its supply relationships, and enters new markets, the company may encounter yield, bugs and reliability issues with specific products, and any such issues could cause customer problems or adversely affect financial results. No assurance can be given that future reliability issues will not have a material effect on financial results in any given period. If our end customers discover design flaws, defects, errors, or bugs in their products, or if they experience changing market requirements, failed evaluations or field trials, or incompatible deliverables from other vendors, they may delay, change, or cancel a project, and we may have incurred significant additional development costs and may not be able to recoup our costs, which in turn would adversely affect our business, financial condition, and results of operations.

Furthermore, developing industry trends, including end customers' use of outsourcing and new and revised supply chain models, may affect our revenue, costs and working capital requirements.

If our products do not conform to, or are not compatible with, existing or emerging industry standards, demand for our products may decrease, which in turn would harm our business and operating results.

We design certain of our products to conform to current industry standards. Some industry standards may not be widely adopted or implemented uniformly and competing standards may emerge that may be preferred by our distributors or our end customers.

Our ability to compete in the future will depend on our ability to identify and ensure compliance with evolving industry standards in our target markets. The emergence of new industry standards could render our products incompatible with products developed by third-party suppliers or make it difficult for our products to meet the requirements of certain original equipment manufacturers. If our end customers or our third-party suppliers adopt new or competing industry standards with which our solutions are not compatible, or if industry groups fail to adopt standards with which our solutions are compatible, our products would become less desirable to our current or prospective end customers. As a result, our sales would suffer, and we could be required to make significant expenditures to develop new products. Although we believe our products are compliant with applicable industry standards, proprietary enhancements may not in the future result in conformance with existing industry standards under all circumstances.

We may not realize the growth and other opportunities that are anticipated from the GeneSiC acquisition.

The benefits that we expect to achieve as a result of the GeneSiC acquisition will depend, in part, on our ability to realize anticipated growth and profitability opportunities. The integration of GeneSiC with our other operations may not result in the realization of the full benefits of the growth and profitability opportunities we currently expect within the anticipated time frame or at all. For example, we may incur substantial expenses in connection with the integration of the GeneSiC business, which are difficult to estimate accurately, and may exceed current estimates. We may need to invest in additional business processes and systems to support the GeneSiC business within Navitas, which may be more complex or costly than the processes and systems needed to operate GeneSiC before the acquisition. Such additional costs would offset the financial benefits realized from the acquisition.

[Geographic and Geopolitical Risks](#)

We are subject to risks and uncertainties associated with international operations, which may harm our business.

We maintain our operations around the world, including in the United States, China, Taiwan, Ireland, Germany, Italy, Belgium, Thailand, South Korea, and the Philippines. For the years ended December 31, 2024 and December 31, 2023, approximately 75% and 70%, respectively, of our net sales were to end customers in Asia. We allocate revenue among individual countries based on the location to which the products are initially billed even if our end customers' revenue is attributable to end customers that are based in a different location. As of December 31, 2024, approximately 67% of our workforce was located outside of the United States. In addition, a substantial majority of our products are manufactured, assembled, tested and packaged by third parties located outside of the United States. The principal assembly and test facilities operated by our back-end manufacturing service providers are located in Taiwan and the Philippines. We also rely on several other wafer fabrication and manufacturing service providers located throughout Asia. Any conflict or uncertainty in this region, including those posing risks to public health or safety, such as natural disasters, could have a material adverse effect on our business, financial condition and results of operations. Moreover, the global nature of our business subjects us to a number of additional risks and uncertainties, which could harm our business, financial condition and results of operations, including:

- international economic and political conditions and other political tensions between countries in which we do business;
- actual or threatened military conflicts in countries or regions where we do not do business or have manufacturing partners, such as the military conflict between Russia and Ukraine, may increase the likelihood of supply interruptions or disruptions in countries or regions where we do business or in which our manufacturing partners have facilities. Such interruptions or disruptions may make it harder for us to find favorable pricing and reliable sources for materials and services we need to make our products, putting upward pressure on our costs;
- unexpected changes in, or impositions of, legislative or regulatory requirements, including changes in tax laws;
- restrictions on cross-border investment, including enhanced oversight by the Committee on Foreign Investment in the United States (“CFIUS”) and substantial restrictions on investment from China as well as recently introduced restrictions on investments by U.S. persons in China;

- differing legal standards with respect to protection of intellectual property and employment practices;
- local business and cultural factors that differ from our normal standards and practices, including business practices that we are prohibited from engaging in by the U.S. Foreign Corrupt Practices Act of 1977 (“FCPA”) and other anticorruption laws and regulations;
- exporting or importing issues related to export or import restrictions, including deemed export restrictions, tariffs, quotas and other trade barriers and restrictions;
- disruptions of capital and trading markets and currency fluctuations; and
- increased costs and supply chain adjustments for semiconductor companies due to recent U.S. tariffs on Chinese imports.

Since we have significant operations and revenues in China, our business development plans, results of operations and financial condition may be materially and adversely affected by significant political, social and economic developments in China.

A slowdown in economic growth in China could adversely impact our end customers, prospective end customers, suppliers, distributors and partners in China, which could have a material adverse effect on our results of operations and financial condition. There is no guarantee that economic downturns, whether actual or perceived, any further decrease in economic growth rates or an otherwise uncertain economic outlook in China will not occur or persist in the future, that they will not be protracted, or that governments will respond adequately to control and reverse such conditions, any of which could materially and adversely affect our business, financial condition and results of operations.

A significant portion of our net sales is generated through end customers in China which subjects us to risks associated with changes of Chinese end customer interest and governmental or regulatory changes.

We generate a significant portion of our net sales through end customers in China. In the fiscal years ended December 31, 2024 and December 31, 2023, 60% and 62%, respectively, of our net revenues were from sales to end customers in China. We expect that our end customers in China will continue to account for a high percentage of our revenue for the foreseeable future. Thus, our business success depends on our ability to maintain strong relationships with our end customers in China. Any loss of our key end customers for any reason, including because of changes of end customer interest in our products, or a change in the relationship with them, including a significant delay or reduction in their purchases, may cause a significant decrease in our revenue, which we may not be able to recapture, and our business could be harmed.

Additionally, China’s government has implemented policies from time to time to regulate economic expansion in China. It exercises significant control over China’s economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Any additional new regulations or the amendment or modification of previously implemented regulations could require us and our manufacturing partners to change our business plans, increase our costs, or limit our ability to sell products and conduct activities in China, which could adversely affect our business and operating results.

The Chinese government also has broad discretion and authority to regulate the technology industry in China. The Chinese government and provincial and local governments also have provided, and continue to provide, various incentives to encourage the development of the semiconductor industry in China. Such incentives include tax rebates, reduced tax rates, favorable lending policies and other measures, some or all of which may be available to our manufacturing partners in China. Any of these incentives could be reduced or eliminated by governmental authorities at any time. Any such reduction or elimination of incentives currently provided to our manufacturing partners could adversely affect our business and operating results.

Commercial Risks

We maintain a backlog of customer orders that is subject to cancellation, reduction or delay in delivery schedules, which may result in lower than expected revenues.

We sell our products primarily pursuant to purchase orders for current delivery or to forecast, rather than pursuant to long-term supply contracts. As a result, we may produce, or commit resources to producing, products without binding purchase commitments from customers. Even in cases where our standard terms and conditions of sale or other contractual arrangements do not permit a customer to cancel an order without penalty, we may accept cancellations to maintain customer relationships or because of industry practice, custom or other factors. Although we take these factors into consideration in our planning, our planning processes are still qualified by the risk that our backlog may deteriorate as a result of customer cancellations.

We depend on a few key distributors and the loss of one or more of these distributors could have a material adverse effect on our business, financial condition and results of operations.

We cannot assure that any of our current or future distributors will not cease purchasing products from us in favor of products of other suppliers, significantly reduce orders or seek price reductions in the future, and any such event could have a material adverse effect on our revenue, profitability, and results of operations. A downturn in the industry or lower sales could materially adversely affect our business and results of operations.

Our business is subject to seasonal fluctuations, which could materially impact our revenue, profitability, and results of operations.

Certain end markets, including Mobile, Solar, EV, and Industrial, experience typical seasonal trends that affect demand, particularly in the first quarter. Additionally, broader market weaknesses and inventory corrections in these sectors may further exacerbate seasonal declines. We cannot assure that these seasonal trends will not intensify or that additional market factors will not further impact our financial performance. Any prolonged or greater-than-expected seasonal downturns could have a material adverse effect on our business and operating results.

Product Quality and Reliability Risks

We may face product warranty or product liability claims that are disproportionately higher than the value of the products involved.

Our products are typically sold at prices that are significantly lower than the cost of the equipment or other goods into which they are incorporated. For example, our products that are incorporated into a customer's product may be sold for several dollars, whereas the customer product might be sold for several hundred dollars. Although we maintain quality control systems, in the ordinary course of our business we receive warranty claims for some products that are defective, or are alleged to be defective, or that do not perform, or are alleged not to perform, to published specifications. Additionally, while we attempt to contractually limit our customers' use of our products, we cannot be certain that our distributors will not sell our products to customers who intend to use them in applications for which we did not intend them to be used.

Since a defect or failure in one of our products could give rise to failures in the goods that incorporate them (and consequential claims for damages against our customers from their customers), we may face claims for damages that are disproportionate to the revenues and profits we receive from the products involved. Furthermore, even though we attempt, through our standard terms and conditions of sale and other customer contracts, to contractually limit our liability to replace the defective goods or refund the purchase price, we cannot be certain that these claims will not expose us to potential product liability, warranty liability, personal injury or property damage claims relating to the use of those products. In the past, we have received claims for charges, such as for labor and other costs of replacing defective parts or repairing the products into which the defective products are incorporated, lost profits and other damages. In addition, our ability to reduce such liabilities, whether by contracts or otherwise, may be limited by the laws or the customary business practices of the countries where we do business. And, even in cases where we do not believe we have legal liability for such claims, we may choose to pay for them to retain a customer's business or goodwill or to settle claims to avoid protracted litigation.

Our results of operations and business could be adversely affected as a result of a significant quality or performance issue in our products, if we are required or choose to pay for the damages that result.

Our competitive position could be adversely affected if we are unable to meet end customers' or device manufacturers' quality requirements.

Semiconductor device suppliers must meet increasingly stringent quality standards of end customers. While our quality performance to date has generally met these requirements, we may experience problems in achieving acceptable quality results in the manufacture of our products, particularly in connection with the production of new products or adoption of a new manufacturing process. This risk is greater for products used in applications with higher quality and reliability standards, such as applications in the automotive industry, an important market in which we expect to introduce new products and increase our revenues in response to expected growing demand for electric vehicles. The quality standards we will be expected to achieve in new markets we hope to penetrate, and which are critical to our future growth plans, Our failure to achieve acceptable quality levels for products intended for such applications, or generally, could adversely affect our business results.

Warranty claims, product liability claims and product recalls could harm our business, results of operations and financial condition.

We face an inherent business risk of exposure to warranty and product liability claims if products fail to perform as expected or are alleged to result in bodily injury, death, and/or property damage. In addition, if any of our designed products are alleged to be defective, we may be required to participate in their recall. We carry various commercial liability policies, including umbrella/excess policies which provide limited protection against product liability exposure. However, we do not maintain separate insurance against product liability risks. As a result, a successful warranty or product liability claim against us, or a requirement that we participate in a product recall, could have adverse effects on our business results.

Additionally, in the event that our products fail to perform as expected or such failure of our products results in a recall, our reputation may be damaged, which could make it more difficult for us to sell our products to existing and prospective end customers and could materially and adversely affect our business, results of operations and financial condition.

Furthermore, end customers may recall their end products if they prove to be defective or they may make compensatory payments in accordance with industry or business practice or in order to maintain good end customer relationships. If such a recall or payment is caused by a defect in one of our products, end customers may seek to recover all or a portion of their losses from us. If any of these risks materialize, our reputation would be harmed and there could be a material adverse effect on our business, financial condition and results of operations.

Reliability is especially critical in the power semiconductor industry, and any adverse reliability result by us with any of our end customers could negatively affect our business, financial condition, and results of operations.

Our end customers generally establish demanding specifications for quality, performance, and reliability that our products must meet. ICs as complex as ours often encounter development delays and may contain undetected defects or failures when first introduced or after commencement of commercial shipments, which might require product replacement or recall. Further, our third-party manufacturing processes or changes thereof, or raw material used in the manufacturing processes may cause our products to fail. We have from time to time in the past experienced product quality, performance or reliability problems. Our standard warranty period is generally one to two years. In 2023, we announced a warranty period of 20 years for our GaN IC products. Although we believe this warranty represents a differentiating feature of our GaN IC products and is justified by the reliability our products have demonstrated, our product warranties expose us to significant risks of claims for defects and failures. If defects and failures occur in our products, we could experience lost revenue, increased costs, including warranty expense and costs associated with end customer support, cancellations or rescheduling of orders or shipments, and product returns or discounts, any of which would harm our operating results. Furthermore, we may incur costs to investigate customer warranty claims even when those claims prove to be unfounded, such as when a claimed defect results from a customer's improper system design.

Further, the manufacture of our products, including the fabrication of semiconductor wafers, and the assembly and testing of products, involve highly complex processes. For example, minute levels of contaminants in the manufacturing environment, difficulties in the wafer fabrication process or other factors can cause a substantial portion of the components on a wafer to be nonfunctional. These problems may be difficult to detect at an early stage of the manufacturing process and often are time-consuming and expensive to correct.

From time to time, we have experienced problems achieving acceptable yields at our third-party wafer fabrication partner, resulting in delays in the availability of components. Moreover, an increase in the rejection rate of products during the quality control process before, during or after manufacture and/or shipping of such products, results in lower yields and margins.

In addition, changes in manufacturing processes required as a result of changes in product specifications, changing end customer needs and the introduction of new product lines have historically significantly reduced manufacturing yields, resulting in low or negative margins on those products. Poor manufacturing yields over a prolonged period of time could adversely affect our ability to deliver products on a timely basis and harm relationships with our end customers, which could materially and adversely affect our business, financial condition and results of operations.

The complexity of our products could result in unforeseen delays or expenses from undetected defects, errors or bugs in hardware or software which could reduce the market adoption of our products, damage our reputation with current or prospective end customers and adversely affect our operating costs.

Our products may contain defects, errors or bugs when they are first introduced or as new versions are released. We have in the past and may in the future experience these defects, errors and bugs. If any of our solutions have reliability, quality or compatibility problems, we may not be able to successfully correct these problems in a timely manner or at all. In addition, if any of our proprietary features contain defects, errors or bugs when first introduced or as new versions of our solutions are released, we may be unable to timely correct these problems. Consequently, our reputation may be damaged and end customers may be reluctant to buy our products, which could harm our ability to retain existing end customers and attract new end customers, and could adversely affect our financial results. In addition, these defects, errors or bugs could interrupt or delay sales to our end customers. If any of these problems are not found until after we have commenced commercial production of a new product, we may incur significant additional development costs and product recall, repair or replacement costs. These problems may also result in claims against us by our end customers or others.

We may experience difficulties in transitioning to new wafer fabrication process technologies or in achieving higher levels of design integration, which may result in reduced manufacturing yields, delays in product deliveries and increased costs.

We aim to use the most advanced manufacturing process technology appropriate for our products that is available from our third-party foundry. As a result, we periodically evaluate the benefits of migrating our solutions to smaller geometry process technologies in order to improve performance and reduce costs. We believe this strategy will help us to remain competitive. These ongoing efforts require us from time to time to modify the manufacturing processes for our products and to redesign some products, which in turn may result in delays in product deliveries. We may face difficulties, delays and increased expense as we transition our products to new processes and potentially to new foundries. We cannot assure you that our current third-party foundry will be able to effectively manage such transitions or that we will be able to maintain our relationship with our current third-party foundries or develop relationships with new foundries. If we or our foundry experience significant delays in transitioning to smaller geometries or fail to efficiently implement transitions, we could experience reduced manufacturing yields, delays in product deliveries and increased costs, all of which could harm our relationships with our end customers and our operating results. As new processes become more prevalent, we expect to continue to integrate greater levels of functionality, as well as more end customer and third-party intellectual property, into our solutions. We may not be able to achieve higher levels of design integration or deliver new integrated solutions on a timely basis.

Supplier Risks

We rely on single sources of supply for front-end manufacturing (wafer fabrication) of our products, and on a limited number of suppliers of other materials.

We rely on a single third-party manufacturer (wafer foundry) to fabricate our gallium nitride (GaN) products, and on a separate, single wafer foundry to fabricate our silicon carbide (SiC) products. We also purchase a number of key materials and components used in the manufacture of our products from single or limited sources. As a result, any disruption in the supply to or from these third parties (including ceasing or suspending operations entirely), may require us to transfer manufacturing processes to a new location or facility. Our success is dependent upon our ability to successfully partner with our suppliers and our ability to produce wafers with competitive performance attributes and prices, including smaller process geometries.

We do not have long-term contractual supply commitments from our suppliers of wafer fabrication services.

In addition, terms with respect to the volume and timing of wafer production and the pricing of wafers produced by the semiconductor foundries are determined through periodic negotiations with wafer foundries, which usually result in short-term agreements that do not provide for long-term supply or allocation commitments for end customers, including us. We cannot guarantee that the foundry that supplies our wafers will offer us competitive pricing terms or other commercial terms important to our business.

We also cannot guarantee that our suppliers will not experience manufacturing problems, including delays in the realization of advanced manufacturing process technologies or difficulties due to limitations of new and existing process technologies. For example, we may experience supply shortages due to the difficulties our supplier and other foundries may encounter if they must rapidly increase their production capacities from low utilization levels to high utilization levels because of an unexpected increase in demand. Furthermore, we cannot guarantee that the supplier will be able to manufacture sufficient quantities of our products or that they will continue to manufacture a given product for the full life of the product. We could also experience supply shortages due to very strong demand for our products, or a surge in demand for semiconductors in general, which may lead to tightening of foundry capacity across the industry.

Because we do not have long-term contracts with some of our suppliers and third-party manufacturers, those suppliers or third-party manufacturers can discontinue supplying components or materials to us at any time without penalty. Converting or transferring such fabrication processes from one of our primary facilities to an alternative or backup facility due to a disruption would likely be expensive and could take substantial time, given our highly complex manufacturing and fabrication processes, which incorporate our proprietary technologies. During such a transition, we may attempt to meet end customer demand through our existing inventories, or may attempt to modify partially finished goods to meet the required fabrication specifications. Given the rapid obsolescence timeline to which our products are typically subject, however, we generally do not maintain significant levels of excess inventory and, as a result, it is unlikely that our existing inventory will be sufficient to meet end customer demand during such a transition. In addition, any attempt to modify partially finished goods to meet the required fabrication specifications may not be successful and will require us to incur unanticipated costs. As a result, we may not be able to meet our end customers' needs during such a transition, which would negatively impact our net sales, potentially damage our end customer relationships and our reputation and may have a material adverse effect on our business, financial condition and results of operations.

If our foundry vendor does not achieve satisfactory yields or quality, our reputation and end customer relationships could be harmed.

The fabrication of our products is complex and technically demanding. Minor deviations in the manufacturing process can cause substantial decreases in yields, and in some cases, cause production to be suspended. Our foundry vendors, from time to time, experience manufacturing defects and reduced manufacturing yields. Changes in manufacturing processes or the inadvertent use of defective or contaminated materials by our foundry vendors could result in lower than anticipated manufacturing yields or unacceptable performance of our products. Many of these problems are difficult to detect at an early stage of the manufacturing process and may be time consuming and expensive to correct. Poor yields from our foundry vendor, or defects, integration issues or other performance problems in our solutions, could cause us significant

end customer relations and business reputation problems, harm our financial results and give rise to financial or other damages to our end customers.

Our end customers might consequently seek damages from us for their losses. A product liability claim brought against us, even if unsuccessful, would likely be time consuming and costly to defend. See “Product Quality and Reliability Risks”, above.

We rely on the timely supply of materials and new technologies and could suffer if suppliers fail to meet their delivery obligations or raise prices. Certain new technologies and materials needed in our manufacturing operations are only available from a limited number of suppliers.

Our manufacturing operations depend on deliveries of materials in a timely manner and, in some cases, on a just-in-time basis. From time to time, suppliers may extend lead times, limit the amounts supplied or increase prices due to capacity constraints or other factors.

Supply disruptions may also occur due to shortages in critical materials or components. We have encountered shortages and delays in obtaining components and materials and may encounter additional shortages and delays in the future. Because our products are complex, it is frequently difficult or impossible to substitute one type of material with another. Further, a failure by suppliers to deliver requirements could result in disruptions to our third party manufacturing operations. Our business, financial condition and results of operations could be harmed if we are unable to obtain adequate supplies of materials in a timely manner or if there are significant increases in the costs of materials.

Increased costs of wafers and materials, or shortages in wafers and materials, could increase our costs of operations and our business could be harmed.

Worldwide manufacturing capacity for wafers is relatively inelastic. If the demand for wafers or assembly material exceeds market supply, our supply of wafers or assembly material could quickly become limited or prohibitively expensive. A shortage in manufacturing capacity could also hinder our ability to meet product demand and therefore reduce our revenue.

If greater demand for wafers is not offset by an increase in foundry capacity, market demand for wafers or production and assembly materials increases, or if a supplier of our wafers or other materials ceases or suspends operations, for example due to shutdown measures implemented in response to the Covid-19 outbreak, our supply of wafers and other materials could become limited. Such shortages raise the likelihood of potential wafer price increases, wafer shortages or shortages in materials at production and test facilities, resulting in potential inability to address our end customer product demands and our backlog in a timely manner and reduce our revenue and gross margins. If we are unable to purchase wafers at favorable prices or at all, or we face supply shortages, our financial condition and results of operations will be harmed.

Raw material price fluctuations can increase the cost of our products, impact our ability to meet end customer commitments, and may adversely affect our results of operations.

The cost of raw materials is a key element in the cost of our products. Our inability to offset material price inflation through increased prices to end customers, suppliers, productivity actions, or through commodity hedges could adversely affect our results of operations. Many major components, product equipment items, and raw materials, are procured or subcontracted on a single or sole-source basis. Although we maintain a qualification and performance surveillance process and believe that sources of supply for raw materials and components are generally adequate, it is difficult to predict what effects shortages or price increases may have in the future. Our inability to fill our supply needs would jeopardize our ability to fulfill obligations under our contracts, which could, in turn, result in reduced sales and profits, contract penalties or terminations, and damage to our end customer relationships.

Furthermore, increases in the price of wafers, testing costs, and commodities, which may result in increased production costs, mainly assembly and packaging costs, may result in a decrease in our gross margins. Moreover, our suppliers may pass the increase in raw materials and commodity costs onto us which would further reduce the gross margin of our products. In addition, as we are a fabless company, global market trends such as a shortage of capacity to fulfill our fabrication needs also may increase our raw material costs and thus decrease our gross margin.

Regulatory Risks

Our business is affected by new U.S. government regulations restricting outbound investments in China.

The U.S. government has implemented new regulations, effective January 2, 2025, that establish an Outbound Investment Security Program which prohibits or requires notification of certain investments by U.S. companies in entities involved in specific technologies, including semiconductor design, development, fabrication and assembly in China, Hong Kong and Macau. The scope of the new regulations includes investments in existing wholly owned Chinese subsidiaries as well as investments in unaffiliated third parties and joint ventures. These regulations affect our company and may adversely affect our business, financial condition and results of operations in the following ways:

- ***Investment Restrictions:*** The regulations prohibit investments in entities engaged in activities related to advanced semiconductors, including the fabrication of integrated circuits from gallium-based compound semiconductors such as gallium nitride (GaN). Although we do not believe this materially limits our ability to enter into or continue customary commercial relationships with Chinese suppliers and customers, this restriction does limit our ability to pursue strategic investments or partnerships in the area of GaN device fabrication, potentially affecting our growth and competitive positioning.
- ***Notification Requirements:*** Even when investments are not prohibited by the new regulations, we may be required to notify the U.S. government of certain transactions, including investment transactions involving semiconductor device design, development, fabrication (from materials other than GaN) and packaging, in each case which our Chinese subsidiary was not engaged in before the new regulations became effective. This could result in delays, increased compliance costs, and potential scrutiny of our investment activities.
- ***Competitive Disadvantage:*** These regulations apply specifically to U.S. companies and entities they control. This may place us at a competitive disadvantage compared to non-U.S. companies not subject to these restrictions.
- ***Penalties for Non-Compliance:*** Violations of these regulations can result in substantial civil penalties, and willful violations may lead to criminal penalties. The potential for such penalties could increase our compliance costs and increases our legal and financial risks associated with international investments.

The implementation of these regulations may contribute to increased geopolitical tensions, potentially affecting our broader business relationships and operations in China and other affected regions. We are closely monitoring the implementation of these regulations and developing compliance strategies. However, the full impact of this new regulatory regime on our business remains uncertain and could be material.

Investments in or by us may be subject to foreign investment regulation and review in the United States and elsewhere, which may result in material restrictions, conditions, prohibitions or penalties on us or our investors related to any such investments. Semiconductor technologies generally, and GaN and SiC semiconductors specifically, may be subject to heightened regulatory scrutiny.

Our industry is subject to foreign direct investment (“FDI”) regulations in many countries, including the United States. Our ability to invest in companies or operations in, and our ability to raise capital from investors affiliated with, those jurisdictions may be subject to review or approval requirements, restrictions, conditions, or prohibitions. Any review and approval of an investment or transaction by an FDI regulator may have disproportionate impacts on transaction certainty, timing, feasibility, and cost, among other effects. FDI regulatory policies and practices are rapidly evolving, and in the event that an FDI regulator reviews one or more proposed or existing investments, there can be no assurance that we will be able to maintain, or proceed with, such investments on terms acceptable to us. We may be unable to complete commercially desirable acquisitions in such jurisdictions or be subject to material costs or restrictions in connection with such acquisitions. While we strive to comply with all applicable laws and regulations, the application of FDI regulations could also in some circumstances result in financial or other penalties or require divestments, any of which could have a material impact on us.

In the United States, certain investments that involve the acquisition of, or investment in, a U.S. business by an investor subject to foreign control (a “foreign person”) may be subject to review and approval by the Committee on Foreign Investment in the United States (“CFIUS”). Whether CFIUS has jurisdiction to review an acquisition or investment transaction depends on, among other factors, the nature and structure of the transaction, including the level of beneficial ownership interest and the nature of any information or governance rights involved, and the nature of the technology possessed by the U.S. business. For example, investments that result in “control” of a U.S. business, which may include governance rights falling well short of majority control, by a foreign person are always subject to CFIUS jurisdiction. CFIUS’s jurisdiction also extends to investments that do not result in control of a U.S. business by a foreign person, if they afford foreign investors with information or governance rights in a U.S. business that has a nexus to, among other things, “critical technologies.” Transactions involving companies that develop, produce, or test critical technologies may be subject to mandatory filing requirements. In addition, U.S. regulatory initiatives over the past several years have classified certain semiconductor technologies as “critical to national security,” including compound semiconductors and wide-bandgap semiconductors. Both gallium nitride (GaN) and silicon carbide (SiC) are compound semiconductors and wide-bandgap semiconductors. As a result, our company’s focus on GaN- and SiC-based products, together with our global presence in rapidly growing markets, including China, may subject our company to additional regulatory restrictions or scrutiny, including by CFIUS, in connection with past or future transactions that involve investments in us or by us. Although we believe all of our GaN and SiC products are generally not subject to export controls under the U.S. Export Administration Regulations (EAR), CFIUS could choose to review proposed or past investments in us by foreign persons whether or not our business is deemed to involve “critical technologies.” In the case of such review, CFIUS could prohibit or impose conditions on the relevant investment. Such conditions might include limitations or obligations on our operations that could result in material costs or disruptions of our current or future operations. The prospect of CFIUS review, or any such prohibitions or conditions, could result in material costs or disruptions in our current or future operations or plans, and could also have a negative impact on our stock price. Furthermore, we have had communications with CFIUS with respect to our products, investors and acquisitions, and may have additional communications in the future with respect to these or other matters. Any future communications with CFIUS or other similar regulatory agency with authority over FDI, if not satisfactorily resolved, may result in material restrictions, conditions, prohibitions or penalties on us or our investors.

We are subject to export restrictions and laws affecting trade and investments that could materially and adversely affect our business and results of operations.

Since the beginning of 2018, there have been several instances of U.S. tariffs on Chinese goods, some of which prompted retaliatory Chinese tariffs on U.S. goods. In May 2019, the U.S. President issued an executive order that invoked national emergency economic powers to implement a framework to regulate the acquisition or transfer of information communications technology in transactions that imposed undue national security risks. These actions could lead to additional restrictions on the export of products that include or enable certain technologies, including products we provide to China-based end customers.

The institution of trade tariffs both globally and between the U.S. and China specifically carries the risk of negatively affecting China’s overall economic condition, which could have negative repercussions on our business.

Furthermore, the imposition of tariffs could cause a decrease in the sales of products to end customers located in China or other end customers selling to Chinese end users, which could materially and adversely affect our business, financial condition and results of operations.

We are subject to U.S. laws and regulations that could limit and restrict the export of some products and services and may restrict transactions with certain end customers, business partners and other persons, including, in certain cases, dealings with or between our employees and subsidiaries. In certain circumstances, export control and economic sanctions regulations may prohibit the export of certain products, services and technologies and in other circumstances we may be required to obtain an export license before exporting the controlled item. Compliance with these laws and regulations could materially limit operations or sales, which would materially and adversely affect our business and results of operations.

In addition, U.S. laws and regulations and sanctions, or threat of sanctions, that could limit and restrict the export of some of our products and services to end customers, may also encourage end customers to develop their own solutions to replace our products, or seek to obtain a greater supply of similar or substitute products from competitors that are not subject to these restrictions, which could materially and adversely affect our business, financial condition and results of operations.

Further, our sales may be adversely affected by the current and future political environment in China and the policies of the China Central Government. China's government has exercised and continues to exercise substantial control over nearly all sectors of the Chinese economy through regulation and state ownership. Our ability to ship products to China may be adversely affected by changes in Chinese laws and regulations, including those relating to taxation, import and export tariffs, raw materials, environmental regulations, land use rights, property and other matters. Under its current leadership, China's government has been pursuing economic reform policies that encourage private economic activity and greater economic decentralization. There is no assurance, however, that China's government will continue to pursue these policies, or that it will not significantly alter these policies from time to time without notice. The United States government has called for substantial changes to foreign trade policy with China and has raised (as well as has proposed to further raise in the future), tariffs on several Chinese goods. China has retaliated with increased tariffs on United States goods. Any further changes in United States trade policy could trigger retaliatory actions by affected countries, including China, resulting in trade wars. Any changes in United States and China relations, including through changes in policies by the Chinese government could adversely affect our financial condition and results of operations, including: changes in laws, regulations or the interpretation thereof, confiscatory taxation, governmental royalties, restrictions on currency conversion, imports or sources of supplies, or the expropriation or nationalization of private enterprises.

In addition, there may be circumstances where we may have to incur premium freight charges to expedite the delivery of our products to end customers or as a result of being required to ship to alternative ports due to local Chinese government regulations or delays at the ports that we typically utilize. If we incur a significant amount of freight charges, our gross profit will be negatively affected if we are unable to pass on those charges to end customers.

Financial and Accounting Risks

Our working capital needs are difficult to predict.

Our working capital needs are difficult to predict and may fluctuate. The comparatively long period between the time at which we commence the manufacturing process and the time at which a product may be delivered to an end customer leads to high inventory and work-in-progress levels. The volatility of our end customers' businesses and the time required to manufacture products also make it difficult to manage inventory levels.

We may require additional capital to support our business, and this capital might not be available on acceptable terms, if at all.

We intend to continue to make investments to support our business growth and may require additional capital to respond to business opportunities and challenges, including the need to develop new features and products or enhance existing services, improve operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in debt or equity financings to secure additional funds. Any such financing secured in the future would increase expenses and could involve restrictive covenants relating to capital raising activities or create significant shareholder dilution, which may make it more difficult to obtain additional capital and to pursue business opportunities. We may not be able to obtain additional financing on favorable terms, if at all. If we are unable to obtain adequate financing or financing on satisfactory terms when required, our ability to continue to support business growth and to respond to business challenges could be significantly impaired, and our business may be harmed.

We have in the past identified material weaknesses in our internal control over financial reporting. If we identify such material weaknesses in the future and are unable to remedy these material weaknesses, or if we fail to establish and maintain effective internal controls, we may be unable to produce timely and accurate financial statements, and we may conclude that our internal control over financial reporting is not effective, which could adversely impact our investors' confidence and our stock price.

As disclosed in this annual report for the year ended December 31, 2024, and as previously disclosed in our amended annual report on Form 10-K/A for the year ended December 31, 2023, in connection with the audit of our consolidated financial statements for the years then ended, we identified material weaknesses in our internal control over financial reporting (see Part II, Item 9A (Controls and Procedures) of this annual report on Form 10-K for the year ended December 31, 2024, and our amended annual report on Form 10-K/A for the year ended December 31, 2023, filed with the SEC on July 23, 2024). We have begun implementing and continue to implement measures to improve our internal control over financial reporting and remediate these material weaknesses. These efforts include engaging an external advisor to evaluate and document the design and effectiveness of our internal controls, as well as to assist with remediation as needed. Additionally, we are hiring accounting and finance personnel to support our remediation efforts, leveraging third-party resources with relevant expertise to supplement our internal team, and assessing training needs for both new and existing personnel to strengthen our internal controls. As a result of these efforts, we have strengthened our internal controls and made meaningful progress compared to the prior year.

We employ modeling techniques to support the valuation of our accounts receivable and to project the timing and amount of expected collections. While these models are designed to provide reliable insights, they involve certain inherent risks, especially if any assumptions or inputs prove inaccurate, incomplete, or less indicative of future outcomes than anticipated.

As part of our risk management efforts, we use a discounted cash flow model for accounts receivable as necessary, informed by historical trends and robust assumptions. However, should these assumptions or historical patterns deviate from actual results, there is potential for variance in the model's accuracy, which could affect decisions based on these forecasts.

Cybersecurity Risks

We face significant and evolving cybersecurity risks that could adversely affect our operations, financial condition, and reputation.

We are subject to a growing number of sophisticated cyber attacks, including ransomware attacks and the exfiltration of proprietary and confidential information. Despite our ongoing efforts to enhance our cybersecurity measures, we may not be able to prevent, detect, or mitigate all such attacks. A successful cyber attack could result in the theft, destruction, or unauthorized disclosure of our intellectual property, trade secrets, or customer data. In 2024 we experienced at least two attempted cyber attacks that we are aware of, one of which resulted in unauthorized access to non-critical systems. While these incidents did not materially affect our operations, future breaches could lead to significant financial losses, operational disruptions, and reputational damage.

Tax Risks

We could be subject to domestic or international changes in tax laws, tax rates or the adoption of new tax legislation, or we could otherwise have exposure to additional tax liabilities, which could adversely affect our business, results of operations, financial condition or future profitability.

The Company and Legacy Navitas are a U.S. corporation for U.S. federal income tax purposes and thus subject to U.S. corporate income tax on our worldwide income. In addition, because Legacy Navitas is also incorporated under Irish law, Legacy Navitas is also subject to Irish income tax on its worldwide income. We, through our foreign subsidiaries, are subject to income taxes in other foreign jurisdictions as a result of foreign operations in such jurisdictions. Thus, new laws and policy relating to either U.S., Irish or other applicable foreign jurisdiction taxes may have an adverse effect on our

business and future profitability. Further, existing U.S., Irish or other foreign tax laws, statutes, rules, regulations, ordinances or treaties could be interpreted, changed, modified or applied adversely to us, possibly with retroactive effect. The passage of any legislation resulting in changes in U.S. federal income tax laws could adversely affect our business and future profitability. Further, we could be adversely impacted by changes in tax treaties or the interpretation or enforcement thereof by any tax authority. Such changes could materially and adversely affect the effective tax rate of our business and require us to take further action, at potentially significant expense, to seek to preserve our effective tax rate.

Legacy Navitas is a tax resident of, and is subject to tax in, both the United States and Ireland. While we intend to pursue relief from double taxation under the double tax treaty between the United States and Ireland, there can be no assurance that such efforts will be successful. Accordingly, the status of Legacy Navitas as a tax resident in the U.S. and Ireland may result in an increase in our cash tax obligations and effective tax rate, which increase may be material.

Because Legacy Navitas is registered as a Delaware limited liability company and because it is treated as a U.S. corporation under Section 7874 of the Code and the Treasury Regulations promulgated thereunder, it is treated as a U.S. corporation for U.S. federal income tax purposes. Because Legacy Navitas is treated as a domestic corporation for U.S. federal income tax purposes, among other consequences, it is generally subject to U.S. federal income tax on its worldwide income, and its dividends are treated as dividends from a U.S. corporation. Regardless of the application of Section 7874 of the Code and its registration as a Delaware limited liability company, Legacy Navitas is also treated as an Irish tax resident for Irish income tax purposes as a consequence of being incorporated under the laws of Ireland. Therefore, because Legacy Navitas is a tax resident of Ireland and the U.S., it could be liable for both U.S. and Irish taxes on its worldwide income and dividends paid by it to us could be subject to Irish withholding taxes.

While we intend to pursue relief from double taxation under the double tax treaty between the United States and Ireland, there can be no assurance that such efforts will be successful or result in a favorable outcome. Accordingly, the status of Legacy Navitas as a tax resident in the United States and Ireland may result in an increase in its cash tax obligations and effective tax rate, which increase may be material.

As a consequence of Legacy Navitas being treated as an inverted domestic corporation under the Homeland Security Act, the U.S. federal government and certain state and local governments may refrain from entering into contracts with it in the future, which could substantially decrease the value of our business and, accordingly, the value of our common shares.

The Federal Acquisition Regulation (“FAR”) prohibits U.S. federal government agencies from using appropriated (or otherwise made available) funds for contracts with a foreign incorporated entity, or a subsidiary of such an entity, that is an “inverted domestic corporation,” as defined in the Homeland Security Act at 6 U.S.C. § 395(b). This means that government agencies may be prohibited from entering into new contracts with an inverted domestic corporation, and may be prohibited from paying for contractor activities on existing contracts after the date of the “inversion.” If our business becomes heavily dependent upon revenues generated from U.S. federal government contracts, the treatment of Legacy Navitas as an inverted domestic corporation could substantially decrease the value of our business and, accordingly, the value of our common shares. The application of the “inverted domestic corporation” definition is somewhat unclear due to the lack of detailed regulations or other guidance promulgated with respect to the relevant provisions of the Homeland Security Act (or similar state or local rules). Section 7874 of the Code, discussed above, includes substantially similar provisions regarding the determination of whether a foreign corporation is treated as a U.S. domestic corporation for U.S. federal income tax purposes. While the regulatory provisions and other guidance issued by the IRS and the Treasury Department with respect to Section 7874 of the Code provide more detailed guidance, which interprets Section 7874 of the Code as having expansive application, these regulations do not explicitly apply for the purposes of determining whether a corporation is an inverted domestic corporation under the Homeland Security Act (or similar state or local rules), and it is unclear to what extent they should be viewed as interpretive guidance for such purposes. As discussed above, Legacy Navitas is treated as a U.S. domestic corporation under Section 7874 of the Code. Therefore, if the expansive guidance issued by the IRS and Treasury Department were viewed as interpretive for purposes of the definition of “inverted

domestic corporation” in the Homeland Security Act (or similar state or local rules), it is expected that Legacy Navitas will be treated as an inverted domestic corporation for such purposes.

As a result of the plans to expand our business operations, including to jurisdictions in which tax laws may not be favorable, our obligations may change or fluctuate, become significantly more complex or become subject to greater risk of examination by taxing authorities, any of which could adversely affect our after-tax profitability and financial results.

In the event our business expands domestically or internationally, our effective tax rates may fluctuate widely in the future. Future effective tax rates could be affected by operating losses in jurisdictions where no tax benefit can be recorded under U.S. GAAP, changes in the composition of earnings in countries with differing tax rates, changes in deferred tax assets and liabilities, or changes in tax laws. Additionally, we may be subject to tax on more than one-hundred percent of our income as a result of such income being subject to tax in multiple state, local or non-U.S. jurisdictions. Factors that could materially affect our future effective tax rates include, but are not limited to: (a) changes in tax laws or the regulatory environment, (b) changes in accounting and tax standards or practices, (c) changes in the composition of operating income by tax jurisdiction and (d) pre-tax operating results of the combined business.

Additionally, we may be subject to significant income, withholding and other tax obligations in the United States and Ireland and may become subject to taxes in numerous additional state, local and non-U.S. jurisdictions with respect to income, operations and subsidiaries related to those jurisdictions. Our after-tax profitability and financial results could be subject to volatility or be affected by numerous factors, including: (a) the availability of tax deductions, credits, exemptions, refunds (including refunds of value added taxes) and other benefits to reduce tax liabilities; (b) changes in the valuation of deferred tax assets and liabilities; (c) expected timing and amount of the release of any tax valuation allowances; (d) tax treatment of stock-based compensation; (e) changes in the relative amount of earnings subject to tax in the various jurisdictions in which we operate; (f) the potential expansion into or otherwise becoming subject to tax in additional jurisdictions; (g) changes to the existing intercompany structure (and any costs related thereto) and business operations; (h) the extent of intercompany transactions and the extent to which taxing authorities in the relevant jurisdictions respect such intercompany transactions; and (i) the ability to structure our operations in an efficient and competitive manner. Outcomes from audits or examinations by taxing authorities could have an adverse effect on our after-tax profitability and financial condition. Additionally, the IRS and several foreign tax authorities have increasingly focused attention on intercompany transfer pricing with respect to sales of products and services and the use of intangibles. Tax authorities could disagree with our intercompany charges, cross-jurisdictional transfer pricing or other matters and assess additional taxes. If we do not prevail in any such disagreements, our profitability may be adversely affected.

Our ability to use net operating loss carryforwards and other tax attributes may be limited in connection with the Business Combination or other ownership changes.

We have incurred net operating losses for U.S. federal income tax purposes since our inception. To the extent that we continue to generate U.S. federal net operating losses, amounts which are not used to offset taxable income may carry forward to offset future taxable income, if any, for U.S. federal income tax purposes until such carryforwards expire, if at all. As of December 31, 2024, Navitas had U.S. federal net operating loss carryforwards of approximately \$220.9 million.

Under the Tax Cuts and Jobs Act of 2017 (the “TCJA”), as modified by the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), U.S. federal net operating loss carryforwards generated in taxable years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such net operating loss carryforwards in taxable years beginning after December 31, 2020, is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to the TCJA or the CARES Act.

In addition, our U.S. federal net operating loss carryforwards are subject to review and possible adjustment by the IRS and state tax authorities. Under Sections 382 and 383 of the Code, the deductibility of our U.S. federal net operating loss carryforwards and other tax attributes may become subject to an annual limitation in the event of certain cumulative changes in the ownership of our common stock. Under Section 382 of the Code, if a corporation experiences an “ownership

change,” the corporation’s ability to use its pre-change net operating loss carryforwards to offset its post-change income may be limited. An ownership change pursuant to Section 382 of the Code generally occurs if one or more stockholders or groups of stockholders who own at least 5 percent of a corporation’s stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. If we have experienced an ownership change at any time since our inception, utilization of the U.S. federal net operating loss carryforwards or other U.S. federal tax attributes would be subject to an annual limitation under Section 382 of the Code, which is determined by first multiplying the value of our common stock at the time of the ownership change by the applicable long-term tax-exempt rate, and then could be subject to additional adjustments, as required. Any limitation may result in expiration of a portion of our U.S. federal net operating loss carryforwards before utilization. Additionally, future changes in our stock ownership, which may be outside our control, may trigger an ownership change. Our U.S. federal net operating losses may also be impaired under state tax laws. Accordingly, we may not be able to utilize a material portion of our U.S. federal net operating loss carryforwards. We have not yet determined any resulting limitations on our ability to utilize our net operating loss carryforwards and other tax attributes. If we earn taxable income for U.S. federal income tax purposes in the future, such limitations could result in increased future income tax liability to us and our future cash flows could be adversely affected. We have recorded a valuation allowance related to our net operating loss carryforwards and other deferred tax assets due to the uncertainty of the ultimate realization of the future benefits of those assets.

Intellectual Property Risks

We may not be able to adequately protect our intellectual property rights. If we fail to adequately enforce or defend our intellectual property rights, our business may be harmed.

Much of the technology used in the markets in which we compete is protected by patents and trade secrets, and our commercial success will depend in significant part on our ability to obtain and maintain patent and trade secret protection for our products and methods. To compete in these markets, we rely on a combination of trade secret protection, nondisclosure and licensing agreements, patents and trademarks to establish and protect our proprietary intellectual property rights. Our intellectual property rights may be challenged or infringed upon by third parties or we may be unable to maintain, renew or enter into new license agreements with third-party owners of intellectual property on reasonable terms. In addition, our intellectual property may be subject to infringement or other unauthorized use outside of the United States. In such case, our ability to protect our intellectual property rights by legal recourse or otherwise may be limited, particularly in countries where laws or enforcement practices are undeveloped or do not recognize or protect intellectual property rights to the same extent as the United States. Unauthorized use of our intellectual property rights or our inability to preserve existing intellectual property rights could adversely impact our competitive position and results of operations. The loss of our patents could reduce the value of the related products that practice such patents. In addition, the cost to litigate infringements of our patents, or the cost to defend ourselves against patent infringement actions by others, could be substantial and, if incurred, could materially affect our business and financial condition.

Proprietary trade secrets and unpatented know-how are also very important to our business. We rely on trade secrets to protect certain aspects of our technology, especially where we do not believe that patent protection is appropriate or obtainable. However, trade secrets can be difficult to protect. Our employees, consultants, contractors, outside collaborators and other advisors may unintentionally or willfully disclose our confidential information to competitors, and confidentiality agreements may not provide an adequate remedy in the event of unauthorized disclosure of confidential or proprietary information. Enforcing a claim that a third party illegally obtained and is using our trade secrets may be expensive and time consuming. Moreover, our competitors may independently develop equivalent knowledge, methods and know-how. Failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

We may not be able to obtain additional patents and the legal protection afforded by any additional patents may not adequately cover the full scope of our business or permit us to gain or keep competitive advantage.

Our ability to obtain additional patents is uncertain and the legal protection afforded by these patents may not adequately protect our rights or permit us to gain or keep competitive advantage. In addition, the specific content required of patents and patent applications that are necessary to support and interpret patent claims can be uncertain due to the complex nature

of the relevant legal, scientific and factual issues. Changes in either patent laws or interpretations of patent laws in the United States or elsewhere may diminish the value of our intellectual property or narrow the scope of our patent protection. Even if patents are issued regarding our products and processes, our competitors may challenge the validity of those patents.

If we infringe or misappropriate, or are accused of infringing or misappropriating, the intellectual property rights of third parties, we may incur substantial costs or prevent us from being able to commercialize new products.

The semiconductor industry is characterized by frequent litigation regarding patent and other intellectual property rights. We have received communications, and we expect to receive additional communications from time to time, that allege or imply that our products or technologies infringe the patent or other intellectual property rights of third parties. Lawsuits or other proceedings resulting from allegations of infringement could subject us to significant liability for damages, invalidate our proprietary rights and adversely affect our business. In the event that any third-party succeeds in asserting a valid claim against us or any of our end customers, we could be forced to do one or more of the following:

- discontinue selling, importing or using certain technologies that contain the allegedly infringing intellectual property which could cause us to stop manufacturing certain products;
- seek to develop non-infringing technologies, which may not be feasible;
- incur significant legal expenses;
- pay substantial monetary damages to the party whose intellectual property rights we may be found to be infringing; and/or
- we or our end customers could be required to seek licenses to the infringed technology that may not be available on commercially reasonable terms, if at all.

We may not prevail in such matters or be able to license any valid and infringed patents from third parties on commercially reasonable terms. This could result in the loss of our ability to import and sell our products or require us to pay costly royalties to third parties in connection with sales of our products. In addition, if a third-party causes us to discontinue the use of any technologies, we could be required to design around those technologies. This could be costly and time consuming and could have an adverse effect on our financial results. Any significant impairments of intellectual property rights from any litigation we face could materially and adversely impact our business, financial condition, results of operations and our ability to compete.

Even when we believe we do not infringe the intellectual property rights of a third party, we may decide to enter into a settlement agreement with the third party in order to avoid the risks and costs resulting from protracted litigation. Such settlement agreements may require us to make fixed or recurring payments to the third party, which could materially and adversely impact our business, financial condition and results of operations.

In addition, we could be subject to claims that our employees, or we, have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of third parties. If we are unable to resolve claims that may be brought against us by third parties related to their intellectual property rights on terms acceptable to us, we may be precluded from offering some of our products or using some of our processes. Defending ourselves against third-party claims, including litigation in particular, may be costly and time consuming and may divert management's attention from our business.

Our ability to design and introduce new products in a timely manner is dependent upon third-party IP, including third party and "open source" software.

In the design and development of new products and product enhancements, we rely on third-party intellectual property such as software development tools and hardware testing tools. Furthermore, certain product features rely on intellectual property acquired from third parties, including hardware and software tools and products. The design requirements necessary to meet future consumer demands for more features and greater functionality from semiconductor products may

exceed the capabilities of the third-party intellectual property or development tools that are available to us. In addition, hardware and software tools and products procured from third parties may contain design or manufacturing defects that such third parties are unable to resolve, including flaws that could unexpectedly interfere with the operation of our products. Furthermore, some of the software licensed from third parties may not be available in the future on terms acceptable to us or allow our products to remain competitive. The loss of these licenses or the inability to maintain any of them on commercially acceptable terms could delay development of future products or the enhancement of existing products. If the third-party intellectual property that we use becomes unavailable or fails to produce designs that meet consumer demands, our business could be harmed.

Risks of Owning Our Common Stock

Our business and operations could be impacted by stockholder activism, which could negatively affect our business and cause disruptions.

We value constructive input from our stockholders and regularly engage in dialogue with our stockholders regarding strategy and performance. While our board of directors and management team welcome their views and opinions with the goal of enhancing value for all of our stockholders, we may be subject to actions or proposals from activist stockholders that may not align with our business strategies or the best interests of all of our stockholders.

In the event such stockholders pursue any proposals concerning these matters or we otherwise become the subject of stockholder activism, this may create a significant distraction for our management and employees. This could negatively impact our ability to execute our business plans and may require our management to expend significant time, resources and costs, including legal fees and other expenses incurred in connection with any proxy contest that may result from any such stockholder activism. Furthermore, when individuals are elected to our board of directors with a specific agenda, it may adversely affect our ability to effectively implement our business strategy and create additional value for our stockholders, and could lead us to adopt other plans that we cannot predict which could focus on short-term benefits with longer-term costs or that may not be in the best interests of the company. Such stockholder activism may also create uncertainties with respect to our business development plans, financial position and operations, may result in changes to our senior management team, may adversely affect our ability to attract and retain key employees and may result in loss of potential business opportunities with our current and potential customers and business partners, any of which could have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, such stockholder activism may cause significant fluctuations in the market value of our Class A common stock based on temporary or speculative market perceptions, uncertainties or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business, and could cause the market value of our Class A common stock to decline.

Concentration of ownership among existing executive officers, directors and their affiliates, including the investment funds they represent, may prevent new investors from influencing significant corporate decisions.

At December 31, 2024, executive officers, directors and their affiliates, including the investment funds they represent, as a group beneficially owned approximately 30.6% of our outstanding common stock. As a result, these stockholders are able to exercise a significant level of influence over matters requiring stockholder approval, including the election of directors, amendment of our certificate of incorporation and approval of significant corporate transactions. Such influence could have the effect of delaying or preventing a change of control of our company or changes in management and will make the approval of certain transactions difficult or impossible without the support of these stockholders.

The issuance of additional capital stock in connection with financings, acquisitions, investments, our stock incentive plans or otherwise by us could dilute the ownership and voting power of our stockholders.

At December 31, 2024, we had approximately 534 million shares of Class A common stock authorized but unissued. In addition, our certificate of incorporation authorizes us to issue up to 10,000,000 shares of Class B common stock and 1,000,000 shares of preferred stock. The preferred stock can be issued with such rights and preferences as may be determined by our board. Our certificate of incorporation authorizes us to issue shares of Class A common stock or other

securities convertible into or exercisable or exchangeable for shares of Class A common stock from time to time, for the consideration and on the terms and conditions established by our board in its sole discretion, whether in connection with a financing, an acquisition, an investment, stock incentive plans or otherwise. Such additional shares of Class A common stock or such other securities may be issued at a discount to the market price of Class A common stock at the time of issuance. Our preferred stock could be issued with voting, liquidation, dividend and other rights superior to the rights of Class A common stock. As discussed below, the potential issuance of preferred stock may delay or prevent a change in control of us, discourage bids for Class A common stock at a premium to the market price, and materially and adversely affect the market price and the voting and other rights of the holders of Class A common stock. Any issuance of such securities could result in substantial dilution to our then existing stockholders and cause the market price of shares of Class A common stock to decline.

Provisions in our certificate of incorporation and our bylaws and under the DGCL contain antitakeover provisions that could prevent or discourage a takeover.

Provisions in our certificate of incorporation and our bylaws may discourage, delay or prevent a merger, acquisition or other change in control that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our Class A common stock, thereby depressing the market price of Class A common stock. In addition, because our board is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board. Among other things, these provisions include those establishing:

- a classified board of directors with three-year staggered terms, which may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control of us or our management;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board to elect a director to fill a vacancy created by, among other things, the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from filling vacancies on our board;
- the ability of our board to authorize the issuance of shares of preferred stock and to determine the terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the ability of our board to alter the bylaws without obtaining stockholder approval;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of stockholders;
- the requirement that a special meeting of stockholders may be called only by a majority vote of our board, which may delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take action, including the removal of directors; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our board or to propose matters to be acted upon at an annual meeting or special meeting of stockholders, which may discourage or delay a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us until the next stockholder meeting or at all.

We may issue a substantial number of additional shares under an employee incentive plan. The issuance of additional shares of common or preferred stock:

- may significantly dilute the equity interests of our investors;

- may subordinate the rights of holders of Class A common stock if preferred stock is issued with rights senior to those afforded our Class A common stock;
- could cause a change in control if a substantial number of shares of our Class A common stock is issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors; and
- may adversely affect prevailing market prices for our Class A common stock.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.**Risk Management and Strategy**

In July 2023, the SEC implemented cybersecurity amendments effective for annual reports with fiscal years ending on or after December 15, 2023, which was effective for Navitas beginning in 2023. The board of directors oversees our cybersecurity program, which is managed by our director of IT in collaboration with management of our businesses and functions. During the year ended December 31, 2024, we experienced no material cybersecurity incidents. Our approach to identifying and managing cybersecurity risks involves maintaining an updated firewall, monitored by our director of IT, coupled with annual cybersecurity awareness training for all our employees. We also have email filters to prevent spam and phishing attacks, while anti-virus software on employee computers alerts our IT department to potential threats. We have performed an annual penetration test, conducted by consultants, to ensure the robustness of our cybersecurity. If a breach is discovered, the director of IT informs our chief financial officer and chief executive officer, who would then communicate the information to our board of directors.

Item 2. Properties.

We do not own any real property. We lease approximately 50,000 square feet of corporate office and research and development space in Torrance, California. We also lease office, research and development, and design center space in Shanghai, Shenzhen and Hangzhou, China; Hsinchu and Taipei, Taiwan; Dublin, Ireland; Mont-Saint-Guibert, Belgium; Campbell, California; and Seoul, Korea. We believe our present facilities are suitable and adequate for our current operating needs.

Item 3. Legal Proceedings.

The information required by this item is incorporated by reference from “*Legal proceedings and contingencies*,” included in Note 15 – “Commitments and Contingencies” – to the Consolidated Financial Statements in Item 8 of this report.

Item 4. Mine Safety Disclosures.

Not applicable.

Part II**Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

Market Information. Our common stock has been listed on the Nasdaq Global Market under the ticker symbol “NVT” since October 20, 2021.

Holders. As of March 14, 2025, there were 29 holders of record of our common stock. The actual number of beneficial owners of our common stock is much greater than the number of record holders and includes stockholders whose shares are held in brokerage accounts or by other nominees. The number of holders of record presented here also does not include stockholders whose shares may be held in trust by other entities.

Dividends. We have never declared or paid any cash dividends on our capital stock, and we do not currently intend to pay any cash dividends for the foreseeable future. We expect to retain future earnings, if any, to fund the development and growth of our business. Any future determination to pay dividends on our common stock will be at the discretion of our board of directors and will depend upon, among other factors, our financial condition, operating results, current and anticipated cash needs, plans for expansion and other factors that our board of directors may deem relevant.

Sale of Unregistered Securities. On November 27, 2024, we issued 30,000 shares of common stock to a former employee to resolve certain claims regarding stock options previously held by the employee. The shares were issued in a private transaction exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof. We did not receive any cash proceeds from the issuance. The former employee represented his intention to acquire the securities for investment only and not with a view to distribution. Appropriate transfer restriction notations have been applied to the book-entry positions reflecting the shares.

Item 6. [Reserved]

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Unless the context otherwise requires, all references in this section to the “Company,” “we,” “us” or “our” refer to the business of Navitas and its subsidiaries. Throughout this section, unless otherwise noted, “Navitas” refers to Navitas Semiconductor Corporation and its consolidated subsidiaries.

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and the related notes appearing elsewhere in this annual report on Form 10-K. This discussion contains forward-looking statements that reflect our plans, estimates, and beliefs and that involve risks and uncertainties. As a result of many factors, such as those set forth under the “Risk Factors” and “Cautionary Statement About Forward-Looking Statements” sections and elsewhere in this annual report, our actual results may differ materially from those anticipated in these forward-looking statements.

Overview

Navitas Semiconductor Corporation, a Delaware holding company, operates through its wholly owned subsidiaries, including Navitas Semiconductor Limited and GeneSiC Semiconductor LLC (“GeneSiC”). Originally founded in 2014 as the legacy Navitas Semiconductor business, we were previously an SEC registrant named Live Oak Acquisition Corp. II (“Live Oak”). On October 19, 2021, we completed a business combination (which we refer to as the “Business Combination”) in which, among other transactions, Live Oak acquired Navitas Semiconductor Limited and its subsidiaries, changed our name to Navitas Semiconductor Corporation. We acquired GeneSiC Semiconductor in August 2022. Further details about the Business Combination and the acquisition of GeneSiC Semiconductor can be found in our SEC filings.

Founded in 2014, Navitas is a U.S.-based developer of gallium nitride power integrated circuits that provide superior efficiency, performance, size and sustainability relative to existing silicon technology. Our solutions offer faster charging, higher power density and greater energy savings compared to silicon-based power systems with the same output power. By unlocking this speed and efficiency, we believe we are leading a revolution in high-frequency, high-efficiency and high-density power electronics to electrify our world for a cleaner tomorrow. We maintain operations around the world,

including the United States, Ireland, Germany, Italy, Belgium, China, Taiwan, Thailand, South Korea, and the Philippines, with principal executive offices in Torrance, California.

We design, develop and market next-generation power semiconductors including gallium nitride (“GaN”) power integrated circuits (“ICs”), silicon carbide (“SiC”) and associated high-speed silicon system controllers, and digital isolators used in power conversion and charging. Power supplies incorporating our products may be used in a wide variety of electronics products including mobile phones, consumer electronics, data centers, solar inverters and electric vehicles. We utilize a fabless business model, working with third parties to manufacture, assemble and test our designs. Our fabless model allows us to run the business today with minimal capital expenditures.

Our go-to-market strategy is based on partnering with leading manufacturers and suppliers through focused product development, addressing both mainstream and emerging applications. We consider ourselves to be a pioneer in the GaN market with a proprietary, proven GaN power IC platform that is shipping in mass production to tier-1 companies including Samsung, Dell, Lenovo, LG, Xiaomi, OPPO, Amazon, vivo, and Motorola. Most of the products we ship today are used primarily as components in mobile device chargers. Charger manufacturers we ship to today are worldwide, supporting major international mobile brands. Other emerging applications will also be addressed across the world.

In support of our technology leadership, we have formed relationships with numerous Tier 1 manufacturers and suppliers over the past eight years, gaining significant traction in mobile and consumer charging applications. Navitas GaN has entered mass production and is being utilized by 9 out of the top 10 global mobile OEMs for the development of smartphones and laptops, with all 10 out of 10 currently in progress. In addition, our supply chain partners have committed manufacturing capacity in excess of what we consider to be necessary to support our continued growth and expansion.

A core strength of our business lies in our industry leading IP position. In addition to our comprehensive patent portfolio, our biggest proprietary advantage is our process design kit (PDK), the ‘how-to’ guide for Navitas designers to create new GaN based devices and circuits. Our GaN power IC inventions and intellectual property translate across all of our target markets from mobile, consumer, EV, enterprise, and renewables. We evaluate various complementary technologies and look to improve our PDK, in order to keep introducing newer generations of GaN technology. In the years ended December 31, 2024 and 2023, research and development expenses represented approximately 91% and 87%, respectively, of our revenue. Navitas’ research and development activities are located primarily in the US and China.

Equity Method Investment

In October 2024, the Company began applying the equity method of accounting for its related party investment, in accordance with Accounting Standards Codification (“ASC”) 323, Investments—Equity Method and Joint Ventures. Under ASC 323, an investor must use the equity method when it has significant influence over the investee, typically indicated by ownership of 20% to 50% of the voting stock or other qualitative factors (e.g. board representation). The Company holds a 13.5% ownership stake in the investment and as part of the October 2024 transaction, received the option to appoint a representative to the investee’s board of directors. As a result, the Company remeasured its investment to its fair value of \$5.55 per share as of the change in accounting and recognized its proportionate share of the investee’s earnings and losses for the period from November through December 2024, resulting in a net gain of \$3.9 million for the year ended December 31, 2024. This amount is included in “Equity method investment gain” on the Statements of Operations.

May 2023 Public Offering

On May 26, 2023, the Company completed an underwritten public offering (the “May 2023 Public Offering”) of 10,000,000 shares of its Class A common stock at a public offering price of \$8.00 per share, before deducting underwriting discounts and commissions. In connection with the May 2023 Public Offering, the Company granted the underwriters of the offering a 30-day option to purchase up to an additional 1,500,000 shares of the Company’s Class A common stock (the “Option Shares”) from the Company at the same public offering price. On June 1, 2023, the underwriters exercised in full their option to purchase the Option Shares. The sale of the Option Shares closed on June 5, 2023. After deducting underwriting discounts and commissions and before deducting offering expenses payable by the Company, the Company received net proceeds of \$75.6 million and \$11.3 million from the May 2023 Public Offering and sale of the Option Shares,

respectively. The total net proceeds received by the Company after deducting offering expenses was \$86.5 million. The Company intends to use the net proceeds for working capital and other general corporate purposes, including potential acquisitions or strategic manufacturing investments.

Buyout of Elevation Semiconductor

On January 19, 2023, the Company announced an agreement to acquire the remaining minority interest in its silicon control IC joint venture from Halo Microelectronics International Corporation (“Halo”). Total consideration for the joint venture interests and certain intellectual property rights purchased from Halo, and certain other interests and agreements of Halo and joint venture employees, was approximately \$22.4 million in Navitas stock. As Navitas was already the majority shareholder, financial results from the joint venture have already been reflected in Navitas’ historical financial statements. The transaction was completed on February 13, 2023. In connection with the purchase of intellectual property, the Company recognized an intangible asset at its estimated fair value of \$4.4 million related to acquired intellectual property.

Acquisition of GeneSiC

On August 15, 2022, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) to acquire 100% of the outstanding shares of GeneSiC Semiconductor Inc. (“GeneSiC”) for \$146.3 million of equity, \$97.1 million of cash consideration, and potential future earn-out payments of up to an aggregate of \$25.0 million in cash. GeneSiC was a silicon carbide (“SiC”) pioneer with deep expertise in SiC power device design and process, based in Dulles, Virginia. The future earn-out payments were fair valued at \$0.6 million, for a total merger consideration of \$244.0 million.

During the Company’s second quarter of 2023, the Company received information regarding products shipped by GeneSiC to a distributor prior to the Company’s acquisition of GeneSiC. GeneSiC had the option, but not the obligation, to accept returns sold to the distributor. The Company determined that a \$1.7 million return liability should have been recorded as of the close of the acquisition on August 15, 2022. The Company recorded the return liability as a purchase price adjustment as of June 30, 2023, resulting in an increase to goodwill and accounts payable and other accrued expenses of \$1.7 million.

Acquisition of VDDTech

On June 10, 2022, the Company’s wholly owned subsidiary, Navitas Semiconductor Limited, acquired all of the capital stock of VDDTECH srl, a private Belgian company (“VDDTech”), for approximately \$1.9 million in cash and stock. Based in Mont-Saint-Guibert, Belgium, VDDTech creates advanced digital-isolators for next-generation power conversion. VDDTech’s net assets and operating results since the acquisition date are included in the Company’s Consolidated Balance Sheets and Consolidated Statement of Operations for the year ended December 31, 2024.

Results of Operations

Revenue

We design, develop and manufacture GaN ICs, SiC MOSFETs and Schottky MPS diodes that deliver best-in-class performance, ruggedness and quality. Our revenue represents the sale of semiconductors through specialized distributors to original equipment manufacturers (“OEMs”), their suppliers and other end customers.

Our revenues fluctuate in response to a combination of factors, including the following:

- our overall product mix and sales volumes;
- gains and losses in market share and design win traction;
- pace at which technology is adopted in our end markets;
- the stage of our products in their respective life cycles;
- the effects of competition and competitive pricing strategies;

- availability of specialized field application engineering resources supporting demand creation and end customer adoption of new products;
- achieving acceptable yields and obtaining adequate production capacity from our wafer foundries and assembly and test subcontractors;
- market acceptance of our end customers' products; governmental regulations influencing our markets; and
- the global and regional economic cycles;
- declines in average selling prices due product advances and market competition;
- changes in customer and distributor relationships including the impact of the Q4 2024 disengagement with a significant distributor and the ability to replace the associated volumes with a combination existing and new distributors;
- seasonal demand patterns particularly in mobile and consumer markets.

Our product revenue is recognized when the customer obtains control of the product and the timing of recognition is based on the contractual shipping terms of a contract. We provide a non-conformity warranty which is not sold separately and does not represent a separate performance obligation. Our product revenue is diversified across the United States, Europe, and Asia. We consider the domicile of our end customers, rather than the distributors we sell to directly to be the basis of attributing revenues from external customers to individual countries. Revenue for the twelve months ended December 31, 2024 and 2023, excluding channel inventories, were attributable to end customers in the following countries:

Country	Year Ended December 31,	
	2024	2023
China	60 %	62 %
United States	16 %	13 %
Asia excluding China	15 %	8 %
Europe*	8 %	17 %
All others	1 %	— %
Total	100 %	100 %

*Impractical to disclose revenue percentages by individual countries within Europe and therefore is presented in total.

Cost of Revenues

Cost of revenues consists primarily of the cost of semiconductors purchased from subcontractors, including wafer fabrication, assembly, testing and packaging, manufacturing support costs, including labor and overhead (which includes depreciation and amortization) associated with such purchases, final test and wafer level yield fallout, inventory impairments, consumables, system and shipping costs. Cost of revenues also includes compensation related to personnel associated with manufacturing, including costs related to cash and stock-based employee compensation.

Research and Development Expense

Costs related to research, design and development of our products are expensed as incurred. Research and development expense consists primarily of pre-production costs related to the design and development of our products and technologies, including costs related to cash and stock-based employee compensation, benefits and related costs of sustaining our engineering teams, project material costs, third-party fees paid to consultants, prototype development expenses, write-offs of material to be utilized in research and development, and other costs incurred in the product design and development process.

Selling, General and Administrative Expense

Selling, general and administrative costs include employee compensation, including cash and stock-based compensation and benefits for executive, finance, business operations, sales, field application engineers and other administrative personnel. In addition, it includes marketing and advertising, IT, outside legal, tax and accounting services, insurance, and occupancy costs and related overhead based on headcount. Selling, general and administrative costs are expensed as incurred.

Interest Income (Expense), net

Interest income (expense), net primarily consists of interest associated with our royalty agreement.

Dividend Income

Dividend income consist of income earned on money market treasury funds that are recorded as cash equivalents.

Income Taxes

Legacy Navitas is a dual domesticated corporation for Ireland and U.S. federal income tax purposes. Refer to Note 14 - "Provision for Income Taxes", in our accompanying consolidated financial statements elsewhere in this annual report.

Results of Operations

The tables and discussion below present our results for the years ended December 31, 2024 and 2023 (in thousands):

(dollars in thousands)	Year Ended December 31,		Change \$	Change %
	2024	2023		
Net revenues	\$ 83,302	\$ 79,456	\$ 3,846	5 %
Cost of revenues (exclusive of amortization of intangibles included below)	54,963	48,392	6,571	14 %
Operating expenses:				
Research and development	76,002	68,825	7,177	10 %
Selling, general and administrative	62,863	61,551	1,312	2 %
Amortization of intangible assets	18,926	18,820	106	1 %
Restructuring expense	1,223	—	1,223	— %
Total operating expenses	159,014	149,196	9,818	7 %
Loss from operations	(130,675)	(118,132)	(12,543)	11 %
Other income (expense), net:				
Interest (expense) income, net	(150)	1,314	(1,464)	(111)%
Dividend income	5,233	4,054	1,179	29 %
Gain (loss) from change in fair value of earnout liabilities	36,644	(33,788)	70,432	(208)%
Other income	102	84	18	21 %
Total other income (expense), net	41,829	(28,336)	70,165	(248)%
Loss before income taxes	(88,846)	(146,468)	57,622	(39)%
Income tax benefit	(342)	(517)	175	(34)%
Equity method investment gain	3,905	—	3,905	— %
Net loss	\$ (84,599)	\$ (145,951)	\$ 61,352	(42)%
Less: net loss attributable to noncontrolling interest	—	(518)	518	(100)%
Net loss attributable to controlling interest	\$ (84,599)	\$ (145,433)	\$ 60,834	(42)%

Comparison of the Years ended December 31, 2024 and 2023**Revenue**

Net revenues for the twelve months ended December 31, 2024 were \$83.3 million compared to \$79.5 million for the twelve months ended December 31, 2023, an increase of \$3.8 million, or 5%. The increase was driven primarily by the growth in mobile markets.

Cost of Revenues

Cost of revenues for the twelve months ended December 31, 2024 was \$55.0 million, an increase of \$6.6 million or 14% compared to the twelve months ended December 31, 2023. The increase was primarily driven by a \$5.0 million inventory reserve related to a distributor disengagement and an increase in revenue from the mobile market.

Research and Development Expense

Research and development expense for the twelve months ended December 31, 2024 of \$76.0 million increased by \$7.2 million, or 10%, when compared to the twelve months ended December 31, 2023, primarily driven by an increase in product and package development as it relates to EV, enterprise and solar, coupled with a one-time \$1.7 million project expense, a \$2.0 million other asset impairment, as well as other R&D material purchases.

Selling, General and Administrative Expense

Selling, general and administrative expense for the twelve months ended December 31, 2024 of \$62.9 million increased by \$1.3 million, or 2%, when compared to the twelve months ended December 31, 2023. The increase is primarily driven by a \$7.5 million bad debt expense due to a distributor disengagement. These expenses were largely offset by a decrease in stock-based compensation of approximately \$8.0 million.

Amortization of Definite-Lived Intangible Assets

Amortization of definite-lived intangible assets for the twelve months ended December 31, 2024 of \$18.9 million increased by \$0.1 million, or 1%, when compared to the twelve months ended December 31, 2023. Amortization of intangible assets remained fairly consistent as we did not acquire new intangible assets.

Restructuring Expenses

We announced a cost-reduction plan (“2024 Restructuring Plan”). The 2024 Restructuring Plan includes a reduction in headcount with the majority of the costs consisting of employee severance and benefits. We incurred \$1.2 million related to this plan for the twelve months ended December 31, 2024.

Other Income (Expense), net

Net interest income (expense), net for the twelve months ended December 31, 2024 of \$(0.2) million compared to income of \$1.3 million for the twelve months ended December 31, 2023. The \$0.2 million expense as of December 31, 2024 is primarily due to interest associated with our royalty agreement. The \$1.3 million interest income in 2023 was due the interest rate received on money markets funds.

Dividend income consists of income earned on our money market treasury funds that are recorded as cash equivalents in our Consolidated Balance Sheets. Increase of \$1.2 million in dividend income from December 31, 2023 to December 31, 2024 is primarily due to the timing of when we transferred money into our money market treasury funds. As a result, the prior-year figure reflects only nine months of activity compared to twelve months in the current year.

During the twelve months ended December 31, 2024, we recognized a \$36.6 million gain from a decrease in fair value of our earnout liabilities. The gain of \$36.6 million in our earn-out liability was primarily a result of the decrease of the closing price of our Class A common stock listed on the Nasdaq, resulting in a decrease in the estimated fair value of the earnout shares from \$5.50 as of December 31, 2023 to \$1.18 as of December 31, 2024.

Income Tax Benefit

Income tax benefit for the twelve months ended December 31, 2024 was \$0.3 million while for the twelve months ended December 31, 2023, income tax benefit was \$0.5 million. We expect our tax rate to remain close to zero in the near term due to full valuation allowances against deferred tax assets.

Equity method investment gain

In October 2024, we began applying the equity method to account for our joint venture investment. We adjusted the investment to its fair value of \$5.55 per share as of the accounting change and recognized our proportionate share of the joint venture's loss from the period November through December 2024, resulting in a net gain of \$3.9 million for the year ended December 31, 2024.

Liquidity and Capital Resources

Our primary use of cash is to fund our operating expenses, working capital requirements, and outlays for strategic investments and acquisitions. In addition, we use cash to conduct research and development, incur capital expenditures.

We expect to continue to incur net operating losses and negative cash flows from operations and we expect our research and development expenses, general and administrative expenses and capital expenditures will remain relatively flat.

As December 31, 2024, we had cash and cash equivalents of \$86.7 million. We currently expect to fund our cash requirements through the use of cash and cash equivalents on hand. We believe that our current levels of cash and cash equivalents are sufficient to finance our operations, working capital requirements and capital expenditures for the foreseeable future.

We expect our operating and capital expenditures to remain relatively flat. If additional funds are required to support our working capital requirements, acquisitions or other purposes, we may seek to raise funds through additional equity or debt financing or from other sources. If we raise additional funds through the issuance of equity, the percentage ownership of our equity holders could be significantly diluted, and these newly issued securities may have rights, preferences or privileges senior to those of existing equity holders. If we raise additional funds by obtaining loans from third parties, the terms of those financing arrangements may include negative covenants or other restrictions on our business that could impair our operating flexibility and would also require us to incur interest expense. We can provide no assurance that additional financing will be available at all or, if available, that we would be able to obtain additional financing on terms favorable to us.

Cash Flows

The following table summarizes our consolidated cash flows for the periods presented (in thousands):

	Year Ended December 31,	
	2024	2023
Consolidated Statements of Cash Flows Data:		
Net cash used in operating activities	\$ (58,823)	\$ (41,379)
Net cash used in investing activities	\$ (9,271)	\$ (5,782)
Net cash provided by financing activities	\$ 3,495	\$ 89,663

We derive liquidity primarily from cash on hand and equity financing activities. As of December 31, 2024, our balance of cash and cash equivalents was \$86.7 million, which is a decrease of \$65.2 million or 43% compared to December 31, 2023.

Operating Activities

For the year ended December 31, 2024, net cash used in operating activities was \$58.8 million, which primarily reflects a net loss of \$84.6 million, adjusted for non-cash stock-based compensation of \$43.0 million, non-cash gains of \$40.5 million in earnout and our equity investment due to changes in fair value, \$7.9 million of non-cash bonus accruals, \$7.7 million for our allowance for credit losses, a \$2.0 million impairment of other asset, and an aggregate cash used in operating assets and liabilities of \$1.9 million. Specifically, the changes reflect a \$2.8 million decrease in accounts payable, accrued compensation and other accrued expenses, \$11.0 million decrease in customer deposit and deferred revenue, \$1.7 million decrease in operating lease liability, partially offset by a \$4.2 million decrease in accounts receivable, \$6.8 million decrease in inventories, a decrease of \$0.6 million in other assets, and a \$2.1 million decrease in prepaid expenses and other current assets.

For the year ended December 31, 2023, net cash used in operating activities was \$41.4 million, which primarily reflects a net loss of \$146.0 million, adjusted for non-cash stock-based compensation of \$54.0 million, non-cash losses of \$33.8 million in earnout due to changes in fair value, \$2.8 million of non-cash bonus accruals, and an aggregate cash provided in operating assets and liabilities of \$2.8 million. Specifically, the changes reflect \$16.7 million increase in accounts receivable and \$3.2 million increase inventory, both as a result of higher revenues, \$2.6 million increase in prepaids and other current assets, and a \$2.5 million increase in other assets, partially offset by an increase of \$13.7 million in accounts payable primarily due to timing of disbursements and higher inventory, and an increase of \$10.5 million in deferred revenue.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2024 of \$9.3 million was primarily due to purchases of fixed assets of \$6.8 million and \$2.5 million cash funding of a joint venture.

Net cash used in investing activities for the year ended December 31, 2023 of \$5.8 million was primarily due to purchases of fixed assets of \$4.8 million and \$1.0 million cash funding of a joint venture.

Financing Activities

Net cash provided by financing activities for the year ended December 31, 2024 of \$3.5 million was primarily the result of proceeds from stock option exercises of \$0.8 million and proceeds from our employee stock purchase plan of \$2.7 million.

Net cash provided by financing activities for the year ended December 31, 2023 of \$89.7 million was primarily the result of proceeds from the issuance of common stock in our May 2023 public offering, net of issuance costs, of \$86.5

million, proceeds from the issuance of common stock in connection with stock option exercises of \$1.9 million and proceeds from our employee stock purchase plan of \$1.3 million.

Contractual Obligations, Commitments and Contingencies

In the ordinary course of business, we enter into contractual arrangements that may require future cash payments. As of December 31, 2024, our non-cancellable contractual arrangements consisted of lease obligations and an agreement for the purchase of equipment. Refer to Note 9 - "Leases" for further information on our minimum future payments related to lease obligations. In December 2024, we entered into an agreement with a vendor for the purchase of equipment, requiring quarterly installment payments. Refer to Note 15 - "Commitments and Contingencies" for additional details on purchase obligations.

Off-Balance Sheet Commitments and Arrangements

As of December 31, 2024, we did not have any off-balance sheet arrangements as discussed in Instruction 8 to Item 303(b) of Regulation S-K.

Critical Accounting Policies

The preparation of our financial statements and related disclosures in accordance with U.S. GAAP requires our management to make judgments, assumptions and estimates that affect the amounts reported in our accompanying consolidated financial statements and the accompanying notes included elsewhere in this annual report. Our management bases its estimates and judgments on historical experience, current economic and industry conditions and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

The methods, estimates, and judgments that we use in applying our accounting policies have a significant impact on the results that we report in our consolidated financial statements. Some of our accounting policies require us to make difficult and subjective judgments, often as a result of the need to make estimates regarding matters that are inherently uncertain.

We utilize the following critical accounting policies in the preparation of our financial statements. In addition to our critical accounting policies below, see Note 2 - "Significant Accounting Policies" in the notes to our audited consolidated financial statements included elsewhere in this Form 10-K.

Revenue Recognition

Revenue is recognized when a customer obtains control of products or services in an amount that reflects the consideration which we expect to receive in exchange for those goods or services. To determine revenue recognition for arrangements within the scope of ASC 606, "*Revenue from Contracts with Customers*", we perform the following five steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) we satisfy performance obligations. We recognize revenue when the control of the promised goods or services is transferred to customers in an amount that reflects the consideration we expect to receive in exchange for such goods or services.

The majority of our revenue is derived from the sale of semiconductor products. In determining the transaction price, we evaluate whether the price is subject to refund or adjustment to determine the net consideration to which we expect to be entitled.

Revenue is recognized when control of the product is transferred to the customer (i.e., when our performance obligation is satisfied), which is defined by the commercial terms of each purchase but typically occurs at shipment. In

determining whether control has transferred, we consider if there is a present right to payment and legal title, and whether risks and rewards of ownership have transferred to the customer. Refer to Note 2 - "Significant Accounting Policies" to our consolidated financial statements included elsewhere in this annual report for additional discussion of our revenue recognition policy.

Business Combinations

We account for business combinations using the acquisition method of accounting, in accordance with ASC 805, "*Business Combinations*". The acquisition method requires identifiable assets acquired and liabilities assumed be recognized and measured at fair value on the acquisition date, which is the date that the acquirer obtains control of the acquired business. The excess of purchase price over the fair value of assets acquired and liabilities assumed is recorded as goodwill. Determining fair value of identifiable assets, particularly intangibles, and liabilities acquired also requires management to make estimates, which are based on all available information and in some cases assumptions with respect to the timing and amount of future revenues and expenses associated with an asset. This judgment and determination affects the amount of consideration paid that is allocatable to assets and liabilities acquired in the business purchase transaction. Examples of critical estimates in valuing certain of the intangible assets and goodwill we have acquired include, but are not limited to, future expected cash inflows and outflows, expected technology life cycle, and discount rates. We estimate the useful lives of the intangible assets based on the expected period over which we anticipate generating economic benefit from the asset. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results.

Valuation of Inventory

We assess inventory to address potential obsolescence and declining values through periodic assessments, considering factors including estimates for future demand and net realizable value. Identified impaired inventory items are adjusted to reflect net realizable values. Changes in assumptions of product demand, the future salability of inventory, and the net realizable value of obsolete and unmarketable inventory could have a significant impact on the amount of the reserve recorded. These assumptions include the assessment of market conditions and trends, expected demand inclusive of sales forecasts, anticipated sales and market prices, and product obsolescence.

Stock-Based Compensation

We account for awards of stock-based compensation under our employee stock-based compensation plan using the fair value method. Accordingly, we estimate fair value of our stock-based awards and amortized this fair value to stock-based compensation expense over the requisite service period or vesting terms.

RSUs - The fair value per unit of each RSU grant award is determined on the grant date based on the Company's stock price. Stock-based compensation is recognized on a straight-line basis over the requisite service period of the award. Forfeitures are recognized as they occur.

ESPP - We currently use the Black-Scholes option-pricing model to estimate the fair value of our Employee Stock Purchase Plan (ESPP) awards and amortize the expense over the requisite service period. The ESPP awards require management to make assumptions and to apply judgment in determining the fair value of the awards. The most significant assumptions and judgments include the expected volatility, risk-free interest rate, expected dividend rate and expected term of the award, in addition to the fair value of the underlying common stock.

LTIPs - The fair value for each tranche of the Long-term Incentive Plan Stock Option ("LTIP") awards was determined using Black-Scholes model and a Monte Carlo simulation estimated at the initial grant date. We utilized the services of a professional valuation firm to develop the grant date fair value. The LTIP awards vest based on the achievement of certain market (stock price hurdles) and performance conditions (revenue and/or EBITDA targets). During the years ended December 31, 2024 and 2023, the LTIP awards require management to make assumptions and to apply judgment in determining the timing and amount of the recognition of the awards. The most significant assumptions and judgments include management's forecasts related to award performance conditions, including whether certain

performance conditions are probable. Awards are not recognized until they are deemed to be probable to vest, and awards may be derecognized if they are determined to be no longer probable.

Earnout Shares

Certain shareholders of the Company are eligible to receive up to 10,000,000 Earnout Shares of the Company's Class A common stock, contingent upon the fulfillment of Earnout Milestones. These milestones consist of three distinct criteria, with each criterion granting eligible stockholders 3,333,333 earn-out shares upon meeting the specified conditions. Each Earnout Milestone is deemed achieved if, at any time within 150 days following the Business Combination and before October 19, 2026, the volume-weighted average price of the Company's Class A common stock reaches or exceeds \$12.50, \$17.00, or \$20.00 for any twenty trading days within a thirty trading day period, respectively.

These earnout shares have been categorized into two components: (i) the "Vested Shares" - those associated with stockholders with vested equity at the closing of the Business Combination that will be earned upon achievement of the Earnout Milestones. Any forfeited shares from unvested holders will be reallocated among the remaining earnout holders and (ii) the "Unvested Shares" - those associated with stockholders with unvested equity at the closing of the Business Combination which are subject to forfeiture if the employee leaves prior to the achievement of the Earnout Milestones. As the implicit service period has passed, these shares now remain contingent solely on meeting the earnout performance condition. The Vested Shares are classified as liabilities in the Consolidated Balance Sheets and the Unvested Shares are equity-classified stock-based compensation to be recognized over time (see Note 10 - "Stock-based Compensation"). The earnout liability was initially measured at fair value at the closing of the Business Combination and subsequently remeasured at the end of each reporting period. The change in fair value of the earn-out liability is recorded as part of "Other income (expense), net" in the consolidated statement of operations.

The estimated fair value of the earnout liability was determined using a Monte Carlo analysis of 20,000 simulations of the future path of the Company's stock price over the earnout period. The assumptions utilized in the calculation are based on the achievement of certain stock price milestones including projected stock price, volatility, and risk-free rate.

Recently Issued and Adopted Accounting Standards

See Note 2 - "Significant Accounting Policies" to our consolidated financial statements included elsewhere in this annual report for a discussion of accounting pronouncements recently adopted and recently issued accounting pronouncements not yet adopted and their potential impact to our financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

As a "smaller reporting company" as defined in Item 10 of Regulation S-K, we are exempt from the disclosure requirements of this item in our Form 10-K.

Item 8. Financial Statements and Supplementary Data.

Report of Independent Registered Public Accounting Firms (Moss Adams, LLP, PCAOB ID 659)	F-2
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
Navitas Semiconductor Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Navitas Semiconductor Corporation (the “Company”) as of December 31, 2024 and 2023, the related consolidated statements of operations, stockholders’ equity and cash flows for the years then ended, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2023 and the consolidated results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of Inventory – Expected Demand and Net Realizable Value

As described in Notes 2 and 5 to the consolidated financial statements, the Company's inventory balance was \$15.5 million as of December 31, 2024. The Company values inventory at lower of cost (first-in, first-out) or market. 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 net realizable value that incorporate market conditions. Inventory items determined to be impaired are reduced to their net realizable values.

The potential obsolescence is subjective and primarily dependent on the estimates of future demand and net realizable value for a particular product. Changes in assumptions of product demand, the future salability of inventory, and the net realizable value of obsolete and unmarketable inventory could have a significant impact on the amount of the reserve recorded. These assumptions include the assessment of market conditions and trends, expected demand inclusive of sales forecasts, anticipated sales and market prices, and product obsolescence.

We identified the valuation of inventory, in particular the estimate for potential obsolescence to reduce inventory to net realizable value and the significant assumptions relating to future demand and net realizable value, as a critical audit matter, because of the subjective judgments used by management, which involved significant audit effort and the use of especially challenging and subjective auditor judgment when performing audit procedures and evaluating the results of those procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures related to the estimates for future demand and net realizable value included the following, among others:

- Evaluating the design and implementation of internal controls related to the Company's estimated future demand and net realizable value including the Company's review of future demand as reflected in the quarterly sales forecasts and application within the inventory reserve calculation.
- Evaluating management's process used in developing the estimate by:
 - Evaluating the reasonableness of the methodology used.
 - Evaluating the reasonableness of the significant assumptions used, including, among others:
 - Examining purchase orders and/or other audit evidence of future demand.
 - Performing inquiries with non-financial personnel regarding slow-moving or obsolete inventory items and future expectations for selling prices.
 - Testing the completeness, accuracy, and relevance of the underlying data used.
 - Assessing the reasonableness of management's expected net realizable value as reflected in anticipated sales and market prices through agreement to third party vendor information and experienced history.

/s/ Moss Adams LLP
Los Angeles, CA
March 19, 2025

We have served as the Company's auditor since 2023.

NAVITAS SEMICONDUCTOR CORPORATION
CONSOLIDATED BALANCE SHEETS

(In thousands, except shares and par value)	December 31, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 86,737	\$ 151,892
Accounts receivable, net of allowance of \$135 and \$0, respectively	13,982	25,858
Inventories	15,477	22,234
Prepaid expenses and other current assets	4,070	6,178
Total current assets	120,266	206,162
RESTRICTED CASH	1,503	947
PROPERTY AND EQUIPMENT, net	15,421	9,154
OPERATING LEASE RIGHT OF USE ASSETS	6,900	8,268
INTANGIBLE ASSETS, net	72,195	91,099
GOODWILL	163,215	163,215
OTHER ASSETS	10,478	6,701
Total assets	<u>\$ 389,978</u>	<u>\$ 485,546</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and other accrued expenses	\$ 10,754	\$ 24,740
Accrued compensation expenses	8,623	10,902
Operating lease liabilities, current	1,767	1,892
Customer deposit and deferred revenue	—	10,953
Total current liabilities	21,144	48,487
OPERATING LEASE LIABILITIES NONCURRENT	5,553	6,653
EARNOUT LIABILITY	10,208	46,852
DEFERRED TAX LIABILITIES	441	1,040
NONCURRENT LIABILITIES	4,619	1,897
Total liabilities	41,965	104,929
COMMITMENTS AND CONTINGENCIES (Note 15)		
STOCKHOLDERS' EQUITY:		
Class A common stock, \$0.0001 par value, 740,000,000 shares authorized as of December 31, 2024 and 2023, 188,114,202 and 179,196,418 shares issued and outstanding at December 31, 2024 and 2023, respectively	22	21
Class B common stock, \$0.0001 par value, 10,000,000 shares authorized as of December 31, 2024 and 2023, and 0 shares issued and outstanding at both December 31, 2024 and 2023	—	—
Additional paid-in capital	732,784	680,790
Accumulated other comprehensive loss	(7)	(7)
Accumulated deficit	(384,786)	(300,187)
Total stockholders' equity	348,013	380,617
Total liabilities and stockholders' equity	<u>\$ 389,978</u>	<u>\$ 485,546</u>

The accompanying notes are an integral part of these consolidated financial statements.

NAVITAS SEMICONDUCTOR CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)	Year Ended December 31,	
	2024	2023
NET REVENUES	\$ 83,302	\$ 79,456
COST OF REVENUES (exclusive of amortization of intangible assets included below)	54,963	48,392
OPERATING EXPENSES:		
Research and development	76,002	68,825
Selling, general and administrative	62,863	61,551
Amortization of intangible assets	18,926	18,820
Restructuring expense	1,223	—
Total operating expenses	159,014	149,196
LOSS FROM OPERATIONS	(130,675)	(118,132)
OTHER INCOME (EXPENSE), net:		
Interest income (expense)	(150)	1,314
Dividend income	5,233	4,054
Gain (loss) from change in fair value of earnout liabilities	36,644	(33,788)
Other income	102	84
Total other income (expense), net	41,829	(28,336)
LOSS BEFORE INCOME TAXES	(88,846)	(146,468)
INCOME TAX BENEFIT	(342)	(517)
Equity method investment gain	3,905	—
NET LOSS	\$ (84,599)	\$ (145,951)
LESS: NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	(518)
NET LOSS ATTRIBUTABLE TO CONTROLLING INTERESTS	\$ (84,599)	\$ (145,433)
NET LOSS PER COMMON SHARE:		
Basic net loss per share attributable to common stockholders	\$ (0.46)	\$ (0.86)
Diluted net loss per share attributable to common stockholders	\$ (0.46)	\$ (0.86)
WEIGHTED AVERAGE COMMON SHARES USED IN NET LOSS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS:		
Basic common shares	182,460	168,927
Diluted common shares	182,460	168,927

The accompanying notes are an integral part of these consolidated financial statements.

NAVITAS SEMICONDUCTOR CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands)	Stockholder's Equity							Total
	Class A common stock		Additional paid in capital	Accumulated deficit	Accumulated comprehensive income (loss)	Non-controlling Interest		
	Shares	Amount						
Balance at December 31, 2022	153,629	\$ 18	\$ 535,875	\$ (154,754)	\$ (7)	\$ 3,628	\$ 384,760	
Issuance of common stock under employee stock option and stock award plans	9,835	—	5,904	—	—	—	5,904	
Stock-based compensation expense related to employee and non-employee stock awards	—	—	45,043	—	—	—	45,043	
Shares issued in public offering	11,500	3	86,459	—	—	—	86,462	
Shares issued in connection with buyout agreement	4,232	—	7,509	—	—	(3,110)	4,399	
Net loss	—	—	—	(145,433)	—	(518)	(145,951)	
Balance at December 31, 2023	179,196	\$ 21	\$ 680,790	\$ (300,187)	\$ (7)	\$ —	\$ 380,617	
Issuance of common stock under employee stock option and stock award plans	8,918	1	12,758	—	—	—	12,759	
Stock-based compensation expense related to employee and non-employee stock awards	—	—	39,236	—	—	—	39,236	
Net loss	—	—	—	(84,599)	—	—	(84,599)	
Balance at December 31, 2024	<u>188,114</u>	<u>\$ 22</u>	<u>\$ 732,784</u>	<u>\$ (384,786)</u>	<u>\$ (7)</u>	<u>\$ —</u>	<u>\$ 348,013</u>	

The accompanying notes are an integral part of these consolidated financial statements.

NAVITAS SEMICONDUCTOR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)	Year Ended December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (84,599)	\$ (145,951)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2,967	2,160
Amortization of intangibles	18,926	18,820
Non-cash lease expense	1,888	2,036
Impairment of other asset	2,014	—
Other	—	85
Stock-based compensation expense	43,031	54,028
Allowance for expected credit losses	7,689	—
Gain from change in fair value of investment	(3,905)	—
(Gain) loss from change in fair value of earnout liability	(36,644)	33,788
Loss on disposition of property and equipment	148	—
Deferred income taxes	(599)	(784)
Non-cash bonus accruals	(7,882)	(2,757)
Change in operating assets and liabilities:		
Accounts receivable	4,187	(16,731)
Inventories	6,757	(3,173)
Prepaid expenses and other current assets	2,108	(2,555)
Other assets	592	(2,546)
Accounts payable, accrued compensation and other accrued expenses	(2,803)	13,680
Operating lease liability	(1,745)	(1,946)
Customer deposit and deferred revenue	(10,953)	10,467
Net cash used in operating activities	(58,823)	(41,379)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment purchases	(2,500)	(1,000)
Purchases of property and equipment	(6,771)	(4,782)
Net cash used in investing activities	(9,271)	(5,782)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock in connection with stock option exercises	812	1,923
Proceeds from issuance of common stock in May 2023 public offering	—	86,941
Payment of May 2023 public offering costs	—	(482)
Proceeds from employee stock purchase plan	2,683	1,281
Net cash provided by financing activities	3,495	89,663
NET INCREASE (DECREASE) IN CASH	(64,599)	42,502
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF PERIOD	152,839	110,337
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF PERIOD	\$ 88,240	\$ 152,839
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and cash equivalents	\$ 86,737	\$ 151,892
Restricted cash	1,503	947
TOTAL CASH, CASH EQUIVALENTS AND RESTRICTED CASH	\$ 88,240	\$ 152,839
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for income taxes	\$ 296	\$ 160
Capital expenditures not yet paid	\$ 3,110	\$ 499
Shares issued in connection with buyout agreement	—	22,400

The accompanying notes are an integral part of these consolidated financial statements.

NAVITAS SEMICONDUCTOR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

1. ORGANIZATION AND BASIS OF PRESENTATION

The Company was founded in 2014 and has since been developing next-generation power semiconductors including gallium nitride (GaN) power integrated circuits (ICs), silicon carbide (SiC) and associated high-speed silicon system controllers and digital isolators used in power conversion and charging. The Company presently operates as a product design house that contracts the manufacturing of its chips and packaging to partner suppliers. Navitas maintains its operations around the world, including the United States, Ireland, Germany, Italy, Belgium, China, Taiwan, Thailand, South Korea and the Philippines, with principal executive offices in Torrance, California.

The Company has two authorized classes of common stock: Class A and Class B. Both classes have identical voting, dividend, and liquidation rights. There were no outstanding Class B shares as of December 31, 2024 and 2023. The Company also has 1.0 million of preferred stock authorized with no amounts outstanding as of December 31, 2024 and 2023. The preferred stock may be issued with terms, rights, and preferences determined by the board of directors at the time of issuance.

May 2023 Public Offering

On May 26, 2023, the Company completed an underwritten public offering (the “May 2023 Public Offering”) of 10,000,000 shares of its Class A common stock at a public offering price of \$8.00 per share, before deducting underwriting discounts and commissions. In connection with the May 2023 Public Offering, the Company granted the underwriters of the offering a 30-day option to purchase up to an additional 1,500,000 shares of the Company’s Class A common stock (the “Option Shares”) from the Company at the same public offering price. On June 1, 2023, the underwriters exercised in full their option to purchase the Option Shares. The sale of the Option Shares closed on June 5, 2023. After deducting underwriting discounts and commissions and before deducting offering expenses payable by the Company, the Company received net proceeds of \$75.6 million and \$11.3 million from the May 2023 Public Offering and sale of the Option Shares, respectively. The total net proceeds received by the Company after deducting offering expenses was \$86.5 million. The Company intends to use the net proceeds for working capital and other general corporate purposes, including potential acquisitions or strategic manufacturing investments.

Acquisitions

In February 2023, the Company acquired the remaining minority interest in its silicon control IC joint venture from Halo Microelectronics for a purchase price of \$22.4 million in Navitas stock. See Note 18 - “Noncontrolling Interest” for more information.

Basis of Consolidation

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The consolidated financial statements include the accounts of the Company, its wholly owned or majority-owned subsidiaries and entities in which the Company is deemed to have a direct or indirect controlling financial interest based on either a variable interest model or voting interest model. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

NAVITAS SEMICONDUCTOR CORPORATION
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On an ongoing basis, management evaluates the assumptions used in making estimates, including those related to (i) the collectability of accounts receivable; (ii) write-down for excess and obsolete inventory; (iii) warranty obligations; (iv) the value assigned to and estimated useful lives of long-lived assets; (v) the realization of tax assets and estimates of tax liabilities and tax reserves; (vi) recoverability of intangible assets; (vii) the computation of stock-based compensation; (viii) accrued compensation and other expenses; and (ix) the recognition of revenue. These estimates are based on historical data and experience, as well as various other factors that management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. The Company engages third-party valuation specialists to assist with estimates related to the valuation of intangible assets, stock options, restricted common stock awards, and, earnout shares. Such estimates often require the selection of appropriate valuation methodologies and models, and significant judgment in evaluating ranges of assumptions and financial inputs. Actual results could differ from those estimates.

NAVITAS SEMICONDUCTOR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

Significant Accounting Policies

Segment Reporting

The Company is organized and operates as one reportable segment, the design, development, manufacture and marketing of integrated circuits and related components for use primarily in next-generation power semiconductors including gallium nitride (“GaN”) power integrated circuits (“ICs”), silicon carbide (“SiC”) devices and associated high-speed silicon system controllers, and digital isolators used in power conversion and charging. The Company’s Chief Operating Decision Maker, the Chief Executive Officer, reviews financial information presented on a consolidated basis for purposes of making operating decisions and assessing financial performance. See Note 3 - “Segment Information” for more information.

Revenue Recognition

The Company recognizes revenue under the core principle of depicting the transfer of control to the Company’s customers in an amount reflecting the consideration to which the Company expects to be entitled. In order to achieve that core principle, the Company applies the following five-step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied.

Product revenues consist of sales to distributors, original equipment manufacturers, or OEMs, and merchant power supply manufacturers. The Company considers customer purchase orders, which in some cases are governed by master sales agreements, to be the contracts with a customer. In situations where sales are to a distributor, the Company has concluded that its contracts are with the distributor as the Company holds a contract bearing enforceable rights and obligations only with the distributor. As part of its consideration of the contract, the Company evaluates certain factors including the customer’s ability to pay (or credit risk). If the Company concludes that the customer has the ability to pay, a contract has been established. For each contract, the Company considers the promise to transfer products, each of which is distinct, to be the identified performance obligations. In determining the transaction price the Company evaluates whether the price is subject to refund or adjustment to determine the net consideration to which the Company expects to be entitled. As the Company’s standard payment terms are less than one year, the Company has elected the practical expedient to not assess whether a contract has a significant financing component.

The Company allocates the transaction price to each distinct performance obligation based on their relative standalone selling price. The product price as specified on the purchase order is considered the standalone selling price as it is an observable input which depicts the price as if sold to a similar customer in similar circumstances. Revenue is recognized when control of the product is transferred to the customer (i.e., when the Company’s performance obligation is satisfied), which typically occurs at shipment. Further, in determining whether control has transferred, the Company considers if there is a present right to payment and legal title, along with risks and rewards of ownership having transferred to the customer.

When the Company receives orders for products to be delivered over multiple dates that may extend across several reporting periods, the Company invoices for each delivery upon shipment and recognizes revenues for each distinct product delivered. The Company has also elected the practical expedient to expense commissions when incurred as the amortization period of the commission asset the Company would have otherwise recognized is less than one year.

The majority of sales to international customers that are shipped from the Company’s or its vendor’s facility outside of the United States are pursuant to EX Works, or EXW, shipping terms, meaning that control of the product transfers to the customer upon shipment from the Company’s or its vendors’ foreign warehouse.

NAVITAS SEMICONDUCTOR CORPORATION
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Sales returns and allowances are estimated based on historical claims data and expected future claims. Provision for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided in the same period the related revenue is recognized, and are netted against revenue.

Sales to most distributors are made under terms allowing certain limited rights of return (known as “stock rotation”) of the Company’s products held in their inventory or upon sale to their end customers. Revenue from sales to distributors is recognized upon the transfer of control to the distributor. Stock rotation rights grant the distributor the ability to return certain specified amounts of inventory. Stock rotation adjustments are a form of variable consideration and are estimated using the expected value method based on historical return rates. Historically, distributor stock rotation adjustments have been insignificant.

The Company generally provides an assurance warranty that its products will substantially conform to the published specifications for twelve months from the date of shipment. The Company’s liability is limited to either a credit equal to the purchase price or replacement of the defective part. Returns under warranty have historically not been material. As such, the Company does not record a specific warranty reserve.

Revenue received from customers in advance of the Company shipping the related product is considered a contract liability and is included in deferred revenue on the Company’s Consolidated Balance Sheets.

Business Combinations

The Company accounts for business combinations using the acquisition method of accounting, in accordance with ASC 805, “*Business Combinations*”. The acquisition method requires identifiable assets acquired and liabilities assumed be recognized and measured at fair value on the acquisition date, which is the date that the acquirer obtains control of the acquired business. The amount by which the fair value of consideration transferred exceeds the net fair value of assets acquired and liabilities assumed is recorded as goodwill.

The determination of estimated fair value requires the Company to make significant estimates and assumptions. These fair value determinations require judgment and involve the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, and asset lives, among other items. As a result, the Company may record adjustments to the fair values of assets acquired and liabilities assumed within the measurement period (up to *one* year from the acquisition date) with the corresponding offset to goodwill.

Transaction costs associated with business combinations are expensed as they are incurred.

Inventories

Inventories (which consist of costs associated with the purchases of wafers from foundries and of packaged components from offshore assembly manufacturers, as well as internal labor and overhead, including depreciation and amortization, associated with the testing of both wafers and packaged components) are stated at the lower of cost (first-in, first-out) or market. The Company periodically reviews inventory for potential obsolescence and declining values through periodic assessments, considering factors including estimates for future demand and net realizable value. Inventory deemed impaired is written down to its net realizable value. Inventory write-downs are established based on market conditions and trends, expected demand inclusive of sales forecasts, anticipated sales and market prices, and product obsolescence. The Company capitalizes inventory when it is intended for commercial sale or use in production, while costs associated with research and development activities are only capitalized as supplies inventory when an alternative future use has been established.

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Stock-based compensation

The Company measures and recognizes compensation expense for all stock-based awards based on the grant date fair value of the awards. The Company recognizes compensation expense over the requisite service period in the consolidated statements of operations for restricted stock awards or vesting terms.

RSUs - The fair value per unit of each RSU grant award is determined on the grant date based on the Company's stock price. Stock-based compensation is recognized on a straight-line basis over the requisite service period of the award. Forfeitures are recognized as they occur.

ESPP - We currently use the Black-Scholes option-pricing model to estimate the fair value of our Employee Stock Purchase Plan (ESPP) awards and amortize the expense over the requisite service period in the consolidated statements of operations. The option pricing model requires management to make assumptions and to apply judgment in determining fair value of the awards. The most significant assumptions and judgments include the expected volatility, risk-free interest rate, expected dividend rate and expected term of the award.

The expected volatility of the awards is determined based on a combination of the Company's own historical volatility and the historical volatility of selected public companies within its industry. The risk-free interest rate is based on the implied yield currently available on U.S. Treasury notes with a term approximately equal to the expected term of the awards. The expected dividend rate is zero as the Company currently has no history or expectation of cash dividends on its common stock. The Company has adopted the practical expedient for determining the expected term of stock option awards, which is the midpoint between the end of the vesting term and the expiration of the award. The Company has elected to account for forfeitures as they occur.

The Company elected to treat stock-based payment awards with graded vesting schedules and time-based service conditions as a single award and recognize compensation expense on a straight-line basis over the requisite service period.

LTIPs - The fair value for each tranche of the Long-term Incentive Plan Stock Option ("LTIP") awards was determined using Black-Scholes model and a Monte Carlo simulation estimated at the initial grant date. We utilized the services of a professional valuation firm to develop the grant date fair value.

The LTIP awards vest based on the achievement of certain market (stock price hurdles) and performance conditions (revenue and/or EBITDA targets). The most significant assumptions and judgments include management's forecasts related to award performance conditions, including whether certain performance conditions are probable, which determine the timing and amount of the recognition of the awards. Awards are not recognized until they are deemed to be probable to vest, and awards may be unrecognized if they are determined to be no longer probable.

Income Taxes

Current income tax expense is an estimate of current income taxes payable or refundable in the current fiscal year based on reported income before income taxes. Deferred income taxes reflect the effect of temporary differences and carry-forwards that are recognized for financial reporting and income tax purposes.

The Company recognizes deferred tax assets and liabilities based on the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, utilizing the tax rates that are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company recognizes valuation allowances to reduce any deferred tax assets to the amount that it estimates will more likely than not be realized based on available evidence and management's judgment. In the event that the Company determines, based on available evidence and management judgment, that all or part of the net deferred tax assets will not be realized in the future, it would record a valuation allowance in the period the determination is made. In addition, the calculation of tax liabilities involves significant judgment in estimating the impact of uncertainties in the application of complex tax laws.

NAVITAS SEMICONDUCTOR CORPORATION
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Resolution of these uncertainties in a manner inconsistent with the Company's expectations could have a material impact on the Company's results of operations and financial position.

The Company has no unrecognized tax benefits at December 31, 2024 and 2023. The Company's federal and state income tax returns since inception are open and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. When necessary, the Company recognizes interest and penalties associated with tax matters as part of the income tax provision and includes accrued interest and penalties with the related tax liability in the Consolidated Balance Sheets. The Company had no accrued interest and penalties at December 31, 2024 and 2023.

Accounts receivable

Accounts receivable are recorded at the amounts management expects to collect. To account for potential credit losses, the Company establishes an allowance for current estimated credit losses based on estimated losses from customers' inability to meet payment obligations. In evaluating collectability, management considers factors such as customer creditworthiness, past transaction history, current financial conditions, reasonable forecasts, industry trends, and changes in payment terms, reassessing as necessary. Past-due balances exceeding 90 days and other higher-risk amounts are individually assessed. If a customer's financial condition deteriorates, impacting their ability to pay, additional allowances may be required. Management conducts a thorough analysis of each customer account to determine the appropriate allowance level. Estimated credit losses are recognized as a charge to earnings with a corresponding credit to the valuation allowance. At each reporting period, the Company reassesses the amount of probable credit losses based on the changes in risk characteristics of the underlying receivables as needed. Outstanding balances that remain uncollected after reasonable collection efforts are written off against the allowance for current estimated credit losses.

Accounts receivable also include unbilled receivables, which primarily represent revenue recognized for services performed but not yet invoiced to customers. All unbilled accounts receivables are expected to be billed and collected within twelve months.

Fair Value Measurements

ASC 820, "*Fair Value Measurements and Disclosures*", defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company categorizes its financial assets and liabilities measured at fair value into a hierarchy that categorizes fair value measurements into the following three levels based on the types of inputs used in measuring their fair value:

- Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities;
- Level 2: Observable market-based inputs or observable inputs that are corroborated by market data; and
- Level 3: Unobservable inputs reflecting the Company's own assumptions.

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

Derivative Liabilities

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 480 and ASC 815, "*Derivatives and Hedging*". The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

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The 8,433,333 warrants issued in connection with Live Oak's Initial Public Offering (the "Public Warrants"), the 4,666,667 Private Placement Warrants and the Earnout Shares associated with Vested Shares are recognized as derivative liabilities in accordance with ASC 815. Accordingly, the Company recognizes the warrant instruments and earnout shares as liabilities at fair value and adjusts the instruments to fair value at each reporting period. The liabilities are subject to re-measurement at each balance sheet date until exercised. The Public Warrant quoted market price was used as the fair value for the Public Warrants and the Private Placement Warrants as of each relevant date. The Earnout shares were valued using a Monte Carlo analysis. Derivative warrant liabilities are classified as non-current liabilities as their liquidation is not reasonably expected to require the use of significant current assets or require the creation of current liabilities. There were no outstanding warrants as of December 31, 2024, and December 31, 2023.

Intangible Assets

Long-lived assets, such as property and equipment and intangible assets with finite lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Patent Costs

The Company expense external costs, such as filing fees and associated attorney fees, incurred to obtain patents, but capitalized patents obtained through acquisition as intangible assets. The Company also expense costs associated with maintaining and defending patents subsequent to their issuance.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of tangible and intangible assets acquired. The carrying value of goodwill is reviewed for possible impairment in accordance with the authoritative guidance on goodwill, intangibles and other. The Company assesses possible impairments to goodwill at least annually, or more frequently when events or changes in circumstances would more likely than not reduce the fair value of a reporting unit below its carrying value.

Cash and Cash Equivalents

The Company considers cash invested in highly liquid financial instruments with maturities of three months or less at the date of purchase to be cash equivalents.

Restricted Cash

The Company's restricted cash consists of funds held in a SAFE account in China, which are legally restricted from withdrawal for general corporate purposes. These funds are designated exclusively for the settlement of employee obligations related to restricted stock unit (RSU) and stock option releases, as well as the remittance of applicable taxes.

Investments

The Company holds an investment in an affiliate over which it has significant influence but does not maintain a controlling interest, the Company applies the equity method of accounting. This investment is reported under "Other assets" in the Consolidated Balance Sheets. The Company's share of earnings and losses from this investment is recognized under "Equity method investment gain" on the Consolidated Statements of Operations.

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Foreign Currency Risk and Foreign Currency Translation

As of December 31, 2024, the Company's primary transactional currency was U.S. Dollars. Gains and losses arising from the remeasurement of non-functional currency balances are recorded in selling, general and administrative expenses in the accompanying consolidated statements of operations. The Company realized a foreign currency transaction net loss of \$0.3 million and \$0.4 million in 2024 and 2023, respectively.

The functional currencies of the Company's non-U.S. subsidiaries are the U.S. Dollar. Accordingly, all monetary assets and liabilities are translated into U.S. Dollars at the current exchange rates as of the applicable balance sheet date. Non-monetary assets and liabilities into U.S. Dollars at the applicable historical rates. Revenues and expenses are translated at either the average exchange rate prevailing during the period or historical rates as applicable.

Advertising

Advertising costs, which are included in selling, general and administrative expenses, are expensed as incurred. They are not material in 2024 and 2023.

Research and Development

Costs related to research, design, and development of the Company's products are expensed as incurred. Research and development expense consists primarily of pre-production costs related to the design and development of the Company's products and technologies, including costs related to contracted non-recurring engineering services. These expenses include employee compensation, benefits and related costs of sustaining the Company's engineering teams, project material costs, third party fees paid to consultants, prototype development expenses, and other costs incurred in the product and technology design and development processes.

Reclassifications

Certain items in the prior period's Condensed Consolidated Balance Sheets and condensed consolidated statements of operations have been reclassified to conform to the presentation for the twelve months ended December 31, 2024. Dividend income was previously included within interest income (expense), net. Additionally, for the prior period, the Company reclassified \$0.9 million from inventories to prepaids and other current assets related to the sales returns inventory. The Company reclassified \$1.4 million from prepaids and other current assets to other assets and \$1.9 million from accounts payable and other accrued expenses to its own line for accrued royalties related to an indemnity asset and royalty liability, respectively. Additionally, the Company reclassified \$0.9 million from cash and cash equivalents to restricted cash. During the year ended December 31, 2024, the Company revised its presentation of stockholders' equity to separately present Class A and Class B Common Stock, previously combined in prior periods. This reclassification had no impact on total stockholders' equity or financial results. In 2023, in the Statement of Cash Flows, the Company reclassified \$1.3 million from Accounts Payable within operating activities to financing activities under Proceeds from the Employee Stock Purchase Plan (ESPP), coupled with a \$2.8 million reclassification from Accounts Payable to Non-cash Bonus Accruals. There was no impact to net loss and retained earnings as a result of the reclassifications.

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Recently Issued Accounting Standards

In December 2023, FASB issued ASU 2023-09, titled Income Taxes (Topic 740): Improvements to Income Tax Disclosures. These amendments address investor requests for enhanced transparency regarding income tax information. Specifically, they improve income tax disclosures related to rate reconciliation and income taxes paid. This updated standard will be effective for annual periods starting in fiscal 2025 and interim periods beginning in the first quarter of fiscal 2026. Early adoption is permitted. The Company is currently assessing the impact of this standard and anticipates that it will result in disclosure changes only.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures, which mandates enhanced disclosure of specific costs and expenses within the notes to the financial statements. This updated standard will be effective for annual periods starting in fiscal 2028 and interim periods beginning in the first quarter of fiscal 2029. Early adoption is permitted. The impact of the updated standard on the financial statement disclosures is currently being assessed..

Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board (FASB) introduced Accounting Standard Update (ASU) 2023-07, titled Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This update mandates that all public entities, including those with a single reportable segment, disclose one or more measures of segment profit or loss that the chief operating decision maker (CODM) uses to allocate resources and assess performance during interim and annual reporting periods. Furthermore, the standard requires the disclosure of significant segment expenses, other relevant segment items, and additional qualitative information. The Company adopted ASC 2023-07 and all related subsequent amendments during the current reporting period, as disclosed in Note 3 - “Segment Information” of this Form 10-K.

This Form 10-K does not include any other newly implemented accounting standards or pronouncements beyond those detailed above. Such exclusions were made because they either do not apply to the Company or are not anticipated to materially impact the condensed consolidated financial statements.

NAVITAS SEMICONDUCTOR CORPORATION
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3. SEGMENT INFORMATION

Navitas operates as a single operating segment under ASC 280 - Segment Reporting, which establishes requirements for public entities to disclose financial information about operating segments. Under ASC 280, an operating segment is defined as a component of a company that generates revenue and expenses, has discrete financial data available, and is regularly reviewed by the Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The Company's CEO, Gene Sheridan, serves as the CODM, overseeing financial performance and making resource allocation decisions at a consolidated level. The CODM primarily evaluates consolidated net income (loss) as the measure of segment profit or loss. While product-level data is available internally, it is not used for performance evaluation or resource allocation. Additionally, the CODM reviews detailed breakdowns of significant expenses, such as selling, general, and administrative (SG&A) expenses and research and development (R&D) costs, which are already disclosed in the income statement. Below is an overview of the specific items reviewed by the CODM.

	Year Ended December 31,	
	2024	2023
NET REVENUES	\$ 83,302	\$ 79,456
COST OF REVENUES (exclusive of amortization of intangibles included below)	54,963	48,392
OPERATING EXPENSES:		
Stock-based compensation	42,703	54,028
Employee	45,693	39,912
Amortization of intangible assets	18,926	18,820
Other	51,692	36,436
Total operating expenses	\$ 159,014	\$ 149,196
Operating loss	\$ (130,675)	\$ (118,132)
Other income (expense)	41,829	(28,336)
Loss before income taxes	\$ (88,846)	\$ (146,468)
Income tax benefit	(342)	(517)
Equity method investment gain	3,905	—
Net loss	\$ (84,599)	\$ (145,951)
Less: net loss attributable to noncontrolling interests	—	(518)
Net loss attributable to controlling interests	\$ (84,599)	\$ (145,433)

4. ACCOUNTS RECEIVABLE

Accounts receivable trade, net consist of the following (in thousands):

	December 31, 2024	December 31, 2023
Accounts receivable, gross	\$ 12,578	\$ 25,411
Unbilled receivables	1,539	447
Allowance for credit losses	(135)	—
Accounts receivable, net	\$ 13,982	\$ 25,858

Unbilled receivables relate to two customers.

NAVITAS SEMICONDUCTOR CORPORATION
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Allowance for credit losses activity (in thousands):

	<u>Allowance for Credit Losses</u>
Balance at December 31, 2022	\$ —
Provision for credit losses, net of recoveries	(314)
Accounts written-off	314
Balance at December 31, 2023	\$ —
Provision for credit losses, net of recoveries	(7,619)
Accounts written-off	7,484
Balance at December 31, 2024	<u>\$ (135)</u>

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5. INVENTORIES

Inventories consist of the following (in thousands):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Raw materials	\$ 2,422	\$ 7,743
Work-in-process	10,465	10,863
Finished goods	2,590	3,628
Total	<u>\$ 15,477</u>	<u>\$ 22,234</u>

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6. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following (in thousands):

	December 31, 2024	December 31, 2023
Furniture and fixtures	\$ 330	\$ 244
Computers and other equipment	11,714	10,339
Leasehold improvements	4,302	2,360
Construction in Progress	6,887	1,114
	<u>23,233</u>	<u>14,057</u>
Accumulated depreciation	(7,812)	(4,903)
Total	<u>\$ 15,421</u>	<u>\$ 9,154</u>

For the years ended December 31, 2024 and 2023, depreciation expense was \$3.0 million and \$2.2 million, respectively, and was determined using the straight-line method over the following estimated useful lives:

Furniture and fixtures	3 — 7 years
Computers and other equipment	2 — 5 years
Leasehold improvements	2 — 6 years

See below for the Company's long-lived assets, net by region as of December 31, 2024:

	United States	International	Total
Property and Equipment	12,196	3,225	15,421
Operating ROU Assets	3,861	3,039	6,900
Other Assets	10,005	473	10,478
Total	<u>\$ 26,062</u>	<u>\$ 6,737</u>	<u>\$ 32,799</u>

The Company's long-lived assets, net by region as of December 31, 2023:

	United States	International	Total
Property and Equipment	\$ 5,669	\$ 3,485	\$ 9,154
Operating ROU Assets	4,831	3,437	8,268
Other Assets	6,054	647	6,701
Total	<u>\$ 16,554</u>	<u>\$ 7,569</u>	<u>\$ 24,123</u>

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7. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The accounting guidance on fair value measurements clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the guidance establishes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices for identical assets in active markets; (Level 2) inputs other than the quoted prices in active markets that are observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which requires the Company to develop its own assumptions. This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The short-term nature of the Company's cash and cash equivalents, accounts receivable, debt and current liabilities causes each of their carrying values to approximate fair value for all periods presented. Cash equivalents classified as Level 1 instruments was \$66.5 million for December 31, 2024 and \$139.0 million for 2023.

The following table presents the Company's fair value hierarchy for financial liabilities as of December 31, 2024 (in thousands):

	Level 1	Level 2	Level 3	Total
Liabilities:				
Earnout liability	\$ —	\$ —	\$ 10,208	\$ 10,208
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 10,208</u>	<u>\$ 10,208</u>

The following table presents the Company's fair value hierarchy for financial liabilities as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Liabilities:				
Earnout liability	\$ —	\$ —	\$ 46,852	\$ 46,852
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 46,852</u>	<u>\$ 46,852</u>

The Company did not transfer any investments between level 1 and level 2 of the fair value hierarchy in the years ended December 31, 2024 and 2023.

The following table provides a reconciliation between the beginning and ending balances of items measured at fair value on a recurring basis that used significant unobservable inputs (Level 3). See Note 11 - "Earnout Liability" for more details. (In thousands):

	Fair Value Measurements Using Significant Unobservable Inputs
Balance at December 31, 2023	\$ 46,852
Fair value adjustment	(36,644)
Balance at December 31, 2024	<u>\$ 10,208</u>

8. GOODWILL AND INTANGIBLES

Goodwill represents the excess of the consideration transferred over the estimated fair value of assets acquired and liabilities assumed in a business combination. Intangible assets are measured at their respective fair values as of the

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acquisition date and may be subject to adjustment within the measurement period, which may be up to one year from the acquisition date. Goodwill and indefinite-lived intangible assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it is more likely than not that the assets are impaired. As of the annual measurement date on September 30, 2024, the fair market value of the Company's stock continues to exceed its carrying value, with no indicators of impairment as of December 31, 2024.

There were no changes to goodwill during the fiscal year ended December 31, 2024. The following table presents the changes in the Company's goodwill balance for the fiscal year ended December 31, 2023 (in thousands):

	Goodwill	
Balance at December 31, 2022	\$	161,527
Purchase price adjustment ¹		1,688
Balance at December 31, 2023	\$	163,215

¹ In 2023, the Company received information regarding products shipped by GeneSiC to a distributor prior to the Company's acquisition of GeneSiC. GeneSiC had the option, but not the obligation, to accept returns sold to the distributor. The Company determined that a \$1.7 million return liability should have been recorded as of the close of the acquisition on August 15, 2022. The Company recorded the return liability as a purchase price adjustment in 2023, resulting in an increase to goodwill and accounts payable and other accrued expenses of \$1.7 million.

The following table presents the Company's intangible asset balance by asset class for the fiscal year ended December 31, 2024 (in thousands):

Intangible Asset	Cost	Accumulated Amortization	Net Book Value	Amortization Method	Useful Life
Trade Names	\$ 900	\$ (900)	\$ —	Straight line	2 years
Developed Technology	53,500	(31,074)	22,426	Straight line	4-10 years
In-process R&D	1,177	—	1,177	Indefinite	N/A
Patents	34,900	(5,834)	29,066	Straight line	5-15 years
Customer Relationships	24,300	(5,771)	18,529	Straight line	10 years
Non-Competition Agreements	1,900	(903)	997	Straight line	5 years
Other	658	(658)	—	Straight line	5 years
Total	\$ 117,335	\$ (45,140)	\$ 72,195		

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The following table presents the Company's intangible asset balance by asset class for the fiscal year ended December 31, 2023 (in thousands):

Intangible Asset	Cost	Accumulated Amortization	Net Book Value	Amortization Method	Useful Life
Trade Names	\$ 900	\$ (619)	\$ 281	Straight line	2 years
Developed Technology	53,500	(17,703)	35,797	Straight line	4-10 years
In-process R&D	1,177	—	1,177	Indefinite	N/A
Patents	34,900	(3,424)	31,476	Straight line	5-15 years
Customer Relationships	24,300	(3,341)	20,959	Straight line	10 years
Non-Competition Agreements	1,900	(523)	1,377	Straight line	5 years
Other	658	(626)	32	Straight line	5 years
Total	\$ 117,335	\$ (26,236)	\$ 91,099		

The following tables presents the changes in the Company's intangible asset balance for the fiscal year ended December 31, 2024 and December 31, 2023 (in thousands):

	Intangible Assets, net
Balance at December 31, 2022	\$ 105,620
Additions to intangible assets	4,299
Amortization expense	(18,820)
Balance at December 31, 2023	\$ 91,099
Other Adjustments	22
Amortization expense	(18,926)
Balance at December 31, 2024	\$ 72,195

The amortization expense was \$18.9 million for the fiscal year ended December 31, 2024 and was \$18.8 million for the fiscal year ended December 31, 2023.

Total future amortization expense of intangible assets is estimated to be as follows (in thousands):

Fiscal Year Ending December 31,	Total
2025	\$ 18,645
2026	14,042
2027	5,336
2028	4,690
2029	4,690
Thereafter	23,615
Total	\$ 71,018

There were no impairment charges during the years ended December 31, 2024 and 2023.

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9. LEASES

The Company has entered into operating leases primarily for commercial buildings. As of December 31, 2024 no operating lease agreements contain economic penalties for the Company to extend the lease, and it is not reasonably certain the Company will exercise these extension options. Additionally, these operating lease agreements do not contain material residual value guarantees or material restrictive covenants. As of December 31, 2024, all leases recorded on the Company's Consolidated Balance Sheets were operating leases.

The Company has made the accounting policy election to use certain ongoing practical expedients made available by ASC 842 to: (i) not separate lease components from nonlease components for real estate; and (ii) exclude leases with an initial term of 12 months or less ("short-term" leases) from the Consolidated Balance Sheets and will recognize related lease payments in the consolidated statements of operations on a straight-line basis over the lease term. For leases that do not have a readily determinable implicit rate, the Company uses its estimated secured incremental borrowing rate based on the information available at the lease commencement date to determine the present value of lease payments.

Rent expense, including short-term lease cost, was \$2.6 million and \$2.7 million for the fiscal years ended December 31, 2024 and 2023, respectively. In addition to rent payments, the Company's leases include real estate taxes, common area maintenance, utilities, and management fees, which are not fixed. The Company accounts for these costs as variable payments and does not include such costs as a lease component. Total variable expense was \$0.3 million and \$0.1 million for the fiscal years ended December 31, 2024 and 2023, respectively.

Information related to the Company right-of-use assets and related operating lease liabilities were as follows (in thousands):

	Fiscal Years Ended	
	December 31, 2024	December 31, 2023
Cash paid for operating lease liabilities	\$ 2,288	\$ 1,919
Operating lease cost	\$ 2,323	\$ 2,036
Non-cash right-of-use assets obtained in exchange for new operating lease obligations	\$ 650	\$ 3,230
Weighted-average remaining lease term	4.02	4.88
Weight-average discount rate	4.93%	5.08%

Maturities of lease liabilities (in thousands) due in the 12-month period ending December 31,

2025	\$ 2,078
2026	2,010
2027	1,842
2028	1,687
2029	440
	<u>8,057</u>
Less imputed interest	737
Total lease liabilities	<u>\$ 7,320</u>

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10. STOCK-BASED COMPENSATION

Equity Incentive Plans

The 2020 Equity Incentive Plan (“2020 Plan”) provides for the grant of incentive stock options, non-statutory stock options, restricted stock awards, restricted stock unit (RSU) awards, stock appreciation rights, and other stock awards to employees, directors and consultants. Pursuant to the 2020 Plan, the exercise price for incentive stock options and non-statutory stock options is generally at least 100% of the fair market value of the underlying shares on the date of grant. Options generally vest over 48 months measured from the date of grant. Options generally expire no later than ten years after the date of grant, subject to earlier termination upon an optionee’s cessation of employment or service.

Under the terms of the 2020 Plan, the Company is authorized to issue 18,899,285 shares of common stock pursuant to awards under the 2020 Plan. As of October 19, 2021, the Company issued an aggregate of 11,276,706 stock options and non-statutory options to its employees and consultants and 4,525,344 shares of restricted stock to employees, directors and consultants under the 2020 Plan. No awards have or will be issued under the 2020 Plan after October 19, 2021. Shares of common stock subject to awards under the 2020 Plan that are forfeited, expire or lapse after October 19, 2021 will become authorized for issuance pursuant to awards under the 2021 Plan (as defined below).

The Navitas Semiconductor Corporation 2021 Equity Incentive Plan (the “2021 Plan”) was adopted by the Company’s board of directors on August 17, 2021 and adopted and approved by the Company’s stockholders at the Special Meeting on October 12, 2021. Under the terms of the 2021 Plan, the Company is authorized to issue, pursuant to awards granted under the 2021 Plan, (a) up to 16,334,527 shares of common stock; plus (b) up to 15,802,050 shares of common stock subject to awards under the 2020 Plan that are forfeited, expire or lapse after October 19, 2021; plus (c) an annual increase, effective as of the first day of each fiscal year up to and including January 1, 2031, equal to the lesser of (i) 4% of the number of shares of common stock outstanding as of the conclusion of the Company’s immediately preceding fiscal year, or (ii) such amount, if any, as the board of directors may determine. As of December 31, 2024, the Company has issued 6,500,000 non-statutory stock options under the 2021 Plan.

Stock-Based Compensation

The Company recognizes the fair value of stock-based compensation in its financial statements over the requisite service period of the individual grants, which generally equals a four-year vesting period, except for Long-Term Incentive Plan Stock Options discussed below. The Company uses estimates of volatility, expected term, risk-free interest rate and dividend yield in determining the fair value of these awards and the amount of compensation expense to recognize. The Company uses the straight-line method to amortize stock awards granted over the requisite service period of the award, which may be explicit or derived, unless market or performance conditions result in a graded attribution.

The following table summarizes the stock-based compensation expense recognized for the years ended December 31, 2024 and 2023:

(In thousands)	Years Ended December 31,	
	2024	2023
Cost of goods sold	\$ 328	\$ —
Research and development	23,472	26,806
Selling, general and administrative	19,231	27,222
Total stock-based compensation expense	<u>\$ 43,031</u>	<u>\$ 54,028</u>

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Stock Options

Generally, stock options granted under the Plans have ten year terms and vest 1/4th on the anniversary of the vesting commencement date and 1/48th monthly thereafter. Stock options with performance vesting conditions begin to vest upon achievement of the performance condition. Expense is recognized beginning in the period in which performance is considered probable. The fair value of incentive stock options and non-statutory stock options issued was estimated using the Black-Scholes model.

A summary of stock options outstanding as of December 31, 2024, and activity during the two years then ended, is presented below:

Stock Options	Shares (In thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (In years)
Outstanding at December 31, 2022	6,775	\$ 0.59	6.2
Exercised	(3,899)	0.49	
Forfeited or expired	(219)	1.06	
Outstanding at December 31, 2023	2,657	\$ 0.72	5.7
Exercised	(1,142)	0.71	
Forfeited or expired	(16)	1.06	
Outstanding at December 31, 2024	1,499	\$ 0.74	4.7
Vested and exercisable at December 31, 2024	1,497	\$ 0.74	4.7

During the years ended December 31, 2024 and 2023, the Company recognized \$0.1 million and \$0.5 million, respectively, of stock-based compensation expense for the vesting of outstanding stock options, excluding \$2.5 million and \$7.9 million, respectively, related to the LTIP Options described below. At December 31, 2024, unrecognized compensation cost related to unvested options was immaterial. The weighted-average period over which this remaining compensation cost will be recognized is 0.0 years.

Long-term Incentive Plan Stock Options

The Company awarded a total of 6,500,000 performance stock options (“2021 LTIP Options”) to certain members of senior management on December 29, 2021, pursuant to the 2021 Plan. These non-statutory options are intended to be the only equity awards for the recipients over the duration of the performance period. The options vest in increments subject to achieving certain market and performance conditions, including ten share price hurdles ranging from \$15 to \$60 per share, coupled with revenue and EBITDA targets, measured over a seven year performance period and expire on the tenth anniversary of the grant date. The options have an exercise price of \$15.51 per share and the average fair value on the grant date was \$9.14 based on the Black-Scholes model and a Monte Carlo simulation incorporating 500,000 scenarios. The weighted average contractual period remaining is 7.0 years. The Company utilized the services of a professional valuation firm to finalize these assumptions during the fiscal year ended December 31, 2023. The valuation model utilized the following assumptions:

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Risk-free interest rate	1.47 %
Expected volatility rates	67.33 %
Expected dividend yield	—
Cost of equity (for derived service period)	11.77 %
Weighted-average grant date fair value of options	\$9.14

On a quarterly basis, management reviews the probable achievement for each of the tranches in the 2021 LTIP Options in regards to revenue and EBITDA, which includes assumptions for forecasted revenue and EBITDA. In connection with the “2021 LTIP Options”, the Company recognized \$4.0 million and \$6.9 million of stock-based compensation expense for the years ended December 31, 2024 and 2023, respectively. The unrecognized compensation expense related to probable tranches in the 2021 LTIP Options is \$2.2 million as of December 31, 2024, and compensation expense will be recognized over 2.5 years. If the Company achieves all revenue and EBITDA performance metrics, the total incremental recognized expense would be \$40.7 million.

The Company awarded a total of 3,250,000 performance stock options (“2022 LTIP Options”) to a member of senior management on August 15, 2022 pursuant to the 2021 Plan. The options vest in increments subject to achieving certain market and performance conditions, including ten share price hurdles ranging from \$15 to \$60 per share, coupled with revenue and EBITDA targets, measured over a seven year performance period and expire on the tenth anniversary of the grant date. The options have an exercise price of \$10.00 per share and the average fair value on the grant date was \$2.89. The weighted average contractual period remaining is 7.6 years. The Black-Scholes model and a Monte Carlo simulation incorporated 100,000 scenarios. The Company utilized the services of a professional valuation firm to finalize these assumptions during the fiscal year ended December 31, 2023. The valuation model utilized the following assumptions:

Risk-free interest rates	2.82 %
Expected volatility rates	68.48 %
Expected dividend yield	—
Cost of equity (for derived service period)	14.64 %
Weighted-average grant date fair value of options	\$2.89

On a quarterly basis, management reviews the probable achievement for each of the tranches in the 2022 LTIP Options in regards to revenue and EBITDA, which includes assumptions for forecasted revenue and EBITDA. In relation to the 2022 LTIP Options, a member of senior management departed the Company prior to December 31, 2024, failing to meet the service requirement for the options. As a result, their options were forfeited, and the Company reversed the associated stock-based compensation. The Company recognized \$0.6 million of stock-based compensation through the date of forfeiture in 2024 and \$1.1 million of expense for 2023. The Company reversed the cumulative \$2.1 million of stock-based compensation for the year ended December 31, 2024. No compensation expense related to the 2022 LTIP Options will be recognized subsequent to December 31, 2024.

Restricted Stock Units

The Company regularly grants RSUs to employees as a component of their compensation. A summary of RSUs outstanding as of December 31, 2024, and activity during the year then ended, is presented below:

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Restricted Stock Unit Awards	Shares (In thousands)	Weighted-Average Grant Date Fair Value Per Share
Outstanding at December 31, 2022	11,606	\$ 5.93
Granted	6,184	6.30
Vested	(4,811)	5.76
Forfeited	(107)	7.47
Outstanding at December 31, 2023	12,872	\$ 6.70
Granted	5,556	5.21
Vested	(7,005)	5.68
Forfeited	(1,871)	6.48
Outstanding at December 31, 2024	9,552	\$ 6.63

During the years ended December 31, 2024 and 2023, the Company recognized \$34.0 million and \$31.5 million, respectively, of stock-based compensation expense for the vesting of RSUs. At December 31, 2024, unrecognized compensation cost related to unvested RSU awards totaled \$46.7 million. The weighted-average period over which this remaining compensation cost is expected to be recognized is 2.1 years.

The Company implemented a yearly stock-based bonus plan in 2021 and plans to settle accrued bonus liabilities of \$3.7 million related to fiscal year 2024 (included in “Accrued compensation expenses” on the Consolidated Balance Sheets), by issuing a variable number of fully-vested restricted stock units to its employees in 2024. Based on the closing share price of the Company’s Class A common stock of \$3.57 on December 31, 2024, approximately 1.0 million shares would be issued, however the actual number of shares will be based on the share price at the date of settlement.

2022 Employee Stock Purchase Plan

In August 2022, the Company’s board of directors adopted the Company’s 2022 Employee Stock Purchase Plan (the “2022 ESPP”), subject to stockholder approval. The 2022 ESPP was approved by stockholders at the Company’s annual stockholders meeting held November 10, 2022. The Company authorized the issuance of 3,000,000 shares of common stock under the 2022 ESPP.

Under the 2022 ESPP, eligible employees are granted the right to purchase shares of common stock at the lower of 85% of the fair value at the time of offering or 85% of the fair value at the time of purchase, generally over a six-month period. The first offering period under the 2022 ESPP commenced in February 2023 and the second offering in September 2023. For the years ended December 31, 2024 and 2023, employees who elected to participate in the ESPP purchased 801,465 and 257,963 shares of common stock under the 2022 ESPP, resulting in cash proceeds to the Company of \$2.7 million and \$1.3 million, respectively. The purchase price was \$4.55 and \$2.19, which was 15% of the fair market value in March and September 2024, respectively. As of December 31, 2024 the Company had 1,940,572 remaining authorized shares available for purchase. During the year ended December 31, 2024 and 2023, the Company recognized \$1.8 million and \$1.2 million of stock-based compensation expense for the ESPP, respectively.

Other Share Awards

In connection with the acquisition of the remaining minority interest of a silicon control IC joint venture, as described in Note 18 - “Noncontrolling Interest”, the Company issued 841,729 fully vested shares to certain former employees of the joint venture with a grant date fair value totaling \$4.5 million. Such amount has been recognized as stock-based compensation expense during the year ended December 31, 2023.

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On June 10, 2022, the Company's wholly owned subsidiary, Navitas Semiconductor Limited, acquired all of the stock of VDDTECH srl, a private Belgian company ("VDDTech") for approximately \$1.9 million in cash and stock. Among shares issued in the transaction, the Company issued approximately 113,000 restricted shares that are subject to time based vesting and issued approximately 151,000 restricted shares that are subject to time and performance based vesting over the next four and three years, respectively. These restricted shares are subject to certain individuals maintaining employment with the Company and, therefore, are accounted for under ASC 718. The Company recognized \$0.6 million and \$0.9 million of stock-based compensation expense related to the vesting of these shares during the year ended December 31, 2024 and 2023, respectively.

Unvested Earnout Shares

A portion of the earnout shares may be issued to individuals with unvested equity awards. While the release of these shares require achievement of the Earn-out Milestones, the individuals are required to complete the remaining service period associated with these unvested equity awards to be eligible to receive the earnout shares. As a result, these unvested earn-out shares are equity-classified awards and have an aggregated grant date fair value of \$19.1 million (or \$11.52 per share). During the year ended December 31, 2024 and 2023, the Company recognized \$0.2 million and \$0.3 million of stock-based compensation expense for the vesting of earnout shares. As of the beginning of the second quarter of fiscal year 2023, these earnout shares had fully vested. At December 31, 2024 and 2023, there was no remaining compensation cost related to unvested earnout shares, except for forfeitures. Refer to Note 11 - "Earnout Liability".

11. EARNOUT LIABILITY

Certain of the Company's stockholders are entitled to receive an aggregate of up to 10,000,000 Earnout Shares of the Company's Class A common stock if the Earnout Milestones are met. The Earnout Milestones represent three independent criteria, each of which entitles the eligible stockholders to an aggregate of up to 3,333,333 Earnout Shares per milestone met. Each Earnout Milestone is considered met if at any time between March 18, 2022 (150 days following the Business Combination) and October 19, 2026, the volume-weighted average price of the Company's Class A common stock is greater than or equal to \$12.50, \$17.00 or \$20.00 for any twenty trading days within any thirty trading day period, respectively. Further, the Earnout Milestones are also considered to be met if the Company undergoes a Sale. A Sale is defined as the occurrence of any of the following: (i) engage in a "going private" transaction pursuant to Rule 13e-3 under the Exchange Act or otherwise cease to be subject to reporting obligations under Sections 13 or 15(d) of the Exchange Act; (ii) Class A common stock cease to be listed on a national security exchange, other than for the failure to satisfy minimum listing requirements under applicable stock exchange rules; or (iii) change of ownership (including a merger or consolidation) or approval of a plan for complete liquidation or dissolution.

These Earnout Shares have been categorized into two components: (i) the "Vested Shares" - those associated with stockholders with vested equity at the closing of the Business Combination that will be earned upon achievement of the Earnout Milestones. Any forfeited shares from unvested holders will be reallocated among the remaining earnout holders and (ii) the "Unvested Shares" - those associated with employee stockholders with unvested equity at the closing of the Business Combination which are subject to forfeiture if the employee left prior to the achievement of the Earnout Milestones. As the implicit service period has passed, these shares now remain contingent solely on meeting the earnout performance condition. The Vested Shares are classified as liabilities in the Consolidated Balance Sheets and the Unvested Shares are equity-classified stock-based compensation to be recognized over time (see Note 10 - "Stock-based Compensation"). The earnout liability was initially measured at fair value at the closing of the Business Combination and subsequently remeasured at the end of each reporting period. The change in fair value of the earn-out liability is recorded as part of "Other income (expense), net" in the consolidated statement of operations.

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The estimated fair value of the earnout liability was determined using a Monte Carlo analysis of 20,000 simulations of the future path of the Company's stock price over the earnout period. The forecasted stock price is a significant input in this analysis. The assumptions utilized in the calculation are based on the achievement of certain stock price milestones including projected stock price, volatility, and risk-free rate. The valuation model utilized the following assumptions:

	December 31, 2024	December 31, 2023
Risk-free interest rate	4.23 %	4.05 %
Equity volatility rate	90 %	70 %

As of December 31, 2024 and 2023, the earnout liability had a fair value of \$10.2 million and \$46.9 million, respectively which resulted in a gain in the fair value of the earnout liability of \$36.7 million and a loss in the fair value of the earnout liability of \$33.8 million for the year ended December 31, 2024 and 2023, respectively, due to the fluctuations in the fair value of the earnout liability.

12. SIGNIFICANT CUSTOMERS AND CREDIT CONCENTRATIONS

Customer Concentration

A majority of the Company's revenues are attributable to sales of the Company's products to distributors of electronic components. These distributors sell the Company's products to a range of end users, including OEMs and merchant power supply manufacturers.

The following customers represented 10% or more of the Company's net revenues (in thousands):

Customer	Year Ended December 31,	
	2024	2023
Distributor A	56 %	45 %

At the end of 2024, the Company terminated its distribution agreement with Distributor A. As a result of this termination, the Company incurred a bad debt expense of \$7.5 million included in Selling, general and administrative expenses for the year ended December 31, 2024.

The Company had acquired inventory, which was intended to be primarily sold through this distributor. Given the termination, the Company re-evaluated the recoverability of its inventory and recorded a write-down of \$5.0 million to Cost of Revenues for the year ended December 31, 2024. Additionally, the Company also had a research and development project related to creating future products for distribution to this customer, which was abandoned resulting in a \$1.7 million charged to Research and development for the year ended December 31, 2024.

Revenues by Geographic Area

Revenues for the twelve months ended December 31, 2024 and 2023, were attributable to the following regions:

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Region	Year Ended December 31,	
	2024	2023
Hong Kong	64 %	53 %
Rest of Asia	18 %	13 %
US	9 %	9 %
China	4 %	15 %
Europe	4 %	10 %
All Other	1 %	— %
Total	100 %	100 %

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consisted principally of cash, cash equivalents and trade receivables. The Company maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits. The Company has not experienced any losses on cash or cash equivalents held at financial institutions. The Company does not have any off-balance-sheet credit exposure related to its customers.

The following customers represented 10% or more of the Company's accounts receivable:

Customer	As of December 31,	
	2024	2023
Distributor A	44 %	77 %

Concentration of Supplier Risk

The Company currently relies on a single foundry to produce wafers for GaN ICs and a separate single foundry to produce SiC MOSFETs. Loss of the relationship with either of these suppliers could have a substantial negative effect on the Company. Additionally, the Company relies on a limited number of third-party subcontractors and suppliers for testing, packaging and certain other tasks. Disruption or termination of supply sources or subcontractors, including due to the COVID-19 pandemic or natural disasters such as an earthquake or other causes, could delay shipments and could have a material adverse effect on the Company. Although there are generally alternate sources for these materials and services, qualification of the alternate sources could cause delays sufficient to have a material adverse effect on the Company. A significant amount of the Company's third-party subcontractors and suppliers, including the third-party foundry that supplies wafers for GaN ICs, are located in Taiwan. A significant amount of the Company's assembly and test operations are conducted by third-party contractors in Taiwan and the Philippines.

The Company entered into an agreement to purchase raw materials from a supplier from September 29, 2022 through December 31, 2025, and accordingly made a \$2.0 million deposit to be received as invoice credits toward future purchases. The Company is not obligated to purchase from this supplier, however, if the Company does not meet the minimum purchase requirements during the term, the Company may forfeit all or a portion of its \$2.0 million deposit. As of December 31, 2024, the Company has determined it will not meet the minimum purchase requirements, therefore, the Company wrote-off this \$2.0 million deposit, and is included in the Company's research and development expenses for the year ended December 31, 2024.

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13. NET LOSS PER SHARE

Basic income (loss) per share is calculated by dividing net income (loss) by the weighted-average shares of common stock outstanding during the period using the two-class method because the Company's sponsor earnout shares are a participating security since these shares contain a non-forfeitable right to receive dividends. Under the two-class method, earnings are allocated to each class of common stock and participating security as if all of the earnings for the period had been distributed. As the Company incurred net losses during the years ended December 31, 2024 and 2023 and these securities are not contractually required to fund the Company's losses, there is no allocation to the participating securities in the years presented. Diluted earnings per share are calculated by dividing net income (loss) by the weighted-average shares of common stock and dilutive common equivalent shares outstanding during the period. Dilutive common equivalent shares included in this calculation consist of dilutive shares issuable upon the assumed exercise of outstanding common stock options, the assumed vesting of outstanding restricted stock units and restricted stock awards, the assumed issuance of awards for contingently issuable performance-based awards, as computed using the treasury stock method. Performance-based restricted stock units and restricted stock awards are included in the number of shares used to calculate diluted earnings per share after evaluating the applicable performance criteria as of period end and under the assumption the end of the reporting period was the end of the contingency period, and the effect is dilutive. The Company has no plans to declare dividends.

A summary of the net loss per share calculation is as follows (in thousands, except per share amounts):

	Year Ended December 31,	
	2024	2023
Weighted-average common shares - basic common stock	182,460	168,927
Stock options and other dilutive awards	—	—
Weighted-average common shares - diluted common stock	<u>182,460</u>	<u>168,927</u>
Shares excluded from diluted weighted-average shares:		
Dilutive shares excluded ¹	3,174	9,809
Shares excluded from diluted weighted average shares	<u>3,174</u>	<u>9,809</u>

¹ The Company's potentially dilutive securities, which include unexercised stock options, unvested restricted stock units, ESPP shares have been excluded from the computation of diluted net loss per share as the effect would be to reduce the net loss per share for the fiscal years ended December 31, 2024 and 2023.

As of December 31, 2024 and 2023 the Company excluded 0.0 million and 0.3 million restricted stock awards from the diluted weighted average share count as their performance conditions have not been achieved. As of December 31, 2024 and 2023 the Company excluded 10.0 million Earnout shares from the diluted weighted average share count as their performance and/or market conditions have not been achieved. As of December 31, 2024 and 2023, 6.5 million and 9.8 million LTIP options have been excluded from the diluted weighted average share count, respectively, as their performance and/or market conditions have not been achieved.

As of December 31, 2024, the Company excluded 1.3 million of outstanding Class A common stock from basic and diluted weighted average share count as shares are subject to forfeiture based on market conditions that have not been achieved. These shares relate to certain shares of Class A common stock held by the Company's SPAC sponsor that as part of the business combination were placed under market conditions requirements that if not met, would result in forfeiture. These requirements are consistent with the Earnout Milestones noted in Note 11 - "Earnout Liability" with each milestone tied to 421,000 shares. Each Earnout Milestone is considered met if at any time between March 18, 2022 (150 days following the Business Combination) and October 19, 2026, the volume-weighted average price of the Company's Class A common stock is greater than or equal to \$12.50, \$17.00 or \$20.00 for any twenty trading days within any thirty trading

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day period, respectively. These shares are participating securities with the same voting and dividend rights as the Company's other Class A common stock.

14. PROVISION FOR INCOME TAXES

U.S. and foreign components of loss before income taxes were (in thousands):

	Year Ended December 31,	
	2024	2023
U.S. operations	\$ 31,802	\$ (56,198)
Foreign operations	(120,648)	(90,270)
Total loss before income taxes	<u>\$ (88,846)</u>	<u>\$ (146,468)</u>

The components of the provision (benefit) for income taxes are as follows (in thousands):

	Year Ended December 31,	
	2024	2023
Current benefit:		
State	11	47
Foreign	242	226
Total current benefit	<u>\$ 253</u>	<u>\$ 273</u>
Deferred benefit:		
Federal	\$ (114)	\$ (1,149)
State	(315)	232
Foreign	(166)	127
Total deferred benefit	<u>\$ (595)</u>	<u>\$ (790)</u>
Total	<u>\$ (342)</u>	<u>\$ (517)</u>

The provision (benefit) for income taxes differs from the amount that would result by applying the applicable federal income tax rate to income before income taxes, as follows:

	Year Ended December 31,	
	2024	2023
Provision computed at Federal statutory rate	21.0 %	21.0 %
Change in valuation allowance	(39.2)%	(19.0)%
Foreign income tax rate and benefit	16.6 %	7.7 %
Effect of permanent differences	(0.2)%	(0.1)%
Non deductible executive compensation	(1.5)%	(2.3)%
Non deductible expenses - mark to market liabilities	8.7 %	(4.8)%
Stock based compensation	(4.3)%	0.3 %
State tax, net of federal	0.3 %	(2.7)%
Other	(1.0)%	0.2 %
Total	<u>0.4 %</u>	<u>0.3 %</u>

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Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. At December 31, 2024 and 2023, deferred tax assets and liabilities consisted of the following (in thousands):

	December 31,	
	2024	2023
Deferred tax assets:		
Net operating loss carryforwards	\$ 86,793	\$ 59,953
Benefit of tax credit carry-forwards	208	207
Start-up costs	1,132	1,262
Capitalized research costs	17,473	11,629
Stock compensation	8,011	9,005
Lease Liabilities	1,383	1,602
Other	2,251	2,315
Valuation allowance	(100,628)	(66,663)
	<u>\$ 16,623</u>	<u>\$ 19,310</u>
Deferred tax liabilities:		
Right of Use Asset	(1,300)	(1,528)
Depreciation	(53)	(178)
Intangibles	(15,711)	(18,644)
	<u>\$ (17,064)</u>	<u>\$ (20,350)</u>
Net deferred tax balance	<u>\$ (441)</u>	<u>\$ (1,040)</u>

During the fiscal years ended December 31, 2024 and 2023, the valuation allowance increased by \$34.0 million and \$26.5 million, respectively. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities and projected future taxable income. In the event that the Company determines, based on available evidence and management judgment, that all or part of the net deferred tax assets will not be realized in the future, the Company would record a valuation allowance in the period the determination is made. In addition, the calculation of tax liabilities involves significant judgment in estimating the impact of uncertainties in the application of complex tax laws. Resolution of these uncertainties in a manner inconsistent with the Company's expectations could have a material impact on its results of operations and financial position.

The Company has approximately \$220.9 million and \$165.0 million of federal net operating loss ("NOL") carryforwards and approximately \$0.3 million and \$0.2 million of tax-effected state NOL carryforwards as of December 31, 2024 and 2023, respectively. The federal NOLs expire in varying amounts through 2037, while the state NOLs expire in varying amounts through 2044. Federal NOLs arising from the years ended after December 31, 2017, may be carried forward indefinitely. Realization of the NOL carryforwards is dependent on the Company generating sufficient taxable income prior to expiration of the NOL carryforwards and these NOLs could also potentially be subject to usage limitations to the extent there are future changes in the Company's ownership. As of December 31, 2024, the Company had a full valuation allowance on its net deferred tax assets. As of December 31, 2024, the Company continues to maintain a valuation allowance on the remaining deferred tax assets as the Company believes that it is not more likely than not that the deferred tax assets will be fully realized. The Company also has foreign net operating loss carry forwards of \$320.3 million and \$199.7 million as of December 31, 2024 and 2023, respectively. Of the foreign NOLs, \$319.5 million are in Ireland and the deferred tax asset has a full valuation allowance as a result of the historical losses in the country.

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The Company had no unrecognized tax benefits for the years ended December 31, 2024 or December 31, 2023. The Company recognizes interest and penalties related to unrecognized tax benefits in operating expenses. No such interest and penalties were recognized during the years ended December 31, 2024 and 2023. The Company is treated as a corporation for U.S. federal income tax purposes and is a tax resident in both Ireland and the United States.

15. COMMITMENTS and CONTINGENCIES

Purchase Obligations

At December 31, 2024, the Company had non-cancellable contractual agreements that were due beyond one year related to our lease obligations, see Note 9 “Leases”. In December 2024, the Company entered into an agreement with a vendor for the purchase of equipment wherein the Company will make quarterly installment payments of \$0.8 million during 2026. The \$2.8 million present value of these payments is reflected within “Noncurrent liabilities” at December 31, 2024 in the Consolidated Balance Sheets.

Indemnification

The Company sells products to its distributors under contracts, collectively referred to as Distributor Sales Agreements (DSA). Each DSA contains the relevant terms of the contractual arrangement with the distributor, and generally includes certain provisions for indemnifying the distributor against losses, expenses, and liabilities from damages that may be awarded against the distributor in the event the Company’s products are found to infringe upon a patent, copyright, trademark, or other proprietary right of a third party (Customer Indemnification). The DSA generally limits the scope of and remedies for the Customer Indemnification obligations in a variety of industry-standard respects, including, but not limited to, limitations based on time and geography, and a right to replace an infringing product. The Company also, from time to time, has granted a specific indemnification right to individual customers.

The Company believes its internal development processes and other policies and practices limit its exposure related to such indemnifications. In addition, the Company requires its employees to sign a proprietary information and inventions agreement, which assigns the rights to its employees’ development work to the Company. To date, the Company has not had to reimburse any of its distributors or end customers for any losses related to these indemnifications and no material claims were outstanding as of December 31, 2024. For several reasons, including the lack of prior indemnification claims and the lack of a monetary liability limit for certain infringement cases, the Company cannot determine the maximum amount of potential future payments, if any, related to such indemnifications.

Release and license agreement

In March 2023, the Company entered into a Release and License Agreement (the “Agreement”) with a university. The Agreement stipulates the Company pay the university a total of \$1.0 million over a period of three years, with the final payment by March 1, 2026. The agreement licenses the Company to sell certain products covered by a patent owned by the university, subject to the Company paying a royalty fee on revenues for covered products sold during the term. Based on an indemnity agreement entered into in connection with the Company’s acquisition of GeneSiC Semiconductor Inc. in August 2022, the Company expects to be indemnified by the sellers in that transaction for the royalty amounts up to approximately \$1.0 million. The total amount of current and non-current accrued royalty was \$1.8 million and \$1.9 million as of December 31, 2024 and 2023, respectively.

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Legal proceedings and contingencies

From time to time in the ordinary course of business, the Company may become involved in lawsuits, or end customers, distributors, suppliers or other third parties may make claims against the Company. The Company makes a provision for a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Company is not currently subject to any pending actions or regulatory proceedings that either individually or in the aggregate are expected to have a material impact on its consolidated financial statements.

16. EMPLOYEE BENEFIT PLAN

The Company sponsors a 401(k) tax-deferred savings plan for all employees in the United States who meet certain eligibility requirements. Participants may contribute up to the amount allowable as a deduction for federal income tax purposes. The Company contributes a certain percentage of employee annual salaries on a discretionary basis, not to exceed an established threshold. For the fiscal years ended December 31, 2024 and 2023, the Company made \$0.7 million and \$0.6 million, respectively, in matching contributions to the 401(k) plan.

17. RELATED PARTY TRANSACTIONS

Joint Venture

In 2021, Navitas entered into a silicon control IC joint venture with Halo Microelectronics Co., Ltd. (“Halo”), a manufacturer of power management ICs, to develop products and technology relating to AC/DC converters. Navitas’ initial contribution to the joint venture was the commitment to sell its GaN integrated circuit die at prices representing cost plus insignificant handling fees, in exchange for a minority interest, with the right to acquire the balance of the joint venture based on the future results of the venture (among other rights and obligations). On January 19, 2023, the Company announced an agreement to acquire the remaining minority interest in the joint venture as well as rights to certain intellectual property from Halo and its U.S. affiliate for a total purchase price of \$22.4 million in Navitas stock. Total related party revenues recognized by the Company as a result of arrangements with its joint venture were \$0.0 million for both years ended December 31, 2024 and 2023, and are included in net revenues in the Condensed Consolidated Statements of Operations. See Note 18 - “Noncontrolling Interest”, for more information.

Related Party Investment

During the third quarter of 2022, Navitas made a \$1.5 million investment in preferred interests of an entity under common control with the Company’s partner in the joint venture described above (“Related Party Investment”). During the first quarter of 2023 the Company made an additional investment of \$1.0 million in the entity. The Related Party Investment was accounted for as an equity investment under *ASC 321 Investments - Equity Securities*. In accordance with ASC 321, the Company elected to use the measurement alternative to measure such investments at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer, if any. In October 2024, the Company began accounting for this investment under the equity method in accordance with ASC 323. The Company revalued its investment to its fair value of \$5.55 per share and recorded its share of losses for the period of November through December 2024, resulting in a net gain of \$3.9 million for the year ended December 31, 2024, which is recorded in “Equity method investment gain” on the Statements of Operations. The Related Party Investment was \$8.9 million and \$2.5 million as of December 31, 2024 and December 31, 2023, respectively, and is included in Other Assets in the Condensed Consolidated Balance Sheets.

Related Party Lease

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The Company leases certain property from the family member of a senior executive of the Company, which expired in March 2024, and was a month-to-month lease through December 2024, and then was terminated. During the year ended December 31, 2024, the Company paid an immaterial amount in rental payments. These payments were made at standard market rates in the ordinary course of business. There was no rent obligation as of December 31, 2024.

The Company leases certain property from an entity that it is owned by an executive of the Company, which expired in September 2023, and was on a month-to-month lease through May 2024, and then was terminated. Rental payments in relation to this lease were \$0.1 million for the year ended December 31, 2023. These payments were made at standard market rates in the ordinary course of business.

18. NONCONTROLLING INTEREST

In July 2021, the Company formed a joint venture for the purpose of conducting research and development on technology in the area of AC/DC converters for chargers and adapters.

On August 19, 2022, the Company obtained control of the joint venture, and no consideration was paid pursuant to the Change of Control Agreement. The Company consolidated the fair value of the net assets of the joint venture as of August 19, 2022, and the Company reports noncontrolling interests of the joint venture as a component of equity separate from the Company's equity. The fair value of the noncontrolling interest and net assets is based on estimates. The Company's net loss excludes loss attributable to the noncontrolling interests. The fair value of the joint venture was determined based on a multiple of future annual revenues with a discount rate of 30%. In connection with the consolidation, the Company reacquired a patent license, which was fair valued at \$1.0 million based on comparable transactions during the year, and is amortized over a five year term. Goodwill of \$3.1 million was recorded in connection with this transaction.

On January 19, 2023, the Company completed the acquisition of the remaining minority interest in the joint venture as well as rights to certain intellectual property from Halo and its U.S. affiliate for a total purchase price of \$22.4 million in Navitas stock. In connection with the purchase of intellectual property, the Company recognized developed technology as an intangible asset at its estimated fair value of \$4.4 million. As a result of this transaction, the Company recorded a net increase to additional paid in capital of \$7.5 million representing the difference between the fair value of share consideration related to the acquisition of the remaining noncontrolling interest and the carrying value of the noncontrolling interest at the date of the transaction.

The fair value of the developed technology was estimated using the relief from royalty method, an income approach (Level 3), because of the licensing appeal of these assets. The Company estimated the benefit of the ownership as the relief from the royalty expense that would be incurred in the absence of ownership. A royalty rate was applied to the projected revenues associated with the intangible asset to determine the amount of savings, which was at a rate of 10% to determine the fair value.

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19. RESTRUCTURING

On October 15, 2024, the Company announced a cost-reduction plan (“2024 Restructuring Plan”) to streamline the organization with increased focus on artificial intelligence data center, EV and mobile applications, accelerating the Company’s path to profitability. The 2024 Restructuring Plan includes a reduction in headcount with the majority of the costs consisting of employee severance and benefits. The Company incurred \$1.2 million in the fourth quarter of 2024 related to this plan. The Company does not anticipate further costs associated with the 2024 Restructuring Plan. Restructuring-related liabilities are reported under "Accounts payable and other accrued expenses" on the Company’s Consolidated Balance Sheets.

A summary of the balance sheet activity related to the 2024 Restructuring Plan is as follows:

	Amounts accrued as of December 31, 2023		Costs Incurred		Cash Payments		Amounts accrued as of December 31, 2024
Employee Severance and Benefits	\$ —	\$	1,217	\$	706	\$	511
Other	—		6		—		6
	<u>\$ —</u>	\$	<u>1,223</u>	\$	<u>706</u>	\$	<u>517</u>

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20. SUBSEQUENT EVENTS

The Company evaluated material subsequent events from the Consolidated Balance Sheet date of December 31, 2024, through March 19, 2025 the date the condensed consolidated financial statements were issued. There were no material subsequent events as of March 19, 2025, except as discussed below.

On January 20, 2025, the Company announced another cost-reduction plan aimed at streamlining operations and enhancing its focus on artificial intelligence data centers, EV, and mobile applications—accelerating its path to profitability. The plan includes an approximate 19% reduction in workforce, with most associated costs related to severance and stock-based compensation. The majority of these costs are anticipated to be incurred in the first quarter of 2025 and is not expected to be material. The majority of these costs are anticipated to be incurred in the first quarter of 2025.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Exchange Act. Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. Based upon this evaluation, our chief executive officer and our chief financial officer concluded the disclosure controls and procedures were not effective as of December 31, 2024, the end of the period covered by this Annual Report on Form 10-K, due to material weaknesses in internal control over financial reporting described below.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles.

Management of the Company has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024 using the criteria described in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Because of the material weaknesses described below, management concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2024.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

The Company did not fully maintain components of the COSO framework, including elements of the control environment, risk assessment, control activities, and monitoring activities components, relating to: (i) sufficiency of processes related to identifying and analyzing risks to the achievement of objectives across the entity, (ii) sufficiency of competent personnel with appropriate levels of knowledge, experience, and training in accounting for complex and non-routine transactions, and internal control matters to perform assigned responsibilities and have appropriate accountability for the design and operation of internal control over financial reporting; and (iii) ensuring control activities identified were performed in accordance with established policies, and (iv) performing ongoing evaluation to ascertain whether the components of internal controls are present and functioning.

The entity level material weaknesses contributed to other material weaknesses within the Company's system of internal control over financial reporting as follows:

- A. the Company lacked sufficient controls to accurately identify and present activity within its statements of operations and cash flows. Specifically, the Company lacked controls in order to (1) accurately identify and present cash flows as either operating, investing or financing activities and (2) classify expenses within total operating expenses, and correctly classify activity associated with its equity method investment; and,
- B. the Company's external reporting process is not appropriately designed to accurately identify, record, present and disclose transactions, including research and development assets, property and equipment and equity transactions.

These material weaknesses could result in misstatements of our consolidated financial statements that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

This annual report does not include an attestation report of our independent registered public accounting firm, Moss Adams LLP, as under the rules of the Securities and Exchange Commission the Company is a Small Reporting Company (SRC) with non-accelerated filer status.

Remediation Plan and Progress

Management has been executing and remains committed to implementing measures designed to ensure that control deficiencies contributing to the material weaknesses are remediated, such that these controls are designed, implemented, and operating effectively.

In response to all unremediated material weaknesses, management has taken the following actions:

- engaging an external advisor to assist with evaluating and documenting the design and operating effectiveness of internal controls and to assist with the remediation of deficiencies, as necessary,
- actively hiring accounting, and finance personnel to support our remediation efforts, as well as third-party resources with relevant expertise to augment our internal resources,
- assessing the specific training needs for newly hired and existing personnel to support our internal controls.

In response to the material weakness “(A)” management has taken the following actions:

- designing and implementing control activities in order to ensure that the Company’s financial close and reporting activities specifically address appropriate consideration and presentation of transactions recorded within the statements of operations and cash flows.

In response to the material weakness “(B)” management has taken the following actions:

- designing and implementing control activities in order to ensure that transactions related to research and development assets, property and equipment and equity transactions are appropriately identified, recorded, presented and disclosed, including (1) implementing established policies related to review of significant contracts and transactions, and (2) ensuring that significant contracts and transactions have documented accounting considerations.

As we continue to evaluate and work to improve our internal control over financial reporting, we may decide to take additional measures to address the material weaknesses or modify the remediation plans described above. We believe that these actions will remediate the material weaknesses, however the material weaknesses will not be considered remediated until we conclude all measures necessary to remediate the material weaknesses have been designed, implemented, and the applicable controls have operated for a sufficient period of time, and management has concluded, through testing, that these controls are designed and operating effectively. While management believes that the aforementioned plans will remediate the material weaknesses, there is no assurance on the exact timing of the completion of the remediation.

Remediation of Previously Reported Material Weaknesses

We previously disclosed material weaknesses in our internal control over financial reporting related to the following:

- The Company did not design and implement effective controls, such that, personnel within the Company have incompatible duties which allow for the creation, review and processing of journal entries without independent review and authorization, which affects substantially all financial statement account balances and disclosures.
- The Company did not design and implement effective controls over the accounting for share-based payments, including the long-term incentive plan awards and earnout liability.
- The Company did not design and implement effective controls over the accounting for its license and release agreement.
- The Company did not design and implement effective controls over the inputs and assumptions used in the valuation of the earnout liability and information utilized to classify awards as either equity or liability.
- The Company did not maintain effective controls over its determination of reportable segments for purposes of segment reporting and reporting units for purposes of goodwill.

We completed the following activities as part of remediating these material weaknesses:

- designed and implemented controls to ensure that journal entries require independent review and authorization prior to processing,
- designed and implemented controls documenting the accounting treatment of the long-term incentive plan awards and earnout liability based on contractual terms,
- designed and implemented controls over the accounting for license and release agreement, including documenting the accounting treatment based on contractual terms and evaluating all key inputs and assumptions for completeness, accuracy and reasonableness,
- designed and implemented controls over the valuation of the earnout liability, including ensuring information utilized to classify awards as either equity or liability was complete and accuracy, and all key inputs were evaluated and reviewed for completeness, accuracy and reasonableness,
- designed and implemented controls to ensure reportable segments for purposes of segment reporting and reporting units for purposes of goodwill were supportable, including documenting information reviewed and evaluation of assumptions utilized.

We completed our testing of both the design and operating effectiveness of these controls and have determined that controls operated for a sufficient period of time for management to conclude that these material weaknesses have been remediated as of December 31, 2024.

Changes in Internal Control Over Financial Reporting

There were no significant changes in our internal control over financial reporting (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended), except as discussed above, that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this item is incorporated by reference from the definitive proxy statement on Schedule 14A for our 2025 annual stockholders' meeting, to be filed with the Securities and Exchange Commission within 120 days after the fiscal year ended December 31, 2024 (our "Proxy Statement").

Our board of directors has adopted a code of business conduct and ethics that applies to all of our employees, officers and directors, including our President and Chief Executive Officer, Chief Financial Officer, and other executive and senior officers. The full text of this code of business conduct and ethics is posted on the investor relations page of our website, at

<https://ir.navitassemi.com/corporate-governance/documents-charters>. The reference to our website address in this filing does not include or incorporate by reference the information on that website into this filing. We intend to disclose future amendments to certain provisions of our code of business conduct and ethics, or waivers of those provisions, on our website or in public filings to the extent required by the applicable rules.

Item 11. Executive Compensation.

The information required by this item is incorporated by reference from our Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this item is incorporated by reference from our Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item is incorporated by reference from our Proxy Statement.

Item 14. Principal Accountant Fees and Services.

The information required by this item is incorporated by reference from our Proxy Statement.

Part IV

Item 15. Exhibits and Financial Statement Schedules.

(a) (1) *Financial Statements*. Financial statements included in this annual report are listed under Part II, Item 8.

(2) *Financial Statement Schedules*. Schedules not listed under Part II, Item 8 have been omitted because they are not required, not applicable, or the required information is otherwise included.

(3) *Exhibits*. The exhibits listed below are filed or furnished, as applicable, as part of this annual report or are incorporated by reference as indicated.

EXHIBIT INDEX

Exhibit	Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
2.1	Business Combination Agreement and Plan of Reorganization, dated as of May 6, 2021, among Live Oak Acquisition Corp. II, Live Oak Merger Sub Inc. and Navitas Semiconductor Limited, including as domesticated in the State of Delaware as Navitas Semiconductor Ireland, LLC (“Legacy Navitas”)	8-K	001-39755	2.1	5/7/2021
2.2	Agreement and Plan of Merger, dated as of August 15, 2022, by and among Navitas Semiconductor Corporation, Gemini Acquisition LLC, GeneSiC Semiconductor Inc., Ranbir Singh and The Ranbir Singh Irrevocable Trust dated February 4, 2022	10-Q	001-39755	2.1	11/14/2022
3.1	Second Amended and Restated Certificate of Incorporation of Navitas Semiconductor Corporation	8-K	001-39755	3.1	10/25/2021
3.2*	Amended and Restated Bylaws of Navitas Semiconductor Corporation, as amended				
4.1	Description of Registrant’s Securities	10-K	001-39755	4.1	3/6/2024
10.1†	Navitas Semiconductor Corporation 2021 Equity Incentive Plan	8-K/A	001-39755	10.5	11/15/2021
10.2†	Form of Restricted Stock Unit Agreement	8-K	001-39755	10.6	10/25/2021
10.3†	Form of Stock Option Agreement	8-K	001-39755	10.7	10/25/2021
10.4†	Amended and Restated Navitas Semiconductor Limited 2020 Equity Incentive Plan	S-4/A	333-256880	10.16	8/23/2021
10.5	Registration Rights Agreement, dated December 2, 2020, among Live Oak Acquisition Corp. II, Live Oak Sponsor Partners II, LLC and certain other security holders named therein	8-K	001-39755	10.3	12/8/2020
10.6†	Form of Indemnification Agreement	8-K	001-39755	10.4	10/25/2021
10.7	Lock-Up Agreement (Management), dated as of May 6, 2021, among Live Oak Acquisition Corp. II, Legacy Navitas and certain equity holders of Legacy Navitas	8-K	001-39755	10.2	5/7/2021
10.8	Lock-Up Agreement (VPs), dated as of May 6, 2021, among Live Oak Acquisition Corp. II, Legacy Navitas and certain equity holders of Legacy Navitas	8-K	001-39755	10.3	5/7/2021
10.9	Lock-Up Agreement (Non-Management), dated as of May 6, 2021, among Live Oak Acquisition Corp. II, Legacy Navitas and certain equity holders of Legacy Navitas	8-K	001-39755	10.4	5/7/2021
10.10	Sponsor Letter Agreement, dated December 2, 2020, between Live Oak Acquisition Corp. II and Live Oak Sponsor Partners II, LLC	8-K	001-39755	10.2	12/8/2020
10.11	Amendment to Letter Agreement, dated May 6, 2021, among Live Oak Acquisition Corp. II, its officers and directors and Live Oak Sponsor Partners II, LLC	8-K	001-39755	10.5	5/7/2021
10.12†	Employment Agreement of Gene Sheridan, dated as of May 6, 2021	S-4/A	333-256880	10.14	8/23/2021
10.13†	Employment Agreement of Daniel Kinzer, dated as of May 6, 2021	S-4/A	333-256880	10.15	8/23/2021
10.14†	Employment Agreement of Todd Glickman, dated as of May 6, 2021	8-K	001-39755	10.2	10/25/2021
10.15	Sponsor Letter Agreement, dated October 6, 2021, among Live Oak Sponsor Partners II, LLC, Live Oak Acquisition Corp. II and Navitas Semiconductor Limited	8-K	001-39755	10.3	10/7/2021

Exhibit	Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
10.16†	Employment Offer Letter, dated May 17, 2022, between Ron Shelton and Navitas Semiconductor Corporation	10-Q	001-39755	10.1	8/15/2022
10.17†	Registration Rights Agreement, dated August 15, 2022, among Navitas Semiconductor Corporation, Ranbir Singh and The Ranbir Singh Irrevocable Trust dated February 4, 2022	10-Q	001-39755	10.1	11/14/2022
10.18†	Employment Offer Letter, dated August 15, 2022, among Navitas Semiconductor Corporation, Navitas Semiconductor USA, Inc. and Ranbir Singh	10-K/A	001-39755	10.31	4/14/2023
10.19†	Navitas Semiconductor 2022 Employee Stock Purchase Plan	10-K	001-39755	10.23	3/6/2024
10.20†	Navitas Semiconductor Executive Severance Plan	8-K	001-39755	10.1	1/3/2024
10.21†	Employment Offer Letter, dated December 1, 2023, between Navitas Semiconductor USA, Inc. and Janet Chou	10-K	001-39755	10.25	3/6/2024
10.22†	Letter Agreement, dated January 9, 2024, among Navitas Semiconductor USA, Inc., Navitas Semiconductor Corporation and Ron Shelton	10-K	001-39755	10.26	3/6/2024
10.23†	Letter Agreement, dated July 31, 2024, among Navitas Semiconductor USA, Inc., Navitas Semiconductor Corporation and Ranbir Singh	10-Q	001-39755	10.1	8/5/2024
10.24†*	Letter Agreement, effective November 26, 2024, among Navitas Semiconductor USA, Inc., Navitas Semiconductor Corporation and Ranbir Singh				
19.1	Insider Trading Policy	10-K	001-39755	19.1	3/6/2024
19.2	Equity Grant Policy and Procedures	10-K	001-39755	19.2	3/6/2024
21.1	List of Subsidiaries	10-K	001-39755	21.1	3/6/2024
23.1*	Consent of Moss Adams LLP				
24.1*	Power of Attorney (included on signature page)				
31.1*	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act				
31.2*	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act				
32.1**	Certification of the Chief Executive Officer and the Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. § 1350				
97.1*	Navitas Semiconductor Dodd-Frank Clawback Policy				
101.SCH*	XBRL Taxonomy Extension Schema Document				
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document				
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document				

† Management contract or compensatory arrangement.

* Filed herewith.

** Furnished herewith.

Item 16. Form 10-K Summary.

None.

SIGNATURES

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

NAVITAS SEMICONDUCTOR
CORPORATION

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

Date: March 19, 2025

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Todd Glickman and Paul D. Delva, jointly and severally, his attorney-in-fact, with the power of substitution, for him in any and all capacities, to sign any amendments to this annual report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

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

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Gene Sheridan</u> Gene Sheridan	President, Chief Executive Officer and Director (principal executive officer)	March 19, 2025
<u>/s/ Todd Glickman</u> Todd Glickman	Sr. V.P., Chief Financial Officer and Treasurer (principal financial and accounting officer)	March 19, 2025
<u>/s/ Daniel M. Kinzer</u> Daniel M. Kinzer	Chief Operating Officer, Chief Technology Officer and Director	March 19, 2025
<u>/s/ Richard J. Hendrix</u> Richard J. Hendrix	Director	March 19, 2025
<u>/s/ Brian Long</u> Brian Long	Director	March 19, 2025
<u>/s/ David Moxam</u> David Moxam	Director	March 19, 2025
<u>/s/ Dipender Saluja</u> Dipender Saluja	Director	March 19, 2025
<u>/s/ Ranbir Singh</u> Ranbir Singh	Director	March 19, 2025
<u>/s/ Gary K. Wunderlich, Jr.</u> Gary K. Wunderlich, Jr.	Director	March 19, 2025

AMENDED AND RESTATED BYLAWS
OF
NAVITAS SEMICONDUCTOR CORPORATION
(THE “CORPORATION”)

ARTICLE I

OFFICES

Section 1.1. Registered Office. The registered office of the Corporation within the State of Delaware shall be located at either (a) the principal place of business of the Corporation in the State of Delaware or (b) the office of the corporation or individual acting as the Corporation’s registered agent in the State of Delaware.

Section 1.2. Additional Offices. The Corporation may, in addition to its registered office in the State of Delaware, have such other offices and places of business, both within and outside the State of Delaware, as the Board of Directors of the Corporation (the “*Board*”) may from time to time determine or as the business and affairs of the Corporation may require.

ARTICLE II

STOCKHOLDERS MEETINGS

Section 2.1. Annual Meetings. The annual meeting of stockholders of the Corporation shall be held at such place, either within or without the State of Delaware, and time and on such date as shall be determined by the Board and stated in the notice of the meeting, provided that the Board may in its sole discretion determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication pursuant to Section 9.5(a). The stockholders entitled to vote at each annual meeting shall elect directors of the Corporation to fill any term of a directorship that expires on the date of such annual meeting and may transact any other business as may properly be brought before the meeting.

Section 2.2. Special Meetings. Subject to the rights of the holders of any outstanding series of the preferred stock of the Corporation (“*Preferred Stock*”), and to the requirements of applicable law, special meetings of stockholders, for any purpose or purposes, may be called only by the Chairman of the Board, Chief Executive Officer, or the Board pursuant to a resolution adopted by a majority of the Board, and may not be called by any other person. Special meetings of stockholders shall be held at such place, either within or without the State of Delaware, and at such time and on such date as shall be determined by the Board and stated in the Corporation’s notice of the meeting, provided that the Board may in its sole discretion determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication pursuant to Section 9.5(a).

Section 2.3. Notices. Written notice of each stockholders meeting stating the place, if any, date, and time of the meeting, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting and the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, shall be given in the manner permitted by Section 9.3 to each stockholder entitled to vote thereat as of the record date for determining the stockholders entitled to notice of the meeting, by the Corporation not less than 10 nor more than 60 days before the date of the meeting unless otherwise required by the General Corporation Law of the State of Delaware (the “*DGCL*”). If said notice is for a stockholders meeting other than an annual meeting, it shall in addition state the purpose or purposes for which the meeting is called, and the business transacted at such meeting shall be limited to the matters so stated in the Corporation’s notice of meeting (or any supplement thereto). Any meeting of stockholders as to which notice has been given may be postponed, and any meeting of stockholders as to which notice has been given may be cancelled, by the Board upon public announcement (as defined in Section 2.7(c)) given before the date previously scheduled for such meeting.

Section 2.4. Quorum. Except as otherwise provided by applicable law, the Corporation’s Second Amended and Restated Certificate of Incorporation, as the same may be amended or restated from time to time (the

“*Certificate of Incorporation*”) or these Bylaws, the presence, in person or by proxy, at a stockholders meeting of the holders of shares of outstanding capital stock of the Corporation representing a majority of the voting power of all outstanding shares of capital stock of the Corporation entitled to vote at such meeting shall constitute a quorum for the transaction of business at such meeting, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of shares representing a majority of the voting power of the outstanding shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. If a quorum shall not be present or represented by proxy at any meeting of the stockholders of the Corporation, the chairman of the meeting may adjourn the meeting from time to time in the manner provided in Section 2.6 until a quorum shall attend. The stockholders present at a duly convened meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the voting power of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation or any such other corporation to vote shares held by it in a fiduciary capacity.

Section 2.5. Voting of Shares.

(a) Voting Lists. The Secretary of the Corporation (the “*Secretary*”) shall prepare, or shall cause the officer or agent who has charge of the stock ledger of the Corporation to prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders of record entitled to vote at such meeting; provided, however, that if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order and showing the address and the number and class of shares registered in the name of each stockholder. Nothing contained in this Section 2.5(a) shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If a meeting of stockholders is to be held solely by means of remote communication as permitted by Section 9.5(a), the list shall be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of meeting. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list required by this Section 2.5(a) or to vote in person or by proxy at any meeting of stockholders.

(b) Manner of Voting. At any stockholders meeting, every stockholder entitled to vote may vote in person or by proxy. If authorized by the Board, the voting by stockholders or proxy holders at any meeting conducted by remote communication may be effected by a ballot submitted by electronic transmission (as defined in Section 9.3(e)), provided that any such electronic transmission must either set forth or be submitted with information from which the Corporation can determine that the electronic transmission was authorized by the stockholder or proxy holder. The Board, in its discretion, or the chairman of the meeting of stockholders, in such person’s discretion, may require that any votes cast at such meeting shall be cast by written ballot.

(c) Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Proxies need not be filed with the Secretary of the Corporation until the meeting is called to order, but shall be filed with the Secretary before being voted. Without limiting the manner in which a stockholder may authorize another person or persons to act for such stockholder as proxy, either of the following shall constitute a valid means by which a stockholder may grant such authority. No stockholder shall have cumulative voting rights.

(i) A stockholder may execute a writing authorizing another person or persons to act for such stockholder as proxy. Execution may be accomplished by the stockholder or such stockholder's authorized officer, director, employee or agent signing such writing or causing such person's signature to be affixed to such writing by any reasonable means, including, but not limited to, by facsimile signature.

(ii) A stockholder may authorize another person or persons to act for such stockholder as proxy by transmitting or authorizing the transmission of an electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission authorizing another person or persons to act as proxy for a stockholder may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used; provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

(d) Required Vote. Subject to the rights of the holders of one or more series of Preferred Stock, voting separately by class or series, to elect directors pursuant to the terms of one or more series of Preferred Stock, at all meetings of stockholders at which a quorum is present, the election of directors shall be determined by a plurality of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon. All other matters presented to the stockholders at a meeting at which a quorum is present shall be determined by the vote of a majority of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon, unless the matter is one upon which, by applicable law, the Certificate of Incorporation, these Bylaws or applicable stock exchange rules, a different vote is required, in which case such provision shall govern and control the decision of such matter.

(e) Inspectors of Election. The Board may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more persons as inspectors of election, who may be employees of the Corporation or otherwise serve the Corporation in other capacities, to act at such meeting of stockholders or any adjournment thereof and to make a written report thereof. The Board may appoint one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspectors of election or alternates are appointed by the Board, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall ascertain and report the number of outstanding shares and the voting power of each; determine the number of shares present in person or represented by proxy at the meeting and the validity of proxies and ballots; count all votes and ballots and report the results; determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. No person who is a candidate for an office at an election may serve as an inspector at such election. Each report of an inspector shall be in writing and signed by the inspector or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors.

Section 2.6. Adjournments. Any meeting of stockholders, annual or special, may be adjourned by the chairman of the meeting, from time to time, whether or not there is a quorum, to reconvene at the same or some other place. Notice need not be given of any such adjourned meeting if the date, time, and place, if any, thereof, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting the stockholders, or the holders of any class or series of stock entitled to vote separately as a class, as the case may be, may transact any business that might have been transacted at the original meeting. If the adjournment is for more than 30 days, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix a new record date for notice of such adjourned meeting in accordance with Section 9.2, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Section 2.7. Advance Notice for Business.

(a) Annual Meetings of Stockholders. No business may be transacted at an annual meeting of stockholders, other than business that is either (i) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the annual meeting by or at the direction of the Board or (iii) otherwise properly brought before the annual meeting by any stockholder of the Corporation (x) who is a stockholder of record entitled to vote at such annual meeting on the date of the giving of the notice provided for in this Section 2.7(a) and on the record date for the determination of stockholders entitled to vote at such annual meeting and (y) who complies with the notice procedures set forth in this Section 2.7(a). Notwithstanding anything in this Section 2.7(a) to the contrary, only persons nominated for election as a director to fill any term of a directorship that expires on the date of the annual meeting pursuant to Section 3.2 will be considered for election at such meeting.

(i) In addition to any other applicable requirements, for business (other than nominations) to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation and such business must otherwise be a proper matter for stockholder action. Subject to Section 2.7(a)(iii), a stockholder's notice to the Secretary with respect to such business, to be timely, must be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day before the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is more than 30 days before or more than 60 days after such anniversary date (or if there has been no prior annual meeting), notice by the stockholder to be timely must be so received not earlier than the close of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the annual meeting is first made by the Corporation. The public announcement of an adjournment or postponement of an annual meeting shall not commence a new time period (or extend any time period) for the giving of a stockholder's notice as described in this Section 2.7(a).

(ii) To be in proper written form, a stockholder's notice to the Secretary with respect to any business (other than nominations) must set forth as to each such matter such stockholder proposes to bring before the annual meeting (A) a brief description of the business desired to be brought before the annual meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event such business includes a proposal to amend these Bylaws, the language of the proposed amendment) and the reasons for conducting such business at the annual meeting, (B) the name and record address of such stockholder and the name and address of the beneficial owner, if any, on whose behalf the proposal is made, (C) the class or series and number of shares of capital stock of the Corporation that are owned beneficially and of record by such stockholder and by the beneficial owner, if any, on whose behalf the proposal is made, (D) a description of all arrangements or understandings between such stockholder and the beneficial owner, if any, on whose behalf the proposal is made and any other person or persons (including their names) in connection with the proposal of such business by such stockholder, (E) any material interest of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made in such business and (F) a representation that such stockholder (or a qualified representative of such stockholder) intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

(iii) The foregoing notice requirements of this Section 2.7(a) shall be deemed satisfied by a stockholder as to any proposal (other than nominations) if the stockholder has notified the Corporation of such stockholder's intention to present such proposal at an annual meeting in compliance with Rule 14a-8 (or any successor thereof) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and such stockholder has complied with the requirements of such Rule for inclusion of such proposal in a proxy statement prepared by the Corporation to solicit proxies for such annual meeting. No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 2.7(a), provided, however, that once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 2.7(a) shall be deemed to preclude discussion by any stockholder of any such business. If the Board or the chairman of the annual meeting determines that any stockholder proposal was not made in accordance with the provisions of this Section 2.7(a) or that the information provided in a stockholder's notice does not satisfy the information requirements of this Section 2.7(a), such proposal shall not be presented for action at

the annual meeting. Notwithstanding the foregoing provisions of this Section 2.7(a), if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the Corporation to present the proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such matter may have been received by the Corporation.

(iv) In addition to the provisions of this Section 2.7(a), a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 2.7(a) shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting only pursuant to Section 3.2.

(c) Public Announcement. For purposes of these Bylaws, "**public announcement**" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed or furnished by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act (or any successor thereto).

Section 2.8. Conduct of Meetings. The chairman of each annual and special meeting of stockholders shall be the Chairman of the Board or, in the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the Chief Executive Officer or if the Chief Executive Officer is not a director, the President (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the President or if the President is not a director, such other person as shall be appointed by the Board. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairman of the meeting. The Board may adopt such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with these Bylaws or such rules and regulations as adopted by the Board, the chairman of any meeting of stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may include, without limitation, the following:

(a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The secretary of each annual and special meeting of stockholders shall be the Secretary or, in the absence (or inability or refusal to act) of the Secretary, an Assistant Secretary so appointed to act by the chairman of the meeting. In the absence (or inability or refusal to act) of the Secretary and all Assistant Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.9. Consents in Lieu of Meeting. Unless otherwise provided by the Certificate of Incorporation, any action required or permitted to be taken by the stockholders of the Corporation must be effected by a duly called annual or special meeting of such holders and may not be effected by written consent of the stockholders.

To the extent permitted by the Certificate of Incorporation, every written consent shall bear the date of signature of each stockholder who signs the consent, and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered in the manner required by this Section 2.9 and the DGCL to the Corporation, written consents signed by a sufficient number of holders to take action are delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of

stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

ARTICLE III DIRECTORS

Section 3.1. Powers; Number. The business and affairs of the Corporation shall be managed by or under the direction of the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders. Directors need not be stockholders or residents of the State of Delaware. Unless otherwise provided by the Certificate of Incorporation, the Board shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board. Any newly created directorships resulting from an increase in the authorized number of directors and any vacancies occurring in the Board may be filled by the affirmative votes of a majority of the remaining members of the Board, although less than a quorum, or by a sole remaining director. A director so elected shall be elected to hold office until the earlier of the expiration of the term of office of the director whom he or she has replaced, a successor is duly elected and qualified or the earlier of such director's death, resignation or removal.

Section 3.2. Advance Notice for Nomination of Directors.

(a) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation, except as may be otherwise provided by the terms of one or more series of Preferred Stock with respect to the rights of holders of one or more series of Preferred Stock to elect directors. Nominations of persons for election to the Board at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors as set forth in the Corporation's notice of such special meeting, may be made (i) by or at the direction of the Board or (ii) by any stockholder of the Corporation (x) who is a stockholder of record entitled to vote in the election of directors on the date of the giving of the notice provided for in this Section 3.2 and on the record date for the determination of stockholders entitled to vote at such meeting and (y) who complies with the notice procedures set forth in this Section 3.2.

(b) In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation. To be timely, a stockholder's notice to the Secretary must be received by the Secretary at the principal executive offices of the Corporation (i) in the case of an annual meeting, not later than the close of business on the 60th day nor earlier than the close of business on the 120th day before the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is more than 30 days before or more than 60 days after such anniversary date (or if there has been no prior annual meeting), notice by the stockholder to be timely must be so received not earlier than the close of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the annual meeting was first made by the Corporation; and (ii) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the 10th day following the day on which public announcement of the date of the special meeting is first made by the Corporation. In no event shall the public announcement of an adjournment or postponement of an annual meeting or special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described in this Section 3.2.

(c) Notwithstanding anything in paragraph (b) to the contrary, in the event that the number of directors to be elected to the Board at an annual meeting is greater than the number of directors whose terms expire on the date of the annual meeting and there is no public announcement by the Corporation naming all of the nominees for the additional directors to be elected or specifying the size of the increased Board before the close of business on the 90th day prior to the anniversary date of the immediately preceding annual meeting of stockholders, a stockholder's notice required by this Section 3.2 shall also be considered timely, but only with respect to nominees for the additional directorships created by such increase that are to be filled by election at such annual meeting, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the date on which such public announcement was first made by the Corporation.

(d) To be in proper written form, a stockholder's notice to the Secretary must set forth (i) as to each person whom the stockholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares of capital stock of the Corporation that are owned beneficially or of record by the person and (D) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, without regard to the application of the Exchange Act to either the nomination or the Corporation; and (ii) as to the stockholder giving the notice (A) the name and record address of such stockholder as they appear on the Corporation's books and the name and address of the beneficial owner, if any, on whose behalf the nomination is made, (B) the class or series and number of shares of capital stock of the Corporation that are owned beneficially and of record by such stockholder and the beneficial owner, if any, on whose behalf the nomination is made, (C) a description of all arrangements or understandings relating to the nomination to be made by such stockholder among such stockholder, the beneficial owner, if any, on whose behalf the nomination is made, each proposed nominee and any other person or persons (including their names), (D) a representation that such stockholder (or a qualified representative of such stockholder) intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (E) any other information relating to such stockholder and the beneficial owner, if any, on whose behalf the nomination is made that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

(e) If the Board or the chairman of the meeting of stockholders determines that any nomination was not made in accordance with the provisions of this Section 3.2 or that the information provided in a stockholder's notice does not satisfy the information requirements of this Section 3.2, then such nomination shall not be considered at the meeting in question. Notwithstanding the foregoing provisions of this Section 3.2, if the stockholder (or a qualified representative of the stockholder) does not appear at the meeting of stockholders of the Corporation to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.

(f) In addition to the provisions of this Section 3.2, a stockholder shall also comply with all of the applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 3.2 shall be deemed to affect any rights of the holders of Preferred Stock to elect directors pursuant to the Certificate of Incorporation.

Section 3.3. Compensation. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board shall have the authority to fix the compensation of directors, including for service on a committee of the Board, and may be paid either a fixed sum for attendance at each meeting of the Board or other compensation as director. The directors may be reimbursed their expenses, if any, of attendance at each meeting of the Board. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of committees of the Board may be allowed like compensation and reimbursement of expenses for service on the committee.

ARTICLE IV BOARD MEETINGS

Section 4.1. Annual Meetings. The Board shall meet as soon as practicable after the adjournment of each annual stockholders meeting at the place of the annual stockholders meeting unless the Board shall fix another time and place and give notice thereof in the manner required herein for special meetings of the Board. No notice to the directors shall be necessary to legally convene this meeting, except as provided in this Section 4.1.

Section 4.2. Regular Meetings. Regularly scheduled, periodic meetings of the Board may be held without notice at such times, dates and places (within or without the State of Delaware) as shall from time to time be determined by the Board.

Section 4.3. Special Meetings. Special meetings of the Board (a) may be called by the Chairman of the Board or Chief Executive Officer and (b) shall be called by the Chairman of the Board, Chief Executive Officer or Secretary on the written request of at least a majority of directors then in office, or the sole director, as the case may be, and shall be held at such time, date and place (within or without the State of Delaware) as may be determined by the person calling the meeting or, if called upon the request of directors or the sole director, as specified in such written request. Notice of each special meeting of the Board shall be given, as provided in Section 9.3, to each director (i) at least 24 hours before the meeting if such notice is oral notice given personally or by telephone or written notice given by hand delivery or by means of a form of electronic transmission and delivery; (ii) at least two days before the meeting if such notice is sent by a nationally recognized overnight delivery service; and (iii) at least five days before the meeting if such notice is sent through the United States mail. If the Secretary shall fail or refuse to give such notice, then the notice may be given by the officer who called the meeting or the directors who requested the meeting. Any and all business that may be transacted at a regular meeting of the Board may be transacted at a special meeting. Except as may be otherwise expressly provided by applicable law, the Certificate of Incorporation, or these Bylaws, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in the notice or waiver of notice of such meeting. A special meeting may be held at any time without notice if all of the directors are present or if those not present waive notice of the meeting in accordance with Section 9.4.

Section 4.4. Quorum; Required Vote. A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by applicable law, the Certificate of Incorporation or these Bylaws. If a quorum shall not be present at any meeting, a majority of the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 4.5. Consent In Lieu of Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions (or paper reproductions thereof) are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 4.6. Organization. The chairman of each meeting of the Board shall be the Chairman of the Board or, in the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the Chief Executive Officer or if the Chief Executive Officer is not a director, the President (if he or she shall be a director) or in the absence (or inability or refusal to act) of the President or if the President is not a director, a chairman elected from the directors present. The Secretary shall act as secretary of all meetings of the Board. In the absence (or inability or refusal to act) of the Secretary, an Assistant Secretary shall perform the duties of the Secretary at such meeting. In the absence (or inability or refusal to act) of the Secretary and all Assistant Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting.

ARTICLE V

COMMITTEES OF DIRECTORS

Section 5.1. Establishment. The Board may by resolution passed by a majority of the Board designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Each committee shall keep regular minutes of its meetings and report the same to the Board when required by the resolution designating such committee. The Board shall have the power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee.

Section 5.2. Available Powers. Any committee established pursuant to Section 5.1 hereof, to the extent permitted by applicable law and by resolution of the Board, shall have and may exercise all of the powers and

authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it.

Section 5.3. Alternate Members. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any such absent or disqualified member.

Section 5.4. Procedures. Unless the Board otherwise provides, the time, date, place, if any, and notice of meetings of a committee shall be determined by such committee. At meetings of a committee, a majority of the number of members of the committee (but not including any alternate member, unless such alternate member has replaced any absent or disqualified member at the time of, or in connection with, such meeting) shall constitute a quorum for the transaction of business. The act of a majority of the members present at any meeting at which a quorum is present shall be the act of the committee, except as otherwise specifically provided by applicable law, the Certificate of Incorporation, these Bylaws or the Board. If a quorum is not present at a meeting of a committee, the members present may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum is present. Unless the Board otherwise provides and except as provided in these Bylaws, each committee designated by the Board may make, alter, amend and repeal rules for the conduct of its business. In the absence of such rules, each committee shall conduct its business in the same manner as the Board is authorized to conduct its business pursuant to Article III and Article IV of these Bylaws.

ARTICLE VI OFFICERS

Section 6.1. Officers. The officers of the Corporation elected by the Board shall be a Chief Executive Officer, a President, a Chief Financial Officer, a Secretary and such other officers (including without limitation, a Chairman of the Board, Presidents, Vice Presidents, Assistant Secretaries and a Treasurer) as the Board from time to time may determine. Officers elected by the Board shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article VI. Such officers shall also have such powers and duties as from time to time may be conferred by the Board. The Chief Executive Officer or President may also appoint such other officers (including without limitation one or more Vice Presidents and Controllers) as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers shall have such powers and duties and shall hold their offices for such terms as may be provided in these Bylaws or as may be prescribed by the Board or, if such officer has been appointed by the Chief Executive Officer or President, as may be prescribed by the appointing officer.

(a) Chairman of the Board. The Chairman of the Board shall preside when present at all meetings of the stockholders and the Board. In the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) shall preside when present at all meetings of the stockholders and the Board. The powers and duties of the Chairman of the Board shall not include supervision or control of the preparation of the financial statements of the Corporation (other than through participation as a member of the Board). The position of Chairman of the Board and Chief Executive Officer may be held by the same person.

(b) Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Corporation, shall have general supervision of the affairs of the Corporation and general control of all of its business subject to the ultimate authority of the Board, and shall be responsible for the execution of the policies of the Board with respect to such matters, except to the extent any such powers and duties have been prescribed to the Chairman of the Board pursuant to Section 6.1(a) above. In the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) shall preside when present at all meetings of the stockholders and the Board. The position of Chief Executive Officer and President may be held by the same person.

(c) President. The President shall make recommendations to the Chief Executive Officer on all operational matters that would normally be reserved for the final executive responsibility of the Chief Executive Officer. In the absence (or inability or refusal to act) of the Chairman of the Board and Chief Executive Officer, the President (if he or she shall be a director) shall preside when present at all meetings of the stockholders and the Board.

The President shall also perform such duties and have such powers as shall be designated by the Board. The position of President and Chief Executive Officer may be held by the same person.

(d) Vice Presidents. In the absence (or inability or refusal to act) of the President, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Board) shall perform the duties and have the powers of the President. Any one or more of the Vice Presidents may be given an additional designation of rank or function.

(e) Secretary.

(i) The Secretary shall attend all meetings of the stockholders, the Board and (as required) committees of the Board and shall record the proceedings of such meetings in books to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board and shall perform such other duties as may be prescribed by the Board, the Chairman of the Board, Chief Executive Officer or President. The Secretary shall have custody of the corporate seal of the Corporation and the Secretary, or any Assistant Secretary, shall have authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by his or her signature or by the signature of such Assistant Secretary. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing thereof by his or her signature.

(ii) The Secretary shall keep, or cause to be kept, at the principal executive office of the Corporation or at the office of the Corporation's transfer agent or registrar, if one has been appointed, a stock ledger, or duplicate stock ledger, showing the names of the stockholders and their addresses, the number and classes of shares held by each and, with respect to certificated shares, the number and date of certificates issued for the same and the number and date of certificates cancelled.

(f) Assistant Secretaries. The Assistant Secretary or, if there be more than one, the Assistant Secretaries in the order determined by the Board shall, in the absence (or inability or refusal to act) of the Secretary, perform the duties and have the powers of the Secretary.

(g) Chief Financial Officer. The Chief Financial Officer shall perform all duties commonly incident to that office (including, without limitation, the care and custody of the funds and securities of the Corporation, which from time to time may come into the Chief Financial Officer's hands and the deposit of the funds of the Corporation in such banks or trust companies as the Board, the Chief Executive Officer or the President may authorize).

(h) Treasurer. The Treasurer shall, in the absence (or inability or refusal to act) of the Chief Financial Officer, perform the duties and exercise the powers of the Chief Financial Officer.

Section 6.2. Term of Office; Removal; Vacancies. The elected officers of the Corporation shall be appointed by the Board and shall hold office until their successors are duly elected and qualified or until their earlier death, resignation, retirement, disqualification, or removal from office. Any officer may be removed, with or without cause, at any time by the Board. Any officer appointed by the Chief Executive Officer or President may also be removed, with or without cause, by the Chief Executive Officer or President, as the case may be, unless the Board otherwise provides. Any vacancy occurring in any elected office of the Corporation may be filled by the Board. Any vacancy occurring in any office appointed by the Chief Executive Officer or President may be filled by the Chief Executive Officer, or President, as the case may be, unless the Board then determines that such office shall thereupon be elected by the Board, in which case the Board shall elect such officer.

Section 6.3. Other Officers. The Board may delegate the power to appoint such other officers and agents, and may also remove such officers and agents or delegate the power to remove the same, as it shall from time to time deem necessary or desirable.

Section 6.4. Multiple Officeholders; Stockholder and Director Officers. Any number of offices may be held by the same person unless the Certificate of Incorporation or these Bylaws otherwise provide. Officers need not be stockholders or residents of the State of Delaware.

ARTICLE VII
SHARES

Section 7.1. Certificated and Uncertificated Shares. The shares of the Corporation may be certificated or uncertificated, subject to the sole discretion of the Board and the requirements of the DGCL.

Section 7.2. Multiple Classes of Stock. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the Corporation shall (a) cause the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights to be set forth in full or summarized on the face or back of any certificate that the Corporation issues to represent shares of such class or series of stock or (b) in the case of uncertificated shares, within a reasonable time after the issuance or transfer of such shares, send to the registered owner thereof a written notice containing the information required to be set forth on certificates as specified in clause (a) above; provided, however, that, except as otherwise provided by applicable law, in lieu of the foregoing requirements, there may be set forth on the face or back of such certificate or, in the case of uncertificated shares, on such written notice a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights.

Section 7.3. Signatures. Each certificate representing capital stock of the Corporation shall be signed by or in the name of the Corporation by (a) the Chairman of the Board, the Chief Executive Officer, the President or a Vice President and (b) the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary of the Corporation. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar on the date of issue.

Section 7.4. Consideration and Payment for Shares.

(a) Subject to applicable law and the Certificate of Incorporation, shares of stock may be issued for such consideration, having in the case of shares with par value a value not less than the par value thereof, and to such persons, as determined from time to time by the Board. The consideration may consist of any tangible or intangible property or any benefit to the Corporation, including, but not limited to, cash, promissory notes, services performed, contracts for services to be performed or other securities, or any combination thereof.

(b) Subject to applicable law and the Certificate of Incorporation, shares may not be issued until the full amount of the consideration has been paid, unless upon the face or back of each certificate issued to represent any partly paid shares of capital stock or upon the books and records of the Corporation in the case of partly paid uncertificated shares, there shall have been set forth the total amount of the consideration to be paid therefor and the amount paid thereon up to and including the time said certificate representing certificated shares or said uncertificated shares are issued.

Section 7.5. Lost, Destroyed or Wrongfully Taken Certificates.

(a) If an owner of a certificate representing shares claims that such certificate has been lost, destroyed or wrongfully taken, the Corporation shall issue a new certificate representing such shares or such shares in uncertificated form if the owner: (i) requests such a new certificate before the Corporation has notice that the certificate representing such shares has been acquired by a protected purchaser; (ii) if requested by the Corporation, delivers to the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, wrongful taking or destruction of such certificate or the issuance of such new certificate or uncertificated shares; and (iii) satisfies other reasonable requirements imposed by the Corporation.

(b) If a certificate representing shares has been lost, apparently destroyed or wrongfully taken, and the owner fails to notify the Corporation of that fact within a reasonable time after the owner has notice of such loss, apparent destruction or wrongful taking and the Corporation registers a transfer of such shares before receiving

notification, the owner shall be precluded from asserting against the Corporation any claim for registering such transfer or a claim to a new certificate representing such shares or such shares in uncertificated form.

Section 7.6. Transfer of Stock.

(a) If a certificate representing shares of the Corporation is presented to the Corporation with an endorsement requesting the registration of transfer of such shares or an instruction is presented to the Corporation requesting the registration of transfer of uncertificated shares, the Corporation shall register the transfer as requested if:

(i) in the case of certificated shares, the certificate representing such shares has been surrendered;

(ii) (A) with respect to certificated shares, the endorsement is made by the person specified by the certificate as entitled to such shares; (B) with respect to uncertificated shares, an instruction is made by the registered owner of such uncertificated shares; or (C) with respect to certificated shares or uncertificated shares, the endorsement or instruction is made by any other appropriate person or by an agent who has actual authority to act on behalf of the appropriate person;

(iii) the Corporation has received a guarantee of signature of the person signing such endorsement or instruction or such other reasonable assurance that the endorsement or instruction is genuine and authorized as the Corporation may request;

(iv) the transfer does not violate any restriction on transfer imposed by the Corporation that is enforceable in accordance with Section 7.8(a); and

(v) such other conditions for such transfer as shall be provided for under applicable law have been satisfied.

(b) Whenever any transfer of shares shall be made for collateral security and not absolutely, the Corporation shall so record such fact in the entry of transfer if, when the certificate for such shares is presented to the Corporation for transfer or, if such shares are uncertificated, when the instruction for registration of transfer thereof is presented to the Corporation, both the transferor and transferee request the Corporation to do so.

Section 7.7. Registered Stockholders. Before due presentment for registration of transfer of a certificate representing shares of the Corporation or of an instruction requesting registration of transfer of uncertificated shares, the Corporation may treat the registered owner as the person exclusively entitled to inspect for any proper purpose the stock ledger and the other books and records of the Corporation, vote such shares, receive dividends or notifications with respect to such shares and otherwise exercise all the rights and powers of the owner of such shares, except that a person who is the beneficial owner of such shares (if held in a voting trust or by a nominee on behalf of such person) may, upon providing documentary evidence of beneficial ownership of such shares and satisfying such other conditions as are provided under applicable law, may also so inspect the books and records of the Corporation.

Section 7.8. Effect of the Corporation's Restriction on Transfer.

(a) A written restriction on the transfer or registration of transfer of shares of the Corporation or on the amount of shares of the Corporation that may be owned by any person or group of persons, if permitted by the DGCL and noted conspicuously on the certificate representing such shares or, in the case of uncertificated shares, contained in a notice, offering circular or prospectus sent by the Corporation to the registered owner of such shares within a reasonable time prior to or after the issuance or transfer of such shares, may be enforced against the holder of such shares or any successor or transferee of the holder including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder. A restriction imposed by the Corporation on the transfer or the registration of shares of the Corporation or on the amount of shares of the Corporation that may be owned by any person or group of persons, even if otherwise lawful, is ineffective against a person without actual knowledge of such restriction unless: (i) the shares are certificated and such restriction is noted conspicuously on the certificate; or (ii) the shares are uncertificated and such restriction was contained in a notice,

offering circular or prospectus sent by the Corporation to the registered owner of such shares within a reasonable time prior to or after the issuance or transfer of such shares.

Section 7.9. Regulations. The Board shall have power and authority to make such additional rules and regulations, subject to any applicable requirement of law, as the Board may deem necessary and appropriate with respect to the issue, transfer or registration of transfer of shares of stock or certificates representing shares. The Board may appoint one or more transfer agents or registrars and may require for the validity thereof that certificates representing shares bear the signature of any transfer agent or registrar so appointed.

ARTICLE VIII INDEMNIFICATION

Section 8.1. Right to Indemnification. To the fullest extent permitted by applicable law, as the same exists or may hereafter be amended, the Corporation shall indemnify and hold harmless each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a “*proceeding*”), by reason of the fact that he or she is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, other enterprise or nonprofit entity, including service with respect to an employee benefit plan (hereinafter an “*Indemnitee*”), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent, or in any other capacity while serving as a director, officer, employee or agent, against all liability and loss suffered and expenses (including, without limitation, attorneys’ fees, judgments, fines, ERISA excise taxes and penalties and amounts paid in settlement) reasonably incurred by such Indemnitee in connection with such proceeding; provided, however, that, except as provided in Section 8.3 with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify an Indemnitee in connection with a proceeding (or part thereof) initiated by such Indemnitee only if such proceeding (or part thereof) was authorized by the Board.

Section 8.2. Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 8.1, an Indemnitee shall also have the right to be paid by the Corporation to the fullest extent not prohibited by applicable law the expenses (including, without limitation, attorneys’ fees) incurred in defending or otherwise participating in any such proceeding in advance of its final disposition (hereinafter an “*advancement of expenses*”); provided, however, that, if the DGCL requires, an advancement of expenses incurred by an Indemnitee in his or her capacity as a director or officer of the Corporation (and not in any other capacity in which service was or is rendered by such Indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon the Corporation’s receipt of an undertaking (hereinafter an “*undertaking*”), by or on behalf of such Indemnitee, to repay all amounts so advanced if it shall ultimately be determined that such Indemnitee is not entitled to be indemnified under this Article VIII or otherwise.

Section 8.3. Right of Indemnitee to Bring Suit. If a claim under Section 8.1 or Section 8.2 is not paid in full by the Corporation within 60 days after a written claim therefor has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 days, the Indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Indemnitee shall also be entitled to be paid the expense of prosecuting or defending such suit. In (a) any suit brought by the Indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by an Indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (b) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final judicial decision from which there is no further right to appeal that, the Indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including a determination by its directors who are not parties to such action, a committee of such

directors, independent legal counsel, or its stockholders) that the Indemnitee has not met such applicable standard of conduct, shall create a presumption that the Indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, shall be a defense to such suit. In any suit brought by the Indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VIII or otherwise shall be on the Corporation.

Section 8.4. Non-Exclusivity of Rights. The rights provided to any Indemnitee pursuant to this Article VIII shall not be exclusive of any other right, which such Indemnitee may have or hereafter acquire under applicable law, the Certificate of Incorporation, these Bylaws, an agreement, a vote of stockholders or disinterested directors, or otherwise.

Section 8.5. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and/or any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Section 8.6. Indemnification of Other Persons. This Article VIII shall not limit the right of the Corporation to the extent and in the manner authorized or permitted by law to indemnify and to advance expenses to persons other than Indemnitees. Without limiting the foregoing, the Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation and to any other person who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, to the fullest extent of the provisions of this Article VIII with respect to the indemnification and advancement of expenses of Indemnitees under this Article VIII.

Section 8.7. Amendments. Any repeal or amendment of this Article VIII by the Board or the stockholders of the Corporation or by changes in applicable law, or the adoption of any other provision of these Bylaws inconsistent with this Article VIII, will, to the extent permitted by applicable law, be prospective only (except to the extent such amendment or change in applicable law permits the Corporation to provide broader indemnification rights to Indemnitees on a retroactive basis than permitted prior thereto), and will not in any way diminish or adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such repeal or amendment or adoption of such inconsistent provision; provided however, that amendments or repeals of this Article VIII shall require the affirmative vote of the stockholders holding at least 66.7% of the voting power of all outstanding shares of capital stock of the Corporation.

Section 8.8. Certain Definitions. For purposes of this Article VIII, (a) references to “*other enterprise*” shall include any employee benefit plan; (b) references to “*finer*” shall include any excise taxes assessed on a person with respect to an employee benefit plan; (c) references to “*servicing at the request of the Corporation*” shall include any service that imposes duties on, or involves services by, a person with respect to any employee benefit plan, its participants, or beneficiaries; and (d) a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interest of the Corporation” for purposes of Section 145 of the DGCL.

Section 8.9. Contract Rights. The rights provided to Indemnitees pursuant to this Article VIII shall be contract rights and such rights shall continue as to an Indemnitee who has ceased to be a director, officer, agent or employee and shall inure to the benefit of the Indemnitee’s heirs, executors and administrators.

Section 8.10. Severability. If any provision or provisions of this Article VIII shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Article VIII shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Article VIII (including, without limitation, each such portion of this Article VIII containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

ARTICLE IX
MISCELLANEOUS

Section 9.1. Place of Meetings. If the place of any meeting of stockholders, the Board or committee of the Board for which notice is required under these Bylaws is not designated in the notice of such meeting, such meeting shall be held at the principal business office of the Corporation; provided, however, if the Board has, in its sole discretion, determined that a meeting shall not be held at any place, but instead shall be held by means of remote communication pursuant to Section 9.5 hereof, then such meeting shall not be held at any place.

Section 9.2. Fixing Record Dates.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the business day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 9.2(a) at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

Section 9.3. Means of Giving Notice.

(a) Notice to Directors. Whenever under applicable law, the Certificate of Incorporation or these Bylaws notice is required to be given to any director, such notice shall be given either (i) in writing and sent by mail, or by a nationally recognized delivery service, (ii) by means of facsimile telecommunication or other form of electronic transmission, or (iii) by oral notice given personally or by telephone. A notice to a director will be deemed given as follows: (i) if given by hand delivery, orally, or by telephone, when actually received by the director, (ii) if sent through the United States mail, when deposited in the United States mail, with postage and fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (iii) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (iv) if sent by facsimile telecommunication, when sent to the facsimile transmission number for such director appearing on the records of the Corporation, (v) if sent by electronic mail, when sent to the electronic mail address for such director appearing on the records of the Corporation, or (vi) if sent by any other form of electronic transmission, when sent to the address, location or number (as applicable) for such director appearing on the records of the Corporation.

(b) Notice to Stockholders. Whenever under applicable law, the Certificate of Incorporation or these Bylaws notice is required to be given to any stockholder, such notice may be given (i) in writing and sent either by hand delivery, through the United States mail, or by a nationally recognized overnight delivery service for next day delivery, or (ii) by means of a form of electronic transmission consented to by the stockholder, to the extent permitted by, and subject to the conditions set forth in Section 232 of the DGCL. A notice to a stockholder shall be

deemed given as follows: (i) if given by hand delivery, when actually received by the stockholder, (ii) if sent through the United States mail, when deposited in the United States mail, with postage and fees thereon prepaid, addressed to the stockholder at the stockholder's address appearing on the stock ledger of the Corporation, (iii) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the stockholder at the stockholder's address appearing on the stock ledger of the Corporation, and (iv) if given by a form of electronic transmission consented to by the stockholder to whom the notice is given and otherwise meeting the requirements set forth above, (A) if by facsimile transmission, when directed to a number at which the stockholder has consented to receive notice, (B) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice, (C) if by a posting on an electronic network together with separate notice to the stockholder of such specified posting, upon the later of

(1) such posting and (2) the giving of such separate notice, and (D) if by any other form of electronic transmission, when directed to the stockholder. A stockholder may revoke such stockholder's consent to receiving notice by means of electronic communication by giving written notice of such revocation to the Corporation. Any such consent shall be deemed revoked if (1) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent and (2) such inability becomes known to the Secretary or an Assistant Secretary or to the Corporation's transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

(c) Electronic Transmission. "**Electronic transmission**" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process, including but not limited to transmission by telex, facsimile telecommunication, electronic mail, telegram and cablegram.

(d) Notice to Stockholders Sharing Same Address. Without limiting the manner by which notice otherwise may be given effectively by the Corporation to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation or these Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. A stockholder may revoke such stockholder's consent by delivering written notice of such revocation to the Corporation. Any stockholder who fails to object in writing to the Corporation within 60 days of having been given written notice by the Corporation of its intention to send such a single written notice shall be deemed to have consented to receiving such single written notice.

(e) Exceptions to Notice Requirements. Whenever notice is required to be given, under the DGCL, the Certificate of Incorporation or these Bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting that shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

Whenever notice is required to be given by the Corporation, under any provision of the DGCL, the Certificate of Incorporation or these Bylaws, to any stockholder to whom (1) notice of two consecutive annual meetings of stockholders and all notices of stockholder meetings or of the taking of action by written consent of stockholders without a meeting to such stockholder during the period between such two consecutive annual meetings, or (2) all, and at least two payments (if sent by first-class mail) of dividends or interest on securities during a 12-month period, have been mailed addressed to such stockholder at such stockholder's address as shown on the records of the Corporation and have been returned undeliverable, the giving of such notice to such stockholder shall not be required. Any action or meeting that shall be taken or held without notice to such stockholder shall have the same force and effect as if such notice had been duly given. If any such stockholder shall deliver to the Corporation a written notice setting forth such stockholder's then current address, the requirement that notice be given to such stockholder shall be reinstated. In the event that the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate need not state that notice was not given to

persons to whom notice was not required to be given pursuant to Section 230(b) of the DGCL. The exception in subsection (1) of the first sentence of this paragraph to the requirement that notice be given shall not be applicable to any notice returned as undeliverable if the notice was given by electronic transmission.

Section 9.4. Waiver of Notice. Whenever any notice is required to be given under applicable law, the Certificate of Incorporation, or these Bylaws, a written waiver of such notice, signed by the person or persons entitled to said notice, or a waiver by electronic transmission by the person entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to such required notice. All such waivers shall be kept with the books of the Corporation. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where a person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 9.5. Meeting Attendance via Remote Communication Equipment.

(a) **Stockholder Meetings.** If authorized by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, stockholders entitled to vote at such meeting and proxy holders not physically present at a meeting of stockholders may, by means of remote communication:

(i) participate in a meeting of stockholders; and

(ii) be deemed present in person and vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (A) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxy holder, (B) the Corporation shall implement reasonable measures to provide such stockholders and proxy holders a reasonable opportunity to participate in the meeting and, if entitled to vote, to vote on matters submitted to the applicable stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (C) if any stockholder or proxy holder votes or takes other action at the meeting by means of remote communication, a record of such votes or other action shall be maintained by the Corporation.

(b) **Board Meetings.** Unless otherwise restricted by applicable law, the Certificate of Incorporation or these Bylaws, members of the Board or any committee thereof may participate in a meeting of the Board or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 9.6. Dividends. The Board may from time to time declare, and the Corporation may pay, dividends (payable in cash, property or shares of the Corporation's capital stock) on the Corporation's outstanding shares of capital stock, subject to applicable law and the Certificate of Incorporation.

Section 9.7. Reserves. The Board may set apart out of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

Section 9.8. Contracts and Negotiable Instruments. Except as otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, any contract, bond, deed, lease, mortgage or other instrument may be executed and delivered in the name and on behalf of the Corporation by such officer or officers or other employee or employees of the Corporation as the Board may from time to time authorize. Such authority may be general or confined to specific instances as the Board may determine. The Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer or any Vice President may execute and deliver any contract, bond, deed, lease, mortgage or other instrument in the name and on behalf of the Corporation. Subject to any strictions imposed by the Board, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer or any Vice President may delegate powers to execute and deliver any contract, bond, deed, lease, mortgage or other instrument in the name and on behalf of the Corporation to other officers or employees of the Corporation under such person's supervision and authority, it being understood, however, that any

such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

Section 9.9. Fiscal Year. The fiscal year of the Corporation shall be fixed by the Board.

Section 9.10. Seal. The Board may adopt a corporate seal, which shall be in such form as the Board determines. The seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced.

Section 9.11. Books and Records. The books and records of the Corporation may be kept within or outside the State of Delaware at such place or places as may from time to time be designated by the Board.

Section 9.12. Resignation. Any director, committee member or officer may resign by giving notice thereof in writing or by electronic transmission to the Chairman of the Board, the Chief Executive Officer, the President or the Secretary. The resignation shall take effect at the time it is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9.13. Surety Bonds. Such officers, employees and agents of the Corporation (if any) as the Chairman of the Board, the Chief Executive Officer, the President or the Board may direct, from time to time, shall be bonded for the faithful performance of their duties and for the restoration to the Corporation, in case of their death, resignation, retirement, disqualification or removal from office, of all books, papers, vouchers, money and other property of whatever kind in their possession or under their control belonging to the Corporation, in such amounts and by such surety companies as the Chairman of the Board, the Chief Executive Officer, the President or the Board may determine. The premiums on such bonds shall be paid by the Corporation and the bonds so furnished shall be in the custody of the Secretary.

Section 9.14. Securities of Other Corporations. Powers of attorney, proxies, waivers of notice of meeting, consents in writing and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chairman of the Board, the Chief Executive Officer, the President, any Vice President or any officers authorized by the Board. Any such officer, may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities, or to consent in writing, in the name of the Corporation as such holder, to any action by such corporation, and at any such meeting or with respect to any such consent shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed. The Board may from time to time confer like powers upon any other person or persons.

Section 9.15. Amendments. The Board shall have the power to adopt, amend, alter or repeal the Bylaws. The affirmative vote of a majority of the Board shall be required to adopt, amend, alter or repeal the Bylaws. The Bylaws also may be adopted, amended, altered or repealed by the stockholders; provided, however, that in addition to any vote of the holders of any class or series of capital stock of the Corporation required by applicable law or the Certificate of Incorporation, the affirmative vote of the holders of at least a majority of the voting power (except as otherwise provided in Section 8.7) of all outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required for the stockholders to adopt, amend, alter or repeal the Bylaws.

November 20, 2024

Ranbir Singh
[**]

Dear Ranbir:

This letter agreement (this “Agreement”) sets forth an agreement, effective as of the Effective Date provided in Section 13, among you, Navitas Semiconductor USA, Inc. (the “Company”) and Navitas Semiconductor Corporation (“NVTS”), regarding your election to the board of directors of NVTS (the “Board”) and the other matters set forth below. Accordingly, you, the Company and NVTS agree as follows:

1. **Board Appointment.** Within five business days after the Effective Date you will be nominated and appointed to a Class I directorship on the Board, effective as of the effective date of the Board action to authorize such appointment (the “Appointment Date”). Your initial term of office as a Class I director will begin on the Appointment Date and continue until the date of the NVTS 2025 annual stockholders’ meeting (currently contemplated to be held in June 2025) and until your successor is elected and qualified or your earlier resignation or removal. In addition, you will be nominated by the Board, and recommended by the Board for re-election, at the 2025 annual stockholders’ meeting, as a Class I director for a three-year term ending at the annual stockholders’ meeting to be held in 2028. You hereby agree that, upon your appointment or election to the Board, you will serve as a director in accordance with this Agreement.

2. **Employment and Advisor Status.** Your employment with the Company will end at the close of business on the Appointment Date, which will be your employment termination date for all purposes. Accordingly, except as otherwise provided in this Agreement, you will not be entitled to any further compensation, monies, or other benefits from the Company or NVTS, in your capacity as an employee, including coverage under any benefit plans or programs sponsored by the Company or NVTS, after the Appointment Date. Following the Appointment Date, you, the Company and NVTS may enter into supplementary agreements providing for advisory services from time to time, on such terms and conditions as may be mutually satisfactory. Under any such agreements you will provide advisory or consulting services as an independent contractor and not as an employee.

3. **Duties and Responsibilities.** As a member of the Board, your responsibilities will include, but will not be limited to, (a) acting in accordance with directors’ fiduciary duties owed to NVTS and its stockholders, including the duties of care, loyalty, good faith and confidentiality, in each case as imposed under the Delaware General Corporation Law (“DGCL”) or other applicable law, the Second Amended and Restated Certificate of Incorporation of NVTS, as amended, and the Amended and Restated Bylaws of NVTS, as amended; (b) using your best efforts to attend scheduled and special meetings of the Board; and (c) performing your obligations under this Agreement pursuant to its terms and subject to its conditions.

4. **Affiliate Status.** For as long as you are a member of the Board (and regardless of your ownership of NVTS common shares), you will be an “affiliate” (as defined in Rule 144(a) under the Securities Act of 1933 (“Securities Act”)) of NVTS. Accordingly, you (including with respect to other “persons” referred to in Rule 144(a)(2), as applicable) will be subject to reporting and other obligations imposed by Rule 144 under the Securities Act and Section 16 of the Securities Exchange Act of 1934 (“Exchange Act”). In addition, for as long as you continue to beneficially own (as defined in Rule 13d-3 under the Exchange Act) more than 5% of outstanding NVTS common shares, you will continue to be subject to reporting responsibilities and other obligations under Section 13 of the Exchange Act and applicable regulations thereunder, including without limitation the obligation to file ownership reports on Schedules 13D or 13G under the Exchange Act, as applicable. You are urged to consult with your own securities, tax and other counsel in connection with any transactions involving NVTS securities. The office of the NVTS general counsel will continue to provide filing support and other assistance to you in connection with Securities and Exchange Commission (“SEC”) reporting responsibilities.

** : Redacted pursuant to Item 601(a)(6) of Regulation S-K (17 CFR 229.601(a)(6)).

5. Non-Employee Director Compensation.

(a) Compensation Elements. Upon your election to the Board you will be compensated under the NVTS non-employee director compensation program (“Program”), which, as of the Effective Date, provides for (a) a cash retainer of \$45,000 per year, payable quarterly in arrears; and (b) an annual award of restricted stock units (“RSUs”) under the Navitas Semiconductor Corporation 2021 Equity Incentive Plan (“Equity Plan”) having a grant date fair value of \$140,000. You will not be eligible for appointment to any of the standing committees of the Board (including the audit committee, compensation committee and nominating and sustainability committee) unless and until the Board determines that, in the exercise of its judgment, you are independent of NVTS in accordance with applicable regulations and stock market rules. The listing rules of the Nasdaq Stock Market currently provide that a former officer or employee of an issuer cannot be considered independent of the issuer for at least three years after ceasing to be an officer or employee. Under the Program, RSUs are granted automatically to re-elected and continuing non-employee directors on the date of each annual stockholders’ meeting, and vest in full on the date of the immediately following annual stockholders’ meeting, *provided* the director has continuously served as a director until such time and, *provided, further*, that the subsequent meeting occurs within 30 days of the first anniversary of the previous year’s meeting (otherwise the RSUs will vest in full one year after the grant date). For Board service of less than a full calendar quarter or less than a full annual term, cash and RSU compensation is paid pro rata. The RSUs will be governed by and subject to the Equity Plan, customary award agreements thereunder and applicable NVTS policies. You will also be reimbursed for reasonable travel and related expenses incurred by you in the course of discharging your duties as a director. The foregoing notwithstanding, all elements of the Program are subject to termination or modification in the sole discretion of the Board or the compensation committee of the Board, provided that any such termination or modification applies only prospectively and affects all non-employee directors equally.

(b) Hart-Scott-Rodino Act Compliance. In the event that the vesting of any RSUs granted under the Program would trigger filing obligations under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (together with regulations thereunder, the “HSR Act”), based on the value of NVTS voting securities that would be held by you (as “held” is defined under the HSR Act) as a result of such vesting and the applicable HSR Act threshold at such time, you will be solely responsible for monitoring the value of NVTS voting securities held or to be acquired, including through the vesting of RSUs, to determine if an HSR Act filing is required. If an HSR Act filing is required, you will promptly notify the Company in writing and will be solely responsible for preparing and timely submitting the required HSR Act filing, including payment of the applicable filing fee. You agree to comply with all applicable waiting periods and not to take any action to acquire additional NVTS voting securities until the HSR Act requirements have been satisfied. Upon receiving notice from you that an HSR Act filing is required, the Company shall cooperate with you in providing necessary information for the filing. You agree to indemnify and hold the Company and NVTS harmless from any penalties, fines or legal costs incurred as a result of your failure to comply with HSR Act requirements or the obligations set forth in this provision. The Company agrees to indemnify and hold you harmless from any penalties, fines or legal costs incurred as a result of the Company’s failure to cooperate or to provide accurate information for the HSR Act filing, provided you have complied with all obligations under this provision. In the event that an HSR Act filing is required and not completed, or if the applicable waiting period has not expired or been terminated, the Company reserves the right to suspend the vesting of RSUs until such time as the HSR Act requirements have been satisfied. The Company reserves the right to amend this Section 5(b) to comply with any changes to the HSR Act or related regulations, or to address any issues that arise in the administration of this section.

6. 2024 Bonus and Other Compensation.

(a) Subject to Sections 6(d), 10 and 13, you will receive your 2024 annual bonus in accordance with the NVTS annual bonus program, based on actual performance, at a target participation level of 60% (as a percentage of salary actually paid to you as an employee during 2024), with the opportunity to earn a bonus of up to 150% of the target amount depending on the extent to which corporate and individual performance goals reflecting your roles are achieved or exceeded. The bonus will be paid to you (if at all) at the same time and in the same form as 2024 annual bonuses are paid to other recipients. In addition, subject to Sections 6(d), 10 and 13, the Company will grant you a number of RSUs equal to (x) \$379,000 *divided by* (y) the volume-weighted average closing price per share of NVTS common stock over the 20 consecutive trading days immediately preceding the grant date. These

RSUs will be granted to you on or after the Appointment Date and not later than December 11, 2024, and will be fully vested upon grant. All amounts under this Section 6(a) will be subject to applicable wage and income tax withholdings and/or the sale to cover such taxes of settled shares, as applicable, and applicable Company and NVTs policies.

(b) Your medical, dental and vision benefits in effect on the Appointment Date will remain active up to and including the last day of the month in which the Appointment Date occurs (the "Coverage End Date"). Within 30 days after the Coverage End Date, the Company will provide (or cause to be provided) the necessary paperwork for you to elect continued COBRA coverage (the "COBRA Election Notice"). Subject to Sections 6(d), 10 and 13, and subject to you timely electing COBRA coverage in accordance with the COBRA Election Notice, (i) coverage will apply retroactively from and after the day immediately following the Coverage End Date; (ii) the Company shall continue to pay the employer portion of premiums for the 12-month period immediately following the Coverage End Date; and (iii) you shall be responsible for the employee portion of such premiums during the same period. After this 12-month period, you will be eligible to continue COBRA coverage and, if you elect to continue coverage, you will be responsible for the entire premium for the remainder of the applicable continuation period. You agree to make an initial COBRA payment for the full amount of the monthly premium (including the employer and employee portions) if necessary to initiate COBRA coverage under applicable enrollment systems, *provided that* upon written request the Company will reimburse you for the employer portion of any such payment. You also acknowledge and agree that, during the period between the Coverage End Date and the date COBRA coverage becomes effective as described above, you may be required to pay out-of-pocket for services and seek reimbursement from the applicable plan after effectiveness of COBRA coverage has been confirmed by the plan administrator.

(c) You hereby acknowledge and agree that, for all time periods up to and including the Appointment Date, you have been properly paid for all hours worked for the Company and have received all wages, bonuses and other compensation due to you on or before the Appointment Date, except for your pro rata 2024 annual bonus and the award of RSUs referred to above, which will be paid or granted to you as described above. You also acknowledge and agree that the amounts and benefits set forth in this Section 6 reflect all amounts and benefits to which you are entitled under your employment offer letter dated August 15, 2022 ("Employment Letter"), the letter agreement dated July 31, 2024 ("Letter Agreement"), the Navitas Semiconductor Executive Severance Plan, and any other agreement, plan or policy of the Company or NVTs applicable to you, and that you are not entitled to any other amounts or benefits under any of the foregoing or any other agreements, plans or policies with respect to time periods up to and including the Appointment Date.

(d) In furtherance of the foregoing, and as a condition to the Company's and NVTs' obligations to provide the consideration described in this Section 6, you agree to execute the waiver and release of claims attached as Schedule A, which is hereby incorporated by reference into this Agreement as if set forth in full herein (the "Release"), and return it to an officer of the Company together with a signed copy of the Agreement on or after the Appointment Date and before December 1, 2024.

7. LTIP Award. As a result of the termination of your employment, your long-term incentive performance award of non-qualified options to purchase up to 3,250,000 shares of NVTs common shares, dated August 15, 2022 (your "LTIP Award"), will terminate in its entirety effective as of the Appointment Date and, accordingly, you will have no further rights or obligations under the LTIP Award upon and following your appointment to the Board.

8. Other Activities. Following the Appointment Date, you may be employed by another company, may serve on other boards of directors or advisory boards, and may engage in any other business activity (whether or not pursued for pecuniary advantage), as long as such outside activities do not violate your obligations under this Agreement or your fiduciary obligations to NVTs and its stockholders. For the avoidance of doubt, the terms and conditions of Section 9 of the Letter Agreement will continue to apply following the Appointment Date, subject to your fiduciary duties as described in Section 3 of this Agreement. If by resolution the Board adopts a policy or rule limiting the number of private or public company boards on which non-employee directors may serve, you agree to comply with such policy. If, at any time, you are required to make any disclosure or take any action that may conflict with any of the provisions of this Agreement, you will promptly notify the Board of such obligation, prior to making such disclosure or taking such action.

9. NVTS Shares. NVTS and the Company agree that none of the NVTS shares beneficially owned by you and your affiliates on the date hereof will be subject to any restrictions on sale or transfer following the Appointment Date *except* (a) for as long as you remain a member of the Board (or are otherwise engaged as a service provider), you will remain subject to the applicable provisions of the Navitas Semiconductor Insider Trading Policy applicable to “Insiders” as defined therein (including without limitation scheduled trading blackout periods, requirements to pre-clear transactions with the NVTS General Counsel, and restrictions on trading while in possession of material nonpublic information about NVTS or its securities); (b) restrictions and reporting requirements under applicable securities laws (including Rule 144 under the Securities Act and Sections 13 and 16 of the Exchange Act, as applicable); and (c) the daily volume limitations imposed by Section 2.10 of the Registration Rights Agreement among NVTS, you and the other parties thereto dated August 15, 2022, which restrictions will continue to apply in accordance with their terms. For the avoidance of doubt, the restrictions under the foregoing clauses (b) and (c) will continue to apply regardless of your status as a director. In addition, the Board will consider in good faith requests to pledge NVTS shares beneficially owned by you or an affiliate as security for the repayment of indebtedness, upon reasonable disclosure by you of the material terms and conditions of such indebtedness.

10. Confidential Information.

(a) General. You understand and acknowledge that during the course of your employment and Board service with the Company, you have had and will continue to have access to and learn about confidential, secret, and proprietary documents, materials, and other information, in tangible and intangible form, of and relating to the Company, NVTS and each of their respective parents, subsidiaries, affiliates, predecessors (including GeneSiC Semiconductor Inc.), successors and assigns (together with the Company and NVTS, individually or collectively, the “**Employer Group**”) and the Employer Group’s businesses and existing and prospective customers, suppliers, investors, and other associated third parties (“**Confidential Information**”). You further understand and acknowledge that this Confidential Information and the Employer Group’s ability to reserve it for the exclusive knowledge and use of the Employer Group is of great competitive importance and commercial value to the Employer Group, and that improper use or disclosure of the Confidential Information by you may cause the Employer Group to incur financial costs, loss of business advantage, liability under confidentiality agreements with third parties, civil damages, and criminal penalties.

(b) Types of Confidential Information. For purposes of this Agreement, Confidential Information includes, but is not limited to, all information not generally known to the public, in spoken, printed, electronic, or any other form or medium, relating directly or indirectly to: (i) sales information such as customer information, customer lists, distributor lists, market studies, customer pipeline information, marketing information, advertising information and pricing information, and information about customer purchasing and other contacts; (ii) financial information such as revenue, costs, inventory levels, channel inventory levels, and gross and net margin information, in each case whether historical or estimated for future periods; (iii) product and technology information such as product roadmaps and other plans, strategies, know-how, trade secrets, device configurations and designs, technologies, systems, materials, sources of materials, inventions, unpublished patent applications, original works of authorship, discoveries, experimental processes, experimental results and specifications; (iv) business process information such as business practices, methods, policies, plans, publications, documents and operations; (v) commercial and corporate transaction information such as information about the existence and terms of contracts, transactions or potential transactions and relationships or potential relationships with customers, suppliers or other business partners, negotiations, pending negotiations, supplier information and vendor information; (vi) legal information such as actual or threatened claims, legal actions, investigations, and the status thereof; and (vii) personnel information such as staffing information, employee lists, compensation and benefits information, organizational reporting and related information, in each case of or relating to the Employer Group or its businesses or any existing or prospective customer, supplier, investor, or other associated third party, or of any other person or entity that has entrusted information to any member of the Employer Group in confidence.

(c) Non-Exhaustive List. You understand that the above list is not exhaustive, and that Confidential Information also includes other information that would appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used.

(d) Information You Have Developed. You understand and agree that Confidential Information developed by you in the course of your past and future employment and service to the Employer Group is subject to the terms and conditions of this Agreement as if the Employer Group or its other employees furnished the same Confidential Information to you in the first instance. Confidential Information shall not include information that is generally available to and known by the public at the time of disclosure to you, provided that the disclosure is through no direct or indirect fault of yours or person(s) acting on your behalf.

(e) Disclosure and Use Restrictions. You agree and covenant:

(i) to treat all Confidential Information as strictly confidential;

(ii) not to directly or indirectly disclose, publish, communicate, or make available Confidential Information, or allow it to be disclosed, published, communicated, or made available, in whole or part, to any entity or person whatsoever (including other employees of the Employer Group) not having a need to know and authority to know and use the Confidential Information in connection with the business of the Employer Group and, in any event, not to anyone outside of the direct employ of the Employer Group, except as otherwise permitted by this Agreement (see Permitted Disclosures below); and

(iii) not to access or use any Confidential Information, and not to copy any documents, records, files, media, or other resources containing any Confidential Information, or remove any such documents, records, files, media, or other resources from the premises or control of the Employer Group, except as otherwise permitted by this Agreement (see Permitted Disclosures below), by applicable law, as required in the performance of your remaining authorized employment duties, or with the prior written consent of an authorized officer acting on behalf of the Employer Group (and then, such disclosure shall be made only within the limits and to the extent of such law or consent).

(f) Continuing Obligations. You understand and acknowledge that your obligations under this Agreement regarding any particular Confidential Information shall continue during and after your employment by, and Board service, to the Company and NVTs, as applicable, until the Confidential Information has become public knowledge other than as a result of your breach of this Agreement or a breach by those acting in concert with you or on your behalf.

(g) Permitted Disclosures. Nothing in this Agreement shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. Nothing in this Agreement prevents you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful. Nothing in this Agreement prohibits or restricts you (or your attorney) from initiating communications with, responding to an inquiry from, providing testimony before, or otherwise participating in any investigation or proceeding conducted by the Securities and Exchange Commission (SEC), any other self-regulatory organization, or any other federal or state regulatory authority regarding this Agreement or its underlying facts or circumstances or a possible securities law violation without the need for permission from or notice to the Company. Nothing in this Agreement prohibits or restricts you (or your attorney) from filing a charge or complaint with any government agencies. Nothing in this Agreement in any way prohibits or is intended to restrict or impede you from discussing the terms and conditions of your employment with co-workers or union representatives, exercising protected rights under Section 7 of the National Labor Relations Act (NLRA), or otherwise disclosing information as permitted by law.

(h) Notice of Immunity Under the Defend Trade Secrets Act of 2016. Notwithstanding any other provision of this Agreement:

(i) You will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (1) in confidence to a federal, state or

local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document that is filed under seal in a lawsuit or other proceeding.

(ii) If you file a lawsuit for retaliation by the Employer Group for reporting a suspected violation of law, you may disclose the Employer Group's trade secrets to your attorney and use the trade secret information in the court proceeding if you (1) file any document containing the trade secret under seal; and (2) do not disclose the trade secret, except pursuant to court order.

(i) Confidentiality of Agreement. You agree not to disclose the existence or terms of this Agreement to any individual or entity; provided, however, that you will not be prohibited from making disclosures to your spouse, domestic partner, attorney, tax advisors, or as may be required by law.

11. Remedies. In the event of a breach or threatened breach by you of Section 10 of this Agreement, you consent and agree that money damages would not afford an adequate remedy and that the Company shall be entitled to seek a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. Any equitable relief shall be in addition to, not instead of, legal remedies, monetary damages, or other available relief. If you fail to comply with any of the terms of this Agreement or post-employment obligations contained in it, the Company may, in addition to any other available remedies, reclaim any amounts paid to you under the provisions of this Agreement and terminate any benefits or payments that are later due under this Agreement, without waiving the releases provided in it. The parties mutually agree that this Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement.

12. Section 409A.

(a) This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended, or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company and NVTs make no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company or NVTs be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A.

(b) In furtherance of the foregoing clause (a) and notwithstanding any other provision of this Agreement, if any payment or benefit provided to you in connection with termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A that is not exempt from Section 409A as a short-term deferral or otherwise, and you are determined to be a "specified employee" as defined in Section 409A(a)(2)(b)(i), then such payment or benefit shall not be paid until the first payroll date to occur following the six-month anniversary of your termination date (the "Specified Employee Payment Date") or, if earlier, on the date of your death. The aggregate of any payments that would otherwise have been paid before the Specified Employee Payment Date and interest on such amounts calculated based on the applicable federal rate published by the Internal Revenue Service for the month in which your separation from service occurs shall be paid to you in a lump sum on the Specified Employee Payment Date and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule.

13. Review, Acceptance and Effectiveness of this Agreement. This Agreement (including the Release), signed by the Company and NVTs, is first being provided to you on or before the date hereof. By law you have at least 21 days after that date to review this Agreement, although you may sign this Agreement and the Release sooner if desired. Any changes made to this Agreement after the date it is first provided to you will not restart the 21-day period. To accept the terms and conditions of this Agreement, you must sign and return it and the

Release to an officer of the Company before 5:00 p.m., Pacific Time, on December 10, 2024. This Agreement (including the Release) will become effective and binding on all parties on the date you sign and return it as provided above (the "Effective Date"), *provided* that (i) the form of this Agreement has been approved by the board of directors of the Company within four business days after the date hereof and (ii) if, after signing this Agreement, you timely revoke the release and waiver of ADEA Claims in accordance with subparagraph (b)(v) of Section 1 of the Release, then you will receive only those benefits under Section 6 of this Agreement as provided in subparagraph (b)(v) of Section 1 of the Release.

14. Governing Law, Jurisdiction, and Venue. This Agreement and all matters arising out of or relating to this Agreement and your employment or termination of employment, whether sounding in contract, tort, or statute, for all purposes shall be governed by and construed in accordance with the laws of the State of Delaware (including its statutes of limitations) without regard to any conflicts of laws principles that would require the laws of any other jurisdiction to apply. Any action or proceeding to enforce this Agreement shall be brought only in any state or federal court located in Wilmington, Delaware, and the parties hereby irrevocably submit to the exclusive jurisdiction of these courts and waive the defense of inconvenient forum to the maintenance of any action or proceeding in such venue.

15. Modification and Waiver. No provision of this Agreement may be amended or modified unless the amendment or modification is agreed to in writing and signed by you and by an authorized representative of the Company. No waiver of any breach by a party, or of any condition or provision of this Agreement to be performed by another party, shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by any party in exercising any right, power or privilege under this Agreement operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

16. Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, or enforceable only if modified, such finding shall not affect the validity of the remainder of this Agreement, which shall remain in full force and effect and continue to be binding on the parties.

17. Interpretation. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience, and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph. This Agreement shall not be construed against either party as the author or drafter of the Agreement.

18. Successors and Assigns. The Company or NVTs may freely assign this Agreement at any time. This Agreement shall inure to the benefit of the Company and NVTs and their respective successors and assigns. You may not assign this Agreement in whole or in part without the Company's prior written consent. Any purported assignment by you without such consent shall be null and void from the initial date of the purported assignment.

19. Entire Agreement; Effect on other Agreements. Unless specifically provided herein, this Agreement (including the Release) contains all of the understandings and representations between NVTs, the Company and you relating to the termination of your employment and your appointment to the Board, and supersedes all prior and contemporaneous understandings, discussions, agreements, representations and warranties, both written and oral, regarding such subject matter. Your Employment Letter and the Letter Agreement are each hereby amended to the extent necessary to give full effect to the terms and conditions of this Agreement, but in all other respects shall remain unchanged.

20. Counterparts. The parties may execute this Agreement in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument. The delivery of a signature page of an executed counterpart of this Agreement by email in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, has the same effect as delivery of an executed original of this Agreement.

[Signature Page Follows]

Please indicate your agreement to the foregoing terms and conditions by signing where indicated below.

Yours very truly,

NAVITAS SEMICONDUCTOR USA, INC.

By: /s/ Gene Sheridan
Gene Sheridan
President and CEO

NAVITAS SEMICONDUCTOR CORPORATION

By: /s/ Gene Sheridan
Gene Sheridan
President and CEO

Acknowledged and agreed:

/s/ Ranbir Singh Date: November 25, 2024
Ranbir Singh

Release and Waiver of Claims

1. **Releases.**

(1) **General Release.** In exchange for the consideration provided in Section 6 of the attached letter agreement ("**Agreement**") (capitalized terms used and not otherwise defined in this Release and Waiver of Claims (this "**Release**") have the meanings given in the Agreement), the undersigned employee or former employee of the Company ("**Employee**") and Employee's heirs, executors, representatives, administrators, agents, insurers and assigns (collectively, "**Releasers**") hereby irrevocably and unconditionally fully and forever waive, release and discharge the Company ("**Employer**"), NVTS and each of their respective parents, subsidiaries, affiliates, predecessors, successors and assigns (together with Employer, collectively, the "**Employer Group**"), and each current or former officer, director, employee, stockholder, agent or representative of each current and past member of the Employer Group, in their corporate and individual capacities (together with the Employer Group, collectively, the "**Released Parties**"), from any and all claims, demands, actions, causes of action, judgments, rights, fees, damages, debts, obligations, liabilities and expenses (inclusive of attorneys' fees) of any kind whatsoever, whether known or unknown (collectively, "**Claims**"), that Releasers may have or have ever had against the Released Parties, or any of them, arising out of, or in any way related to Employee's hiring, employment, compensation, benefits, termination or separation from employment with the Employer Group by reason of any actual or alleged act, omission, transaction, practice, conduct, occurrence or other matter from the beginning of time up to and including the date Employee signs and returns this Release to Employer, including but not limited to:

(i) any and all claims under Title VII of the Civil Rights Act of 1964 (Title VII), the Americans with Disabilities Act (ADA), the Fair Labor Standards Act (FLSA), the Equal Pay Act, the Employee Retirement Income Security Act (ERISA) (regarding unvested benefits), the Civil Rights Act of 1991, Section 1981 of U.S.C. Title 42, the Fair Credit Reporting Act (FCRA), the Worker Adjustment and Retraining Notification (WARN) Act, the Genetic Information Nondiscrimination Act (GINA), the Immigration Reform and Control Act (IRCA), the Florida Civil Rights Act, the Florida Whistleblower Protection Act, Florida Workers' Compensation Law's Retaliation provision, the Florida Wage Discrimination Law, the Florida Minimum Wage Act, the Florida Equal Pay Law, the Florida Omnibus AIDS Act, the Florida Domestic Violence Leave Act, the Florida Discrimination on the Basis of Sickle Cell Trait Law, Florida OSHA, the Florida Constitution, the Florida Fair Housing Act, all including any amendments and their respective implementing regulations, and any other federal, state, local, or foreign law (statutory, regulatory, or otherwise) that may be legally waived and released; however, the identification of specific statutes is for purposes of example only, and the omission of any specific statute or law shall not limit the scope of this general release in any manner;

(ii) any and all claims arising under tort, contract and quasi-contract law, including but not limited to claims of breach of an express or implied contract (including the Employment Letter, the Letter Agreement and the Navitas Semiconductor Executive Severance Plan), wrongful or retaliatory discharge, fraud, defamation, negligent or intentional infliction of emotional distress, tortious interference with contract or prospective business advantage, breach of the implied covenant of good faith and fair dealing, promissory estoppel, detrimental reliance, invasion of privacy, nonphysical injury, personal injury or sickness, or any other harm;

(iii) any and all claims for compensation of any type whatsoever, including but not limited to claims for wages, salary, bonuses, commissions, incentive compensation, vacation, sick pay, and severance that may be legally waived and released;

(iv) any and all claims for monetary or equitable relief, including but not limited to attorneys' fees, back pay, front pay, reinstatement, experts' fees, medical fees

or expenses, costs and disbursements, punitive damages, liquidated damages, and penalties; and

- (v) indemnification rights Employee has against the Employer Group.

However, this general release and waiver of claims excludes, and Employee does not waive, release, or discharge: (A) claims that cannot be waived by law, such as claims for unemployment benefit rights and workers' compensation; and (B) any right to file an unfair labor practice (ULP) charge under the National Labor Relations Act or participate or assist in proceedings before the National Labor Relations Board (NLRB).

This general release and waiver of claims also excludes, and Employee does not waive, release, or discharge: (AA) the right to file an administrative charge or complaint with, or testify, assist, or participate in an investigation, hearing, or proceeding conducted by or before, or provide information to any government agencies about a condition or violation of law; and (BB) the right to seek or receive a monetary award from a government-administered whistleblower award program, except that Employee waives any right to monetary relief related to an administrative charge or complaint with the Equal Employment Opportunity Commission (EEOC) or any state or local fair employment practices agency.

(2) Release of Age Discrimination in Employment Act (ADEA) Claims. In further consideration of the payments and benefits provided to Employee in the Agreement, Releasors hereby irrevocably and unconditionally fully and forever waive, release, and discharge the Released Parties from any and all Claims, whether known or unknown, from the beginning of time through the date Employee signs this Release, arising under the Age Discrimination in Employment Act (ADEA), as amended, and its implementing regulations. By signing this Release, Employee hereby acknowledges and confirms that:

- (i) Employee has read this subparagraph (b) in its entirety and understands all of its terms;

(vi) by the Agreement and this Release, Employee has been advised in writing that Employee has been given at least 21 days to review this Release (although Employee may sign it sooner if desired) and has been advised to consult with an attorney of Employee's choosing before signing this Release;

(vii) Employee knowingly, freely, and voluntarily agrees to all of the terms and conditions set out in this Release including, without limitation, the specific waiver and release set forth in this subparagraph (b) in addition to the general waiver and release set forth in subparagraph (a);

(viii) Employee is signing this Release in exchange for good and valuable consideration in addition to anything of value to which Employee is otherwise entitled;

(ix) **Employee has seven days after signing and returning this Release to revoke the waiver and release given in this subparagraph (b) by following the instructions in the next sentence, but such revocation will be effective only as to Claims under the Age Discrimination in Employment Act (ADEA).** For such revocation of ADEA Claims to be effective, Employee must deliver a written notice of revocation, before the end of the seven-day period, to the Employer by email to legalnotices@navitassemi.com or by overnight delivery to Navitas Semiconductor, 3520 Challenger Street, Torrance, CA 90503-1640, Attention: General Counsel. If Employee timely revokes the waiver and release of ADEA Claims as provided above, then (A) Employee will receive only those benefits provided under subparagraph (b) of Section 6 of the Agreement, which are provided in consideration for the waiver and release of non-ADEA Claims; (B) the other benefits provided under Section 6 of the Agreement, which are provided to Employee in consideration for the waiver and release of ADEA Claims, shall not be provided to Employee; and (C) all other provisions of this

Release, including but not limited to the general waiver and release in subparagraph (a) (except insofar as it relates to ADEA Claims), shall remain in full force and effect; and

(x) Employee understands that the waivers and releases contained in this Release, including the specific waiver and release set forth in this subparagraph (b) in addition to the general waiver and release set forth in subparagraph (a), do not apply to rights and Claims that may arise after Employee signs this Release.

The foregoing notwithstanding, the waiver and release provided in this Release include the waiver and release of any rights of Employee to receive monetary or other benefits from any proceeding before the Equal Employment Opportunity Commission (EEOC), but do not prohibit or restrict Employee (or Employee's attorney) from filing a charge with or participating in a proceeding before the EEOC.

1. Knowing and Voluntary Acknowledgement.

Employee specifically agrees and acknowledges that:

- (1) Employee has read this Release in its entirety and understands all of its terms;
- (2) by this Release, Employee has been advised to consult with an attorney before signing this Release and has consulted with such counsel as Employee believes was necessary before signing this Release;
- (3) Employee knowingly, freely, and voluntarily assents to all of this Release's terms and conditions including, without limitation, the waivers, releases, and covenants contained in it;
- (4) Employee is signing this Release, including the waivers and releases, in exchange for good and valuable consideration which is either (i) in addition to anything of value to which Employee is otherwise entitled or (ii) an entitlement of Employee subject only to the condition that Employee signs this Release;
- (5) Employee is not waiving or releasing rights or claims that may arise after Employee signs this Release; and
- (6) Employee understands that the waivers and releases in this Release are being requested in connection with Employee's termination of employment from the Employer Group.

[Signature Page Follows]

Acknowledgment of Full Understanding. EMPLOYEE ACKNOWLEDGES AND AGREES THAT EMPLOYEE HAS FULLY READ, UNDERSTANDS, AND VOLUNTARILY ENTERS INTO THIS RELEASE. EMPLOYEE ACKNOWLEDGES AND AGREES THAT EMPLOYEE HAS BEEN GIVEN AT LEAST 21 DAYS TO REVIEW THIS RELEASE AND THE RELATED AGREEMENT (ALTHOUGH EMPLOYEE MAY SIGN THEM SOONER IF DESIRED). EMPLOYEE FURTHER ACKNOWLEDGES THAT EMPLOYEE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF EMPLOYEE'S CHOICE BEFORE SIGNING THE AGREEMENT AND THIS RELEASE. EMPLOYEE FURTHER ACKNOWLEDGES THAT EMPLOYEE'S SIGNATURE BELOW IS AN AGREEMENT TO RELEASE THE EMPLOYER GROUP FROM ANY AND ALL CLAIMS THAT CAN BE RELEASED AS A MATTER OF LAW.

IN WITNESS WHEREOF, the parties have executed this Release as of the dates set forth below.

NAVITAS SEMICONDUCTOR USA, INC.

Date: November 19, 2024

By: /s/ Gene Sheridan

Name: Gene Sheridan

Title: President and CEO

EMPLOYEE:

Signature: /s/ Ranbir Singh

Date: November 25, 2024

Name: Ranbir Singh

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-269752 and No. 333-261323) and Form S-8 (No. 333-262324, No. 333-271252, No. 333-271253 and No. 333-277759) of Navitas Semiconductor Corporation (the “Company”), of our report dated March 19, 2025, relating to the consolidated financial statements of the Company, appearing in this Annual Report on Form 10-K of the Company for the year ended December 31, 2024.

/s/ Moss Adams LLP

Los Angeles, California
March 19, 2025

CERTIFICATION

I, Gene Sheridan, certify that:

1. I have reviewed this annual report report on Form 10-K for the fiscal year ended December 31, 2024 of Navitas Semiconductor Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 19, 2025

/s/ Gene Sheridan
Gene Sheridan
President and Chief Executive Officer
(principal executive officer)

CERTIFICATION

I, Todd Glickman, certify that:

1. I have reviewed this annual report report on Form 10-K for the fiscal year ended December 31, 2024 of Navitas Semiconductor Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 19, 2025

/s/ Todd Glickman
Todd Glickman
Sr. V.P., Chief Financial Officer and Treasurer
(principal financial and accounting officer)

CERTIFICATION

Each of the undersigned hereby certifies, for the purposes of section 1350 of chapter 63 of title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in his capacity as an officer of Navitas Semiconductor Corporation (“Navitas”), that, to his knowledge, Navitas’ annual report on Form 10-K for the year ended December 31, 2024, fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Navitas. This written statement is being furnished to the Securities and Exchange Commission as an exhibit to that Form 10-K. A signed original of this statement, which may be electronic, has been provided to Navitas and will be retained by Navitas and furnished to the Securities and Exchange Commission or its staff upon request.

Date: March 19, 2025

/s/ Gene Sheridan
Gene Sheridan
President and Chief Executive Officer
(principal executive officer)

Date: March 19, 2025

/s/Todd Glickman
Todd Glickman
Sr. Vice President, Chief Financial Officer and Treasurer
(principal financial and accounting officer)

NAVITAS SEMICONDUCTOR DODD-FRANK CLAWBACK POLICY

Navitas Semiconductor Corporation, a Delaware corporation (the “Company”), has adopted this clawback policy (the “Policy”) as a supplement to any other clawback policies in effect now or in the future at the Company. To the extent this Policy applies to compensation payable to a person covered by this Policy, it shall be the only clawback policy applicable to such compensation and no other clawback policy shall apply; provided that, if such other policy provides that a greater amount of such compensation shall be subject to clawback, such other policy shall apply to the amount in excess of the amount subject to clawback under this policy. This Policy shall be interpreted to comply with the clawback rules found in 229 C.F.R. §240.10D and the related listing rules of the national securities exchange or national securities association (“Exchange”) on which the Company has listed securities, and, to the extent this Policy is any manner deemed inconsistent with such rules, this Policy shall be treated as retroactively amended to be compliant with such rules.

1. Definitions. 229 C.F.R. §240.10D-1(d) defines the terms “Executive Officer,” “Financial Reporting Measure,” “Incentive-Based Compensation,” and “Received.” As used herein, these terms shall have the same meaning as in that regulation.

2. Application of the Policy. This Policy shall only apply in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the issuer with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

3. Recovery Period. The Incentive-Based Compensation subject to clawback is the Incentive-Based Compensation Received during the three completed fiscal years immediately preceding the date that the issuer is required to prepare an accounting restatement as described in section 2, provided that the person served as an Executive Officer at any time during the performance period applicable to the Incentive-Based Compensation in question. The date that the Company is required to prepare an accounting restatement shall be determined pursuant to 229 C.F.R. §240.10D-1(b)(1)(ii).

(a) Notwithstanding the foregoing, the Policy shall only apply if the Incentive-Based Compensation is Received (1) while the issuer has a class of securities listed on an Exchange and (2) on or after December 1, 2023.

(b) See 229 C.F.R. §240.10D-1(b)(1)(i) for certain circumstances under which the Policy will apply to Incentive-Based Compensation received during a transition period arising due to a change in the Company’s fiscal year.

4. Erroneously Awarded Compensation. The amount of Incentive-Based Compensation subject to the Policy (“Erroneously Awarded Compensation”) is the amount of Incentive-Based Compensation Received that exceeds the amount of Incentive Based-Compensation that otherwise would have been Received had it been determined based on the restated amounts and shall be computed without regard to any taxes paid.

(a) For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an accounting restatement: (1) the amount shall be based on a reasonable estimate of the effect of the accounting restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received; and (2) the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the Exchange.

5. The Company shall recover reasonably promptly any Erroneously Awarded Compensation except to the extent that the conditions of paragraphs (a), (b), or (c) below apply. The Compensation

Committee (the “Committee”) shall determine the repayment schedule for each amount of Erroneously Awarded Compensation in a manner that complies with this “reasonably promptly” requirement. Such determination shall be consistent with any applicable legal guidance, by the SEC, judicial opinion, or otherwise. The determination of “reasonably promptly” may vary from case to case and the Committee is authorized to adopt additional rules to further describe what repayment schedules satisfy this requirement.

(a) Erroneously Awarded Compensation need not be recovered if the direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered and the Committee has made a determination that recovery would be impracticable. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Company shall make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange.

(b) Erroneously Awarded Compensation need not be recovered if recovery would violate home country law where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company shall obtain an opinion of home country counsel, acceptable to the Exchange, that recovery would result in such a violation and shall provide such opinion to the Exchange.

(c) Erroneously Awarded Compensation need not be recovered if recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the registrant, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

6. Committee decisions. Decisions of the Committee with respect to this Policy shall be final, conclusive and binding on all Executive Officers subject to this policy, unless determined to be an abuse of discretion.

7. No Indemnification. Notwithstanding anything to the contrary in any other policy of the Company or any agreement between the Company and an Executive Officer, no Executive Officer shall be indemnified by the Company against the loss of any Erroneously Awarded Compensation.

8. Agreement to Policy by Executive Officers. The Committee shall take reasonable steps to inform Executive Officers of this Policy and obtain their agreement to this Policy, which steps may constitute the inclusion of this Policy as an attachment to any award that is accepted by the Executive Officer.

Document History:

Adopted November 2, 2023