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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2022

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	**85-2560226**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3520 Challenger Street	
Torrance, California	**90503-1640**
(Address of Principal Executive Offices)	(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 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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 153,443,105 shares of Class A Common Stock and 0 shares of Class B Common Stock were outstanding at November 10, 2022.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This quarterly report contains forward-looking statements. All statements other than statements of historical facts contained in this quarterly 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 quarterly 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;
- 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 realize benefits of the Business Combination, which may be affected by, among other things, competition and our ability to grow and manage growth profitably;
- our ability to realize the benefits of the Business Combination, which may be affected by, among other things, competition and our ability to grow and manage growth profitably;
- 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;
- the impact of health epidemics, including the Covid-19 pandemic, on our business and the actions we may take in response thereto;
- our ability to obtain and maintain intellectual property protection, and not infringe on the rights of the intellectual property rights others;
- our status as an emerging growth company (as defined by U.S. federal law);
- 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 the summary below, and in our annual report on Form 10-K in 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 quarterly 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 quarterly report, whether as a result of any new information, future events, changed circumstances or otherwise. You

should read this quarterly 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 our annual report on Form 10-K and in Part II, Item 1A of this and our other quarterly reports on Form 10-Q.

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 in 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 and industrial applications, where we believe we have achieved a market-leading position in GaN power ICs. Growth in demand for our products depends on achieving similar successes in other markets where we believe our 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.
- Our recent acquisition of GeneSiC Semiconductor Inc. ("GeneSiC") is our first significant acquisition. We are devoting, and expect to continue to devote, significant time and attention to integrating GeneSiC with our existing 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 post-acquisition 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.
- We rely on a single third-party wafer fabrication facility for the fabrication of semiconductor wafers for GaN ICs and a separate third-party wafer fabrication facility for the fabrication of semiconductor wafers SiC MOSFETs and on a limited number of suppliers of other materials, and the failure of either of these facilities or any of these suppliers or additional suppliers to continue to produce wafers or other materials on a timely basis could harm our business and our financial results.
- Increased costs of wafers and materials, or shortages in wafers and materials, could increase our costs of operations and our business could 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.
- We are dependent on a limited number of distributors and end customers. The loss of, or a significant disruption in the relationships with any of these distributors or end customers, could significantly reduce our revenue and adversely impact our operating results. In addition, if we are unable to expand or further diversify our end customer base, our business, financial condition, and results of operations could suffer.
- 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.
- 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.
- From time to time, we may rely on strategic partnerships, joint ventures and alliances for manufacturing and research and development. However, we may not control these partnerships and joint ventures, and actions taken by any of our partners or the termination of these partnerships or joint ventures could adversely affect our business.
- We may pursue mergers, acquisitions, investments and joint ventures, which could divert our management's attention or otherwise disrupt our operations and adversely affect our results of operations.

Tax-Related 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.
- 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.
- 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.
- 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.
- 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.
- 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.

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.
- If securities analysts do not publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline.
- 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 have identified material weaknesses in our internal control over financial reporting. If we 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.
- We may issue a substantial number of additional shares under our employee equity incentive plans.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

NAVITAS SEMICONDUCTOR CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in thousands, except share and par value amounts)

	September 30, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 124,792	$ 268,252
Accounts receivable, net	10,859	8,263
Inventory	17,044	11,978
Prepaid expenses and other current assets	3,388	2,877
Total current assets	156,083	291,370
PROPERTY AND EQUIPMENT, net	5,721	2,302
OPERATING LEASE RIGHT OF USE ASSETS	6,631	—
INTANGIBLE ASSETS, net	110,461	170
GOODWILL	160,296	—
OTHER ASSETS	3,976	1,759
Total assets	$ 443,168	$ 295,601
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and other accrued expenses	$ 9,310	$ 4,860
Accrued compensation expenses	4,923	2,639
Current operating lease liabilities	1,208	—
Current portion of long-term debt	3,200	3,200
Other liabilities	—	29
Total current liabilities	18,641	10,728
LONG-TERM DEBT	1,323	3,716
OPERATING LEASE LIABILITIES NONCURRENT	5,488	—
WARRANT LIABILITY	—	81,388
EARNOUT LIABILITY	22,611	134,173
DEFERRED TAX LIABILITIES	12,995	—
OTHER LIABILITIES	—	60
Total liabilities	61,058	230,065
COMMITMENTS AND CONTINGENCIES (Note 15)		
STOCKHOLDERS' EQUITY:		
Common stock, $0.0001 par value, 740,000,000 shares authorized as of September 30, 2022 and December 31, 2021, and 152,015,458 and 117,750,608 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	18	15
Additional paid-in capital	525,311	294,190
Accumulated other comprehensive loss	(8)	(2)
Accumulated deficit	(147,628)	(228,667)
Total stockholders' equity of Navitas Semiconductor Corporation	377,693	65,536
Noncontrolling interest	4,417	—
Total stockholders' equity	382,110	65,536
Total liabilities and stockholders' equity	$ 443,168	$ 295,601

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

NAVITAS SEMICONDUCTOR CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
NET REVENUES	$ 10,243	$ 5,631	$ 25,594	$ 16,398
COST OF REVENUES	9,852	3,032	18,655	8,962
GROSS PROFIT	391	2,599	6,939	7,436
OPERATING EXPENSES:				
Research and development	13,343	5,804	36,362	16,325
Selling, general and administrative	24,477	3,550	63,014	23,713
Total operating expenses	37,820	9,354	99,376	40,038
LOSS FROM OPERATIONS	(37,429)	(6,755)	(92,437)	(32,602)
OTHER INCOME (EXPENSE), net:				
Interest income (expense), net	638	(75)	666	(199)
Gain from change in fair value of warrants	—	—	51,763	—
Gain (loss) from change in fair value of earnout liabilities	(6,098)	—	112,162	—
Other expense	(74)	—	(1,215)	—
Total other income (expense), net	(5,534)	(75)	163,376	(199)
INCOME (LOSS) BEFORE INCOME TAXES	(42,963)	(6,830)	70,939	(32,801)
INCOME TAX (BENEFIT) PROVISION	(10,135)	13	(9,862)	37
NET INCOME (LOSS)	(32,828)	(6,843)	80,801	(32,838)
LESS: NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(238)	—	(238)	—
NET INCOME (LOSS) ATTRIBUTABLE TO CONTROLLING INTERESTS	$ (32,590)	$ (6,843)	$ 81,039	$ (32,838)
NET INCOME (LOSS) PER COMMON SHARE:				
Basic net income (loss) per share attributable to common stockholders	$ (0.24)	$ (0.37)	$ 0.64	$ (1.67)
Diluted net income (loss) per share attributable to common stockholders	$ (0.24)	$ (0.37)	$ 0.58	$ (1.67)
WEIGHTED AVERAGE COMMON SHARES USED IN NET INCOME (LOSS) PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS:				
Basic common shares	138,455	18,305	127,390	19,643
Diluted common shares	138,455	18,305	140,134	19,643

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

NAVITAS SEMICONDUCTOR CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(unaudited)
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
NET INCOME (LOSS)	$ (32,828)	$ (6,843)	$ 80,801	$ (32,838)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments, net of tax	54	2	(6)	(1)
Total other comprehensive income (loss)	54	2	(6)	(1)
COMPREHENSIVE INCOME (LOSS) INCLUDING NONCONTROLLING INTEREST	$ (32,774)	$ (6,841)	$ 80,795	$ (32,839)
COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	(238)	—	(238)	—
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTEREST	$ (32,536)	$ (6,841)	$ 81,033	$ (32,839)

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

NAVITAS SEMICONDUCTOR CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)

(unaudited)

(in thousands)

	Redeemable Convertible Preferred Stock								Stockholder's equity (deficit)							
	Series A redeemable convertible preferred stock		Series B redeemable convertible preferred stock		Series B-1 redeemable convertible preferred stock		Series B-2 redeemable convertible preferred stock		Common stock		Additional paid in capital	Accumulated deficit	Notes receivable - shareholder's	Accumulated comprehensive income (loss)	Noncontrolling interest	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount						
BALANCE AT JANUARY 1, 2022	—	$ —	—	$ —	—	$ —	—	$ —	117,751	$ 15	$ 294,190	$ (228,667)	$ —	$ (2)	$ —	$ 65,536
Issuance of common stock under employee stock option and stock award plans	—	—	—	—	—	—	—	—	2,459	—	1,305	—	—	—	—	1,305
Repurchase of common stock	—	—	—	—	—	—	—	—	(67)	—	(550)	—	—	—	—	(550)
Exercise of warrants	—	—	—	—	—	—	—	—	3,318	—	29,641	—	—	—	—	29,641
Stock-based compensation expense related to employee and non-employee stock awards	—	—	—	—	—	—	—	—	—	—	24,072	—	—	—	—	24,072
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	—	—	—	(60)	—	(60)
Net income	—	—	—	—	—	—	—	—	—	—	—	79,792	—	—	—	79,792
BALANCE AT MARCH 31, 2022	—	$ —	—	$ —	—	$ —	—	$ —	123,461	$ 15	$ 348,658	$ (148,875)	$ —	$ (62)	$ —	$ 199,736
Issuance of common stock under employee stock option and stock award plans	—	—	—	—	—	—	—	—	1,862	1	2,514	—	—	—	—	2,515
Shares issued for business acquisition	—	—	—	—	—	—	—	—	150	—	1,068	—	—	—	—	1,068
Stock-based compensation expense related to employee and non-employee stock awards	—	—	—	—	—	—	—	—	—	—	9,723	—	—	—	—	9,723
Net income	—	—	—	—	—	—	—	—	—	—	—	33,837	—	—	—	33,837
BALANCE AT JUNE 30, 2022	—	$ —	—	$ —	—	$ —	—	$ —	125,473	$ 16	$ 361,963	$ (115,038)	$ —	$ (62)	$ —	$ 246,879
Issuance of common stock under employee stock option and stock award plans	—	—	—	—	—	—	—	—	1,489	—	1,316	—	—	—	—	1,316
Shares issued for business acquisition	—	—	—	—	—	—	—	—	24,883	2	146,310	—	—	—	—	146,312
Shares issued for transaction fees	—	—	—	—	—	—	—	—	170	—	1,000	—	—	—	—	1,000
Stock-based compensation expense related to employee and non-employee stock awards	—	—	—	—	—	—	—	—	—	—	14,722	—	—	—	—	14,722
Change in noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4,655	4,655
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	—	—	—	54	—	54
Net loss	—	—	—	—	—	—	—	—	—	—	—	(32,590)	—	—	(238)	(32,828)
BALANCE AT SEPTEMBER 30, 2022	—	$ —	—	$ —	—	$ —	—	$ —	152,015	$ 18	$ 525,311	$ (147,628)	—	$ (8)	$ 4,417	$ 382,110

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

NAVITAS SEMICONDUCTOR CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)

(unaudited)

(in thousands)

	Redeemable Convertible Preferred Stock								Stockholder's equity (deficit)						
	Series A redeemable convertible preferred stock		Series B redeemable convertible preferred stock		Series B-1 redeemable convertible preferred stock		Series B-2 redeemable convertible preferred stock		Common stock		Additional paid in capital	Accumulated deficit	Notes receivable - shareholder's	Accumulated comprehensive income (loss)	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
BALANCE AT JANUARY 1, 2021	16,620	$14,970	14,213	$27,371	5,416	$14,786	18,199	$52,379	16,774	$ 2	$ 3,557	$ (75,982)	$ —	$ (1)	$ (72,424)
Issuance of common stock under employee stock option and stock award plans	—	—	—	—	—	—	—	—	5,843	1	1,405	—	(1,183)	—	223
Stock-based compensation expense related to employee and non-employee stock awards	—	—	—	—	—	—	—	—	—	—	1,835	—	—	—	1,835
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	—		—		—
Net loss	—	—	—	—	—	—	—	—	—	—	—	(7,345)	—	—	(7,345)
BALANCE AT MARCH 31, 2021	16,620	$14,970	14,213	$27,371	5,416	$14,786	18,199	$52,379	22,617	$ 3	6,797	$ (83,327)	$ (1,183)	$ (1)	$ (77,711)
Issuance of common stock under employee stock option and stock award plans	—	—	—	—	—	—		—			12,729	—		—	12,729
Rescission of common stock	—	—	—	—	—	—	—	—	(4,729)	—	(1,231)	—	1,183	—	(48)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	—	—	—	(3)	(3)
Net loss	—	—	—	—	—	—	—	—	—	—	—	(18,650)	—	—	(18,650)
BALANCE AT JUNE 30, 2021	16,620	$14,970	14,213	$27,371	5,416	$14,786	18,199	$52,379	17,888	$ 3	18,295	$ (101,977)	$ —	$ (4)	$ (83,683)
Issuance of common stock under employee stock option and stock award plans	—	—	—	—	—	—	—	—	446	—	71	—	—	—	71
Stock-based compensation expense related to employee and non-employee stock awards	—	—	—	—	—	—	—	—	—	—	201	—	—	—	201
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	—	—	—	2	2
Net loss	—	—	—	—	—	—	—	—	—	—	—	(6,843)	—	—	(6,843)
BALANCE AT SEPTEMBER 30, 2021	16,620	$14,970	14,213	$27,371	5,416	$14,786	18,199	$52,379	18,334	$ 3	$ 18,567	$ (108,820)	$ —	$ (2)	$ (90,252)

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

NAVITAS SEMICONDUCTOR CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
(unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 80,801	$ (32,838)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	632	278
Amortization of intangibles	2,408	253
Amortization of deferred rent	—	(35)
Non-cash lease expense	480	—
Other	2,174	50
Stock-based compensation expense	52,136	14,765
Amortization of debt discount and issuance costs	7	9
Gain from change in fair value of warrants	(51,763)	—
Gain from change in fair value of earnout liability	(112,162)	—
Deferred income taxes	(10,185)	—
Change in operating assets and liabilities:		
Accounts receivable	(479)	(1,418)
Inventory	(2,731)	(8,315)
Prepaid expenses and other current assets	335	(101)
Other assets	498	(138)
Accounts payable, accrued compensation and other liabilities	2,778	2,639
Operating lease liability	(466)	—
Deferred revenue	—	59
Net cash used in operating activities	(35,537)	(24,792)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Business acquisitions, net of cash acquired	(96,355)	—
Asset acquisition	—	(680)
Investment in joint venture	(5,204)	(634)
Investment in preferred stock	(1,500)	—
Purchases of property and equipment	(3,485)	(1,213)
Receipts on notes receivable	97	2
Net cash used in investing activities	(106,447)	(2,525)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of deferred offering costs	—	(2,503)
Redemption of warrants	(38)	—
Repurchase of common stock	(550)	—
Proceeds from issuance of common stock in connection stock option exercises	1,512	294
Proceeds from issuance of long-term debt	—	2,000
Principal payments on long-term debt	(2,400)	(267)
Net cash used in financing activities	(1,476)	(476)
Effect of exchange rate changes on cash	—	(1)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(143,460)	(27,794)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	268,252	38,869
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 124,792	$ 11,075
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Deferred offering costs in other current assets and accounts payable and accrued expenses	$ —	$ 977
Net assets acquired through change in control of joint venture	$ 6,444	$ —
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for income taxes	$ 363	$ —
Cash paid for interest	$ 205	$ 60
Shares issued for business acquisition	$ 147,380	$ —
Capital expenditures in accounts payable	$ 803	$ 254

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

NAVITAS SEMICONDUCTOR CORPORATION
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
($ in thousands, except per share amounts and where noted)

1. ORGANIZATION AND BASIS OF PRESENTATION

On May 6, 2021, Navitas Semiconductor Limited, a private company limited by shares organized under the laws of Ireland ("Navitas Ireland") and domesticated in the State of Delaware as Navitas Semiconductor Ireland, LLC, a Delaware limited liability company ("Navitas Delaware" and, together with Navitas Ireland, "Legacy Navitas"), entered into a business combination agreement and plan of reorganization (the "Business Combination Agreement" or "BCA") with Live Oak Acquisition Corp. II, a Delaware corporation ("Live Oak"). Pursuant to the BCA, among other transactions consummated on October 19, 2021 (collectively, the "Business Combination"), Live Oak acquired all of the capital stock of Navitas Ireland (other than the Navitas Ireland Restricted Shares, as defined below) by means of a tender offer, and a wholly owned subsidiary of Live Oak merged with and into Navitas Delaware, with Navitas Delaware surviving the merger. As a result, Legacy Navitas became a wholly owned subsidiary of Live Oak effective October 19, 2021. At the closing of the Business Combination, Live Oak changed its name to Navitas Semiconductor Corporation.

References to the "Company" in these financial statements refer to Legacy Navitas and its predecessors before the consummation of the Business Combination, or to Navitas Semiconductor Corporation after the Business Combination, as the context suggests.

The Company was founded in 2013 and has since been developing ultra-efficient gallium nitride (GaN) semiconductors. 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 and the Philippines, with principal executive offices in Torrance, California.

Reorganization

Navitas Semiconductor USA, Inc. (f/k/a Navitas Semiconductor, Inc., "Navitas U.S.") was incorporated in the State of Delaware on October 25, 2013. In 2020 Navitas U.S. initiated a restructuring to streamline its worldwide legal entity structure and more efficiently align its business operations (the "Restructuring"). The Restructuring introduced wholly owned subsidiaries in Hong Kong and China as well as the addition of Legacy Navitas, an entity registered in Ireland and the U.S., as the parent of Navitas U.S. and the other Navitas subsidiaries. In connection with the Restructuring, effective September 1, 2020, Legacy Navitas acquired certain intellectual property and other intangible assets from Navitas U.S. and, after the Restructuring, contracts directly with customers. The transfer of intellectual property and other intangible assets by Navitas U.S. to Legacy Navitas in connection with the Restructuring was among entities within the same consolidated group and, as a result, did not result in any gain or loss to the Company. Legacy Navitas is treated as a corporation for U.S. federal income tax purposes and is a tax resident in both Ireland and the United States. See Note 14, Provision for Income Taxes, for more information.

Business combination

Pursuant to the terms of the BCA, the Business Combination was consummated (the "Closing") on October 19, 2021 (the "Closing Date") by means of (i) a tender offer to acquire the entire issued share capital of Navitas Ireland (other than Navitas Ireland Restricted Shares (as defined below)) in exchange for the Tender Offer Consideration (as defined below) (the "Tender Offer") and (ii) the merger of a wholly owned subsidiary of Live Oak ("Merger Sub") with and into Navitas Delaware (the "Merger"), with Navitas Delaware surviving the Merger. See the Company's Annual Report on Form 10-K filed with the SEC on March 31, 2022 for further information.

The Business Combination was accounted for as a reverse recapitalization, in accordance with GAAP. Under this method of accounting, although Live Oak issued shares for outstanding equity interests of Legacy Navitas in the Business Combination, Live Oak was treated as the "acquired" company for financial reporting purposes. Accordingly, the Business Combination was treated as the equivalent of Legacy Navitas issuing stock for the net assets of Live Oak, accompanied by a recapitalization. The net assets of Live Oak were stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination are those of Navitas.

For all periods presented, unless stated otherwise, references to Legacy Navitas common shares and options for common shares outstanding before the Closing and related per share amounts have been retroactively restated to give effect to the reverse recapitalization, specifically, the Exchange Ratio of 1.0944 shares to 1 at Closing. References to share

quantities for Legacy Navitas convertible preferred stock related to balances or activity before the Closing reflect the historical quantities and are not adjusted for the Exchange Ratio.

Acquisitions

In June 2022, the Company acquired VDDTech for $1.9 million in cash and stock, and in August 2022 the Company acquired GeneSiC for $246.2 million in cash and stock. See Note 17, Business Combinations, for more information.

Basis of presentation

The accompanying condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The results of operations for the three and nine months ended September 30, 2022 shown in this report are not necessarily indicative of results to be expected for the full year ending December 31, 2022. In the opinion of the Company's management, the information contained herein reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the Company's results of operations, financial position, cash flows and stockholders' equity (deficit). Certain footnote disclosures normally included in annual consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to Securities and Exchange Commissions (SEC) rules and regulations relating to interim financial statements. The accompanying condensed consolidated financial statements should be read in conjunction with consolidated financial statements and notes thereto contained in the Company's annual report on Form 10-K filed with the SEC on March 31, 2022. Except as further described below, there have been no significant changes in the Company's accounting policies from those disclosed in its annual report on Form 10-K filed with the SEC on March 31, 2022.

The consolidated financial statements include the accounts of a Former Joint Venture, an entity in which the Company has a controlling interest (see Note 18, Noncontrolling Interest). The Company reports noncontrolling interests of the consolidated entities as a component of equity separate from the Company's equity. All material inter-company transactions between and among the Company and its consolidated subsidiaries have been eliminated in the consolidation. The Company's net income (loss) excludes income (loss) attributable to the noncontrolling interests.

Basis of consolidation

The condensed 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.

NAVITAS SEMICONDUCTOR CORPORATION
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2. SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

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 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 us 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, we 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.

Valuation of Contingent Consideration Resulting from a Business Combination

In connection with certain acquisitions, we may be required to pay future consideration that is contingent upon the achievement of specified milestone events. We record contingent consideration resulting from a business combination at its fair value on the acquisition date. Each quarter thereafter, we revalue these obligations and record increases or decreases in their fair value within our Statement of Operations and Comprehensive Income (Loss) until such time as the specified milestone achievement period is complete.

Increases or decreases in fair value of the contingent consideration liabilities can result from updates to assumptions such as the expected timing or probability of achieving the specified milestones. Significant judgment is employed in determining these assumptions as of the acquisition date and for each subsequent period. Updates to assumptions could have a significant impact on our results of operations in any given period. Actual results may differ from estimates.

Recently Adopted Accounting Pronouncements

Leases

In February 2016, the FASB issued ASU 2016-02, Leases (ASC 842) (“ASU 2016-02”), and also issued subsequent amendments under ASU 2019-10 and ASU 2020-05 (collectively ASC 842). On January 1, 2022, the Company adopted ASC 842 and the related amendments. ASC 842 requires lessees to (i) recognize a right of use asset and a lease liability that is measured at the present value of the remaining lease payments, on the consolidated balance sheets, (ii) recognize a single lease cost, calculated over the lease term on a straight-line basis and (iii) classify lease related cash payments within operating and financing activities. The Company recognized approximately $1.6 million of operating lease right-of-use assets and $1.7 million operating lease liabilities on the consolidated balance sheets upon adoption on January 1, 2022.

Credit Losses

In June 2016, the FASB amended guidance related to impairment of financial instruments as part of ASU 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss impairment methodology with an expected credit loss model for which a company recognizes an allowance based on the estimate of expected credit loss. This ASU requires entities to measure the impairment of certain financial instruments, including accounts receivable, based on expected losses rather than incurred losses. For non-public business entities, this ASU is effective for fiscal years beginning after December 15, 2022, with early adoption permitted, and will be effective for the Company beginning in 2023. The Company is currently evaluating the impact of the new standard on the Company’s condensed consolidated financial statements and related disclosures.

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3. PROPERTY AND EQUIPMENT, NET

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

	September 30, 2022	December 31, 2021
Furniture and fixtures	$ 215	$ 265
Computers and other equipment	6,549	3,116
Leasehold improvements	1,511	577
	$ 8,275	$ 3,958
Accumulated depreciation	(2,554)	(1,656)
Total	$ 5,721	$ 2,302

For the three and nine months ended September 30, 2022, depreciation expense was $280 and $632, respectively. For the three and nine months ended September 30, 2021, depreciation expense was $112 and $278. The depreciation method 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 — 5 years

4. INVENTORY

Inventory consists of the following (in thousands):

	September 30, 2022	December 31, 2021
Raw materials	$ 4,217	$ 60
Work-in-process	7,837	9,945
Finished goods	4,990	1,973
Total	$ 17,044	$ 11,978

5. 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 were $12.6 million and $159.6 million as of September 30, 2022 and December 31, 2021, respectively.

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The following table presents the Company's fair value hierarchy for financial liabilities as of September 30, 2022 (in thousands) :

	Level 1	Level 2	Level 3	Total
Liabilities:				
Earnout liability	$ —	$ —	$ 22,611	$ 22,611
Total	$ —	$ —	$ 22,611	$ 22,611

The following table presents the Company's fair value hierarchy for financial liabilities as of December 31, 2021 (in thousands):

	Level 1	Level 2	Level 3	Total
Liabilities:				
Public warrants	$ 52,361	$ —	$ —	$ 52,361
Private warrants	—	29,027	—	29,027
Earnout liability	—	—	134,173	134,173
Total	$ 52,361	$ 29,027	$ 134,173	$ 215,561

The liability for the Private Warrants is a level 2 valuation because there is no active market.

6. GOODWILL AND INTANGIBLES

Goodwill and Intangible Assets

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 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.

The following table presents the changes in the Company's goodwill balance (in thousands):

	VDDTech	GeneSiC	Former Joint Venture	Total
Balance at June 30, 2022	$ 1,177	$ —	$ —	$ 1,177
Additions to goodwill	—	157,429	2,867	160,296
Impairment of goodwill	—	—	—	—
Purchase accounting adjustment	(1,177)	—	—	(1,177)
Balance at September 30, 2022	$ —	$ 157,429	$ 2,867	$ 160,296

Refer to Note 17, Business Combinations, for further details.

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The following table presents the Company's intangible asset balance (in thousands):

Intangible Asset	Cost	Accumulated Amortization	Net Book Value	Amortization Method	Useful Life
Trade Names	$ 900	$ (56)	$ 844	Straight line	2 years
Developed Technology	49,100	(1,534)	47,566	Straight line	4 years
In-process R&D	1,177	—	1,177	Indefinite	N/A
Patents	34,900	(299)	34,601	Straight line	5-15 years
Customer Relationships	24,300	(304)	23,996	Straight line	10 years
Non-Competition Agreements	1,900	(47)	1,853	Straight line	5 years
Other	683	(259)	424	Straight line	5 years
Total	$ 112,960	$ (2,499)	$ 110,461		

The amortization expense was $2.2 million and $2.4 million for the three months and nine months ended September 30, 2022, respectively.

There were no impairment charges as of September 30, 2022.

7. DEBT OBLIGATIONS

On April 29, 2020, the Company entered into a loan and security agreement with a new bank (the "Term Loan"), which provides for term advances up to $8.0 million. The loan is divided into three term advances, First Term Advance, Second Term Advance and Third Term Advance. The First Term Advance has a maximum available amount of $6.0 million. The Second Term Advance has a maximum available amount of $1.0 million and is subject to the Company receiving aggregate net proceeds from Series B-2 Preferred Stock of $29.8 million by no later than September 30, 2020. The Third Term Advance has a maximum available amount of $1.0 million and is subject to the Company receiving aggregate net proceeds from Series B-2 Preferred Stock of $39.9 million by no later than September 30, 2020. The Term Loan bears interest at a rate equal to the greater of (i) US Prime Rate plus 0.75% or (ii) 5.5% and is collateralized by all assets of the Company. As of September 30, 2022, the interest rate was 6.3%. The loan is payable in monthly installments beginning September 1, 2021 with a final maturity date of January 1, 2024. Concurrent with the execution of the Term Loan, the Company paid off the outstanding principal balance and accrued interest on its then-existing long-term debt (which bore interest at 5% at December 31, 2019) with a different bank, fully satisfying its obligations. On August 1, 2021, the Company drew down $2.0 million, the maximum available amount under the Second Term Advance and Third Term Advance.

In connection with execution of the Term Loan, the Company issued warrants to the bank (see Note 10, Warrant Liability). The fair value of the warrants at the date of issuance was $16 and was recorded as debt discount, subject to amortization using the effective interest rate method over the term of the loan.

Amortization of debt discount and issuance costs for the three and nine months ended September 30, 2022 was $3 and $7, respectively. Amortization of debt discount and issuance costs for the three and nine months ended September 30, 2021 was $3 and $9, respectively. Amortization of debt discount and issuance costs includes the write-off of unamortized costs as of the date that the prior term loan was extinguished in 2020.

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The following is a summary of the carrying value of long-term debt as of September 30, 2022 and December 31, 2021 (in thousands):

	September 30, 2022	December 31, 2021
Note payable	$ 4,533	$ 6,933
Less: Current portion	(3,200)	(3,200)
Less: Debt discount and issuance costs	(10)	(17)
Note payable, net of current portion	$ 1,323	$ 3,716

As of September 30, 2022, future scheduled principal payments of debt obligations were as follows (in thousands):

Fiscal Year	
2022 (remaining)	$ 800
2023	3,200
2024	533
Thereafter	—
Total	$ 4,533

8. LEASES:

The Company has entered into operating leases primarily for commercial buildings. These leases have terms which range from 0.2 to 6.4 years. There are no economic penalties for the Company to extend the lease, and it is not reasonably certain the Company will exercise the extension options. The operating leases do not contain material residual value guarantees or material restrictive covenants.

Rent expense, including short-term lease cost, was $657 and $1.4 million for the three and nine months ended September 30, 2022, respectively. Rent expense, including short-term lease cost, was $372 and $923 for the three and nine months ended September 30, 2021, 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 cost as variable payment and does not include such costs as a lease component. Total variable expense was $50 and $129 for the three and nine months ended September 30, 2022, respectively.

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

	Nine Months Ended September 30, 2022
Cash paid for operating lease liabilities	$ 425
Operating lease cost	$ 573
Right-of-use assets obtained in exchange for lease obligations	$ 5,805
Weighted-average remaining lease term	2.26
Weight-average discount rate	4.25% - 5.5%

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Maturities of lease liabilities (in thousands) due in 12-month period ending September 30,		
2023	$	1,557
2024		1,360
2025		1,138
2026		1,157
2027		1,192
Thereafter		1,370
	$	7,774
Less imputed interest		1,078
Total lease liabilities	$	6,696

Supplemental information for comparative periods

As of December 31, 2021 prior to the adoption of ASC 842, minimum payments under operating leases having initial or remaining non-cancelable lease terms in excess of one year were as follows (in thousands):

		Operating Leases
2022	$	966
2023		585
2024		170
Total minimum payments	$	1,721

9. SHARE BASED COMPENSATION:

Equity Incentive Plans

The 2020 Equity Incentive Plan, initially adopted by the Company's board of directors on August 5, 2020 as an amendment and restatement of the 2013 Equity Incentive Plan ("2013 Plan"), was amended and restated at the Closing of the Business Combination as the Amended and Restated Navitas Semiconductor Limited 2020 Equity Incentive Plan (the "2020 Plan"). The 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 has 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

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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.

Stock-Based Compensation

At the Closing of the Business Combination on October 19, 2021, Legacy Navitas' outstanding vested and unvested share-based compensation awards (as such terms are defined below) were converted into equity, RSUs or options in the Company at a ratio of 1.0944 to 1 share (the "Exchange Ratio"). Share and per share information below has been converted from historical disclosures based on the Exchange Ratio.

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. 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 three and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cost of revenues	$ —	$ —	$ —	$ 163
Research and development	5,227	68	15,758	1,698
Selling, general and administrative	10,547	133	36,378	12,904
Total stock-based compensation expense	$ 15,774	$ 201	$ 52,136	$ 14,765

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. The Company did not grant any awards during the nine months ended September 30, 2022.

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A summary of stock options outstanding, excluding LTIP options as of September 30, 2022, and activity during the nine months then ended, is presented below:

	Shares (In thousands)	Exercise Price Per Share	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (In years)	Per Share Average Intrinsic Value
Outstanding at December 31, 2021	11,253	$.08 - $1.06	$ 0.51	6.80	$ 3.34
Granted	—	—	—	—	—
Exercised	(4,103)	$.08 - $1.06	0.37	—	4.25
Forfeited or expired	(75)	$1.06	0.91	—	—
Cancelled	(1)	$1.06	1.06	—	2.80
Outstanding at September 30, 2022	7,074	$.08 - $1.06	$ 0.60	6.60	$ 4.25
Vested and Exercisable at September 30, 2022	5,301	$.08 - $1.06	$ 0.46	6.11	$ 4.39

During the three and nine months ended September 30, 2022, the Company recognized $117 and $363 respectively, of stock-based compensation expense for the vesting of outstanding stock options, excluding $1.4 million related to the LTIP Options described below. During the three and nine months ended September 30, 2021, the Company recognized $145 and $492, respectively, of stock-based compensation expense for the vesting of outstanding stock options. At September 30, 2022, unrecognized compensation cost related to unvested awards totaled $736. The weighted-average period over which this remaining compensation cost will be recognized is 1.6 years.

Long-term Incentive Plan Stock Options

The Company awarded a total of 6,500,000 performance stock options (“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 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 $8.13. The weighted average contractual period remaining is 9.9 years. The Black-Scholes model and a Monte Carlo simulation incorporated 100,000 scenarios. The valuation model utilized the following assumptions:

Risk-free interest rates		1.47 %
Expected volatility rates		58 %
Expected dividend yield		—
Cost of equity (for derived service period)		9.96 %
Weighted-average grant date fair value of options	$	8.13

The Company recognized $1.4 million and $4.2 million of stock-based compensation expense for the three month and nine months ended September 30, 2022, respectively. The unrecognized compensation expense related to the LTIP Options is $48.6 million as of September 30, 2022, a compensation expense will be recognized over 3.7 years.

The Company awarded a total of 3,250,000 performance stock options (“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 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 $2.51. The

weighted average contractual period remaining is 9.9 years. The Black-Scholes model and a Monte Carlo simulation incorporated 100,000 scenarios. The valuation model utilized the following assumptions:

Risk-free interest rates		2.82 %
Expected volatility rates		63 %
Expected dividend yield		—
Cost of equity (for derived service period)		14.64 %
Weighted-average grant date fair value of options	$	2.51

The Company recognized $119 and $119 of stock-based compensation expense for the three and nine months ended September 30, 2022, respectively. The unrecognized compensation expense related to the LTIP Options is $8.0 million as of September 30, 2022, and compensation expense will be recognized over 4.3 years.

Restricted Stock Units

On August 25, 2021, Legacy Navitas granted an aggregate of 4,135,000 Legacy Navitas RSUs under the 2020 Plan to certain members of senior management pursuant to restricted stock unit agreements (collectively, the "RSU Agreements"). At the Closing of the Business Combination, these Legacy Navitas RSUs were assumed by the Company and converted at the Exchange Ratio into RSUs to acquire an aggregate of 4,525,344 shares of common stock. Each RSU represents the right to receive one share of common stock of the Company, subject to the vesting and other terms and conditions set forth in the RSU Agreements and the 2020 Plan. 3,830,400 of these RSU awards are subject to vesting in three equal installments over a three-year period, subject to the occurrence of an IPO (which includes the Business Combination) and certain valuation targets, and subject to accelerated vesting based on the satisfaction of certain stock price targets. 547,200 of these RSUs were subject to vesting on the six-month anniversary of the grant date, subject to the occurrence of an IPO (which included the Business Combination) and certain valuation targets. 57,456 of these RSUs were subject to vesting upon the occurrence of an IPO (which included the Business Combination), while the remaining 90,288 RSUs are subject to vesting as specified by an RSU Agreement over a period of approximately three years. As of October 19, 2021, the IPO performance condition had been met as a result of the completion of the Business Combination.

A summary of RSUs outstanding as of September 30, 2022, and activity during the nine months then ended, is presented below:

	Shares (In thousands)	Weighted-Average Grant Date Fair Value Per Share
Outstanding at December 31, 2021	4,468	$ 9.62
Granted	8,379	8.36
Vested	(1,409)	4.91
Forfeited	(183)	10.60
Outstanding at September 30, 2022	11,255	$ 5.54

During the three and nine months ended September 30, 2022, the Company recognized $8.7 million and $32.4 million of stock-based compensation expense for the vesting of RSUs, respectively. During the three and nine months ended September 30, 2021, the Company recognized $501 and $14.3 million of stock-based compensation expense for the vesting of RSUs, respectively. As of September 30, 2022, unrecognized compensation cost related to unvested RSU awards totaled $58.4 million. The weighted-average period over which this remaining compensation cost is expected be recognized is 2.6 years.

The Company accrued $3.8 million and $2.0 million as of September 30, 2022 and December 31, 2021, respectively, related to a stock-based bonus plan that the Company plans to settle by issuing a variable number of fully-vested restricted stock units to employees. The $3.8 million accrued as of September 30, 2022 is for the eligible employee's included the Company's 2022 annual bonus plan and is expected to be settled during the first quarter of 2023. The $2.0 million accrued as of December 31, 2021 was for the Company's 2021 annual bonus plan and no balance is

accrued as of September 30, 2022. Based on the closing share price of the Company's Class A Common Stock of $4.85 on September 30, 2022, approximately 783,505 shares would have been issued, however, the actual number of shares will be based on the share price at the date of settlement.

Unvested Earnout Shares

A portion of the earnout shares may be issued to individuals with unvested equity awards. While the payout of these shares requires achievement of the volume weighted average price of the Company's common stock, 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 three and nine months ended September 30, 2022, the Company recognized $4.3 million and $11.5 million of stock-based compensation expense for the vesting of earnout shares, respectively. At September 30, 2022, unrecognized compensation cost related to unvested earnout shares totaled $1.8 million. The weighted-average period over which this remaining compensation cost is expected be recognized is 0.5 years. Refer to Note 11, Earnout Liability.

10. WARRANT LIABILITY

In connection with the closing of the Business Combination, holders of Live Oak Class A ordinary shares automatically received Class A Common Stock of the Company, and holders of Live Oak warrants automatically received 13,100,000 warrants of the Company with substantially identical terms ("the Warrants"). At the Closing, 8,433,333 Live Oak public warrants automatically converted into 8,433,333 warrants to purchase one share of the Company's Class A Common Stock at $11.50 per share (the "Public Warrants"), and 4,666,667 Private Placement Warrants held by the Sponsor and certain permitted transferees, each exercisable for one Class A ordinary share of Live Oak at $11.50 per share, automatically converted into warrants to purchase one share of the Company's Class A Common Stock at $11.50 per share with substantially identical terms as the Public Warrants. On February 4, 2022, the Company gave notice that it would redeem all of the Warrants, as further described below.

The Warrants were exercisable only during the period commencing December 7, 2021 (12 months after the consummation of Live Oak's initial public offering) and ending on the earlier of October 19, 2026 (five years after the Closing of the Business Combination) or, in the event of redemption, the corresponding redemption date. The Company had the right to redeem not less than all of the outstanding Public Warrants on 30 days' notice, at a redemption price of $0.01 per Warrant, if the reported closing price of the Common Stock was at least $18.00 per share for any 20 of 30 trading days ending three business days before the notice of redemption, subject to certain other conditions. The Company also had the right to redeem not less than all of the outstanding Public Warrants on 30 days' notice, at a redemption price of $0.10 per Warrant, if the reported closing price of the Common Stock was at least $10.00 per share for any 20 of 30 trading days ending three business days before the notice of redemption, subject to certain other conditions. If the Company elected to exercise the latter right to redeem the Public Warrants for $0.10 per Warrant, and the reported closing price of the Common Stock was less than $18.00 per share for any 20 of 30 trading days ending three business days before the notice of redemption, the Company was required to concurrently redeem the Private Placement Warrants on the same terms. In addition, in such event, holders of Warrants subject to redemption would have the right to exercise their Warrants on a "cashless" basis, whereby they would receive a fractional number of shares of Common Stock per Warrant exercised before the redemption date, based on the volume weighted average price of the Common Stock for the 10 trading days following notice of redemption (the "Redemption Fair Market Value") and the time period between the redemption date and the original expiration of the Warrants in the absence of redemption.

On February 4, 2022, the Company issued a notice of redemption that it would redeem, at 5:00 p.m. New York City time on March 7, 2022 (the "Redemption Date"), all of the Company's outstanding Public Warrants and Private Placement Warrants to purchase shares of the Company's Class A Common Stock that were governed by the Warrant Agreement, dated as of December 2, 2020 (the "Warrant Agreement"), between the Company and Continental Stock Transfer & Trust Company, as warrant agent (the "Warrant Agent"), at a redemption price of $0.10 per Warrant (the "Redemption Price"). On February 22, 2022, the Company issued a notice that the "Redemption Fair Market Value," determined in accordance with the Warrant Agreement based on the volume weighted average price of the Common Stock for the 10 trading days immediately following the date on which notice of redemption was sent, was $10.33 and, accordingly, that holders exercising Warrants on a "cashless" basis before the Redemption Date would receive 0.261 shares of Common Stock per Warrant exercised. The Warrants were exercisable by their holders until immediately before 5:00 p.m. New York City time on the Redemption Date, either (i) on a cash basis, at an exercise price of $11.50 per share of Common Stock, or (ii) on a

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"cashless" basis in which the exercising holder would receive 0.261 shares of Common Stock per Warrant exercised. Between December 7, 2021 (the date the Warrants became exercisable) and the Redemption Date, an aggregate of 12,722,773 Warrants were exercised (including 17,785 on a cash basis and 12,704,988 on a "cashless" basis); an aggregate of 3,333,650 shares of Common Stock were issued upon exercise of the Warrants (including 17,785 shares in respect of cash exercises and 3,315,865 shares in respect of "cashless" exercises). A total of 377,187 Warrants remained outstanding and unexercised at the Redemption Date and were redeemed for an aggregate Redemption Price of $38. Prior to the redemption date, the warrants had an aggregate fair value of $81.4 million which resulted in a gain of $0 and $51.8 million due to the decrease in the fair value of the warrant liability in the three and nine months ended September 30, 2022. There were no outstanding warrants as of September 30, 2022.

11. EARNOUT LIABILITY

Certain of the Company's stockholders are entitled to receive up to 10,000,000 Earnout Shares of the Company's Class A common stock if the Earnout Milestones are met. The Earnout Milestones represents three independent criteria, which each entitles the eligible stockholders to 3,333,333 earn-out shares per milestone met. Each Earnout Milestone is considered met if at any time 150 days following the Business Combination and prior to 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 and (ii) the "Unvested Shares" - those associated with stockholders with unvested equity at the closing of the Business Combination that will be earned over the remaining service period with the Company on their unvested equity shares and upon achievement of the Earnout Milestones. The Vested Shares are classified as liabilities in the consolidated balance sheet and the Unvested Shares are equity-classified share-based compensation to be recognized over time (see Note 9, Share-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. The valuation model utilized the following assumptions:

	September 30, 2022	December 31, 2021
Risk-free interest rate	4.15 %	1.23 %
Equity volatility rate	62.50 %	55.00 %

At the closing of the Business Combination on October 19, 2021, the earnout liability had an initial fair value of $96,069, which was recorded as a long-term liability and a reduction to additional paid in capital in the consolidated balance sheet. As of September 30, 2022 and December 31, 2021, the earnout liability had a fair value of $22.6 million and $134.2 million, respectively which resulted in a loss in the fair value of the earnout liability of $6.1 million for the three months ended September 30, 2022 due to the increase in the fair value of the earnout liability during the third quarter of 2022 and a gain due to the decrease in the fair value of the earnout liability of $112.2 million for the nine months ended September 30, 2022.

GeneSiC Earnout Liability

In connection with the merger agreement of GeneSiC Semiconductor as discussed in Note 17, the Company will pay additional contingent consideration of up to $25.0 million, in the form of cash earnout payments to the Sellers and certain employees of GeneSiC, conditioned on the achievement of substantial revenue and gross profit margin targets for the
GeneSiC business over the four fiscal quarters beginning on October 1, 2022 and ending on September 30, 2023. The estimated fair value of the earnout liability was determined using a Monte Carlo analysis of 20,000 simulations assuming that GeneSiC's revenue and gross profit margins follow a geometric Browian motion over the earnout period. The valuation model utilized an assumption on the risk-free interest rate of 3.1% and equity volatility rate of 99.9%. As of September 30, 2022, the GeneSiC Earnout liability was $0.6 million and is recorded in Earnout Liability on the Company's Condensed Consolidated Balance Sheets.

12. SIGNIFICANT CUSTOMERS AND CREDIT CONCENTRATIONS

Customer Concentration

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 for the respective three and nine months ended September 30, 2022 and 2021, respectively:

	Three Months Ended September 30,		Nine Months Ended September 30,	
Customer	**2022**	**2021**	**2022**	**2021**
Distributor A	34 %	*	20 %	*
Distributor B	15 %	19 %	21 %	19 %
Distributor C	15 %	*	*	*
Distributor D	*	21 %	15 %	20 %

**Total customer net revenues was less than 10% of total net revenues.*

Revenues by Geographic Area

The Company considers the domicile of its end customers, rather than the distributors it sells to directly, to be the basis for attributing revenues from external customers to individual countries. Revenues for the three and nine months ended September 30, 2022 and 2021, were attributable to end customers in the following countries:

	Three Months Ended September 30,		Nine Months Ended September 30,	
Country	**2022**	**2021**	**2022**	**2021**
Europe*	47 %	— %	31 %	— %
China	20	72	34	74
United States	28	18	27	19
Rest of Asia	3	10	7	7
Other	2	—	2 1	—
Total	100 %	100 %	100 %	100 %

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

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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	September 30, 2022	December 31, 2021
Distributor A	25 %	44 %
Distributor B	16 %	14 %
Distributor C	16 %	14 %

**Total customer accounts receivable was less than 10% of net account receivables.*

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 third-party foundry that supply 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, Thailand and the Philippines.

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13. NET INCOME (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. 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. Restricted stock awards are eligible to receive all dividends declared on the Company's common shares during the vesting period; however, such dividends are not paid until the restrictions lapse. The Company has no plans to declare dividends.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
Numerator - basic and diluted:	**2022**	**2021**	**2022**	**2021**
Net income (loss) attributable to controlling interests	$ (32,590)	$ (6,843)	$ 81,039	$ (32,838)
Denominator				
Weighted-average common shares - basic common stock	138,455	18,305	127,390	19,643
Weighted-average common shares - diluted common stock	138,455	18,305	140,134	19,643
Net income (loss) per share - basic common stock	$ (0.24)	$ (0.37)	$ 0.64	$ (1.67)
Net income (loss) per share - diluted common stock	$ (0.24)	$ (0.37)	$ 0.58	$ (1.67)
Denominator				
Weighted-average common shares - basic common stock	138,455	18,305	127,390	19,643
Stock options and other dilutive awards	—	—	12,744	—
Weighted-average common shares - diluted common stock	138,455	18,305	140,134	19,643
Shares excluded from diluted weighted-average shares:[1, 2]				
Redeemable convertible preferred stock shares	—	54,449	—	54,449
Warrants to purchase redeemable convertible preferred stock	—	176	—	176
Warrants to purchase common shares	—	1,107	—	1,107
Earnout shares (potentially issuable common shares)	10,000	—	10,000	—
Unvested restricted stock units and restricted stock awards	10,995	—	225	—
Stock options potentially exercisable for common shares	9,750	11,753	9,750	11,753
Shares excluded from diluted weighted average shares	30,745	67,485	19,975	67,485

(1) The Company's potentially dilutive securities, which include unexercised stock options, unvested shares, preferred shares, earnout shares, and warrants for common and preferred 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 three months ended September 30, 2022 and three and nine months ended September 30, 2021. For the nine months ended September 30, 2022, potentially dilutive securities have been excluded as these securities contain performance metric(s) which have not be satisfied as of September 30, 2022.

(2) Balances as of September 30, 2022 retroactively restated to give effect to the October 19, 2021 reverse recapitalization.

14. PROVISION FOR INCOME TAXES:

Income Taxes

The Company determined the income tax provision for interim periods using an estimate of the Company's annual effective tax rate, adjusted for discrete items arising during the quarter. The Company's effective tax rate for the three months ended September 30, 2022 and 2021 was (98.9)% and 0.2%, respectively. The Company's effective tax rate for the nine months ended September 30, 2022 and 2021 was (38.5)% and 0.2%, respectively. The effective tax rates for 2022 differ from the prior year primarily as a result of the valuation allowance release described below. In each quarter, the Company updates its estimated annual effective tax rate, and if the estimated annual effective tax rate changes, a cumulative adjustment is recorded in that quarter. The Company's quarterly income tax provision and quarterly estimate of the annual effective tax rate are subject to volatility due to several factors,

including our ability to accurately predict the proportion of our income (loss) before provision for income taxes in multiple jurisdictions, the tax effects of our stock-based compensation, and the effects of its foreign entities.

At December 31, 2021, the Company had approximately $100.1 million of federal net operating loss (“NOL”) carryforwards and approximately $82,583 of State NOL carryforwards expiring in varying amounts through 2037, with the exception of Federal NOLs arising from the years ended after December 31, 2017 that 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 is also potentially subject to usage limitations due to changes in the Company’s ownership. As of December 31, 2021 and through the second quarter of 2022, the Company had a full valuation allowance on its net deferred tax assets. As a result of the GeneSiC Semiconductor Inc. acquisition, (see Note 17, Business Combinations), the Company released $9.9 million of U.S. valuation allowance during the three months ended September 30, 2022. The release was attributable to a preliminary estimate of $23.2 million of net deferred tax liabilities recorded on GeneSiC’s opening balance sheets that offset certain U.S. net deferred tax assets of Navitas. As of September 30, 2022, the Company continues to maintain a valuation allowance on the remaining deferreds as the Company believes that it is not more likely than not that the deferred tax assets will be fully realized.

The Company had no unrecognized tax benefits for the three and nine months ended September 30, 2022 and 2021. The Company recognizes interest and penalties related to unrecognized tax benefits in operating expenses. No such interest and penalties were recognized during the three and nine months ended September 30, 2022 and 2021.

15. COMMITMENTS and CONTINGENCIES

Purchase Obligations

At September 30, 2022, the Company had no non-cancelable purchase obligations that were due beyond one year.

Employment agreements

The Company has entered into agreements with certain employees to provide severance payments to the employees for termination for reasons other than cause, death or disability. Aggregate payments that would be required to be made in the event of termination under the agreements are approximately $2.1 million. At September 30, 2022, no terminations have occurred or are expected to occur pursuant to these arrangements and, accordingly, no termination benefits have been accrued.

Indemnifications

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

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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 September 30, 2022. 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.

Legal proceedings and contingencies

From time to time in the ordinary course of business, the Company may become involved in lawsuits, or end customers and distributors 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 condensed consolidated financial statements.

16. RELATED PARTY TRANSACTIONS

Notes Receivable

The Company has outstanding interest-bearing notes receivable from an employee. The notes have various maturity dates through May 1, 2023 and bear interest at rates ranging from 1% to 2.76%. As of September 30, 2022, Note 1 was forgiven for a loss of $109 and Note 2 was paid off in the amount of $88. The Company recognized $0 and $0.9 of interest income from the notes for the three and nine months ended September 30, 2022, respectively. The Company recognized $0 and $2 of interest income from the notes for the three and nine months ended September 30, 2021.

	September 30, 2022	December 31, 2021
Notes receivable	$ 21	$ 206

Joint Venture

In 2021, Navitas entered into a partnership with a manufacturer of power management ICs to develop products and technology relating to AC/DC converters. Structured as a joint venture, Navitas' initial contribution 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). The Company accounted for the investment in the joint venture as an equity-method investment. Total related party revenues recognized by the Company as a result of arrangements with its joint venture were $21 and $678 for the three and nine months ended September 30, 2022, respectively, and are included in Net Revenues in the Condensed Consolidated Statements of Operations. See Note 18, Noncontrolling Interest, for more information.

Related Party License Revenue

During the second quarter of 2022, Navitas entered into a Patent License Agreement with an entity under common control with the Company's partner in the joint venture described above. In consideration of the license rights granted, the Company recorded license fee revenue of $0 and $850 during the three and nine months ended September 30, 2022, respectively. Such amounts are included in Net Revenues in the Condensed Consolidated Statement of Operations.

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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. Such investment is included in Other Assets in the condensed consolidated balance sheet as of September 30, 2022 and will be accounted for as an equity investment under *ASC 321 Investments - Equity Securities*. The Company also entered into a Patent License Agreement with this entity as described above under related party license revenue.

Related Party Advance

During the third quarter of 2022, Navitas made a $1.0 million to its partner in the joint venture described above in order to facilitate orders of raw materials. Such amounts are included in Prepaid Expenses and Other Current Assets as of September 30, 2022.

17. BUSINESS COMBINATIONS

Acquisition of VDDTech srl

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. 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 Condensed Consolidated Statement of Operations for the three and nine months ended September 30, 2022, and were not material. 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 recorded a preliminary allocation of the purchase price to tangible assets acquired and liabilities assumed based on their fair values as of the acquisition date. The excess of the purchase price over the fair value of tangible assets and liabilities of $1.2 million was recorded as goodwill as of June 30, 2022. Subsequent to June 30, 2022, a preliminary valuation of the intangible assets acquired was calculated at $1.2 million. During the three months ended September 30, 2022, the Company reclassed the goodwill to an intangible asset. Upon a final determination of the purchase price and the final valuation of the intangible assets acquired, primarily including in-process R&D, the Company will allocate the purchase price to tangible and intangible assets acquired and liabilities assumed, and adjust the excess purchase price allocated to goodwill as needed.

The fair value of the in-process R&D was estimated using the multi-period excess earnings method, an income approach (Level 3), which converts projected revenues and costs into cash flows. To reflect the fact that certain other assets contribute to the cash flows generated, the returns for these contributory assets were removed to arrive at estimated cash flows solely attributable to the acquired technology, which were discounted at a rate of 18% to determine the fair value.

Acquisition of GeneSiC Semiconductor Inc.

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. for approximately $146.3 million of equity, $99.3 million of cash consideration, and potential future cash earn-out payments of up to an aggregate of $25.0 million. GeneSiC is 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 $246.2 million. The acquisition was accounted for as a business combination in accordance with Accounting Standards Codification ("ASC") Topic 805, Business Combinations ("ASC 805"). The Company has determined preliminary fair values of the assets acquired and liabilities assumed. These values are subject to change as the Company performs additional reviews of the assumptions used.

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The primary areas of the preliminary purchase price allocation that are not yet finalized relate to the fair values of certain tangible assets and liabilities acquired, certain legal matters, amounts for income taxes including deferred tax accounts, amounts for uncertain tax positions, and net operating loss carryforwards inclusive of associated limitations and valuation allowances, the determination of identifiable intangible assets and the final allocation of purchase price to goodwill. Additionally, finalized fair values associated with deferred tax accounts could have a material effect on the Company's estimated reversal of its consolidated U.S. valuation allowances recognized during the three month period ended December 31, 2022. See Note 14, Provision for Income Taxes, for further information. The Company expects to continue to obtain information to assist it in determining the fair values of the net assets acquired at the acquisition date during the measurement period.

The following tables summarize the preliminary purchase consideration and the preliminary purchase price allocation to estimated fair values of the identifiable assets acquired and liabilities assumed (in thousands):

Merger Consideration	**Fair Value**
Cash consideration at closing	$ 99,291
Equity consideration at closing	146,314
Contingent earn-out	600
Total	$ 246,205
Preliminary estimate of purchase price allocation	
Cash and cash equivalents	$ 951
Accounts receivable	823
Inventory	1,538
Fixed assets	226
Other assets	7
Intangible assets	110,100
Goodwill	157,429
Total assets acquired	$ 271,074
Liabilities assumed:	
Interest bearing debt	16
Other current liabilities	1,673
Deferred tax liabilities	23,180
Total liabilities acquired	24,869
Estimated fair value of net assets acquired	$ 246,205

Goodwill represents the excess of the merger price over the amounts assigned to the fair value of the assets acquired and the liabilities assumed, the final amount of the goodwill recorded could differ materially from the amount presented. Goodwill is primarily attributable to assembled workforce, market and expansion capabilities, expected synergies from integration and streamlining operational activities and other factors. Goodwill is not expected to be deductible for income tax purposes.

NAVITAS SEMICONDUCTOR CORPORATION
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
($ in thousands, except per share amounts and where noted)

The preliminary fair values of the identifiable intangible assets acquired at the date of Acquisition are as follows (in thousands):

Intangible Asset	Fair Value	Amortization Method	Useful Life
Trade Names	$ 900	Straight line	2 years
Developed Technology	49,100	Straight line	4 years
Patents	33,900	Straight line	15 years
Customer Relationships	24,300	Straight line	10 years
Non-Competition Agreements	1,900	Straight line	5 years
Total Intangibles	$ 110,100		

The valuations of intangible assets incorporate significant unobservable inputs and require significant judgment and estimates, including the amount and timing of future cash flows. The Company recognized approximately $5.4 million of transaction costs in the three and nine months ended September 30, 2022. These costs are recorded in “Selling, general and administrative expense” in the consolidated statements of operations. The financial results of GeneSiC have been included in the Company's consolidated financial statements since the date of the acquisition.

The fair value of developed technology was estimated using the multi-period excess earnings method, an income approach (Level 3), which converts projected revenues and costs into cash flows. To reflect the fact that certain other assets contribute to the cash flows generated, the returns for these contributory assets were removed to arrive at estimated cash flows solely attributable to the acquired technology, which were discounted at a rate of 15% to determine the fair value.

The fair value of customer relationships was estimated using the distributor method, an income level approach (Level 3), which estimates the value of an asset based upon costs avoided through ownership of the asset. Estimated costs on projected revenues, excluding acquired contract backlog, were made using historical data pertaining to sales to new and existing customers. The cash flow impact of projected cost savings, primarily avoidance of legal costs pertaining to new customers and lower commission rates applicable to existing customers than new customers, were discounted at a rate of 16% to determine the fair value.

The fair value of the trade name and trademarks 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 form 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 16% to determine the fair value.

The fair value of the patents 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 form 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 16% to determine the fair value.

The value of the non-competition agreement was estimated using the lost income method (Level 3), because the non-competition agreement prohibits the covenantor from competing with the Company, the fair value of the non-competition agreement can be determined by estimating cash flows that would be lost if the covenantors were to compete, we estimated a discount rate of 16% to determine the fair value.

Discount rates for each respective intangible asset were determined by accounting for the risk associated with each asset, including required technology development and customer acquisition required to support respective projections, the uncertainty of market success and the risk inherent with projected financial results. The estimated useful lives were determined by evaluating the expected economic and useful lives of the assets and of similar intangible assets from previous business combinations and adjusting accordingly after taking into account circumstances that may be unique to GeneSiC. Net tangible assets and intangibles assets assumed as well as goodwill recognized are presented as continuing operations in the consolidated balance sheets.

NAVITAS SEMICONDUCTOR CORPORATION
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
($ in thousands, except per share amounts and where noted)

The following unaudited pro forma financial information presented in the table below is provided for illustrative purposes only and is based on the historical financial statements of the Company and presents the Company's results as if the business combination had occurred as of January 1, 2021 (in thousands):

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

Revenue	$	38,145
Net loss	$	(162,744)
Basic net loss per share	$	(2.54)
Diluted net loss per share	$	(2.54)

The unaudited pro forma financial information may not be indicative of the results of operations that the Company would have attained had the business combination occurred as of January 1, 2021, nor is the pro forma financial information indicative of the results of operations that may occur in the future.

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, 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 net assets is based on preliminary estimates. The Company's net income (loss) excludes income (loss) attributable to the noncontrollling 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 will be amortized over a five year term.

The carrying value of the non-controlling interest as of September 30, 2022 (in thousands):

Entity	Carrying Value of Non-Controlling Interest as of August 19, 2022	Net loss Attributable to the Non-Controlling Interest	Carrying Value of Non-Controlling Interest as of September 30, 2022
Former Joint Venture	$ 4,655	$ (238)	$ 4,417

19. SUBSEQUENT EVENTS

The Company evaluated material subsequent events from the consolidated balance sheet date of September 30, 2022, through November 14, 2022, the date the condensed consolidated financial statements were issued. There were no material subsequent events as of November 14, 2022.

Item 2. 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 quarterly report on Form 10-Q. This discussion contains forward-looking statements that reflect our plans, estimates, and beliefs that involve risks and uncertainties. As a result of many factors, such as those set forth under the "Summary of Risk Factors" and "Cautionary Statement About Forward-Looking Statements" sections and elsewhere in this quarterly report, our actual results may differ materially from those anticipated in these forward-looking statements.

Overview

Founded in 2013, 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 and the Philippines, with principal executive offices in Torrance, California.

We design, develop and market gallium nitride ("GaN") power integrated circuits ("ICs") 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 is now in mass production with 9 of the top 10 mobile OEMs across smartphone and laptops, and is in development with 10 out of 10. 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 GaN Power ICs. Navitas invented the first commercial GaN Power ICs. Today, we have over 165 patents that are issued or pending.

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 device 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 2021 and the nine months ended September 30, 2022, we spent approximately 103% and 163%, respectively of our revenue on research and development. Navitas' research and development activities are located primarily in the US and China. As of September 30, 2022, we had approximately 138 full-time personnel in our research & development team, with approximately 55% with advanced degrees (PhD and MS).

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, $99.3 million of cash consideration, and potential future earn-out payments of up to an aggregate of $25.0 million in cash. GeneSiC is a silicon carbide ("SiC") pioneer with deep expertise in SiC power device design and process, based in Dulles, Virgnia. The future earn-out payments were fair valued at $0.6 million, for a total merger consideration of $246.2 million. GeneSiC's net assets and operating results since the merger date are included in the Company's Condensed Consolidated Balance Sheet and Condensed Consolidated Statements of Operations as of and for the three and nine months ended September 30, 2022, respectively.

We recorded a preliminary allocation of the purchase price to tangible and intangible assets acquired and liabilities assumed based on their fair values as of the acquisition date. The excess of the purchase price over the fair value of assets of $157.4 million was recorded as goodwill.

Acquisition of VDDTech

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. 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 Condensed Consolidated Statement of Operations for the three and nine months ended September 30, 2022.

We recorded a preliminary allocation of the purchase price to tangible and intangible assets acquired and liabilities assumed based on their fair values as of the acquisition date. The excess of the purchase price over the fair value of assets of $1.2 million was recorded as goodwill. Subsequent to June 30, 2022 a preliminary valuation of the intangible assets acquired was calculated at $1.2 million. During the three months ended September 30, 2022, the Company reclassed the goodwill to an intangible asset.

Business Combination and Reverse Recapitalization

On May 6, 2021, Navitas Semiconductor Limited ("Navitas Ireland"), a private company limited by shares organized under the Laws of Ireland and domesticated in the State of Delaware as Navitas Semiconductor Ireland, LLC, ("Navitas Delaware", and together with Navitas Ireland, "Legacy Navitas") a Delaware limited liability company, entered into a business combination agreement and plan of reorganization (the "Business Combination Agreement" or "BCA") with Live Oak Acquisition Corp. II ("Live Oak"). Pursuant to the BCA, Live Oak acquired all of the capital stock of Navitas Ireland by means of a tender offer, and a wholly owned subsidiary of Live Oak merged with and into Navitas Delaware, with Navitas Delaware surviving the merger. As a result, Legacy Navitas became a wholly owned subsidiary of Live Oak effective October 19, 2021. At the closing of the Business Combination, Live Oak changed its name to Navitas Semiconductor Corporation.

The Business Combination was accounted for as a reverse recapitalization in accordance with US GAAP. Under the guidance in ASC 805, Live Oak was treated as the "acquired" company for financial reporting purposes. We were deemed the accounting predecessor and the post-combination company is the successor SEC registrant, meaning that our financial statements for previous periods were disclosed in our annual report Form 10-K filed with the SEC filed on March 31, 2022. The Business Combination had a significant impact on our reported financial position and results as a consequence of the reverse recapitalization. The most significant change in our reported financial position and results of operations was net cash proceeds of $298 from the merger transaction, which included $173 in gross proceeds from the PIPE financing that was consummated in conjunction with the Business Combination. The increase in cash was offset by transaction costs incurred in connection with the Business Combination of approximately $25. Navitas expects to incur additional annual expenses as a public company for, among other things, directors' and officers' liability insurance, director fees and additional internal and external accounting and legal and administrative resources, including increased audit and legal fees.

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.

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. The vast majority of our product revenue originates from sales shipped to customer locations in Asia.

Cost of Goods Sold

Cost of goods sold 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 reserves, consumables, system and shipping costs. Cost of goods sold also includes compensation related to personnel associated with manufacturing.

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 share-based employee compensation, benefits and related costs of sustaining our engineering teams, project material costs, third party fees paid to consultants, prototype development expenses, 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 share-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 Expense

Interest expense primarily consists of interest under our term loan facility.

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 condensed consolidated financial statements elsewhere in this quarterly report.

Results of Operations Three Months September 30, 2022 and 2021

The table and discussion below present our results for the three months ended September 30, 2022 and 2021 (in thousands):

	Three Months Ended September 30,		Change $	Change %
	2022	2021		
Revenue	$ 10,243	$ 5,631	$ 4,612	82 %
Cost of goods sold	9,852	3,032	6,820	225 %
Gross profit	391	2,599	(2,208)	(85)%
Operating expenses:				
Research and development	13,343	5,804	7,539	130 %
Selling, general and administrative	24,477	3,550	20,927	589 %
Total operating expenses	37,820	9,354	28,466	304 %
Loss from operations	(37,429)	(6,755)	(30,674)	454 %
Other income (expense), net:				
Interest income (expense), net	638	(75)	713	(951)%
Loss from change in fair value of earnout liabilities	(6,098)	—	(6,098)	— %
Other income (expense)	(74)	—	(74)	— %
Total other income (expense), net	(5,534)	(75)	(5,459)	7279 %
Income (loss) before income taxes	(42,963)	(6,830)	(36,133)	529 %
Income tax (benefit) provision	(10,135)	13	(10,148)	(78062)%
Net income (loss)	(32,828)	(6,843)	(25,985)	380 %
Less: Net income (loss) attributable to noncontrolling interests	(238)	—	(238)	— %
Net income (loss) attributable to controlling interests	$ (32,590)	$ (6,843)	$ (25,747)	376 %

Three Months Ended September 30, 2022 Compared to the Three Months Ended September 30, 2021

Revenue

Revenue for the three months ended September 30, 2022 was $10.2 million compared to $5.6 million for the three months ended September 30, 2021, an increase of $4.6 million, or 82%. The increase reflects a combination of the Company's customer growth trajectory, evolving from aftermarket customers to higher volume customers, and the accretive acquisition of GeneSiC. Total sales volumes increased 19%, from 6.0 million to 7.1 million units shipped, while the average selling price increased 53% to $1.43 per unit.

Cost of Goods Sold

Cost of goods sold for the three months ended September 30, 2022 was $9.9 million compared to $3.0 million for the three months ended September 30, 2021, an increase of $6.8 million or 225%. The increase was primarily driven by significant revenue growth, acquisition of GeneSiC, which includes $0.5 million for step up in inventory valuation that was

expensed during the quarter, and inventory reserves of $2.8 million, in addition to TSMC's 20% wafer price increase which created a higher cost of goods sold.

Research and Development Expense

Research and development expense for the three months ended September 30, 2022 of $13.3 million increased by $7.5 million, or 130%, when compared to the three months ended September 30, 2021, driven by increases in stock based compensation, resulting in $5.2 million higher compensation costs, along with an increase of $1.9 million compensation costs related to growth in headcount as the Company develops products in Solar, Enterprise and EV and through its acquisition of GeneSiC. We expect research and development expense to continue to increase as we grow our headcount to support our expansion into new applications.

Selling, General and Administrative Expense

Selling, general and administrative expense for the three months ended September 30, 2022 of $24.5 million increased by $20.9 million, or 589%, when compared to the three months ended September 30, 2021, driven by increases in stock based compensation, resulting in $10.4 million higher compensation costs, along with an increase of $1.4 million increase in compensation costs related to growth in headcount. In addition, the Company incurred $7.7 million of transaction expenses and amortization of intangibles related to the acquisition of GeneSiC and a $1.1 million increase in other costs of growing the business. We expect selling, general and administrative costs to increase to support our growth and as a result of the increased costs for infrastructure required as a public company.

Other Income (Expense), net

Net interest income for the three months ended September 30, 2022 was $638 compared to $75 net interest expense for the three months ended September 30, 2021, primarily due to the higher interest rate received on money markets funds.

During the three months ended September 30, 2022, we recognized $6.1 million loss from the change in fair value of our earn-out liabilities. Subsequent to the recognition of the earnout liability upon the consummation of the Business Combination on October 19, 2021, we remeasure the fair value of this liability at each reporting date. The increase in fair value of our earn-out liability of $6.1 million was primarily a result of the increase of the closing price of our Class A common stock listed on the Nasdaq, resulting in the increased in the estimated fair value of the earnout shares from $1.89 as of June 30, 2022 to $2.61 as of September 30, 2022.

Other expense primarily reflects our minority interest in the net loss of a joint venture through August 18, 2022..

Income Tax (Benefit) Provision

Income tax benefit for the three months September 30, 2022 increased by $10,148 when compared to the three months September 30, 2021. As a result of the GeneSiC Semiconductor Inc. acquisition, (see Note 17, Business Combinations), the Company released $9.9 million of U.S. valuation allowance during the three months ended September 30, 2022. The release was attributable to a preliminary estimate of $23.2 million of net deferred tax liabilities recorded on GeneSiC's opening balance sheets that offset other U.S. net deferred tax assets.We expect our tax rate to remain close to zero in the near term due to full valuation allowances against deferred tax assets.

Results of Operations Nine Months September 30, 2022 and 2021

The table and discussion below present our results for the nine months ended September 30, 2022 and 2021 (in thousands):

	Nine Months Ended September 30,		Change $	Change %
	2022	2021		
Revenue	$ 25,594	$ 16,398	$ 9,196	56 %
Cost of goods sold	18,655	8,962	9,693	108 %
Gross profit	6,939	7,436	(497)	(7)%
Operating expenses:				
Research and development	36,362	16,325	20,037	123 %
Selling, general and administrative	63,014	23,713	39,301	166 %
Total operating expenses	99,376	40,038	59,338	148 %
Loss from operations	(92,437)	(32,602)	(59,835)	184 %
Other income (expense), net:				
Interest income (expense), net	666	(199)	865	(435)%
Gain (loss) from change in fair value of warrants	51,763	—	51,763	— %
Gain (loss) from change in fair value of earnout liabilities	112,162	—	112,162	— %
Other income (expense)	(1,215)	—	(1,215)	— %
Total other income (expense), net	163,376	(199)	163,575	(82198)%
Income (loss) before income taxes	70,939	(32,801)	103,740	(316)%
Income tax (benefit) provision	(9,862)	37	(9,899)	(26754)%
Net income (loss)	80,801	(32,838)	113,639	(346)%
Less: Net income (loss) attributable to noncontrolling interests	(238)	—	(238)	— %
Net income (loss) attributable to controlling interests	$ 81,039	$ (32,838)	$ 113,877	(347)%

Nine Months Ended September 30, 2022 Compared to the Nine Months Ended September 30, 2021

Revenue

Revenue for the nine months ended September 30, 2022 was $25.6 million compared to $16.4 million for the nine months ended September 30, 2021, an increase of $9.2 million, or 56%. The significant increase primarily reflected the Company's customer growth trajectory, evolving from aftermarket customers to higher volume customers and the accretive acquisition of GeneSiC. Total sales volumes increasing 26%, from 17.5 million to 22.0 million units shipped, while the average selling price increased 24.2% to $1.16 per unit.

Cost of Goods Sold

Cost of goods sold for the nine months ended September 30, 2022 was $18.7 million compared to $9.0 million for the nine months ended September 30, 2021, an increase of $9.7 million or 108%. The increase was primarily driven by significant revenue growth, acquisition of GeneSiC, which includes $0.5 million for step up in inventory valuation that was expensed during the quarter, and inventory reserves of $2.8 million, in addition to TSMC's 20% wafer price increase which created a higher cost of goods sold.

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Research and Development Expense

Research and development expense for the nine months ended September 30, 2022 of $36.4 million increased by $20.0 million, or 123%, when compared to the nine months ended September 30, 2021, primarily driven by increases in

stock based compensation, resulting in $14.0 million higher compensation costs, along with an increase of $1.1 million in non-compensation costs related to new applications and reliability expenses devoted to next generation product development and $4.9 million in compensation costs related to growth in headcount as the Company develops products in Solar, Enterprise and EV. We expect research and development expense to continue to increase as we grow our headcount to support our expansion into new applications.

Selling, General and Administrative Expense

Selling, general and administrative expense for the nine months ended September 30, 2022 of $63.0 million increased by $39.3 million, or 166%, when compared to the nine months ended September 30, 2021. The increase is primarily due to a $23.5 million increase in stock-based compensation, and a $3.5 million increase in compensation costs related to growth in headcount. In addition, the Company incurred $7.7 million of transaction expenses and amortization related to the acquisition of GeneSiC and a $3.4 million increase in other costs of growing the business.. We expect selling, general and administrative costs to increase to support our growth and as a result of the increased costs for infrastructure required as a public company.

Other Income (Expense), net

Net interest income for the nine months ended September 30, 2022 was $666 thousand compared to $(199) thousand net interest expense for the nine months ended September 30, 2021, increased by 435%, primarily due to the higher interest rate received on cash equivalents.

During the nine months ended September 30, 2022, we recognized $51.8 million gain from the change in fair value of our warrant liabilities, $112.2 million decrease in fair value of our earn out liabilities and $(1.2) million loss from an equity method investment, as follows:

i) Warrants: The change in fair value of our warrant liability is due to the Company issuing a notice of redemption on February 4, 2022 and the Company revaluing the liability just before the exercise and redemptions which resulted in a valuation change of $51.8 million.

ii) Earnout liability: Subsequent to the recognition of the earnout liability upon the consummation of the Business Combination on October 19, 2021, we remeasure the fair value of this liability at each reporting date. The decrease in fair value of our earn-out liability of $111.6 million was primarily a result of the increase of the closing price of our Class A common stock listed on the Nasdaq, resulting in the decline in the estimated fair value of the earnout shares from $16.09 as of December 31, 2021 to $2.61 as of September 30, 2022.

iii) Other expense primarily reflects our minority interest in the net loss of a joint venture through August 18, 2022..

Income Tax Benefit (Provision)

Income tax benefit for the nine months ended September 30, 2022 increased by $9,899 when compared to the nine months ended September 30, 2021. As a result of the GeneSiC Semiconductor Inc. acquisition, (see Note 17, Business Combinations), the Company released $9.9 million of U.S. valuation allowance during the three months ended September 30, 2022. The release was attributable to a preliminary estimate of $23.2 million of net deferred tax liabilities recorded on GeneSiC’s opening balance sheets that offset other U.S. net deferred tax assets. We expect our tax rate to remain close to zero in the near term due to full valuation allowances against deferred tax assets.

Liquidity and Capital Resources

Our primary use of cash is to fund operating expenses, which consist primarily of research and development expenditures, working capital requirements related to inventory, accounts payable and accounts receivable, and selling, general and administrative expenditures. In addition, we use cash to fund our debt service obligations, and purchases of capital and software assets.

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 continue to increase.

We expect our expenses and capital requirements to increase in connection with our ongoing initiatives to expand our operations, product offerings and end customer base.

Prior to the Business Combination, we derived our liquidity and capital resources primarily from the issuance and sale of convertible preferred stock. The term loan principal balance is payable in monthly installments beginning in September 2021.

As September 30, 2022, we had cash and cash equivalents of $124.8 million. We currently use cash to fund operations, meet working capital requirements, for capital expenditures and strategic investments. Post-Business Combination, the Company has additional access to capital resources through public market transactions and the historical focus on near-term working capital and liquidity has shifted to more strategic and forward-looking capital optimization plans. We believe that the influx of capital from the Business Combination is sufficient to finance our operations, working capital requirements and capital expenditures for the foreseeable future.

We expect our operating and capital expenditures to increase as we increase headcount, expand our operations and grow our end customer base. If additional funds are required to support our working capital requirements, acquisitions or other purposes, we may seek to raise funds through additional 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 nine months ended September 30, 2022 and 2021 (in thousands):

	September 30, 2022	September 30, 2021
Consolidated Statements of Cash Flow Data:		
Net cash used in operating activities	$ (35,537)	$ (24,792)
Net cash used in investing activities	$ (106,447)	$ (2,525)
Net cash used in financing activities	$ (1,476)	$ (476)

We derive liquidity primarily from debt and equity financing activities. As of September 30, 2022, our balance of cash and cash equivalents was $124.8 million, which is a decrease of $143.5 million or 53% compared to December 31, 2021. Our total outstanding debt principal balance as of September 30, 2022 was $4.5 million, which is a decrease of $2.4 million from the $6.9 million of total debt outstanding at December 31, 2021.

Operating Activities

For the nine months ended September 30, 2022, net cash used in operating activities was $35.5 million, which primarily reflects a net income of $80.8 million, adjusted for non-cash share-based compensation of $52.1 million, non-cash gains of $163.9 million in earnout and warrant liabilities and an aggregate cash provided by operating assets and liabilities of $2.6 million. Specifically, $0.5 million increase in account receivable and $2.7 million increase in inventory are primarily due to increased sales. $2.8 million increase in account payable is primarily due to accrued bonus and increased wages, offsetting by $0.5 million decrease in operating lease liability.

For the nine months ended September 30, 2021, net cash used in operating activities was $24.8 million, which primarily reflects a net loss of $32.8 million, adjusted for non-cash share-based compensation of $14.8 million and an aggregate cash used in operating assets and liabilities of $7.3 million. Specifically, $1.4 million increase in account receivable and $8.3 million increase in inventory are primarily due to increased sales. $2.6 million increase in account payable is primarily due to accrued bonus and increased wages.

Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2022 of $106.4 million was primarily due to $5.2 million cash funding of a joint venture, $3.5 million for purchases of fixed assets, coupled with $99.9 million business acquisitions.

Net cash used in investing activities of $2.5 million for the nine months ended September 30, 2021, was primarily related to the purchase of an asset acquisition and property and equipment.

Financing Activities

Net cash used in financing activities for the nine months ended September 30, 2022 of $0.5 million was primarily due to debt payments of $2.4 million and repurchase of our common stock of $0.6 million, partially offset by proceeds from stock option exercises of $1.5 million.

Net cash used in financing activities for the nine months ended September 30, 2021 of $476 was primarily due to payments of deferred offering costs offset by proceeds from issuance of long term debt.

Contractual Obligations, Commitments and Contingencies

Except for a new operating lease entered into during the quarter (see Note 8, Leases, included on this Form 10-Q), there have been no significant changes to our contractual obligations as described in our annual report on Form 10-K for the year ended December 31, 2021.

Off-Balance Sheet Commitments and Arrangements

As of September 30, 2022, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

Critical Accounting Policies and Estimates

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 condensed consolidated financial statements and the accompanying notes included elsewhere in this quarterly 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 condensed 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.

There have been no material changes to our critical accounting policies and estimates from the information in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, included in our 2021 annual report on Form 10-K, except for adoption of ASC 805 Business Combinations as discussed in Note 2, Significant Accounting Policies and Recent Accounting Pronouncements included on this Form10-Q.

JOBS Act Accounting Election

We are an emerging growth company, as defined in the JOBS Act. The JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards applicable to public companies, allowing them to delay the adoption of those standards until those standards would otherwise apply to private companies. We have elected to use this extended transition period under the JOBS Act. As a result, following the Business Combination, our condensed consolidated financial statements may not be comparable to the financial statements of companies that are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make common stock less attractive to investors.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company, as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, for this reporting period and are not required to provide the information required under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management carried out an evaluation, under the supervision and with the participation of our chief executive officer and chief financial officer (our principal executive officer and principal financial officer, respectively), of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2022, pursuant to Exchange Act Rule 13a-15. Based upon this evaluation, our chief executive officer and chief financial officer have concluded that as of November 14, 2022, as a result of the material weaknesses in our internal control over financial reporting discussed below, and in the Company's annual report on Form 10-K for the year ended December 31, 2021, our disclosure controls and procedures were not effective.

As disclosed in Item 9 of our annual report on Form 10-K for the year ended December 31, 2021, management concluded that we lack a sufficient number of trained professionals with technical accounting expertise to identify, evaluate, value and account for complex transactions. We also found we have insufficient accounting resources to maintain appropriate segregation of duties, including to ensure journal entries are reviewed by personnel independent of the preparer.

Management has taken steps to evaluate resources throughout the organization to determine where current resources should be reassigned and where additional resources are needed to consistently and timely execute internal control activities. During the second quarter, a new Controller was added to the accounting department, and consultants were utilized during the third quarter. In addition, for more complex transactions and to the extent there is a lack of knowledge within the current accounting team, Management plans to engage external professional firms to assist with such transactions as they arise, and additional hires during the year and consultants. Management will continue to assess segregation of duties and the journal entries process to ensure there is a separate preparer and reviewer. The material weaknesses will not be considered remediated until remediated controls operate for a sufficient period of time and management has concluded that these controls are operating effectively.

Management has concluded that, notwithstanding the material weaknesses described above, the Company's condensed consolidated financial statements included in this quarterly report on Form 10-Q fairly present, in all material respects, our financial position, results of operations and cash flows as of the date, and for the periods presented, in conformity with U.S. GAAP.

Changes in Internal Control Over Financial Reporting

On August 15, 2022, we acquired GeneSiC and, as a result, we have begun integrating certain processes, systems and controls relating to GeneSiC into our existing system of internal control over financial reporting in accordance with our integration plans. Except for certain processes, systems and controls relating to the integration of GeneSiC, during the quarter ended September 30, 2022, there were no significant changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended) that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time we may be involved in various disputes and litigation matters that arise in the ordinary course of business. We are currently not a party to any material legal proceedings.

Item 1A. Risk Factors.

In addition to the Summary of Risk Factors set forth at the beginning of this report, you should carefully consider the factors discussed in Part I, Item 1A ("Risk Factors") of our annual report on Form 10-K for the year ended December 31, 2021, as well as the additional risks associated with the GeneSiC acquisition identified below. The risks described herein and in our 2021 annual report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Risks Related to Our Acquisition of GeneSiC Semiconductor

On August 15, 2022, we completed our acquisition of GeneSiC Semiconductor Inc. ("GeneSiC"). The acquisition was consummated by the merger of GeneSiC with and into a new wholly owned Navitas subsidiary, which continues to operate the GeneSiC business following the merger. We face the following risks in connection with the GeneSiC acquisition.

We may have difficulties integrating the operations and business of GeneSiC with our own.

Our acquisition of GeneSiC is the first significant acquisition we have ever undertaken. Although GeneSiC is a stand-alone business of which is continuing operations as a Navitas subsidiary, the complexities involved in the integration and expansion of GeneSiC as part of our Company are not yet fully understood. We have devoted and expect to continue to devote a significant amount of time and attention to integrating GeneSiC into our existing operations teams.

Given our relatively small size and relative inexperience with acquisitions, we expect the challenges involved in this integration to be complex and time consuming. Among other risks that arise from these challenges, we may not be successful in our efforts to: (1) integrate new employees with our existing teams; (2) integrate and align numerous business and work processes, including information technology and cyber security systems; (3) demonstrate that the GeneSiC acquisition will not adversely affect our ability to address the needs of existing customers, or result in the loss of attention or focus on our existing businesses; (4) coordinate and integrate research and development and engineering teams across technologies and product platforms; (5) consolidate and integrate corporate, information technology, finance and administrative processes; (6) coordinate sales and marketing efforts to effectively position our capabilities and the direction of product development; and (7) minimize diversion of management attention from important business objectives.

If we do not successfully manage these issues and the other challenges inherent in the GeneSiC acquisition, then we may not achieve the anticipated benefits of the transaction. As a result, our post-acquisition revenue, expenses, results of operations and financial condition could be materially adversely affected, any of which could materially adversely affect the trading price of our common stock.

Even if we are able to integrate the GeneSiC and Navitas businesses and operations successfully, 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. Even if we are able to integrate the GeneSiC and Navitas businesses and operations successfully, despite the risks identified in the preceding risk factor, the integration 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.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On August 24, 2022, we issued 170,068 shares of our common stock in consideration for certain advisory services valued at approximately $1,000,000 provided by a financial advisor. The shares were issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended, or Rule 506 thereunder.

Item 5. Other Information.

Submission of Matters to a Vote of Security Holders.

At our 2022 annual stockholders' meeting on November 10, 2022, stockholders approved the three proposals listed below, each of which is described in more detail in our definitive proxy statement on Schedule 14A, filed with the Securities and Exchange Commission on September 30, 2022 (our "2022 Proxy Statement"). The voting results for each of these proposals are set forth below.

(i) The stockholders reelected Gene Sheridan and Dan Kinzer to serve as Class I directors of the board of directors for a term expiring at the 2025 annual meeting of stockholders and until their respective successors are elected and qualified, by the votes set forth below:

Nominee	Votes For	Votes Withheld	Broker Non-Votes
Gene Sheridan	85,965,419	1,055,607	24,381,445
Dan Kinzer	85,894,522	1,126,504	24,381,445

(ii) The stockholders approved the Navitas Semiconductor 2022 Employee Stock Purchase Plan, by the vote set forth below:

Votes For	Votes Against	Abstentions	Broker Non-Votes
85,337,569	89,506	1,593,951	24,381,445

(iii) The stockholders ratified the appointment of Deloitte & Touche LLP as the Company's registered independent public accounting firm for the fiscal year ending December 31, 2022, by the vote set forth below:

Votes For	Votes Against	Abstentions
111,176,165	151,213	75,093

Compensatory Arrangements of Certain Officers.

As described above, at our 2022 annual stockholders' meeting on November 10, 2022, our stockholders approved the Navitas Semiconductor 2022 Employee Stock Purchase Plan (the "ESPP"). The ESPP became effective on September 26, 2022, upon its approval by the board of directors, subject to stockholder approval. The ESPP is filed as Exhibit 10.2 to this report and is incorporated by reference in this Item 5. The terms of the ESPP are the same as the terms set forth in the ESPP included as Annex A of our 2022 Proxy Statement. For a description of the ESPP, see "*Proposal 2 — Approval of Navitas Semiconductor 2022 Employee Stock Purchase Plan*" in our 2022 Proxy Statement, which description is incorporated by reference in this Item 5.

Item 6. Exhibits.

EXHIBIT INDEX

Exhibit	Description
2.1†	Agreement and Plan of Merger, dated as of August 15, 2022, among Navitas Semiconductor Corporation, Gemini Acquisition LLC, GeneSiC Semiconductor Inc., Ranbir Singh, The Ranbir Singh Irrevocable Trust dated February 4, 2022, and Ranbir Singh in his capacity as representative of the other Stockholder
10.1†	Registration Rights Agreement, dated August 15, 2022, among Navitas Semiconductor Corporation, Ranbir Singh and The Ranbir Singh Irrevocable Trust dated February 4, 2022
10.2†	Navitas Semiconductor 2022 Employee Stock Purchase Plan
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
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 contracts or compensation plans or arrangements in which directors or executive officers are eligible to participate.

* Filed herewith.

** Furnished herewith.

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: November 14, 2022

NAVITAS SEMICONDUCTOR CORPORATION

By: /s/ Ron Shelton
Ron Shelton
Chief Financial Officer
(principal financial and accounting officer)

Date: November 14, 2022

Exhibit 2.1

EXECUTION COPY

AGREEMENT AND PLAN OF MERGER

among

NAVITAS SEMICONDUCTOR CORPORATION,

GEMINI ACQUISITION LLC,

GENESIC SEMICONDUCTOR INC.

and

RANBIR SINGH,

THE RANBIR SINGH IRREVOCABLE TRUST DATED FEBRUARY 4, 2022,

and

RANBIR SINGH, as the Stockholder Representative

Dated as of August 15, 2022

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "**Agreement**"), dated as of August 15, 2022 (the "**Effective Date**"), is between Navitas Semiconductor Corporation, a Delaware corporation (the "**Acquiror**"), Gemini Acquisition LLC, a Delaware limited liability company and a wholly owned direct subsidiary classified for U.S. federal income tax purposes as a disregarded entity of Acquiror ("**Merger Sub**"), GeneSiC Semiconductor Inc., a Delaware corporation (the "**Company**"), and Ranbir Singh ("**Singh**"), the Ranbir Singh Irrevocable Trust dated February 4, 2022 (together with Singh, the "**Stockholders**"), and Singh in his capacity as representative of the other Stockholder (in such capacity, the "**Stockholder Representative**").

RECITALS

A. The Boards of Directors of each of Acquiror and the Company and the board of managers Merger Sub have (i) determined that the merger of Company with and into the Merger Sub (the "**Merger**") would be advisable and fair to, and in the best interests of, their respective stockholders and members and (ii) approved the Merger upon the terms and subject to the conditions set forth in this Agreement pursuant to the Delaware General Corporation Law (the "**DGCL**") and the Delaware Limited Liability Company Act as applicable.

B. Acquiror, Merger Sub and the Company desire to make certain representations, warranties, covenants and agreements in connection with the Merger and also to prescribe various conditions to the Merger.

AGREEMENT

In consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Certain Defined Terms. For purposes of this Agreement:

"**Acquiror Common Stock**" means shares of the Acquiror's Class A Common Stock, par value $0.0001 per share.

"**Acquiror Fundamental Representations**" the representations and warranties of Acquiror and Merger Sub contained in Sections 5.1 (Organization and Qualification), 5.2 (Authority), 5.4 (Capitalization) and 5.10 (Brokers).

"**Acquiror Material Adverse Effect**" means any event, change, occurrence or effect that (a) would prevent, materially delay or materially impede the performance by Acquiror of its material obligations under this Agreement or the consummation of the Merger or any of the other transactions contemplated hereby or (b) would have a material adverse effect on the business, financial condition or results of operations of the Acquiror; provided however, that with respect to clause (b) only, no event, change, occurrence or effect directly or indirectly arising out of, attributable to or resulting from any of the following, alone or in combination, shall be deemed to constitute, or be taken into account in determining whether there has been or would or could be, an Acquiror Material Adverse Effect: (1) any changes in general economic or business conditions or in the financial, debt, banking, capital, credit or securities markets, or in interest or exchange rates, in each case, in the United States or elsewhere in the world, (2) any changes or developments generally affecting any of the industries in which the Acquiror operates, (3) any actions required under this Agreement to obtain any approval or authorization under applicable

antitrust or competition Laws for the consummation of the Merger or any of the other transactions contemplated hereby, (4) any adoption, implementation, modification, repeal or other changes in any applicable Laws (including actions taken by any Governmental Authorities in connection with any of the events set forth in clauses (7), (8), (9) or (10) of this definition, including adoption of or changes in any Public Health Measures) or any changes in applicable accounting regulations or principles, or in interpretations of any of the foregoing, in each case first enacted or publicly announced after the date hereof, (5) any failure by the Acquiror to meet internal or published projections, forecasts or revenue or earnings predictions, in and of itself (provided, that the facts or occurrences giving rise to or contributing to such failure that are not otherwise excluded from the definition of "**Acquiror Material Adverse Effect**" may be taken into account in determining whether there has been a Material Adverse Effect), (6) political, geopolitical, social or regulatory conditions, including any outbreak, continuation or escalation of any military conflict, declared or undeclared war, armed hostilities, civil unrest, public demonstrations or acts of foreign or domestic terrorism or sabotage (including hacking, ransomware or any other electronic attack), or any escalation or worsening of any such conditions, (7) any natural or manmade disasters or calamities, weather conditions including hurricanes, floods, tornados, tsunamis, earthquakes and wild fires, cyber outages, or other force majeure events, or any escalation or worsening of such conditions, (8) any epidemic, pandemic or outbreak of disease (including, for the avoidance of doubt, COVID-19), or any escalation or worsening or improvement of such conditions, (9) any other regional, national or international calamity, crisis or emergency, whether or not caused by any Person, (10) the announcement of this Agreement and the transactions contemplated hereby, or (11) any action taken by the Acquiror, which is required or permitted by or resulting from or arising in connection with this Agreement, provided, in the case of clauses (1), (2), (4), (7), (8), (9) and (10), to the extent the impact of such event, change, occurrence or effect is not disproportionately adverse to the Acquiror, taken as a whole, as compared to other companies operating in similar industries and geographic regions (and provided further, that in such event, only the incremental disproportionate adverse impact shall be taken into account when determining whether there has been a "**Acquiror Material Adverse Effect**").

"**Action**" means any claim, dispute, action, suit, investigation, arbitration or proceeding by or against any Person, whether or not before any Governmental Authority.

"**Accrued Income Taxes**" means the sum of any and all accrued and unpaid Taxes of the Company with respect to income, revenue, or gross receipts (however denominated) for any Pre-Closing Tax Period, which in the case of any Straddle Tax Period shall be calculated in accordance with Section 7.2, with such amount in all cases further calculated (i) on a jurisdiction-by-jurisdiction basis, with no amount for any jurisdiction being less than zero, (ii) by taking into account (A) the Transaction Tax Deductions and, to the extent not included elsewhere in this Agreement as an upward adjustment to the Merger Consideration, any estimated income Tax payments and overpayments of income Taxes paid to the applicable Governmental Authority with respect to any Pre-Closing Tax Period, and (B) any Tax basis, current period Tax deduction, and Tax credits of the Company attributable to a Pre-Closing Tax Period, in each case of (A) and (B), as reductions of the liability (but not below zero (0)) for income Tax for the Company's Pre-Closing Tax Period to the extent permissible under applicable Law and to the extent such amounts, as lawfully applied, would actually reduce income Taxes that would otherwise be payable in such Pre-Closing Tax Period, and (iii) by excluding Taxes attributable to actions taken by Acquiror or its Affiliates (or caused to be taken by Acquiror or its Affiliates) outside of the Ordinary Course of Business after the Closing but on the Closing Date and not otherwise contemplated by this Agreement.

"**Adjustment Escrow Amount**" means $500,000.

"**Adjustment Escrow Fund**" means the Adjustment Escrow Amount deposited with the Escrow Agent, as such amount may be increased or decreased as provided in the Escrow Agreement, including any remaining interest or other amounts earned thereon.

"**Affiliate**" means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person.

"**Balance Sheet**" means the unaudited Balance Sheet of the Company as at December 31, 2021.

"**Business**" means the business of designing, manufacturing, producing, and selling silicon carbide semiconductor technologies (including silicon rectifiers) and products.

"**Business Day**" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in Washington, D.C.

"**CARES Act**" means the Coronavirus Aid, Relief, and Economic Security Act (Pub. L. 116-136), including any amendments thereto.

"**Cash**" means, as at a specified date, the aggregate amount of all cash, cash equivalents and marketable securities held by the Company, including all outstanding security, customer or other deposits, deposits in transit, any received and uncleared checks, wires or drafts and certificates of deposit.

"**Closing Cash**" means Cash of the Company as of immediately prior to the Closing.

"**Closing Cash Merger Consideration**" means the Merger Consideration minus the Stock Merger Consideration Value.

"**Closing Indebtedness**" means the Indebtedness of the Company as of immediately prior to the Closing.

"**Closing Inventory**" means the Inventory as of the Closing Date.

"**Closing Stock Merger Consideration**" means a number of shares of Acquiror Common Stock equal to the Stock Merger Consideration Value divided by the Stock Price; provided, that in no event shall the Closing Stock Merger Consideration exceed 24,883,161 shares of Acquiror Common Stock.

"**Closing Net Working Capital**" means Net Working Capital of the Company as of immediately prior to the Closing.

"**Closing Transaction Expenses**" means the Transaction Expenses as of immediately prior to the Closing.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Company Common Stock**" means (i) the Class A common stock, par value $0.0001 per share, of the Company and (ii) the Class B common stock, par value $0.0001 per share, of the Company.

"**Company Fundamental Representations**" means the representations and warranties of the Company contained in Section 3.1 (Organization and Qualification), Section 2.2 3.2

(Authority), Section 2.4 3.4 (Capitalization), Section 3.5 (Equity Interests) Section 3.15 (Taxes), and 3.19 (Brokers).

"**Company IP**" means all (a) Company Owned IP and (b) all Intellectual Property licensed by Company from another Person.

"**Company Material Adverse Effect**" means any event, change, occurrence or effect that (a) would prevent, materially delay or materially impede the performance by Company of its material obligations under this Agreement or the consummation of the Merger or any of the other transactions contemplated hereby or (b) would have a material adverse effect on the business, financial condition or results of operations of the Company; provided however, that with respect to clause (b) only, no event, change, occurrence or effect directly or indirectly arising out of, attributable to or resulting from any of the following, alone or in combination, shall be deemed to constitute, or be taken into account in determining whether there has been or would or could be, a Company Material Adverse Effect: (1) any changes in general economic or business conditions or in the financial, debt, banking, capital, credit or securities markets, or in interest or exchange rates, in each case, in the United States or elsewhere in the world, (2) any changes or developments generally affecting any of the industries in which the Company operates, (3) any actions required under this Agreement to obtain any approval or authorization under applicable antitrust or competition Laws for the consummation of the Merger or any of the other transactions contemplated hereby, (4) any adoption, implementation, modification, repeal or other changes in any applicable Laws affecting the industry in which the Company operates (including actions taken by any Governmental Authorities in connection with any of the events set forth in clauses (7), (8), (9) or (10) of this definition, including adoption of or changes in any Public Health Measures) or any changes in applicable accounting regulations or principles, or in interpretations of any of the foregoing, in each case first enacted or publicly announced after the date hereof, (5) any failure by the Company to meet internal or published projections, forecasts or revenue or earnings predictions, in and of itself (provided, that the facts or occurrences giving rise to or contributing to such failure that are not otherwise excluded from the definition of "**Company Material Adverse Effect**" may be taken into account in determining whether there has been a Material Adverse Effect), (6) political, geopolitical, social or regulatory conditions, including any outbreak, continuation or escalation of any military conflict, declared or undeclared war, armed hostilities, civil unrest, public demonstrations or acts of foreign or domestic terrorism or sabotage (including hacking, ransomware or any other electronic attack), or any escalation or worsening of any such conditions, (7) any natural or manmade disasters or calamities, weather conditions including hurricanes, floods, tornados, tsunamis, earthquakes and wild fires, cyber outages, or other force majeure events, or any escalation or worsening of such conditions, (8) any epidemic, pandemic or outbreak of disease (including, for the avoidance of doubt, COVID-19), or any escalation or worsening or improvement of such conditions, (9) any other regional, national or international calamity, crisis or emergency, whether or not caused by any Person, (10) the announcement of this Agreement and the transactions contemplated hereby, or (11) any action taken by the Company, which is required or permitted by or resulting from or arising in connection with this Agreement, provided, in the case of clauses (1), (2), (4), (7), (8), (9) and (10), to the extent the impact of such event, change, occurrence or effect is not disproportionately adverse to the Company, taken as a whole, as compared to other companies operating in similar industries and geographic regions (and provided further, that in such event, only the incremental disproportionate adverse impact shall be taken into account when determining whether there has been a "**Company Material Adverse Effect**").

"**Company Owned IP**" means all Intellectual Property owned by the Company.

"**Confidential Information**" means, in each case in existence as of the Closing, (a) any technical and non-technical information related to a party's business and current, future and proposed products and services of each of the parties, including for example and without

limitation, each party's respective information concerning research, development, design details and specifications, financial information, procurement requirements, engineering and manufacturing information, customer lists, business forecasts, sales information and marketing plans and (b) any information a party has received from others that may be made known to the other party and which a party is obligated to treat as confidential or proprietary, except that information disclosed by a party will be considered Confidential Information by the other party only if the information (i) is provided as information fixed in tangible form or in writing (e.g., paper, disk or electronic mail), is conspicuously designated as "Confidential" (or with some other similar legend), (ii) if provided orally or visually, is identified as confidential at the time of disclosure or (iii) would reasonably be understood by the recipient at the time of disclosure as confidential or proprietary.

"**control,**" including the terms "**controlled by**" and "**under common control with,**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, as general partner or managing member, by contract or otherwise.

"**COVID-19**" means SARS-CoV-2 or COVID-19, and any variants or evolutions thereof or related or associated epidemics, pandemics or disease outbreaks.

"**Deemed Deletion**" is defined in Schedule 1.1(e).

"**Employment Agreements**" means the employment agreements between the Company and the Key Employees in the form attached as Exhibit G.

"**Encumbrance**" means any charge, claim, mortgage, lien, option, pledge, security interest or other restriction of any kind (other than those created under applicable securities laws, and not including any license of Intellectual Property).

"**Enterprise Value**" means $246,312,986.68.

"**Escrow Agent**" means Citibank, N.A., or its successor under the Escrow Agreement.

"**Escrow Agreement**" means the escrow agreement to be entered into by and among the Acquiror, the Escrow Agent, and the Stockholder Representative, substantially in the form attached hereto as Exhibit A.

"**Estimated Merger Consideration**" means (i) the Enterprise Value, plus (ii) the Estimated Closing Cash, minus (iii) the Estimated Closing Indebtedness, minus (iv) the Estimated Closing Transaction Expenses, and plus or minus, as applicable, (v) the Estimated Working Capital Adjustment.

"**Fraud**" means, with respect to a party, an actual and intentional common law fraud (as opposed to any fraud claim based on constructive knowledge, negligent misrepresentation or omission, recklessness or a similar theory) in respect of the making by such party of any representation or warranty expressly set forth in Article III or Article IV, as applicable, with intent to deceive another party, or to induce that party to enter into this Agreement and requires (a) a false representation of material fact set forth in Article III or Article IV of this Agreement; (b) knowledge by the party making such representation that such representation is false; (c) an intention by such party to induce the other party to whom such representation is made to act or refrain from acting in reliance upon it; (d) causing such other party, in justifiable reliance upon such false representation and with ignorance to the falsity of such representation, to take or refrain from taking action; and (e) causing such other party to suffer actual damage by reason of such reliance.

"**Fundamental Representations**" means the Acquiror Fundamental Representations and the Stockholder Party Fundamental Representations.

"**GAAP**" means United States generally accepted accounting principles as in effect on the date hereof.

"**Government Contract**" means any contract between the Company on the one hand, and (i) the U.S. Government, (ii) any prime contractor to the United States Government in its capacity as a prime contractor, or (iii) any subcontractor with respect to any contract described in clause (i) or clause (ii) above, on the other hand. A task, purchase or delivery order under a Government Contract shall not constitute a separate Government Contract, for purposes of this definition, but shall be part of the Government Contract to which it relates.

"**Governmental Authority**" means any United States, federal, state or local governmental, regulatory or administrative authority, agency or commission or any judicial or arbitral body of any jurisdiction, including without limitation federal, state, and local jurisdictions in the United States and all non-United States jurisdictions.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"**In-Licenses**" means all material licenses, sublicenses, or other agreements under which the Company is granted Intellectual Property by another Person (excluding, for the avoidance of doubt, licenses of commercially available, unmodified, "off the shelf" software or software-as-a-service agreements).

"**Indebtedness**" means, as at a specified date, without duplication, the principal amount, plus any related accrued and unpaid interest, fees and prepayment premiums or penalties, of (i) indebtedness for borrowed money of the Company (including obligations under leases required to be capitalized under GAAP), (ii) indebtedness of the Company evidenced by any note, bond, debenture or other debt security, (iii) obligations of the Company under any letters of credit, performance bonds or similar obligations, to the extent drawn, (iv) all Accrued Income Taxes and (v) any "applicable employment taxes" (as defined in Section 2302 of the CARES Act) of or with respect to the Company unpaid as of the Closing Date that would have been due on or before the Closing Date but for Section 2302(a)(1) of the CARES Act (including the Paycheck Protection Program), and any other Tax deferral, credit, or benefit pursuant to the CARES Act, the Families First Coronavirus Response Act, the American Rescue Plan Act, or any other change in applicable Law in connection with the COVID-19 Pandemic that has had the result of temporarily reducing (or temporarily delaying the due date of) a Tax payment obligations of or with respect to the Company to a Governmental Authority otherwise due on or before the Closing Date, and (vi) any interest rate swap, forward contract or other hedging arrangement of the Company. Notwithstanding the foregoing, "**Indebtedness**" does not include (A) any operating or lease obligations not otherwise required to be capitalized under GAAP, (B) any intercompany obligations between or among the Company, (C) obligations under any letters of credit, performance bonds or similar obligations, to the extent not drawn, or (D) trade payables and accrued expenses arising in the Ordinary Course of Business. For the avoidance of doubt, Indebtedness does not include any Indebtedness incurred by the Acquiror and/or any of its Affiliates (and subsequently assumed by the Company) on or after the Closing Date.

"**Indemnified Party**" means a Person entitled to indemnification under Article VIII.

"**Indemnifying Party**" means a Person required to provide indemnification under Article X.

"**Indemnity Escrow Amount**" means $923,673.70.

"**Indemnity Escrow Expiration Date**" means August 15, 2024.

"**Indemnity Escrow Fund**" means the Indemnity Escrow Amount deposited with the Escrow Agent, as such amount may be increased or decreased as provided in the Escrow Agreement, including any remaining interest or other amounts earned thereon.

"**Intellectual Property**" means all intellectual property rights arising under the laws of the United States or any other jurisdiction with respect to the following: (i) trade names, trademarks and service marks (registered and unregistered), domain names, trade dress and similar rights and applications to register any of the foregoing (collectively, "**Marks**"); (ii) patents and patent applications and rights in respect of utility models or industrial designs (collectively, "**Patents**"); (iii) copyrights and registrations and applications therefor (collectively, "**Copyrights**"); and (iv) know-how, inventions, discoveries, methods, processes, technical data, specifications, research and development information, technology, data bases and other proprietary or confidential information, including customer lists, in each case that derives economic value from not being generally known to other Persons who can obtain economic value from its disclosure, but excluding any Copyrights or Patents that cover or protect any of the foregoing (collectively, "**Trade Secrets**").

"Invention Assignment Agreement" means the IP Assignment and Confidentiality Agreement between Company and Singh dated August 12, 2022 and attached as Exhibit K.

"**Inventory**" means all inventory of the Company, including raw materials, work-in-process, and finished goods.

"**IRS**" means the Internal Revenue Service of the United States.

"**Key Employees**" means Ranbir Singh, Siddarth Sundaresan, Sumit Jadav, and Vamsi Mulpuri.

"**Knowledge**" with respect to the Company means the actual (but not constructive or imputed) knowledge, after reasonably inquiry, of Ranbir Singh as of the date of this Agreement (or, with respect to a certificate delivered pursuant to this Agreement, as of the date of delivery of such certificate).

"**Law**" means any statute, law, ordinance, regulation, rule, code, injunction, judgment, decree or order in force in any legal jurisdiction or promulgated by any Governmental Authority.

"**Leased Real Property**" means the real property leased by the Company, in each case, as tenant, together with, to the extent leased by the Company, all buildings and other structures, facilities or improvements located thereon and all easements, licenses, rights and appurtenances of the Company relating to the foregoing.

"**Loss**" means any and all losses, costs, expenses, assessments, judgments, liabilities, or other damages of any nature whatsoever, including interest, penalties and reasonable attorneys' fees and disbursements; provided, that "**Loss**" shall not include any consequential, indirect, special (including business interruption, diminution of value, loss of future revenue, profits or income, or loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement) exemplary or punitive damages (except to the extent paid or payable by an Indemnified Party to a third party in connection with a Third Party Claim) or, with respect to consequential loss, to the extent resulting from a Stockholder's breach of its non-competition and

non-solicitation covenants in Section 6.12 or its confidentiality covenants in Section 6.13 of this Agreement.

"**Material Non-Registered IP**" means Company Intellectual Property that (1) is not Company Registered IP and (2) is material to the Company's business or operations.

"**Merger Consideration**" means (i) the Enterprise Value, plus (ii) Closing Cash, minus (iii) the Closing Indebtedness, minus (iv) the unpaid Closing Transaction Expenses, if any, plus or minus, as applicable, (v) the Working Capital Adjustment.

"**Net Working Capital**" means, as at a specified date and without duplication, an amount (which may be positive or negative) equal to (i) the current assets of the Company, minus (ii) the current liabilities of the Company, in each case, calculated in accordance with the Applicable Accounting Principles. Notwithstanding anything to the contrary herein, "**Net Working Capital**" shall include Tax assets and Tax liabilities but, in no event shall "**Net Working Capital**" include any amounts with respect to Cash, Indebtedness, or Transaction Expenses.

"**Non-Fundamental Representations**" means the representations and warranties in Articles III, IV, and V, other than the Fundamental Representations.

"**Option Agreements**" means the Long-Term Incentive Program Option Agreement between Singh and the Acquiror in the form attached as Exhibit H, pursuant to which the Acquiror will issue the number of options to purchase Acquiror Common Stock listed in Exhibit H to the Optionees.

"**Ordinary Course of Business**" means, with respect to any Person, the ordinary course of business of such Person; provided that actions taken (or omitted to be taken) in response to the COVID-19 pandemic or any Public Health Measures shall be deemed to be in the Ordinary Course of Business.

"**Out-Licenses**" means all licenses, sublicenses, or other agreements under which the Company has granted Intellectual Property to another Person, other than (i) agreements with customers, partners and potential customers and partners for the evaluation, sale, license, support or service of Products in the ordinary course of business consistent with past practice, (ii) agreements with consultants, contractors or vendors where a non-exclusive license is provided in order for the consultant, contractor or vendor to perform its agreed services, (iii) agreements with suppliers and manufacturers entered into in the ordinary course of business consistent with past practice, and (iv) agreements under which a non-exclusive license is incidental to the primary purpose of the agreement and does not involve material Intellectual Property of the Company.

"**Pass-Through Income Tax Return**" means, for any Tax period ending on or before the Closing Date, any Return of the Company for income Taxes in respect of which items of income, deduction, credit, gain or loss are passed through to the direct or indirect beneficial owners of the Company under applicable Law as a result of the Company being treated as an S corporation within the meaning of Section 1361(a)(1) of the Code.

"**Permitted Encumbrance**" means (i) statutory liens for current Taxes not yet due or delinquent or the validity or amount of which is being contested in good faith by appropriate proceedings to the extent reserved for in Company's Financial Statements, (ii) mechanics', carriers', workers', repairers' and other similar liens arising or incurred in the ordinary course of business relating to obligations as to which there is no default on the part of the Company, or the validity or amount of which is being contested in good faith by appropriate proceedings, or pledges, deposits or other liens securing the performance of bids, trade contracts, leases or statutory obligations (including workers' compensation, unemployment insurance or other social

security legislation) to the extent reserved for in Company's Financial Statements, (iii) zoning, entitlement, conservation restriction and other land use and environmental regulations promulgated by Governmental Authorities, (iv) liens granted to any lender at the Closing in connection with any financing by Acquiror of the transactions contemplated hereby, (v) any right, interest, lien, title or other Encumbrance of a lessor or sublessor under any lease or other similar agreement or in the property being leased, (vi) all exceptions, restrictions, easements, imperfections of title, charges, rights-of-way and other similar Encumbrances that do not materially interfere with the present use of the assets of the Company taken as a whole, and (vii) any restriction on transfer applicable to Shares under state, local or federal securities Laws or the organizational documents of the Company.

"**Person**" means an individual, corporation, partnership, limited liability company, limited liability partnership, syndicate, person, trust, association, organization or other entity, including any Governmental Authority, and including any successor, by merger or otherwise, of any of the foregoing.

"**Post-Closing Covenants**" means the post-closing covenants, obligations, and other agreements of the Stockholders and the Acquiror under this Agreement.

"**Pre-Closing Tax Period**" means any Tax period ending on or before the Closing Date and the portion of any Straddle Tax period ending on the Closing Date.

"**Pro Rata Percentages**" means the percentages set forth on Schedule 3.4I, which represent each Stockholders' fully diluted percentage of the Company Common Stock.

"**Products**" means products and services of the Company, both current and historical.

"**Public Health Measures**" means any quarantine, "shelter in place," "stay at home," furlough, workforce reduction, social distancing, shut down, closure, sequester or any other Law, order, directive, guideline or recommendation by any Governmental Authority, the World Health Organization or any industry group in connection with or in response to COVID-19 or any other epidemic, pandemic or outbreak of disease, or in connection with or in response to any other public health conditions, in each case, whether such Law, order, directive, guideline or recommendation, or such measures, are in place currently or adopted or modified hereafter.

"**R&W Insurance Fees**" means all fees, commissions, expenses, premiums, and other underwriting costs relating to obtaining the R&W Insurance Policy.

"**R&W Insurer**" means AIG Specialty Insurance Company.

"**R&W Insurance Policy**" means the buyer-side representations and warranties insurance policy issued by the R&W Insurer to the Acquiror, at the Acquiror's and Stockholders' expense, and to be attached hereto at Closing as Exhibit C.

"**Representatives**" means, with respect to any Person, the officers, directors, principals, employees, agents, auditors, advisors, bankers and other representatives of such Person.

"**Return**" means any return, declaration, report, statement, information statement, estimate, form, and other document required to be filed with respect to Taxes, including any schedules or other attachment thereto and any amendments thereof.

"**RSU**" means a restricted stock unit of the Acquiror.

"**RSU Award Agreement**" means those certain RSU Award Agreements, in the form of Exhibit I hereto.

"**RWI Exclusions**" is defined in Schedule 1.1(e).

"**Stockholder Fundamental Representations**" means the representations and warranties contained in Sections 4.1 (Authority; Enforceability), 4.2 (Title to Shares), 4.4 (Brokers), and 4.6 (Ultimate Parent Entity and Size of Person).

"**Stockholder Party Fundamental Representations**" means the Company Fundamental Representations and the Stockholder Fundamental Representations.

"**Stockholder Party Non-Fundamental Representations**" means the representations and warranties of Company in Article III and of Stockholders in Article IV, other than the Company Fundamental Representations and the Stockholder Fundamental Representations.

"**Stockholder Party Representations**" means the Stockholder Party Non-Fundamental Representations and the Stockholder Party Fundamental Representations.

"**Shares**" means the shares of Company Common Stock.

"**Stock Price**" means $5.88.

"**Stock Merger Consideration Value**" means $146,312,986.68.

"**Straddle Tax Period**" means a Tax period that begins on or before the Closing Date and ends after the Closing Date.

"**Subsidiary**" means, with respect to any Person, any other Person of which at least 50% of the outstanding voting securities or other voting equity interests are owned, directly or indirectly, by such first Person.

"**Target Net Working Capital**" means $2,600,000.

"**Taxes**" means any and all taxes of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any Governmental Authority including but not limited to any and all U.S. federal, state, local and non-U.S. taxes, rates, levies, assessments and other charges, duties, impositions and liabilities, including taxes based upon or measured by gross receipts, gross or net income, profits, property, sales, use and occupation, and value added, ad valorem, transfer, franchise, withholding, payroll, recapture, escheat, abandoned or unclaimed property, employment or unemployment, excise and property taxes as well as public imposts, fees, capital or capital stock tax, customs and import duties, stamp tax, franchise tax, goods and services tax and social security charges (including health, unemployment, workers' compensation and pension insurance), together with all interest, penalties, fines and additions imposed with respect to such amounts.

"**Transaction Expenses**" means, to the extent not paid by or on behalf of the Company or the Stockholders or otherwise prior to the Closing Date, the fees, costs and expenses incurred by the Company on or prior to the Closing Date in connection with the transactions contemplated by this Agreement, including (i) all fees and expenses of counsel, advisors, consultants, investment bankers, accountants, auditors and any other experts in connection with the transactions contemplated hereby (ii) any change of control payments, bonuses, retention obligations or similar amounts payable by the Company that become due solely as a result of the consummation of the transactions contemplated hereby (but, for the avoidance of doubt, not

regular performance bonuses or any "double trigger," contingent or similar payments to any employee in connection with a subsequent termination of employment with the Company of such employee after the Closing), and (iii) the employer portion of any payroll, social security, workmen's compensation premiums or unemployment Taxes that are required to be paid by the Company in connection with the payments and bonuses enumerated in this definition.

"**Transaction Tax Deductions**" means, without duplication and regardless of by whom paid, the aggregate amount of (i) any and all stay bonuses, sale bonuses, change in control payments, retention payments, synthetic equity payments, or similar payments made or to be made by the Company in connection with or resulting from the Closing (or included as a liability in the Closing Net Working Capital), (ii) all fees, expenses and interest (including amounts treated as interest for U.S. federal income Tax purposes), original issue discount, unamortized debt financing costs, breakage fees, tender premiums, consent fees, redemption, retirement or make-whole payments, defeasance in excess of par or similar payments incurred in respect of the Indebtedness in connection with the Closing or included as a liability in the Closing Net Working Capital, (iii) all fees, costs and expenses incurred by the Company in connection with or incident to this Agreement and the transactions contemplated hereby, including, to the extent "more likely than not" deductible, any such legal, accounting and investment banking fees, costs and expenses, (iv) any employment Taxes with respect to the amounts set forth in the foregoing clauses (i) and (iii), and (v) any applicable expenses or other amounts not otherwise described in clauses (i)-(iv) of this definition that are paid by or on behalf of the Company or any of its Subsidiaries in connection with the transactions contemplated by this Agreement to the extent that such expenses or amounts reduce the Merger Consideration. The parties shall apply the safe harbor election set forth in IRS Revenue Procedure 2011-29 to determine the amount of any success based fees for purposes of clause (iii) above.

"**Transaction Agreements**" means this Agreement, the Escrow Agreement, the Employment Agreements, the Option Agreements, the RSU Award Agreements and the Registration Rights Agreement.

"**Transactions**" means the transactions contemplated by this Agreement.

"**Transfer**" means to sell, hypothecate, transfer, or otherwise dispose of.

"**Working Capital Adjustment**" means the Working Capital Overage or the Working Capital Underage, as applicable.

"**Working Capital Overage**" shall exist when (and shall be equal to the amount by which) the Estimated Net Working Capital exceeds the Target Net Working Capital.

"**Working Capital Underage**" shall exist when (and shall be equal to the amount by which) the Target Net Working Capital exceeds the Estimated Net Working Capital.

Section 1.2 Table of Definitions. The following terms have the meanings set forth in the Sections referenced below:

Definition	**Location**
Acquiror Public Documents	4.5(a)
Acquisition Engagement	9.21(a)
Affected	45
Agreement	Preamble
Company	Preamble
Copyrights	1.1
Gibson Dunn	9.21(a)

Intended T 49
Marks 1.1
Patents 1.1
SEC 4.5(a)
Trade Secrets 1.1

ARTICLE II
THE MERGER

Section 2.1 The Merger. Upon the terms and subject to the conditions of this Agreement, at the Effective Time and in accordance with the DGCL, the Company shall be merged with and into Merger Sub pursuant to which (a) the separate corporate existence of the Company shall cease, (b) Merger Sub shall be the surviving entity in the Merger (the "**Surviving Entity**") and shall continue its existence as a limited liability company under the laws of the State of Delaware as a wholly owned Subsidiary of Acquiror and (c) all of the properties, rights, privileges, powers and franchises of the Company will vest in the Surviving Entity, and all of the debts, liabilities, obligations and duties of the Company will become the debts, liabilities, obligations and duties of the Surviving Entity.

Section 2.2 Closing; Effective Time.

(a) The closing of the Merger (the "**Closing**") shall take place on the Effective Date or such other date as the parties mutually agree (the "Closing Date") at the offices of Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, NY, 10166-0193 or at such other place as the parties mutually may agree in writing; provided, that the Closing may occur remotely via electronic exchange of required Closing documentation in lieu of an in-person Closing, and the parties shall cooperate in connection therewith. The Closing shall occur effective as of the Effective Time.

(b) As soon as practicable on the Closing Date, the parties shall cause a certificate of merger in customary form to be executed and filed with the Secretary of State of the State of Delaware (the "**Certificate of Merger**"), executed in accordance with the relevant provisions of the DGCL. The Merger shall become effective upon the filing of the Certificate of Merger with the Secretary of State of the State of Delaware or at such other time as the parties shall agree and as shall be specified in the Certificate of Merger. The date and time when the Merger shall become effective is herein referred to as the "**Effective Time**."

Section 2.3 Effects of the Merger. The Merger shall have the effects provided for herein and in the applicable provisions of the DGCL.

Section 2.4 Limited Liability Company Agreement of Surviving Entity.

(a) At the Effective Time, the limited liability company agreement of Merger Sub as existing immediately before the Effective Time shall continue to be the limited liability agreement of the Surviving Entity until thereafter amended in accordance with its terms and as provided by applicable Law.

Section 2.5 Directors; Officers. From and after the Effective Time, the directors and officers of Merger Sub serving immediately prior to the Effective Time shall be the directors and officers of the Surviving Entity until the earlier of their resignation or removal or until their respective successors are duly elected and qualified.

Section 2.6 Subsequent Actions. If, at any time after the Effective Time, the Surviving Entity shall consider or be advised that any deeds, bills of sale, assignments,

assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Entity its right, title or interest in, to or under any of the rights, properties or assets of either the Company or Merger Sub acquired or to be acquired by the Surviving Entity as a result of or in connection with the Merger or otherwise to carry out this Agreement, the officers and directors of the Surviving Entity shall be authorized to execute and deliver, in the name of and on behalf of either the Company or Merger Sub, all such deeds, bills of sale, assignments and assurances and to take and do, in the name and on behalf of each of such corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Entity or otherwise to carry out this Agreement.

Section 2.7 Conversion of Stock. At the Effective Time, by virtue of the Merger and without any further action on the part of Acquiror, Merger Sub, the Company or any holder of any Shares or any shares of capital stock of Merger Sub:

(a) All of the Shares issued and outstanding immediately prior to the Effective Time (other than Cancelled Shares) shall be converted into the right of the Stockholders to receive the Closing Cash Merger Consideration, the Closing Stock Merger Consideration and the cash portion of the Contingent Payment, if any, in accordance with their Pro Rata Percentages, without interest;

(b) Each Share that is owned by Acquiror or Merger Sub immediately prior to the Effective Time shall automatically be cancelled and retired and shall cease to exist, and no cash or other consideration shall be delivered or deliverable in exchange therefor;

(c) Each Share that is held in the treasury of the Company immediately prior to the Effective Time shall automatically be cancelled and retired and shall cease to exist, and no cash or other consideration shall be delivered or deliverable in exchange therefor (the Shares described in Section 2.7(b) and this Section 2.7(c), "**Cancelled Shares**"); and

(d) Each limited liability company interest of the Merger Sub outstanding immediately prior to the Effective Time shall be converted into one fully paid limited liability company interest of the Surviving Corporation.

Section 2.8 Payment for Shares. Subject to the terms and conditions of this Agreement:

(a) at the Effective Time, Acquiror or its designee will pay the Estimated Closing Cash Merger Consideration by wire transfer of immediately available funds as follows:

(i) to the Escrow Agent, the Adjustment Escrow Amount and the Indemnity Escrow Amount in accordance with the wire transfer instructions contained in the Escrow Agreement;

(ii) to the payees of all Transaction Expenses in accordance with the amounts, account detail, and instructions set forth in the Preliminary Closing Statement (collectively, the "**Transaction Expenses Pay-Off**"); and

(iii) to the accounts of the Stockholders specified in the Preliminary Statement, the balance of the Estimated Closing Cash Merger Consideration, in accordance with the allocation in Schedule 3.4.

(b) At the Effective Time, Acquiror shall issue or cause to be issued to the Stockholders book-entry shares of Acquiror Common Stock representing the Closing Stock Merger Consideration, in accordance with the allocation in Schedule 3.4.

(c) At the Effective Time, the stock transfer books of the Company shall be closed and there shall be no further registration of transfers of any shares of capital stock thereafter on the records of the Company.

(d) All cash paid upon, or shares of Acquiror Common Stock issued upon, conversion of the Shares in accordance with the terms of this Article II shall be deemed to have been paid or issued in full satisfaction of all rights pertaining to such Shares. From and after the Effective Time, the Stockholders shall cease to have any rights with respect to Shares represented thereby, except as otherwise provided herein or by applicable Law.

Section 2.9 Withholding Rights. Each of Acquiror and the Surviving Entity are entitled to deduct and withhold from any consideration otherwise payable to any Person pursuant to this Agreement such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code, or any provision of applicable tax Law. To the extent that such amounts are so withheld or paid over to or deposited with the relevant Governmental Authority by Acquiror or the Surviving Entity, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the applicable Person in respect to which such deduction and withholding was made.

Section 2.10 Transaction Expenses Pay-Off. The Transaction Expenses Pay-Off is intended to fully discharge all Transaction Expenses and to terminate all applicable obligations and liabilities of the Company and any of its Affiliates related thereto. Stockholders shall remain exclusively responsible for paying any Transaction Expenses that remain outstanding at Closing.

Section 2.11 Merger Consideration Adjustments.

(a) Prior to the Closing the Company delivered to Acquiror a statement substantially in the form of Exhibit D attached hereto (the "**Preliminary Closing Statement**") setting forth a good-faith estimate of the Closing Cash Merger Consideration (the "**Estimated Closing Cash Merger Consideration**") and each component thereof, including a good-faith estimate of the Company's (i) Closing Net Working Capital (the "**Estimated Closing Net Working Capital**"), (ii) Working Capital Adjustment (the "**Estimated Working Capital Adjustment**") (iii) Closing Indebtedness (the "**Estimated Closing Indebtedness**") (iv) Closing Cash (the "**Estimated Closing Cash**") and (iv) Closing Transaction Expenses (the "**Estimated Closing Transaction Expenses**"), each determined as of immediately prior to the Closing (and, except for Estimated Closing Transaction Expenses, without giving effect to the transactions contemplated hereby) based on the Company's books and records and other information available at the time the Preliminary Closing Statement is delivered, and calculated on a basis consistent with the accounting principles, past practice, assumptions, conventions and policies used in the preparation of the Balance Sheet (including, for the avoidance of doubt, GAAP; provided, that to the extent the accounting principles, past practice, assumptions, conventions and policies used in the preparation of the Balance Sheet deviate from GAAP, GAAP shall control, except to the extent a specific deviation is identified on Schedule 3.6 of the Disclosure Schedule (the "**Applicable Accounting Principles**"). Company shall submit with the Preliminary Closing Statement its good faith estimated unaudited balance sheet as of Closing from which the Company derived the Estimated Closing Cash Merger Consideration and each component thereof (the "**Estimated Closing Balance Sheet**"). The Estimated Closing Balance Sheet shall be substantially in the form of Exhibit E and prepared from the books of account of Company in accordance with the Applicable Accounting Principles.

(b) Within 60 days after the Closing Date, Acquiror shall cause to be prepared and delivered to the Stockholder Representative a written statement substantially in the form of Exhibit F attached hereto (the "**Final Closing Statement**") that shall include and set forth a calculation in reasonable detail of (i) the actual Closing Cash Merger Consideration and each component thereof, including the actual Closing Net Working Capital, Working Capital Adjustment, Closing Indebtedness, Closing Cash and Closing Transaction Expenses, each determined as of the immediately prior to the Closing and, except for Closing Transaction Expenses, without giving effect to the transactions contemplated hereby and (ii) the Net Adjustment Amount in accordance with Section 2.11(g). Acquiror shall submit with the Final Closing Statement a balance sheet of the Company as of the Closing Date, substantially in the form provided in Exhibit F-1, from which the Acquiror derived the Closing Cash Merger Consideration and each component thereof (the "**Closing Balance Sheet**"). The Final Closing Statement and the Closing Balance Sheet shall be prepared from the books of account of Company in accordance with the Applicable Accounting Principles. Acquiror will furnish to the Stockholders' Representative such work papers and other documents and information relating to the Closing Statement as the Stockholder's Representative may reasonably request.

(c) The Final Closing Statement shall become final and binding on the [4]5th day following delivery thereof, unless prior to the end of such period, the Stockholder Representative delivers to Acquiror written notice of its disagreement (a "**Notice of Disagreement**") specifying the nature and amount of any dispute as to the Net Adjustment Amount, including with respect to the calculation of Closing Net Working Capital, Working Capital Adjustment, Closing Indebtedness, Closing Cash and/or Closing Transaction Expenses, as set forth in the Final Closing Statement. The Stockholder Representative shall be deemed to have agreed with all items and amounts of Closing Net Working Capital, Working Capital Adjustment, Closing Indebtedness, Closing Cash and/or Closing Transaction Expenses not specifically referenced in the Notice of Disagreement, and such items and amounts shall not be subject to review in accordance with Section 2.11(d).

(d) During the 30-day period following delivery of a Notice of Disagreement by the Stockholder Representative to Acquiror, the parties in good faith shall seek to resolve in writing any differences that they may have with respect to the calculation of the Net Adjustment Amount, including with respect to the calculation of Closing Net Working Capital, Working Capital Adjustment, Closing Indebtedness, Closing Cash and/or Closing Transaction Expenses as specified therein. Any disputed items resolved in writing between Acquiror and the Stockholder Representative within such 30-day period shall be final and binding with respect to such items, and if the Stockholder Representative and Acquiror agree in writing on the resolution of each disputed item specified by the Stockholder Representative in the Notice of Disagreement and the amount of the Closing Net Working Capital, Working Capital Adjustment, Closing Indebtedness, Closing Cash and Closing Transaction Expenses, the amounts so determined shall be final and binding on the parties for all purposes hereunder. If Acquiror and the Stockholder Representative have not resolved all such differences by the end of such 30-day period, Acquiror and the Stockholder Representative shall submit, in writing, to an independent public accounting firm (the "**Independent Accounting Firm**"), the Final Closing Statement, the Closing Balance Sheet, the Notice of Disagreement, and their briefs detailing their views as to the correct nature and amount of each item remaining in dispute and the amounts of the Net Adjustment Amount and the Closing Net Working Capital, Working Capital Adjustment, Closing Indebtedness, Closing Cash and/or Closing Transaction Expenses, and the Independent Accounting Firm shall make a written determination as to each such disputed item and the amount of the Net Adjustment Amount and the Closing Net Working Capital, Working Capital Adjustment, Closing Indebtedness, Closing Cash and/or Closing Transaction Expenses. Buyer and Sellers' Representative will each be provided the opportunity to present to the Independent Accounting Firm such other material that is reasonably relevant to the determination of the Net Adjustment Amount and the Closing Net Working Capital, Working Capital Adjustment, Closing

Indebtedness, Closing Cash and/or Closing Transaction Expenses. The Independent Accounting Firm shall be Grant Thornton LLP, or, if such firm is unable or unwilling to act, such other independent public accounting firm as shall be agreed in writing by the Stockholder Representative and Acquiror. Acquiror and the Stockholder Representative shall use their commercially reasonable efforts to cause the Independent Accounting Firm to render a written decision resolving the matters submitted to it within 30 days following the submission thereof. The Independent Accounting Firm shall consider only those items and amounts in Acquiror's and the Stockholder Representative's respective calculations of the Net Adjustment Amount and the Closing Net Working Capital, Working Capital Adjustment, Closing Indebtedness, Closing Cash and/or Closing Transaction Expenses that are identified as being items and amounts to which Acquiror and the Stockholders have been unable to agree. The scope of the disputes to be resolved by the Independent Accounting Firm shall be limited to correcting mathematical errors and determining whether the items and amounts in dispute were determined in accordance with the Applicable Accounting Principles and the Independent Accounting Firm is not to make any other determination, including any determination as to whether the Target Net Working Capital or any estimates on the Preliminary Closing Statement are correct, adequate or sufficient. In resolving any disputed item, the Independent Accounting Firm may not assign a value to any item greater than the greatest value for such item claimed by either party or less than the smallest value for such item claimed by either party. The Independent Accounting Firm's determination of the Net Adjustment Amount and the Closing Net Working Capital, Net Working Capital Adjustment, Closing Indebtedness, Closing Cash and Closing Transaction Expenses shall be based solely on written materials submitted by Acquiror and the Stockholder Representative (*i.e.*, not on independent review). The determination of the Independent Accounting Firm shall be conclusive and binding upon the parties hereto and shall not be subject to appeal or further review. Judgment may be entered upon the written determination of the Independent Accounting Firm. In acting under this Agreement, the Independent Accounting Firm shall function solely as an expert and not as an arbitrator; provided that the Independent Accounting Firm shall have the power to conclusively resolve differences in disputed items as specified in this Agreement.

(e) The costs of any dispute resolution pursuant to this Section 3.11, including the fees and expenses of the Independent Accounting Firm and of any enforcement of the determination thereof (the "**Accounting Fees**"), shall be borne by Acquiror and the Stockholders in inverse proportion as they may prevail on the matters resolved by the Independent Accounting Firm, which proportionate allocation shall be calculated on an aggregate basis based on the relative dollar values of the amounts in dispute and shall be determined by the Independent Accounting Firm at the time the determination of such firm is rendered on the merits of the matters submitted. For example, if the unresolved disputed items total $1,000 and the Independent Accounting Firm awards $600 to the Stockholders and $400 to Acquiror, then 60% of the Accounting Fees would be borne by Acquiror and 40% of the Accounting Fees would be borne by Stockholders. The fees and disbursements of the Representatives of each party incurred in connection with the preparation or review of the Final Closing Statement, preparation or review of any Notice of Disagreement, and seeking resolution of the disputed items as applicable, shall be borne by such party.

(f) Acquiror will, and Acquiror will cause the Surviving Entity (during the period from and after the date of delivery of the Final Closing Statement through the resolution of any adjustment to the Estimated Merger Consideration contemplated by this Section 3.11) to afford the Stockholders and its Representatives reasonable access (taking into account any applicable Public Health Measures), during normal business hours and upon reasonable prior notice, to the personnel, properties, books and records of the Surviving Entity, as the case may be, and to any other information reasonably requested for purposes of preparing and reviewing the calculations contemplated by this Section 3.11. The Acquiror shall authorize its and the Surviving Entity's accountants to disclose work papers generated by such accountants in connection with preparing and reviewing the calculations specified in this Section 3.11;

provided, that such accountants shall not be obligated to make any work papers available except in accordance with such accountants' disclosure procedures and then only after the non-client party has signed an agreement relating to access to such work papers in form and substance acceptable to such accountants.

(g) The Merger Consideration shall be adjusted, upwards or downwards, as follows:

(i) For the purposes of this Agreement, the "**Net Adjustment Amount**" means an amount, which may be positive or negative, equal to the Closing Cash Merger Consideration (as finally determined pursuant to this Section 3.11) minus the Estimated Closing Cash Merger Consideration;

(ii) If the Net Adjustment Amount is positive, the Merger Consideration shall be adjusted upwards in an amount equal to the Net Adjustment Amount. In such event, (A) Acquiror shall pay the Net Adjustment Amount to the Stockholders (in accordance with their Pro Rata Percentages or as otherwise directed by both Stockholders) and (B) the Acquiror and the Stockholder Representative shall jointly instruct the Escrow Agent to release all funds in the Adjustment Escrow Fund to the Stockholders (in accordance with their Pro Rata Percentages or as otherwise directed by both Stockholders); and

(iii) If the Net Adjustment Amount is negative (in which case the "**Net Adjustment Amount**" for purposes of this clause (iii) shall be deemed to be equal to the absolute value of such amount), the Merger Consideration shall be adjusted downwards in an amount equal to the lesser of (A) the Net Adjustment Amount and (B) the Adjustment Escrow Amount. In such event, the Stockholder Representative and Acquiror shall jointly instruct the Escrow Agent to release from the Adjustment Escrow Fund to the Acquiror the Net Adjustment Amount. To the extent there are any funds remaining in the Adjustment Escrow Fund after such release, the Stockholder Representative and Acquiror shall jointly instruct the Escrow Agent to release such remaining amounts from the Adjustment Escrow Fund to the Stockholders in accordance with their Pro Rata Percentages or as otherwise directed by both Stockholders. For the avoidance of doubt, if the Net Adjustment Amount exceeds the Adjustment Escrow Amount, the Stockholders shall be obligated to pay the Acquiror any amount in excess of the Adjustment Escrow Amount pursuant to this Section 2.11.

(h) Payments in respect of Section 2.11(g) shall be made within three Business Days of final determination of the Net Adjustment Amount pursuant to the provisions of this Section 2.11 by wire transfer of immediately available funds to such account or accounts as may be designated in writing by the party entitled to such payment.

Section 2.12 Contingent Payments. Subject to the terms and conditions set forth in Schedule 2.12 (the "**Contingent Payment Schedule**") and the other terms and conditions of this Agreement, Buyer shall pay to the Stockholders such contingent payments, if any, as are required to be paid pursuant to the Contingent Payment Schedule (the "**Contingent Payments**").

Section 2.13 Restrictions on Post-Closing Sale of Acquiror Common Stock.

(a) For a period of six months following the Closing Date, each Stockholder shall not effect any transfer, or make a public announcement of any intention to effect a Transfer of any Closing Stock Merger Consideration beneficially owned or otherwise held by such Stockholder; provided, that such prohibition shall not apply to Transfers permitted pursuant to Section 2.13(b). On the six month anniversary of the Closing Date, 50% of the Closing Stock

Merger Consideration shall be released from the restrictions set forth in this Section 2.13. The remaining 50% of the Closing Stock Merger Consideration held by any Stockholder shall not be Transferred (except in accordance with Section 2.13(b)) until the earlier of (A) October 19, 2023 or (B) if the reported closing price of one share of Acquiror Common Stock quoted on the Nasdaq Stock Market equals or exceeds $20.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days (whether or not consecutive) within a 30 consecutive trading day period, the first trading day following the last of such 20 trading days.

(b) Notwithstanding Section 2.13(a), a Stockholder may Transfer shares of Acquiror Common Stock in a transaction that does not constitute an "offer" or "sale" under the Securities Act of 1933, as amended (the "**Securities Act**"): (i) to an Affiliate of such Stockholder; (ii) to an immediate family member of such Stockholder; (iii) to a trust or other estate planning vehicle for the benefit of such Stockholder or an immediate family member of Stockholder; (iv) pursuant to the laws of testamentary or intestate succession or otherwise involuntarily transferred by operation of law; or (v) if such Stockholder is a partnership, corporation or limited liability company, to any one or more partners, stockholders or members thereof; provided, however, that (A) Stockholder shall give Acquiror written notice prior to the time of such Transfer stating the name and address of the transferee and identifying the shares being transferred to the transferee, (B) such transferee shall provide any other documents or information reasonably required by Acquiror's transfer agent to effectuate such transfer and (C) such transferee is an "accredited investor" within the meaning of Rule 506 of Regulation D under the Securities Act. Any such transfer of such shares pursuant to this section is referred to as a "**Permitted Transfer**" and any such transferee is referred to as a "**Permitted Transferee**".

(c) With a view to making available to Stockholders, after October 25, 2022, the benefits of Rule 144 promulgated under the Securities Act, Acquiror shall, for so long as any Stockholders or Permitted Transferees hold any shares of Acquiror Common Stock:

(i) use commercially reasonable efforts to make and keep public information available, as those terms are understood and defined in Rule 144; and

(ii) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of Acquiror under the Securities Act and the Exchange Act so long as Acquiror remains subject to such requirements and the filing of such reports and other documents is required for the applicable provisions of Rule 144 promulgated under the Securities Act.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Acquiror and Merger Sub as follows:

Section 3.1 Organization and Qualification. The Company is (a) a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all necessary corporate power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted and (b) duly qualified as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification necessary, except, in each case, for any such failures that would not, individually or in the aggregate, reasonably be expected to be material to the Company.

Section 3.2 Authority. The Company has the corporate power and authority to execute and deliver this Agreement and, subject to obtaining approval of the Stockholders for the transactions contemplated hereby ("**Company Stockholder Approval**"), to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby have been duly and validly authorized by the Board of Directors of the Company. Except for obtaining Company Stockholder Approval, no other corporate proceedings on the part of the Company are necessary to authorize the execution, delivery or performance of this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Company and, assuming due execution and delivery by each of the other parties hereto, constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether considered in a proceeding in equity or at law) (the "**Enforceability Exceptions**").

Section 3.3 No Conflict; Required Filings and Consents. Except as set forth in Schedule 3.3:

(a) The execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby do not and will not:

(i) conflict with or violate the certificate of incorporation or bylaws of the Company;

(ii) conflict with or violate any Law applicable to the Company or by which any property or asset of the Company is bound or affected; or

(iii) conflict with, result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, would become a default) under, or require any consent of any Person pursuant to, any Material Contract.

except, in the case of clause (ii) or (iii), for any such conflicts, violations, breaches, defaults or other occurrences that would not be material to the Company or prevent, materially delay or materially impede the performance by the Company of its material obligations under this Agreement or the consummation of the transactions contemplated hereby, or that arise as a result of any facts or circumstances relating to Acquiror or any of its Affiliates.

(b) The Company is not required to file, seek or obtain any notice, authorization, approval, order, permit or consent of or with any Governmental Authority or any other Person in connection with the execution, delivery and performance by the Company of this Agreement or the consummation of the transactions contemplated hereby, except (i) for the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, (ii) for such filings as may be required by any applicable federal or state securities or "blue sky" Laws, (iii) where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not be material to the Company or prevent, materially delay or materially impede the performance by the Company of its material obligations under this Agreement or the consummation of the transactions contemplated hereby, or (iv) as may be necessary as a result of any facts or circumstances relating to Acquiror or any of its Affiliates.

Section 3.4 Capitalization. The Company's authorized and outstanding capital stock is as set forth on Schedule 3.4 of the Disclosure Schedules. All of the Company's issued and outstanding capital stock is validly issued, fully paid and nonassessable. The Shares constitute

all of the issued and outstanding capital stock of the Company. Schedule 3.4 of the Disclosure Schedules sets forth the record holders of all of the Shares, specifying the number of Shares owned by each such holder. All such Shares are owned free and clear of all Encumbrances, other than restrictions on transfer under applicable securities Laws and the organizational documents of the Company. There are no outstanding obligations, options, warrants, convertible securities, stock appreciation rights, profit interests or other rights, agreements, arrangements or commitments of any kind relating to the capital stock of the Company or obligating the Company to issue or sell any shares of capital stock of, or any other interest in, the Company. There are no outstanding contractual obligations of the Company to repurchase, redeem or otherwise acquire any shares of capital stock of the Company or to provide funds to, or make any investment in, any other Person. There are no agreements in effect with respect to the voting or transfer of any of the capital stock of the Company. The Company does not have any Indebtedness for borrowed money or indebtedness of the Company evidenced by any note, bond, debenture or other debt security or under any letters of credit, performance bonds or similar obligations, to the extent drawn.

Section 3.5 Equity Interests. Except as set forth on Schedule 3.5 of the Disclosure Schedules, the Company does not directly or indirectly own any equity, partnership or membership interest in, or any interest convertible into, exercisable for the purchase of or exchangeable for any such equity, partnership or membership interest in, any Person.

Section 3.6 Financial Statements; No Undisclosed Liabilities. Complete and accurate copies of (a) the unaudited balance sheet of the Company as at year-end 2020 and 2021 and the related statements of income and cash flows of the Company (the "**Annual Financial Statements**") and (b) unaudited balance sheet of the Company as at the close of business on March 31, 2022 (the "**Interim Balance Sheet Date**") and the related unaudited consolidated statements of income and cash flows for the three-month period beginning on January 1, 2022, and ending on the Interim Balance Sheet Date (the "**Interim Financial Statements**" and, together with the Annual Financial Statements, the "**Financial Statements**") are attached hereto as Schedule 3.6 of the Disclosure Schedules. Except as set forth on Schedule 3.6, each of the Financial Statements have been prepared from the books and records of the Company fairly and accurately presents, in all material respects, the financial position and results of operations and cash flows of the Company as at the respective dates thereof and for the respective periods indicated therein in accordance with GAAP, except as otherwise noted therein and subject, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments and the absence of notes. The Company has no liability, indebtedness or obligation of a nature required to be reflected on a balance sheet prepared in accordance with GAAP, whether accrued, absolute, contingent or otherwise, whether known or unknown, except (i) liabilities that are adequately accrued or reserved against in the Financial Statements, (ii) liabilities that were incurred since the date of the Balance Sheet in the Ordinary Course of Business consistent in amount and kind with past practice, or (iii) the Closing Transaction Expenses.

Section 3.7 Absence of Certain Changes or Events. Except as set forth in Schedule 3.7 of the Disclosure Schedules, since the Interim Balance Sheet Date:

(a) the business of the Company has been conducted, in all material respects, in the Ordinary Course of Business consistent with past practice;

(b) the Company has not: (i) made, revoked, or modified any material Tax election; (ii) changed any material Tax accounting period or method; (iii) filed any material amended Tax Return; (iv) entered into any closing agreement with respect to a material amount of Taxes; (v) settled any material Tax claim or assessment; or (vi) consented to any extension or waiver of the limitations period for the assessment of any material amount of Tax (other than any

implied extension to the statute of limitations caused by filing any Tax Return under an automatic extension obtained in the Ordinary Course of Business);

(c) no Encumbrance has been placed upon any of the Company's assets, other than Permitted Encumbrances;

(d) the Company has not declared any dividend or distribution or redeemed any of its equity securities;

(e) the Company has not acquired or disposed of any material asset other than in the Ordinary Course of Business;

(f) there has been no damage, destruction, or casualty loss with respect to any material asset of the Company;

(g) the Company has not increased the compensation or employee benefits paid or payable to any officer or other employee;

(h) the Company has not cancelled or waived any material claim or Action;

(i) the Company has not made any material change in the accounting or auditing or tax methods, practices, or principles of the Company, except as required by Law;

(j) the Company has not incurred any Indebtedness for borrowed money or indebtedness of the Company evidenced by any note, bond, debenture or other debt security or under any letters of credit, performance bonds or similar obligations, to the extent drawn;

(k) the Company has not deferred or agreed to defer payment of any payables of the Company or accelerated or agreed to accelerate the collection of any receivables of the Company;

(l) the Company has not incurred, or agreed to incur, a single capital expenditure (or series of capital expenditures) in excess of $50,000 for additions to property, plant or equipment or capital leases, and which, if purchased, would be reflected in the property, plant or equipment accounts or capital lease accounts of the Interim Balance Sheet;

(m) the Company has not loaned or advanced money or other property to any present or former director, officer, manager, employee owner, member, or consultant of the Company.

(n) neither the Company nor any ERISA Affiliate has (i) established, adopted, entered into, amended or terminated any benefit plan, except in the Ordinary Course of Business consistent with past practice (ii) adopted any resolutions in respect of any of the foregoing actions or (iii) established or amended any severance policy, plan or arrangement for employees, officers, or directors of Company; and

(o) there has not occurred any Company Material Adverse Effect.

Section 3.8 Compliance with Law; Permits.

(a) Since January 1, 2017, the Company has been in compliance in all material respects with all Laws applicable to it, except as would not, individually or in the aggregate, reasonably be expected to be material to the Company.

(b) The Company has duly obtained and is in possession of all permits, licenses, franchises, approvals, certificates, consents, waivers, concessions, exemptions, orders, registrations, notices or other authorizations of any Governmental Authority necessary for the Company to own, lease and operate its properties and to carry on its business as currently conducted (the "**Permits**"), except where the failure to have, or the suspension or cancellation of, any of the Permits would not, individually or in the aggregate, reasonably be expected to be material to the Company.

(c) No representation or warranty is made under this Section 3.8 with respect to ERISA, Taxes or environmental matters, which are covered exclusively by Sections 3.10, 3.15 and 3.16, respectively.

Section 3.9 Litigation. Except as set forth in Schedule 3.9 of the Disclosure Schedules, (a) there is no Action pending or, to the Knowledge of the Company, threatened in writing or orally against the Company, and (b) there are no orders, writs, injunctions, or decrees issued by any Governmental Authority that are binding and currently in force against the Company. Neither of the Stockholders has an Action against the Company nor, to the Knowledge of the Company, is there a reasonable basis for any such Action. There is no Action with respect to the Company in which any current officer or director of the Company has been made a party or witness thereto (or, to the Knowledge of the Company, is threatened to be made a party or witness thereto) nor, to the Knowledge of the Company, is any such Action threatened nor is there any reasonable basis for any such Action.

Section 3.10 Employee Benefit Plans.

(a) Schedule 3.10(a) of the Disclosure Schedules sets forth (i) a list of all employee benefit plans (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) and all material bonus, stock option, stock purchase, restricted stock, incentive, deferred compensation, retiree medical or life insurance, supplemental retirement, severance or other benefit plans, programs or arrangements, that are maintained, contributed to or sponsored by the Company or by any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code and with respect to which the Company may incur or be subject to liability under applicable Law (each an "**ERISA Affiliate**"), in each case, for the benefit of any current or former employee, officer or director of the Company and (ii) a list of all material employment, termination, severance or other contracts, agreements or arrangements, pursuant to which the Company currently has any obligation with respect to any current or former employee, officer or director of the Company (collectively, the "**Employee Plans**"). The Company has made available to Acquiror a true and complete copy of each Employee Plan or Contract (or has provided a summary of any arrangement not reduced to writing), and, to the extent applicable: (i) all current summary plan descriptions any summary of material modifications, (ii) and the most recent determination letter from the IRS with respect to any Employee Plan, (iii) the most recent actuarial valuations (if any), annual reports required to be filed, or such similar reports, statements, information returns or material correspondence required to be filed with or delivered to any governmental agency (if any) with respect to each Employee Plan (including reports filed on Form 5500 or Form 5500-SF with accompanying schedules and attachments), and (iii) each trust agreement and group annuity or insurance Contract relating to the funding or payment of benefits under any Employee Plan (if any).

(b) (i) Each Employee Plan has been maintained in all material respects in accordance with its terms and the requirements of ERISA and the Code and any other applicable Law, (ii) the plan sponsor of each such Plan has performed all material obligations required to be performed by it under any Employee Plan and is not in any material respect in default under or in

violation of any Employee Plan and (iii) no material Action (other than claims for benefits in the ordinary course) is pending or, to the Knowledge of the Company, threatened with respect to any Employee Plan by any current or former employee, officer or director of the Company or ERISA Affiliate. All contributions, premiums and benefit payments, fees and expenses under or in connection with each Employee Plan that are required to have been made by the Company or any ERISA Affiliate have been timely made in accordance with the terms of such Employee Plan and applicable Laws with only immaterial exceptions. No Employee Plan, or any insurance Contract related thereto, requires or permits a retroactive increase in premiums or payments on termination of such Employee Plan or such insurance Contract. Neither the Company nor any ERISA Affiliate has incurred, or could reasonably be expected to incur, any unfunded liabilities in relation to any Employee Plan, and for any Employee Plan for which funding is not required, all unfunded liabilities have been properly accrued in all material respects.

(c) Each Employee Plan that is intended to be qualified under Section 401(a) of the Code has received a determination or opinion letter from the IRS that it is so qualified and no fact or event has occurred since the date of such letter or letters from the IRS that would reasonably be expected adversely to affect the qualified status of any such Employee Plan.

(d) With respect to each Employee Plan, (i) there has not occurred any prohibited transaction in which the Company, any of its subsidiaries or any of their respective employees or, to the Knowledge of the Company, any trustee, administrator or other fiduciary of any such Employee Plan (or any related trust), has engaged that could subject the Company or any such employees, or, to the Knowledge of the Company, any such trustee, administrator or other fiduciary to the tax or penalty on prohibited transactions imposed by Section 4975 of the Code or the sanctions imposed under Title I of ERISA or any other applicable Law and (ii) none of the Company, or any ERISA Affiliate, or any of their respective employees or, to the Knowledge of the Company, any trustee, administrator or other fiduciary of such Employee Plan (or any related trust) or any agent of any of the foregoing has engaged in any transaction or acted in a manner that could, or failed to act so as to, subject the Company or any employee or trustee, administrator or other fiduciary to any liability for breach of fiduciary duty under ERISA or any other applicable Law. No Employee Plan or related trust has been terminated, nor has there been any "reportable event" (as such term is defined in Section 4043 of ERISA) for which the 30-day reporting requirement has not been waived with respect to any Employee Plan during the last six years, and no notice of a reportable event will be required to be filed in connection with the transactions contemplated hereby. No intention to amend (including any intention to alter the rates or basis of calculation of employer and compulsory employee contributions to the Employee Plans), close, discontinue in whole or in part or exercise any discretion in relation to any Employee Plans has been communicated to any participant or other beneficiary or to any staff representatives or unions.

(e) Neither the Company nor any ERISA Affiliate has ever sponsored, maintained, contributed to or been obligated to sponsor, maintain or contribute to, or has any actual or contingent liability under, any Employee Plan that is a "defined benefit plan" (as defined in Section 3(35) of ERISA) or a "multiemployer plan" (within the meaning of Section 4001(a)(3) of ERISA), or that is subject to Section 302 or Title IV of ERISA or Section 412 of the Code. Neither the Company nor any ERISA Affiliate could reasonably expect to incur any liability with respect to any such plan under Title IV of ERISA, or otherwise. No event has occurred and, to the Knowledge of the Company, no condition exists, that has subjected, or would reasonably be expected to subject, the Company or any ERISA Affiliate to any material tax, fine, Encumbrance, penalty or other liability imposed by ERISA, the Code or any other applicable Law, either directly or by reason of the Company's affiliation with any ERISA Affiliate. No Employee Plan provides benefits after termination of employment except where the cost thereof is borne entirely by the former employee (or his or her eligible dependents or

beneficiaries) or as required by Section 4980B(f) of the Code or any similar state statute or foreign Law (or death or disability benefits provided upon termination due to death or disability).

(f) Each Employee Plan that is a "nonqualified deferred compensation plan" within the meaning of U.S. Treasury Regulation Section 1.409A-1(a)(i) has been operated in compliance in all material respects with the Code Section 409A (and all regulatory guidance issued thereunder). The Company has not agreed to provide indemnity with respect to compliance with Code Section 409A to any employee or former employee.

(g) No amount, economic benefit or other entitlement that could be received (whether in cash or property or the vesting of property) as a result of the transaction contemplated in this Agreement (alone or in combination with any other event) by any Participant who is a "disqualified individual" (as defined in U.S. Treasury Regulation Section 1.280G-1) with respect to the Company (each, a "Disqualified Individual") would reasonably be expected to be characterized as an "excess parachute payment" (as defined in Section 280G(b)(1) of the Code), and no such Disqualified Individual is entitled to receive any additional payment from the Company or any other Person in the event that the excise tax required by Section 4999(a) of the Code is imposed on such Disqualified Individual.

(h) The representations and warranties contained in this Section 3.10 are the only representations and warranties being made with respect to ERISA.

Section 3.11 Labor and Employment Matters.

(a) The Company is not a party to any labor or collective bargaining contract that pertains to employees of the Company. There are no pending or, to the Knowledge of the Company, threatened Actions concerning labor matters with respect to the Company.

(b) Schedule 3.11(b) sets forth a complete and accurate list of all persons who are employees of (or independent contractors or consultants that perform services for) the Company (the "**Business Employees**") and each such person's name, current position (including identification of whether such person is an employee, independent contractor, or consultant), hire date, base annual compensation, and other annual compensation (including most recently received annual commission and/or bonus amounts). As of the date of this Agreement, none of the Business Employees is receiving short-term disability, long-term disability, or workers' compensation benefits or is otherwise on a leave of absence.

Section 3.12 Insurance. Schedule 3.12 of the Disclosure Schedules contains a complete list of all current (i.e., policies whose policy period includes the date hereof) policies for workers' compensation, property and casualty and other forms of insurance owned or held by the Company. All such policies are in full force and effect and will continue in effect until the Closing (or if such policies lapse prior to the Closing, renewals or replacements thereof will be entered into in the ordinary course of business on commercially reasonable terms prior to the Closing). All premiums with respect thereto have been paid to the extent due. No notice of cancellation or termination has been received by the Company with respect to any such insurance policy or contract.

Section 3.13 Real Property.

(a) The Company does not and has never owned any real property.

(b) Schedule 3.13(b) of the Disclosure Schedules lists the street address of each parcel of Leased Real Property and the identity of the lessor, lessee and current occupant (if different from lessee) of each such parcel of Leased Real Property. The Company has a valid

leasehold estate in all Leased Real Property, free and clear of all Encumbrances, other than Permitted Encumbrances. Company has made available to Acquiror the lease agreements for each parcel of Leased Real Property (the "**Real Property Lease Agreements**"). The Company has provided or made available to Buyer complete and accurate copies of each Real Property Lease Agreement.

(c) With respect to each Real Property Lease Agreement, (i) neither the Company nor, to the Knowledge of the Company, any other party thereto is in breach, (ii) the Company has not received a written notice of termination nor, to the Knowledge of the Company, an oral notice of termination, and (iii) all rent and other charges currently due and payable thereunder have been paid. Each Real Property Lease Agreement is valid, binding, and enforceable in accordance with its terms by and against the Company, subject to the Enforceability Exceptions.

Section 3.14 Intellectual Property.

(a) Schedule 3.14(a) sets forth an accurate and complete list as of the date hereof of all registered Marks and applications for registration of Marks (collectively, the "**Company Registered Marks**"), all Patents (collectively, the "**Company Patents**") and all registered Copyrights and all pending applications for registration of Copyrights (together with the Company Registered Marks and the Company Patents, the "**Company Registered IP**"), in each case, owned by the Company, enumerating specifically the applicable filing or registration number, title, jurisdiction in which filing was made or from which registration issued, date of filing, date of issuance, and names of all current applicant(s) and registered owner(s), as applicable. No Company Registered IP is involved in any interference, reissue, reexamination, opposition or cancellation proceeding. All filing, examination, issuance, post registration and maintenance fees, annuities and the like associated with or required with respect to any of the Company Registered IP have been paid.

(b) Schedule 3.14(b) sets forth a complete and accurate list of all Material Non-Registered IP.

(c) Schedule 3.14(c) sets forth a complete and accurate list of all In-Licenses.

(d) Schedule 3.14(d) sets forth a complete and accurate list of all Out-Licenses.

(e) Each item of Company IP (i) is owned by the Company or available for use under a valid license by the Company and (ii) after the Closing, will continue to be owned by the Company or available for use by the Company on substantially identical terms and conditions as the terms and conditions in effect immediately prior to the Closing, without restriction and without additional payment of any kind to any third party (other than amounts that would have been payable by the Company even if the Transactions did not occur). The Company Intellectual Property constitutes all Intellectual Property rights reasonably necessary to conduct the Business in all material respects as currently conducted by the Company.

(f) The Company has taken commercially reasonable steps to maintain the confidentiality of all Trade Secrets of the Company, including the adoption of a policy requiring that all employees and independent contractors who are involved in the creation of Intellectual Property or who have access to Trade Secrets of the Company enter into non-disclosure and invention assignment agreements in the Company's standard forms. There has been no disclosure of Trade Secrets of the Company other than pursuant to binding and enforceable confidentiality and non-use agreements. Company has complied in all material respects with all contractual and legal requirements pertaining to any third party proprietary or confidential

information in the possession, custody, or control of Company and, to the Knowledge of the Company, there has been no unauthorized disclosure of such information by Company.

(g) Each current and former employee and independent contractor of the Company involved in the development of Company Owned IP (or the development, maintenance, or service of the Products) has executed a valid and binding written agreement assigning to the Company all right, title, and interest in any inventions and works of authorship (whether or not patentable) invented, created, developed, conceived and/or reduced to practice during the course and scope of such employee's employment or such independent contractor's work for such Company Entity, and all Intellectual Property therein.

(h) All tangible materials embodying Intellectual Property that the Company is using in the conduct of its business as currently conducted are owned by the Company or have been licensed to the Company pursuant to a written agreement with the third party from which the Company obtained such materials.

(i) There are no Actions (including any motions, petitions, oppositions, interferences or re-examinations) settled in the past twelve (12) months, or pending, or, to the Knowledge of the Company that are threatened (including in the form of offers to obtain a license): (i) alleging any infringement, misappropriation, dilution or violation of the Intellectual Property of any third party by the Company, (ii) challenging the validity, enforceability, registrability, or ownership of any Company Owned IP, or (iii) by the Company alleging any infringement, misappropriation, dilution or violation by any third party of the Company Owned IP. No Company Owned IP is subject to any proceeding or outstanding governmental order or settlement agreement or stipulation that restricts in any manner the use, transfer, or licensing of any such Company Owned IP or of the Company's Products.

(j) Except as would not be material to the Company, none of the products or services distributed, sold or offered by the Company, nor any technology or materials used in connection therewith (including the Company IP), infringes upon, misappropriates or otherwise violates any Intellectual Property of any third party, and the Company has not received any written notice (nor, to the Knowledge of the Company, oral notice) asserting that any such infringement, misappropriation or other violation has occurred. To the Knowledge of the Company, no third party is misappropriating or infringing any Intellectual Property owned by the Company.

(k) The Company has not (i) incorporated Open Source Code into the Products or combined Open Source Code with the Products, (ii) distributed Open Source Code in conjunction with any other software developed or distributed with respect to the Business by the Company, or (iii) used Open Source Code, in each of cases (i) and (ii) above, in a manner that would create an obligation in the Company that any Product source code (other than in-licensed software that is itself Open Source Code) be (w) made available, disclosed or distributed in source code form, (x) licensed for the purpose of making derivative works, (y) redistributable at no charge or minimal charge, or (z) licensed under terms that require the allowance of reverse engineering, reverse assembly, or disassembly of any kind.

(l) To the Knowledge of the Company, neither the Products nor the internal systems contain any disabling device, virus, worm, back door, Trojan horse or other disruptive or malicious code that are intended to materially impair their intended performance or otherwise permit unauthorized access to, hamper, delete or damage any computer system, Software, network, or data.

(m) Except as set forth in Schedule 3.14(m), the Company has not received any support, funding, resources or assistance from any federal, state, local or foreign

Governmental or quasi-Governmental Authority or funding source in connection with the exploitation of the Products or any material Company Owned IP and does not have a pending application or other request for any such support, funding, resources or assistance. No such Governmental Authority has rights to Company Owned IP.

(n) The privacy practices of the Company conform to its privacy policies in all material respects, and each such privacy policy has at all times complied in all material respects with federal, state, and international Law relating to electronic communications privacy, law enforcement access, reporting of unlawful content, data retention and data transfer. With respect to all personally identifiable information processed or controlled by the Company in connection with its business, the Company has taken commercially reasonable steps consistent with applicable Law to ensure that such information is protected against loss and unauthorized access, use, modification, disclosure or other misuse. To the Knowledge of the Company, there has been no unauthorized access to or other misuse of such information, and there has been no unauthorized disclosure of electronic communications or customer records to any third party, including any Governmental Authority. The Company's receipt, collection, monitoring, maintenance, creation, transmission, use, analysis, disclosure, storage, disposal and security of all Protected Information has complied, and complies, in all material respects, with (i) all Contracts to which the Company is a party and (ii) all Information Privacy and Security Laws. No written complaint (and, to the Knowledge of the Company, no oral complaint) relating to an improper use or disclosure of, or a breach in the security of, any Protected Information in the Company's possession or control has been made or, to the Knowledge of the Company, threatened against the Company. "**Information Privacy and Security Laws**" means applicable Laws concerning the use, ownership, maintenance, storage, collection, privacy and/or security of Protected Information. "**Protected Information**" means any information that alone or in combination with other information held by the Company (i) can be used to specifically identify a natural person, (ii) constitutes personal information or health or financial information about an identifiable natural person, or (iii) is governed, regulated or protected by one or more Information Privacy and Security Laws.

Section 3.15 Taxes.

(a) All income and other material Returns required to have been filed by or with respect to the Company have been timely filed (taking into account any extension of time to file granted or obtained), and such Returns are true, correct, complete and accurate in all material respects and in accordance with applicable Law and no material fact has been omitted therefrom. All income and other material Taxes (whether or not shown on any Return) have been paid or will be timely paid, except for Taxes being contested in good faith by appropriate proceedings.

(b) The Company has paid or withheld with respect to its Employees and all other third parties all material Taxes required to be withheld or paid, and have timely paid any such Taxes withheld over to the appropriate Governmental Authority, and the Company has complied in all material respects with all associated reporting and recordkeeping requirements.

(c) The Company has not been delinquent in the payment of any material Tax, nor is there any material Tax deficiency outstanding, assessed or proposed against the Company, nor has the Company executed any waiver of any statute of limitations, on or extending the period for the assessment or collection of, any material Tax. The Company has not requested, received, or entered into any Tax ruling, technical advice memorandum, closing agreement, pricing agreement or similar agreement or ruling with respect to Taxes with any Governmental Authority. The Company has not executed any power of attorney with respect to any Tax, other than powers of attorney that are no longer in force. There are no Tax liens on the assets of the Company (other than Permitted Encumbrances).

(d) No audit or other examination of any Return of the Company has been conducted or is in progress, nor has the Company been notified of any request for such an audit or other examination. No claim has ever been made by a Governmental Authority that the Company is or may be subject to taxation in a jurisdiction in which it does not file Returns.

(e) As of the Interim Balance Sheet Date, the Company did not have any material Liabilities for unpaid Taxes that had not been accrued or reserved on its current balance sheet, determined in accordance with GAAP, and the Company has not incurred any material Liability for such Taxes since the Interim Balance Sheet Date other than in the ordinary course of business consistent with past practice.

(f) All Taxes not yet due and payable by the Company have been, in all material respects, properly accrued on the books of account of the Company in accordance with GAAP.

(g) The Company has never (A) been a member of an affiliated group (within the meaning of Code §1504(a)) filing a consolidated federal income Return; (B) been a party to any Tax sharing agreement; or (C) had any liability for the Taxes of any Person under Treasury Regulation §1.1502-6 (or any similar provision of state, local or foreign Applicable Law, and including any arrangement for group or consortium relief or similar arrangements) as a transferee or successor, by contract or agreement (other than commercial agreements the primary purpose of which does not relate to Taxes), by operation of Applicable Law or otherwise.

(h) At all times since its formation, the Company (A) has been properly classified and treated as a "small business corporation" within the meaning of Section 1361(b) of the Code, (B) has had in effect a valid election under Section 1362(a) of the Code, (C) has been validly treated in a similar manner for purposes of the income Tax laws of all states in which it has been subject to taxation where such treatment is legally available, and (D) has had in effect valid election to be so treated in any such state requiring such separate election. No Governmental Authority has ever challenged or otherwise questioned or inquired into the Company's status as an S corporation.

(i) The Company has never had "built-in gain" (within the meaning of Section 1374 of the Code). The Company has never acquired an asset in which the acquirer's basis in the asset was determined (in whole or in part) by reference to the basis of such asset (or any other property) in the hands of a C corporation, as described in Section 1374(d)(8)(A) of the Code.

(j) The Company has never engaged in a "listed transaction," as set forth in Treasury Regulation 1.6011-4(b)(2).

(k) The Company has not constituted either a "distributing corporation" or a "controlled corporation" in a distribution of stock intended to qualify for tax free treatment under Section 355 of the Code (i) in the two (2) years prior to the date of this Agreement or (ii) in a distribution that could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) that includes the transactions contemplated by this Agreement.

(l) The Company is and has at all times been resident for Tax purposes in the United States only and is not and has not at any time been treated as resident in any other country for any Tax purpose (including any convention or arrangement for the avoidance of double taxation). The Company is not subject to Tax in any jurisdiction other than the United States, whether by virtue of having a permanent establishment, place of business, or source of income in that jurisdiction.

(m) The Company will not be required to include any income or gain or exclude any deduction or loss from taxable income in any taxable period (or portion thereof) ending after the Closing Date as a result of any (A) change in method of accounting or use of an impermissible method of accounting under Section 481 of the Code, (B) closing agreement under Section 7121 of the Code, (C) deferred intercompany gain or excess loss account under Treasury Regulations under Section 1502 of the Code, (D) election under Section 108(i) of the Code (or, with respect to each of items (A), (B), (C) or (D), under any similar provision of Applicable Law), (E) any transaction accounted for under the installment method, long-term contract method, cash method, or open transaction method of accounting, or (F) receipt of a prepaid amount / prepaid amounts or other income or advance payment eligible for deferral under Code or Treasury Regulations promulgated thereunder, including without limitation, Code Section 451, 455, 456, and 460, Treas. Reg. 1.451-8 and Revenue Procedure 2004-34, received on or before the Closing Date.

(n) The Company does not own any interest in any entity, or is party to any arrangement, that is treated as a partnership for U.S. federal income tax purposes.

(o) Except as set forth on Schedule 3.15(o), the Company uses the accrual method of accounting for income Tax purposes.

(p) The Company has properly collected and remitted all material sales and similar Taxes and is in material compliance with any requirements under applicable Law with respect to sales Taxes.

Section 3.16 Environmental, Health, and Safety Matters.

(a) The Company is, and since its formation has been, in compliance with all applicable Environmental, Health, and Safety Requirements and has obtained and is in compliance with all environmental Permits necessary for the operation of its business. There are no written claims (or, to the Knowledge of the Company, no oral claims) alleging violation of or liability pursuant to any Environmental, Health, and Safety Requirements pending or threatened against the Company.

(b) The representations and warranties contained in this Section 3.16 are the only representations and warranties being made with respect to compliance with or liability under Environmental, Health, and Safety Requirements or with respect to any environmental, health or safety matter, including natural resources, related to the Company.

(c) For purposes of this Agreement, "**Environmental, Health, and Safety Requirements**" means all applicable Laws and all binding orders issued by Governmental Authorities concerning public health and safety, worker and occupational health and safety, hazardous substances, and pollution or protection of the environment, including those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any Hazardous Substances, materials, or wastes, chemical substances, or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, fuel oil products and byproducts, mold, asbestos, polychlorinated biphenyls, noise, or radiation.

Section 3.17 Material Contracts.

(a) Schedule 3.17 of the Disclosure Schedules lists each of the following written contracts and agreements of the Company (such contracts and agreements as described in this Section 3.17(a) being "**Material Contracts**"):

(i) contracts (including purchase orders between customers and Company) that provide for receipt by the Company of more than $25,000 per year, including any such contracts with customers or clients;

(ii) contracts (including any purchase orders between vendors and the Company) that provide for payment by the Company of more than $25,000 per year, including any such contracts with vendors;

(iii) contracts relating to Indebtedness;

(iv) contracts that (A) limit or purport to limit the ability of the Company to compete in any line of business or with any Person or in any geographic area or during any period of time or (B) restrict the use, ownership, operation, or alienability of any of the Company's assets;

(v) joint venture, partnership or similar agreements or arrangements;

(vi) contracts for the employment of any current employee;

(vii) written bonus, pension, profit sharing, retirement or other form of deferred compensation plans, other than as described in Schedule 3.10 or the related Disclosure Schedule;

(viii) contracts under which the Company leases equipment or other tangible property with a value in excess of $10,000;

(ix) contracts under which the Company is lessor of or permits any third party to hold or operate any real or tangible property;

(x) the In-Licenses listed on Schedule 3.14(c) and the Out-Licenses listed on Schedule 3.14(d);

(xi) all agreements relating to settlement of any Action pursuant to which the Company is subject to ongoing or unfulfilled obligations;

(xii) any agreement or commitment by the Company to make a capital expenditure or to purchase a capital asset requiring payments in excess of $50,000;

(xiii) any Government Contract involving payments or receipts in excess of $100,000;

(xiv) any collective bargaining agreement or agreement with any labor union;

(xv) any agreement providing for a grant by the Company of any dealing, marketing, co-promotion, agency or sales representative relationship, franchising consignment or distribution right, or any similar provision, to any third party;

(xvi) contracts that relate to the future disposition or acquisition of material assets or properties by the Company, or any merger or business combination with respect to the Company (other than this Agreement);

(xvii) retention agreements or other contracts providing for change in control benefits, in each case that may or will become due as a result of the Merger; and

(xviii) contracts with any Stockholder or Affiliate of the Company (except for any contracts relating to (A) normal compensation or welfare benefits provided for services as an officer, director, or employee of the Company or (B) the Company's equity securities (other than with respect to equity incentive compensation for employment).

(b) The Company has provided or made available to Buyer complete and accurate copies of each Material Contract.

(c) Except as set forth on Schedule 3.17(c), (i) neither the Company nor, to the Knowledge of the Company, any other party thereto is in breach of any Material Contract, (ii) the Company has not given notice of termination or non-renewal with respect to any Material Contract and no other party thereto has given notice of termination or non-renewal (excluding, in each case, any non-renewals occurring without notice in accordance with the terms of the underlying Material Contract), (iii) to the Knowledge of the Company, no event has occurred or circumstance exists that, individually or in the aggregate, would give any other party thereto the right to accelerate the Company's obligations or to terminate any Material Contract, and (iv) each Material Contract is a legal, valid, binding and enforceable agreement, is in full force and effect, and will continue to be in full force and effect on identical terms as of the Effective Time (except as such enforceability may be limited by the Enforceability Exceptions).

Section 3.18 Government Contracts.

(a) All representations and certifications executed, acknowledged or set forth in or pertaining to each Government Contract were current, accurate and complete in all material respects as of their effective date. No termination for default or cure notice or show cause notice under the Federal Acquisition Regulation has been issued in writing and remains unresolved (and is currently in effect as of the date of this Agreement) pertaining to any Government Contract or claim or request for equitable adjustment by the Company by any Governmental Authority or prime contractor or subcontractor to a Governmental Authority, except as set forth in Schedule 3.18.

(b) Excluding routine indirect rate audits and other routine Defense Contract Audit Agency audits (in which no material irregularities, material misstatements or material omissions were identified), since January 1, 2019, there has not been any audit, inspection, survey or examination of records by a Governmental Authority of the Company with respect to any material irregularity, material misstatement or material omission arising under or relating to any of its Government Contracts.

(c) To the Company's Knowledge, none of the Company, nor any of its respective officers, directors or employees, has been or is under indictment, or civil, administrative or criminal investigation involving a Government Contract, including but not limited to any allegations of defective performance or work product, mischarging, factual misstatement, failure to act or other material omission or alleged irregularity. The Company has not entered into any consent order or administrative agreement relating directly or indirectly to any Government Contract. No consent order or administrative agreement relating directly or indirectly to any Government Contract is currently in effect with respect to the Company.

Section 3.19 Brokers. Except for Bank of America Securities LLC, the fees, commissions and expenses of which will constitute Transaction Expenses and be paid at Closing, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of the Company.

Section 3.20 Related Party Transactions. Except as set forth on Schedule 3.20 of the Disclosure Schedule, (a) the Stockholders have no material interest in any property used in the business of the Company or any material interest in any transaction with the Company and (b) there are no loans, leases or other agreements, or transactions between any of the Stockholders and the Company (or any Affiliate of the Company), except any contract relating to normal compensation or welfare benefits provided for services as an officer, director, or employee of the Company or any agreement with respect to the equity securities in the Company owned by Stockholders.

Section 3.21 Certain Payments. Since January 1, 2020, neither the Company nor, to the Knowledge of the Company, any of its respective directors, executives, employees, agents or representatives acting in such capacity on behalf of the Company, (i) has used any corporate funds for any illegal contributions, gifts, entertainment or other unlawful expenses relating to political activity, (ii) has used any corporate funds for any unlawful payments to any foreign or domestic governmental officials or employees or any employees of a foreign or domestic government-owned entity, (iii) has violated any provision of the Foreign Corrupt Practices Act of 1977 (the "**Foreign Corrupt Practices Act**"), (iv) has made, offered, authorized or promised any payment, rebate, payoff, influence payment, contribution, gift, bribe, rebate, kickback, or any other thing of value to any government official or employee, political party or official, or candidate, regardless of form, to obtain favorable treatment in obtaining or retaining business or to pay for favorable treatment already secured, in each case, in violation of applicable Law, or (v) has made any bribe, unlawful rebate, payoff, influence payment, kickback or other similar unlawful payment of any nature.

Section 3.22 Tangible Personal Property. Schedule 3.22 sets forth an accurate and complete list of all tangible personal property with a net book value in excess of $50,000 (a) owned by the Company (the "**Owned Personal Property**") and (b) leased by the Company (the "**Leased Personal Property**" and, together with the Owned Personal Property, the "**Personal Property**"). The Company has (i) good and valid title to all of the Owned Personal Property, free and clear of all Encumbrances other than Permitted Encumbrances and (ii) valid and enforceable leasehold interests in all of the Leased Personal Property, free and clear of all Encumbrances other than Permitted Encumbrances. To the Knowledge of the Company, the Personal Property, together with any immaterial personal property currently in each Company's possession and to which it has good and valid title, constitutes all personal property reasonably necessary for the Company to operate the business of the Company, in all material respects, as presently conducted. Except as set forth on Schedule 3.22, the Personal Property is maintained by the Company, in all material respects, in good operating condition and repair, reasonable wear and tear excepted.

Section 3.23 Product Quality. Each Product designed, manufactured, distributed, marketed, serviced, sold, leased, or delivered by the Company since January 1, 2017, has been designed, manufactured, distributed, marketed, serviced, sold, leased, or delivered in conformity, in all material respects, with all applicable contractual commitments (including express and implied warranties), corresponding written documentation, and the specifications therefor.

Section 3.24 Product Warranty. Since January 1, 2017, the Company has not received any warranty claims, contractual terminations, or requests for settlement or refund that have resulted in the Company paying (or having agreed to pay) in excess of $10,000 due to the failure of the Products to meet their specifications or contractual requirements or to comply with applicable Law (including export control regulations). The Company's current warranty Liability does not exceed amounts expended by the Company for warranty claims consistent with historical practice.

Section 3.25 Accounts Receivable. The accounts receivable of the Company, net of allowance for doubtful accounts as reflected in the Financial Statements, represent amounts receivable by the Company for goods or services the Company actually delivered or provided, or represent services billed in advance in accordance with the terms of the customer agreements, in either case prior to Closing, not subject to counterclaim or set-off, and created in the ordinary course of Company's business.

Section 3.26 Inventory. All Inventory is owned by the Company free and clear of all Encumbrances except Permitted Encumbrances.

Section 3.27 Exclusivity of Representations and Warranties. Neither the Company nor any of its Affiliates or Representatives is making any representation or warranty of any kind or nature whatsoever, oral or written, express or implied, relating to the Company (including, but not limited to, any relating to financial condition, results of operations, assets or liabilities of the Company), except as expressly set forth in this Article III and the Company hereby disclaims any such other representations or warranties.

Section 3.28 Limited Reliance Disclaimer. The Company acknowledges and agrees that in making its decision to enter into this Agreement and to consummate the Transactions, it has not relied on any statement, representation or warranty, oral or written, express or implied, made by the Acquiror or Merger Sub or of any of their respective Affiliates or Representatives other than those representations and warranties expressly made in Article V of this Agreement (including the related portions of the Schedules) (the "**Express Acquiror Representations**"). The Company acknowledges and agrees that, except with respect to the Express Acquiror Representations, neither the Acquiror nor Merger Sub (nor any of their respective Representatives) shall have or be subject to any liability to the Company, any Stockholder, or any other Person resulting from the distribution to the Company or to any Stockholder, or for the Company's or any Stockholder's use or reliance on, any information, documents, or material furnished or made available to the Company or any Stockholder in any form in expectation of, or in connection with, the Transactions.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF STOCKHOLDERS

Each Stockholder, jointly and severally, represents and warrants to Acquiror and Merger Sub as follows:

Section 4.1 Authority. Such Stockholder has full legal right and all requisite power and authority to enter into, execute, deliver, and perform its obligations under this Agreement and to consummate the Transactions. No approval, authorization, consent, order, filing, registration, or notification is required to be obtained by such Stockholder from, or made or given by such Stockholder to, any Governmental Authority or any other Person in connection with the execution, delivery, and performance of this Agreement or any other Transaction Agreement to which such Stockholder is a party, other than such consents or approvals as have been duly obtained and are in full force and effect. To the extent such Stockholder is not a natural person, such Stockholder has the power and authority to enter into, execute, and perform this Agreement and such execution and performance have been duly authorized by all proper and necessary corporate, trust, limited liability company, or partnership action, as the case may be. This Agreement has been duly and validly executed and delivered by such Stockholder and constitutes the legal, valid, and binding obligation of such Stockholder enforceable against such Stockholder in accordance with its terms, except as limited by the Enforceability Exceptions.

Section 4.2 Title to Shares; Consideration Allocation. Such Stockholder is the holder of record of the Shares set forth opposite his, her, or its name on Schedule 3.4 of the Disclosure

Schedules and such Shares will, as of the Closing, be free and clear of any and all restrictions on transfer or Encumbrance (other than restrictions under applicable securities laws or the organizational documents of the Company or that arise under any finance Contracts or other Contracts of Acquiror or any of its Affiliates). Except for this Agreement, such Stockholder is not a party to any option, warrant, purchase right, or other contract or commitment that would require such Stockholder to sell, transfer, or otherwise dispose of, or create any Encumbrance on, any such Shares. The Stockholders have agreed to and have authorized the allocation of the Closing Stock Merger Consideration and Estimated Closing Cash Merger Consideration to Stockholders as set forth in Schedule 3.4.

Section 4.3 Accredited Investor. Such Stockholder is an "accredited investor" within the meaning of Regulation D under the Securities Act. Such Stockholder is acquiring the Acquiror Common Stock solely for such Stockholder's own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. Such Stockholder acknowledges that the issuance of Acquiror Common Stock to Stockholder will not be registered under the Securities Act, or any state securities laws, and that the Acquiror Common Stock may not be transferred or sold by such Stockholder except pursuant to the registration provisions of the Securities Act or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable.

Section 4.4 Information; Consultation with Counsel and Advisors. Such Stockholder is entering into this Agreement with a full understanding of the terms, conditions, and risks thereof and such Stockholder is capable of and willing to assume those risks. Such Stockholder (a) has consulted with such Stockholder's own legal, regulatory, tax, business, investment, financial, and accounting advisers in connection herewith to the extent such Stockholder has deemed necessary, (b) has received from Acquiror all necessary information relating to Acquiror and its business and had a reasonable opportunity to ask questions of and receive answers from officers and representatives of Acquiror concerning its financial condition and results of operations and the transactions to which this Agreement relates, and any such questions have been answered to such Stockholder's satisfaction, (c) has had the opportunity to review all publicly available records and filings and all other documents concerning Acquiror that such Stockholder considers necessary or appropriate in making an investment decision, (d) has reviewed all information that such Stockholder believes is necessary or appropriate in connection with the issuance of the Closing Stock Merger Consideration and (e) has conducted such Stockholder's own due diligence on Acquiror and the transactions contemplated hereby and has made such Stockholder's own investment decisions based upon its own judgment, due diligence and advice from such advisers as such Stockholder has deemed necessary and not upon any view expressed by or on behalf of Acquiror. Such Stockholder acknowledges that it has declined and does hereby decline to receive non-public information concerning Acquiror that may or may not be independently known to such Stockholder which may constitute material information with respect to Acquiror or the transactions contemplated hereby.

Section 4.5 Brokers. Except for Bank of America Securities LLC, the fees, commissions and expenses of which will constitute Transaction Expenses and be paid at Closing, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of such Stockholder.

Section 4.6 Ultimate Parent Entity and Size of Person. The following conditions relating to the HSR Act are met:

(a) Singh is the Company's ultimate parent entity (as such term is defined in 16 C.F.R. 801.1(a)(3)).

(b) As of the Closing Date, Singh's (together with his spouse and all the entities they jointly or severally control pursuant to 16 C.F.R. 801.1(a)(2) and (b)) annual net sales (as such term is defined in, and determined in accordance with, 16 C.F.R. 801.11) are below US$20,200,000.00.

(c) As of the Closing Date, Singh's (together with his spouse and all the entities they jointly or severally control pursuant to 16 C.F.R. 801.1(a)(2) and (b)) total assets (as such term is defined in, and determined in accordance with, 16 C.F.R. 801.11) are below $20,200,000.

(d) Singh and Company acknowledge and understand that Acquiror is relying on this Section 4.6 to ensure Acquiror's compliance with the HSR Act.Section 4.7 No Other Representations and Warranties. Except for the representations and warranties expressly contained in this Article IV, no such Stockholder has made or makes (and no other Person on behalf of such Stockholder has made or makes) any other express or implied representation or warranty, either written or oral, on behalf of such Stockholder or the Company, including any representation or warranty as to the accuracy or completeness of any information regarding the Company or such Stockholder furnished or made available to Acquiror or Merger Sub.

Section 4.8 Limited Reliance Disclaimer. Each such Stockholder acknowledges and agrees that in making his, her, or its decision to enter into this Agreement and to consummate the Transactions, such Stockholder has not relied on any statement, representation or warranty, oral or written, express or implied, made by Acquiror or Merger Sub or any of their respective Affiliates or Representatives other than the Express Acquiror Representations. Each such Stockholder acknowledges and agrees that, except with respect to the Express Acquiror Representations, neither the Acquiror nor Merger Sub (nor of any of their respective Representatives) shall have or be subject to any liability to the Company, any Stockholder, or any other Person resulting from the distribution to the Company or to any Stockholder, or the Company's or the Stockholder's use or reliance on, any information, documents, or material furnished or made available to the Company or any Stockholder in any form in expectation of, or in connection with, the Transactions.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF ACQUIROR AND MERGER SUB

Acquiror and Merger Sub hereby represent and warrant to the Company as follows:

Section 5.1 Organization and Qualification. Acquiror is a corporation duly organized, validly existing and in good standing under the laws of Delaware, and has all necessary corporate power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted. Merger Sub is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware, the sole member of which is Acquiror, and has all necessary limited liability company power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted.

Section 5.2 Authority. Each of Acquiror and Merger Sub has the corporate or limited liability company power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Acquiror and Merger Sub of this Agreement and the consummation by Acquiror and Merger Sub of the transactions contemplated hereby have been duly and validly authorized by the Boards of Directors of Acquiror and Merger Sub and by Acquiror as the sole member of Merger Sub. No other corporate or limited liability company proceedings on the part of Acquiror or Merger Sub are necessary to authorize the execution, delivery or performance of this Agreement or to consummate the transactions contemplated hereby. This Agreement has

been duly executed and delivered by Acquiror and Merger Sub, as applicable and, assuming due execution and delivery by each of the other parties hereto, constitutes the legal, valid and binding obligations of Acquiror and Merger Sub, as applicable, enforceable against Acquiror and Merger Sub, as applicable, in accordance with its terms, except as enforcement may be limited by the Enforceability Exceptions. The transactions contemplated hereby do not require the vote or consent of the holders of any class of capital stock of the Acquiror. As of the date hereof, the Board of Directors of the Acquiror has unanimously approved and declared advisable the transactions contemplated hereby, including the issuance of shares of Acquiror Common Stock to the Stockholders at Closing.

Section 5.3 No Conflict; Required Filings and Consents.

(a) The execution, delivery and performance by each of Acquiror and Merger Sub of this Agreement and the consummation of the transactions contemplated hereby do not and will not:

(i) conflict with or violate the certificate of incorporation or bylaws of Acquiror or the limited liability company agreement of Merger Sub;

(ii) conflict with or violate any Law applicable to Acquiror or Merger Sub or by which any property or asset of Acquiror or Merger Sub is bound or affected; or

(iii) conflict with, result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, would become a default) under, or require any consent of any Person pursuant to, any material contract or agreement to which Acquiror or Merger Sub is a party;

except, in the case of clause (ii) or (iii), for any such conflicts, violations, breaches, defaults or other occurrences that would not have an Acquiror Material Adverse Effect or that arise as a result of any facts or circumstances relating to the Company or any of its Affiliates.

(b) Neither Acquiror nor Merger Sub is required to file, seek or obtain any notice, authorization, approval, order, permit or consent of or with any Governmental Authority in connection with the execution, delivery and performance by Acquiror and Merger Sub of this Agreement or the consummation of the transactions contemplated hereby, except (i) for the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, (ii) for such filings as may be required by any applicable federal or state securities or "blue sky" laws, (iii) where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not have an Acquiror Material Adverse Effect or (iv) as may be necessary as a result of any facts or circumstances relating to the Company or any of its Affiliates.

Section 5.4 Capitalization. As of August 12, 2022, the Acquiror's authorized and outstanding capital stock is as set forth on Schedule 5.4 of the Acquiror Disclosure Schedules. All of the Company's issued and outstanding capital stock is validly issued, fully paid and nonassessable. Except as set forth on Schedule 5.4 of the Acquiror Disclosure Schedules, (a) there are no outstanding obligations, options, warrants, convertible securities, stock appreciation rights, profit interests or other rights, agreements, arrangements or commitments of any kind relating to the capital stock of the Acquiror or obligating the Acquiror to issue or sell any shares of capital stock of, or any other interest in, the Acquiror, (b) there are no outstanding contractual obligations of the Acquiror to repurchase, redeem or otherwise acquire any shares of capital stock of the Acquiror and (c) there are no agreements or understandings in effect with respect to the voting or transfer of any of the capital stock of the Acquiror. The shares of Acquiror Common Stock to be issued by the Acquiror at the Closing are and shall be duly authorized and

validly issued in compliance with all applicable federal and state securities Laws. Upon issuance, the shares of Acquiror Common Stock issuable to the Stockholders at the Closing shall be fully paid, non-assessable and free and clear of any Encumbrances other than restrictions on transfer imposed by applicable securities Laws, this Agreement, the Registration Rights Agreement, and restrictions applicable to executive officers of Acquiror under Acquiror's Insider Trading Policy. Following the issuance of the shares of Acquiror Common Stock issuable to the Stockholders at the Closing hereunder, the Stockholders shall acquire good, valid and marketable title to such shares of Acquiror Common Stock, free and clear of any Encumbrances except as set forth in the preceding sentence.

Section 5.5 Acquiror Public Documents; Financial Statements.

(a) Acquiror has filed or otherwise transmitted on a timely basis all forms, reports, statements, certifications and other documents (including all exhibits, amendments and supplements thereto) required to be filed by it with the United States Securities and Exchange Commission (the "**SEC**") or other applicable Governmental Authority since September 18, 2020 (all such forms, reports, statements, certificates and other documents filed since September 18, 2020 and prior to the date hereof, collectively, the "**Acquiror Public Documents**"). As of their respective dates, or, if amended, as of the date of the last such amendment or supplement, each of the Acquiror Public Documents complied as to form in all material respects with the applicable requirements of the Securities Act and the Exchange Act, and the applicable rules and regulations promulgated thereunder, as the case may be, each as in effect on the date so filed. As of their respective filing dates (or, if amended or superseded by a subsequent filing prior to the date hereof, as of the date of such amendment or superseding filing), none of the Acquiror Public Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated or incorporated by reference therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except to the extent corrected by a subsequently filed Acquiror Public Document. There are no outstanding or unresolved comments in comment letters received from the SEC or its staff or any other foreign Governmental Authority with jurisdiction over the Acquiror and, to the knowledge of the Acquiror, none of the Acquiror Public Documents is the subject of ongoing SEC or other regulatory review. Since September 18, 2020, the Acquiror has been in compliance in all material respects with the applicable listing and corporate governance rules and regulations of Nasdaq Stock Market or any other applicable securities exchange.

(b) The audited consolidated financial statements of the Acquiror (including any related notes thereto) included in the Acquiror's Annual Report on Form 10 K for the fiscal year ended December 31, 2021 filed with the SEC have been prepared in accordance with GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto) and fairly present in all material respects the consolidated financial position of the Acquiror and its Subsidiaries at the respective dates thereof and the results of their operations and cash flows for the periods indicated. The unaudited consolidated financial statements of the Acquiror (including any related notes thereto) included in the Acquiror's Quarterly Reports on Form 10 Q filed with the SEC since December 31, 2021 have been prepared in accordance with GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto or may be permitted by the SEC under the Exchange Act) and fairly present in all material respects the consolidated financial position of the Acquiror and its Subsidiaries as of the respective dates thereof and the results of their operations and cash flows for the periods indicated (subject to normal period-end adjustments).

(c) Neither the Acquiror nor any of its Subsidiaries has any material liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, that would be required by GAAP to be reflected on a consolidated balance sheet (or the notes thereto) of the Acquiror and its Subsidiaries, except for liabilities and obligations (a) reflected or reserved

against in the Acquiror's consolidated balance sheet as of December 31, 2021 (or the notes thereto) included in Acquiror Public Documents, (b) incurred in the Ordinary Course of Business since December 31, 2021, (c) which have been discharged or paid in full prior to the date of this Agreement, (d) incurred pursuant to the transactions contemplated by this Agreement and (e) that would not, individually or in the aggregate, reasonably be expected to have an Acquiror Material Adverse Effect.

Section 5.6 Litigation. Except as would not, individually or in the aggregate, reasonably be expected to have an Acquiror Material Adverse Effect, (a) there is no Action pending or, to the knowledge of the Acquiror, threatened against the Acquiror or any of its Subsidiaries or any of their respective properties by or before any Governmental Authority and (b) neither the Acquiror nor any of its Subsidiaries nor any of their respective properties is or are subject to any judgment, order, injunction, rule or decree of any Governmental Authority.

Section 5.7 Absence of Certain Changes. Since March 31, 2022, Acquiror has conducted its businesses only in the Ordinary Course of Business consistent with past practice and there has not been any change, event or development that, individually or in the aggregate, has had or is reasonably likely to have an Acquiror Material Adverse Effect.

Section 5.8 No Prior Activities. Except for obligations incurred in connection with its organization and the transactions contemplated hereby, Merger Sub has neither incurred any obligation or liability nor engaged in any business or activity of any type or kind whatsoever or entered into any agreement or arrangement with any Person.

Section 5.9 Sufficiency of Funds. Parent has sufficient cash on hand or other sources of immediately available funds to enable it to consummate the Merger upon the terms contemplated by this Agreement, including the payment of all amounts payable hereunder or otherwise as a result of the Merger.

Section 5.10 Brokers. Except for Jefferies LLC, the fees, commissions and expenses of which will be paid by Acquiror in the event of a Closing, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of Acquiror or Merger Sub.

Section 5.11 Acquiror's Investigation . Acquiror is a sophisticated purchaser and has made its own independent investigation, review and analysis regarding the Company and the transactions contemplated hereby, which investigation, review and analysis were conducted by Acquiror together with expert advisors, including legal counsel, that it has engaged for such purpose. Acquiror and its Representatives have been provided with full and complete access to the Representatives, properties, offices, plants and other facilities, books and records of the Company and other information that they have requested in connection with their investigation of the Company and the transactions contemplated hereby.

Section 5.12 No Other Representations and Warranties. Except for the representations and warranties expressly contained in this Article V or in any certificate delivered by the Acquiror or Merger Sub pursuant to this Agreement, neither Acquiror nor Merger Sub (nor any other Person on behalf of Acquiror or Merger Sub) has made or makes any other express or implied representation or warranty, either written or oral.

Section 5.13 Limited Reliance Disclaimer. Acquiror and Merger Sub acknowledge and agree that in making their decision to enter into this Agreement and to consummate the Transactions, neither Acquiror nor Merger Sub, nor any of their respective Representatives, has relied on any statement, representation or warranty, oral or written, express or implied, made by

the Company or any of its Affiliates or Representatives, other than those representations and warranties expressly set forth in Articles III and IV of this Agreement (including the related portions of the Schedules) (the "**Express Stockholder Party Representations**"). Each of Acquiror and Merger Sub acknowledges and agrees that: (a) except with respect to the Express Stockholder Party Representations, none of the Company, any Stockholder or any of their respective Representatives or any other Person acting on their behalf shall have or be subject to any liability to Acquiror or Merger Sub or any other Person resulting from the distribution to Acquiror or Merger Sub, or Acquiror's or Merger Sub's use or reliance on, any information, documents or material made available to Acquiror or Merger Sub in any form in expectation of or in connection with the Transactions; and (b) neither the Company nor any of its Affiliates or Representatives is making, directly or indirectly, any representation or warranty with respect to any estimates, projections or forecasts involving the Company.

ARTICLE VI
COVENANTS

Section 6.1 Covenants Regarding Information. For a period of seven years after the Closing or, if shorter, the applicable period specified in the Company's document retention policy, the Company shall (i) retain the books and records relating to the Company relating to periods prior to the Closing and (ii) afford the Stockholders reasonable access (including the right to make, at the Stockholders' expense, photocopies), subject to any limitations resulting from any Public Health Measures, during normal business hours, to such books and records; provided, however, that the Company shall notify the Stockholders in writing at least 30 days in advance of destroying any such books and records prior to the seventh anniversary of the Closing Date in order to provide the Stockholders the opportunity to copy such books and records in accordance with this Section 6.1(b).

Section 6.2 Employee Benefits.

(a) Acquiror shall provide, or cause to be provided, to each employee (the "**Affected Employees**") or former employees (presently entitled to benefits) of the Company, for a period of one year following the Effective Time, a base salary, annual cash bonus opportunity and other employee benefits that are comparable, in the aggregate, to those currently provided by the Company to its employees.

(b) Acquiror shall, or shall cause the Surviving Entity to, honor all unused vacation, holiday, sickness and personal days accrued by the employees of the Company under the policies and practices of the Company. In the event of any change in the welfare benefits provided to any employee of the Company under any plan, Acquiror shall, or shall cause the Surviving Entity to, (i) waive all limitations as to preexisting conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to the Affected Employees and their covered dependents under such plan (except to the extent that such conditions, exclusions or waiting periods would apply under the Company's then existing plans absent any change in such welfare coverage plan) and (ii) provide or cause to be provided to each Affected Employee and his or her covered dependents with credit for any co-payments and deductibles paid prior to any such change in coverage in satisfying any applicable deductible or out-of-pocket requirements under such new or changed plan. Acquiror shall, or shall cause the Surviving Entity to, provide each Affected Employee with credit for all service with the Company and its Affiliates under each employee benefit plan, policy, program or arrangement in which such Affected Employee is eligible to participate, except (i) to the extent that it would result in a duplication of benefits with respect to the same period of services or (ii) with respect to benefit accruals under a pension or similar plan.

(c) This Section 6.2 is intended to benefit and bind Acquiror, the Surviving Entity and any Person referenced in this Section 6.2, each of whom may enforce the provision of this Section 6.2 whether or not parties to this Agreement. Except as provided in Section 6.2(a), nothing contained in this Section 6.2 shall be construed to create any beneficiary rights in any employee or former employee (including any dependent thereof) of the Company or the Surviving Entity in respect of continued employment for any specified period, nor to require Acquiror or the Surviving Entity to continue any specific employee benefit plans.

Section 6.3 Public Announcements. On and after the Closing Date, the parties shall consult with each other before issuing any press release or otherwise making any public statements with respect to this Agreement or the transactions contemplated hereby, and none of the parties shall issue any press release or make any public statement prior to obtaining the other parties' written approval, which approval shall not be unreasonably withheld, except that no such approval shall be necessary to the extent disclosure may be required by applicable Law or any listing agreement of any party hereto, including with respect to the filing of the HSR Pre-Merger Notice or with respect to seeking any other approval of a Governmental Authority required to close the Merger, provided that the party required to make such disclosure under applicable Law gives the other Parties reasonable prior notice of such required disclosure to the extent reasonably practicable.

Section 6.4 Intentionally Omitted.

Section 6.5 R&W Insurance. Attached as Exhibit B is an agreement dated as of the date hereof between Acquiror and R&W Insurer pursuant to which Acquiror shall obtain at the Closing the R&W Insurance Policy from the R&W Insurer (the "**R&W Binder Agreement**"). At the Closing, Acquiror shall cause the R&W Insurance Policy to be issued to Acquiror in accordance with the terms of the Binder Agreement. Acquiror shall pay 100% of the R&W Insurance Fees. The Binder Agreement and the R&W Insurance Policy shall expressly provide that the insurers issuing such policies shall have no right, and shall expressly waive any right, of subrogation, contribution or any other claim against the Company Indemnitors based upon, arising out of, or in any way resulting from this Agreement, the Merger, the Binder Agreement or the R&W Insurance Policy, except in respect of Fraud. The Acquiror Indemnified Parties shall not amend, waive, modify, or otherwise revise any of the terms of the Binder Agreement or the R&W Insurance Policy, including the anti-subrogation waiver contained in the R&W Insurance Policy, in any manner adverse to the Company Indemnitors without the prior written consent of the Company, prior to Closing, or the Stockholders' Representative, after Closing. Prior to or concurrently with the Closing, Acquiror shall pay 100% of the outstanding R&W Insurance Fees.

Section 6.6 Release.

(a) Effective as of the Closing, the each Stockholder, on each Stockholder's own behalf and on behalf of the each Stockholder's past, present and future agents, attorneys, administrators, heirs, executors, spouses, trustees, beneficiaries, representatives, successors and assigns claiming by or through the such Stockholder (each, a "**Releasing Party**"), hereby absolutely, unconditionally and irrevocably releases and forever discharges the Company and its past, present and future directors, managers, members, shareholders, officers, employees, agents, Subsidiaries, Affiliates (including Merger Sub and Company), attorneys, representatives, successors and assigns, from any and all claims (including any derivative claim on behalf of any Person), Actions, causes of action, suits, arbitrations, proceedings, debts, liabilities, obligations, sums of money, accounts, covenants, contracts, controversies, agreements, promises, damages, fees, expenses, judgments, executions, indemnification rights, claims and demands arising out, relating to, against or in any way connected with the Company, in respect of any and all agreements, liabilities or obligations entered into or incurred on or prior to the Closing Date, or in respect of any event occurring or circumstances existing on or prior to the Closing Date,

whether or not relating to claims pending on, or asserted after, the Closing Date, including any claims relating to the entry into this Agreement; provided, however, that the foregoing release does not extend to, include, restrict or limit in any way any claims, rights or remedies available to Stockholders under this Agreement, or any other Transaction Agreement or any third party beneficiary rights Stockholders may have with respect to the R&W Policy. Effective as of the Closing, the Releasing Parties expressly waive all rights afforded by any statute which limits the effect of a release with respect to unknown claims. Without limiting the generality of the foregoing, each Releasing Party waives all rights under, and acknowledges and agrees that it has read and understands and has been fully advised by its attorneys as to the contents of, Section 1542 of the Civil Code of the State of California, which provides:

(b) A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

(c) Each Releasing Party understands the significance of this release of unknown claims and waiver of statutory protection against a release of unknown claims, and acknowledges and agrees that this waiver is an essential and material term of this Agreement. Each Releasing Party acknowledges that the Company and the Acquiror and the Merger Sub will be relying on the waiver and release provided in this Section 6.6 in connection with entering into this Agreement and that this Section 6.6 is intended for the benefit of, and to grant third party rights to the Acquiror and its Affiliates (including Merger Sub) to enforce this Section 6.6.

Section 6.7 Non-Competition; Non-Solicitation. The parties acknowledge that the non-competition and non-solicitation covenants of Stockholders set forth below are material terms of this Agreement and that Acquiror would not enter into this Agreement without such covenants.

(a) Non-Competition. For a period equal to five (5) years from and after the Closing Date, Stockholders shall not, directly or indirectly, own, manage, control, be employed by, operate, or otherwise be engaged a business which develops, produces, sells, licenses, or distributes products in competition with the Business. Notwithstanding the foregoing, nothing herein shall prohibit a Stockholder from (i) being a passive owner of not more than 2% of the outstanding stock of any class of securities of any publicly traded corporation, (ii) performing any services as an employee or consultant for Acquiror or the Company, (iii) engaging or participating in any activity consented to in writing in advance by Acquiror, or (iv) owning, managing, controlling, being employed by, operating, or otherwise being engaged in a business that assembles and tests semiconductors as long as such business does not have other business lines that compete with the Business.

(b) Non-Solicitation. For a period equal to five (5) years from and after the Closing Date, neither Stockholder shall, directly or indirectly, (i) solicit, recruit, aid, or induce any of the Business Employee to leave his or her employment with the Company or hire any such Business Employee or (ii) solicit or seek to induce any customer of the Company as of the Closing Date to terminate, modify, or diminish in any way its business relationship with Acquiror. Notwithstanding the foregoing, a general, public solicitation for employment, the use of an employee recruiting or search firm to conduct a search that may be targeted to a particular geographic or technical area but that does not specifically target employees of the Company or the hiring of individuals who had their employment terminated by Acquiror within one year prior to such hiring shall not be a violation of this Section 6.8(b).

Section 6.8 Post-Closing Confidentiality. Notwithstanding anything to the contrary in this Agreement, the Stockholders shall hold in confidence and not disclose, publish or make use

of, without the prior written consent of Acquiror, any Confidential Information with respect to the business, operations, personnel, assets, or liabilities of the Company; provided that nothing in this sentence shall limit the disclosure by Stockholders of any information (a) to the extent required by applicable Law or judicial process or requested by a Governmental Authority (provided that if permitted by applicable Law, such Stockholder agrees to give Acquiror prior notice of such disclosure in reasonably sufficient time to permit, at its sole cost and expense, Acquiror to attempt to obtain a protective order should it so determine), (b) in connection with any litigation to which such Stockholder is a party (provided that Stockholders has taken all reasonable actions to limit the scope and degree of disclosure in any such litigation), (c) in an indemnity claim brought by a Party in pursuit of its rights or in the exercise of its remedies under this Agreement, (d) to a Governmental Authority or to its professional advisors in connection with the preparation or filing of a Tax Return or other filing or application required by applicable Law or in connection with its other financial reporting obligations, and (e) to the extent that such documents or information is publicly available through no violation of this Section 6.8 by the Stockholders or their Affiliates or was independently developed by a Stockholder without use of, or reference to, the non-public and proprietary information of the Company.

ARTICLE VII
TAX MATTERS

Section 7.1 Return Preparation. From and after the Closing Date, the Stockholder Representative will cause to be timely prepared and filed with the appropriate Governmental Authority all Pass-Through Income Tax Returns of the Company that are required to be filed after the Closing Date (or, if required by applicable Law, the Acquiror shall file any such Pass-Through Income Tax Returns prepared and delivered by the Stockholder Representative to the Acquiror) and the Acquiror will cause to be timely prepared and filed with the appropriate Governmental Authority all other Returns of the Company for all Pre-Closing Tax Periods that are required to be filed after the Closing Date. All such Returns for any Pre-Closing Tax Period or Straddle Tax Period shall be prepared in a manner consistent with the past practices of the Company except to the extent required under applicable Law. At least thirty (30) days prior to the due date for filing any such Return (taking into account extensions of time to file), to be prepared by the Stockholder Representative, the Stockholder Representative will deliver a draft of such Return to Acquiror to provide Acquiror with an opportunity to review and reasonably comment on such Return. Acquiror will provide any reasonable comments to any such draft Return no later than fifteen (15) days after receipt of such draft from the Stockholder Representative, and the Stockholder Representative will reasonably review and discuss any comments with Acquiror before the Stockholder Representative finalizes or causes to be finalized such Return and will revise such Return to reflect any comments reasonably agreed upon by the parties. Upon finalization, the Stockholder Representative (or Acquiror, if required by Applicable Law) shall cause such Return to be timely filed and will provide a copy to Acquiror. The parties will cooperate fully and promptly in connection with the preparation and filing of such Returns. Any Return described in this Section 7.1 shall be a "**Pre-Closing Return**." The Stockholder Representative shall be solely responsible for timely filing, and bearing any Taxes or costs associated with, any Pass-Through Income Tax Returns and shall pay or cause to be timely paid any Taxes, if any, which are shown as due and owing on any other Pre-Closing Return (except to the extent such Taxes were included in the calculation of Indebtedness or Net Working Capital and resulted in the reduction of the final Merger Consideration).

Section 7.2 Allocation. To the extent required or permitted by Law, the parties shall elect to close any taxable year of the Company as of the close of business on the Closing Date. If applicable Law does not permit the Company to close its taxable year on the Closing Date, or in any case in which a Tax is assessed with respect to a Straddle Tax Period, the amount of Taxes attributable to the Pre-Closing Tax Period shall be determined to be: (a) in the case of all Taxes

(other than those set forth in clause (b) below), equal to the amount that would be payable if the taxable period ended on the Closing Date based on an interim closing of the books; and (b) in the case of any property Taxes or other such ad valorem Taxes that are imposed on a periodic basis and are payable for a Straddle Tax Period, the amount of such Taxes for the entire period multiplied by a fraction (i) the numerator of which is the number of days in the taxable period prior to and including the Closing Date and (ii) the denominator of which is the total number of days in the entire taxable period. Any Transaction Tax Deductions shall be treated as deductible in the taxable period for the final S corporation Return ending on or before the Closing Date to the maximum extent permitted by Law based on a "more likely than not" or higher level of comfort, and it shall be assumed that none of the Acquiror or any of its Affiliates shall have applied the so called "next day rule" under Treasury Regulation Section 1.1502-76(b)(1)(ii)(B) to such deductions, and the election under Revenue Procedure 2011-29, 2011-18 I.R.B. to apply the 70% safe harbor to any "success based fee" as defined in Treasury Regulation Section 1.263(a)-5(f) incurred in connection with the transactions contemplated by this Agreement shall be made for U.S. federal income Tax purposes (and, as applicable, applied for state and local income Tax purposes) unless a transaction cost study prepared by a nationally recognized accounting firm supports a higher deduction (in which case such higher deduction shall apply).

Section 7.3 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, recording, conveyance, and other such Taxes incurred in connection with the transactions contemplated by this Agreement shall be paid fifty percent (50%) by the Acquiror and fifty percent (50%) by the Stockholders, and the Acquiror will file all necessary Tax Returns and other documentation with respect to all such Taxes, with expenses related thereto to be shared equally by Acquiror and the Stockholders. All parties and their affiliates shall join in the execution of any such Tax Returns and other documentation to the extent necessary to prepare and file such Tax Returns. All parties shall use their commercially reasonable efforts to obtain or execute any certificates or other documentation to mitigate, reduce or eliminate any such Taxes.

Section 7.4 Cooperation on Tax Matters. The Acquiror shall use commercially reasonable efforts to provide to the Stockholders, and the Stockholders shall use commercially reasonable efforts to provide to Acquiror, such material documents and other relevant information, at the requesting party's expense and in a timely fashion, as each may reasonably request of the other, in connection with the filing of Returns pursuant to Section 7.1 and any Tax claims. Such cooperation shall include the retention and, upon the other party's request and expense, the provision of records and information that are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

Section 7.5 Intended Tax Treatment. The parties intend that the Merger qualify as a "reorganization" under Section 368(a) of the Code (the "**Intended Tax Treatment**") and each party shall use its reasonable best efforts to cause the Merger to qualify for the Intended Tax Treatment. The parties shall file all returns consistent with, and take no position inconsistent with, the Intended Tax Treatment unless required to do so by applicable Law. None of the parties shall take any action, cause any action to be taken, fail to take any action or fail to cause any action to be taken (including any action or failure to act otherwise permitted by this Agreement) that would prevent the Merger from qualifying for the Intended Tax Treatment. The parties hereby adopt this Agreement as a "plan of reorganization" within the meaning of Treasury Regulations Section 1.368-2(g) with respect to the Merger.

Section 7.6 Post-Closing Actions. Acquiror and its Affiliates (including on or after the Closing Date, the Surviving Entity) shall not (i) file (except as set forth in Section 7.1) or amend a Return of the Company for any Pre-Closing Tax Period including any Straddle Tax Period, (ii) extend or waive the applicable statute of limitations with respect to a Tax of the Company for any Pre-Closing Tax Period including any Straddle Tax Period, (iii) file any ruling

or request with any taxing authority that relates to Taxes or Returns of the Company for any Pre-Closing Tax Period including any Straddle Tax Period, or (iv) make any Tax election with respect to the Company (including an election under Sections 336 or 338 of the Code or any similar provision of foreign, state or local law) that relates to, or is retroactive to, any Pre-Closing Tax Period including any Straddle Tax Period, in each case, without the prior written consent of the Stockholders.

Section 7.7 Merger Consideration Adjustments. Any payment made pursuant to the Escrow Agreement, if any, and the Contingent Payments made under Section 2.12, if any, shall be treated by the parties hereto and their respective Affiliates, for U.S. federal income Tax and other applicable Tax purposes, as an adjustment to the consideration received by the Stockholders in the transactions contemplated by this Agreement, unless otherwise required by a "determination" within the meaning of Section 1313 of the Code (or similar provision of state Law). Acquiror and Stockholder Representative agree that, for purposes of U.S. federal and other taxes based on income, the Acquiror will be treated as the owner of the Adjustment Escrow Fund and of 100% of the income derived therefrom, and the Acquiror shall report all such income as its taxable income in the taxable year or years in which such income is properly includible and pay any taxes attributable thereto.

ARTICLE VIII
INDEMNITY

Section 8.1 Stockholder Indemnity. Subject to the limitations set forth in this Article VIII (including Section 8.3), from and after the Closing Date, the Stockholders (collectively, "**Stockholder Indemnitors**") shall, jointly and severally, indemnify, defend, and hold harmless Acquiror and its Affiliates (the "**Acquiror Indemnified Parties**") from and against any and all Losses of the Acquiror Indemnified Parties arising out of: (a) any breach of any representation or warranty of the Company in Article III, (b) any breach of any representation or warranty of a Stockholder in Article IV of this Agreement, (c) any failure by the Company to fulfill prior to Closing any covenant or other obligation required to be fulfilled by the Company prior to Closing under the terms of this Agreement and (d) any failure by a Stockholder to comply with or fulfill any covenant or other obligation required to be fulfilled by such Stockholder under the terms of this Agreement.

Section 8.2 Acquiror Indemnity. Subject to the limitations set forth in this Article VIII (including Section 8.3), from and after the Closing Date, Acquiror shall indemnify, defend, and hold harmless each of the Stockholder Indemnitors, the Stockholder Representative, and their respective Affiliates (collectively, the "**Stockholder Indemnified Parties**") harmless from and against any and all Loss incurred or sustained by the Stockholder Indemnified Parties arising out of (a) any breach of any representation or warranty of Acquiror in Article V of this Agreement, and (b) the failure by Acquiror to comply with any covenant or fulfill any covenant or other obligation required to be fulfilled by Acquiror under the terms of this Agreement.

Section 8.3 Indemnification Limitations and Qualification Exception.

(a) Survival. The Non-Fundamental Representations shall survive the Closing and remain in full force and effect for a period of two years after the Closing Date and the Fundamental Representations shall survive the Closing and remain in full force and effect for a period of six years after the Closing Date and no indemnification under this Article VIII for any breach of a representation or warranty shall be payable unless a claim therefor is made within the applicable survival period specified in this Section 8.3(a). The Post-Closing Covenants shall survive in accordance with their terms. Notwithstanding anything to the contrary in this Agreement, this Section 8.3(a) shall not alter the survival periods in the R&W Insurance Policy or limit any rights that Acquiror has under the R&W Insurance Policy.

(b) Materiality Scrape. For purposes of this Article VIII, when determining whether a representation or warranty is inaccurate or has been breached and the amount of Loss related thereto, any Material Adverse Effect or other materiality qualifier contained in such representation or warranty will be disregarded; provided that the foregoing shall not apply to (1) the word "Material" in the defined term "Material Contract", (2) the use of the term "Company Material Adverse Effect" in Section 3.7(o) or (3) the use of the word material or any materiality qualifier in Section 3.6.

(c) Non-Fundamental Threshold. Except in the case of Fraud, the Acquiror Indemnified Parties shall not be entitled to indemnification for breach of a Stockholder Party Non-Fundamental Representation unless (i) the Loss for an individual claim of such breach exceeds $10,000 (the "**Minimum Loss Amount**") and (b) the aggregate amount of Loss for all individual claims of such breaches exceeds $923,673.70 in the first year after Closing or $615,782.47 thereafter (the "**Non-Fundamental Threshold**"), provided that, once the Non-Fundamental Threshold has been exceeded, the Stockholders shall be liable only for the Losses in excess of the Non-Fundamental Threshold. Where there is a Loss for breach of a Stockholder Party Non-Fundamental Representation, but such Loss does not exceed the Minimum Loss Amount, such Loss shall be included in the aggregate calculation of whether the Non-Fundamental Threshold has been exceeded.

(d) Non-Fundamental Cap; Fundamental Caps. Except in the case of Fraud and subject to Section 8.3(e) below, the maximum aggregate indemnification liability of the Stockholder Indemnitors under this Agreement (i) for breach of the Stockholder Party Non-Fundamental Representations shall be an amount equal to $923,673.70 in the first year after Closing or $615,782.47 thereafter (the "**Non-Fundamental Cap**") and (ii) for breach of the Stockholder Party Fundamental Representations shall be an amount equal to $1,847,347.40 in the first year after Closing or $1,231,564.93 thereafter (the "**Fundamental Cap**").

(e) RWI Exclusions Cap. Notwithstanding anything to the contrary in Section 8.3(d) or elsewhere in this Agreement, to the extent that the Acquiror or any Acquiror Indemnified Party is entitled to indemnification under Section 8.1(a) or Section 8.1(b), Acquiror or such Acquiror Indemnified Party shall first seek recovery under the R&W Insurance Policy for any such Loss. If recovery for such Loss is denied by the insurer under the R&W Insurance Policy on the basis of such Loss being the subject of an RWI Exclusion or a Deemed Deletion under the R&W Insurance Policy, the Acquiror or such Acquiror Indemnified Party shall be indemnified for such Loss directly by the Stockholders Indemnitors (subject to the limitations contained in this Section 8.3) pursuant to Section 8.1(a) or Section 8.1(b), provided that the maximum aggregate indemnification liability of the Stockholder Indemnitors for any such breaches shall be equal to $1,847,347 (the "**RWI Exclusions Cap**"), except with respect to such a breach of Section 4.5 (*Ultimate Parent Entity and Size of Person*) which shall be capped at an amount equal to the Merger Consideration (the "**Section 4.5 Cap**"). For greater clarity, but subject to the limitation in Section 8.3(f) below, payments under the Non-Fundamental Cap or the Fundamental Cap do not reduce the RWI Exclusions Cap or the Section 4.5 Cap.

(f) Aggregate Limit. The maximum aggregate indemnification liability of the Stockholders, on the one hand, and of Acquiror, on the other hand, under this Agreement shall not exceed the Merger Consideration (the "**Aggregate Limit**"), except with respect to claims based on Fraud. For greater clarity, payments under the R&W Insurance Policy shall count toward Sellers' achievement of the Aggregate Limit. Subject to the limitations set forth in this Section 10.3(f), (i) the maximum aggregate indemnification liability of the Stockholder Indemnitors shall not exceed the aggregate Merger Consideration actually received by the Stockholder Indemnitors, except in the case of Fraud and (ii) the maximum aggregate liability of Acquiror to the Stockholder Indemnified Parties under this Agreement shall not exceed the

aggregate Merger Consideration paid by Acquiror to the Stockholders, except in the case of Fraud.

(g) The Stockholders shall not be obligated to indemnify any Acquiror Indemnified Party with respect to any Loss to the extent that the Loss was incorporated in the calculation of the adjustment of the Merger Consideration, if any, as finally determined pursuant to Section 2.11.

(h) The Stockholders shall not be obligated to indemnify any Acquiror Indemnified Party with respect to any Loss to the extent that a specific accrual or reserve for the amount of such Loss was reflected on the Financial Statements or the notes thereto, provided that such accrual or reserve was specified with sufficient detail in the Financial Statements or the notes thereto for it to be reasonably apparent on its face that it disclosed the Loss at issue.

(i) The amount of Losses under this Article VIII shall be determined net of (i) any insurance or other recoveries actually recovered by the Acquiror Indemnified Parties or the Company Indemnified Parties, as applicable, or their Affiliates in connection with the facts giving rise to the right of indemnification (net of costs of collection, deductibles and retro-premium adjustments specifically applicable thereto and (ii) any tax benefit actually realized by the Acquiror Indemnified Parties or the Stockholder Indemnified Parties, as applicable, in connection with the accrual, incurrence or payment of any Losses in the year of occurrence of such Losses.

(j) To the extent required by applicable Law, the Stockholder Indemnified Parties and the Acquiror Indemnified Parties shall use their respective commercially reasonable efforts to mitigate Losses.

(k) Except in the case of Fraud and the Acquiror's right of recovery under the R&W policy, the rights to indemnification provided under this Article VIII shall be the sole and exclusive remedy of the Parties for any Loss arising under this Agreement or relating to the transactions contemplated hereby, including with respect to any representations, warranties, covenants and agreements contained in this Agreement (or in any certificate delivered in connection herewith), whether sounding in contract, tort, warranty, strict liability or any other form, and no party shall be able to avoid the provisions set forth in this Article VIII by electing to pursue some other remedy; provided, however, that (i) the foregoing shall not prohibit specific performance if available under applicable law as a remedy exercisable by either Party with respect to any breach by the other Parties hereto of any provision of this Agreement and (ii) disputes regarding adjustments to the Merger Consideration contemplated by Section 2.11(g) shall be governed and determined in accordance with the terms and limitations set forth in Section 2.11.

(l) No Acquiror Indemnified Party and no Stockholder Indemnified Party shall be entitled to be compensated more than once for the same Loss, and any excess recovery by an Acquiror Indemnified Party or a Stockholder Indemnified Party with respect to any such Loss shall be paid over to the Stockholder Indemnitors or to the Acquiror, as applicable.

Section 8.4 Indemnification Notice and Procedure(a) . –Direct Claims - Notice of Loss; Dispute. If an Indemnified Party incurs any Loss for which indemnification may be sought under this Article VIII against an Indemnifying Party, then the Indemnified Party shall assert a claim for indemnification by providing to the Indemnifying Party a written notice as promptly as practicable stating, in reasonable detail, the nature and amount of the Loss and the basis for indemnification under this Article VIII (the "**Notice of Loss**") and any other information with respect to such Loss that is reasonably requested by the Indemnifying Party, provided, however, that (subject to Section 8.3(a) (*Survival*)) any delay by an Indemnified Party in so notifying the

Indemnifying Party shall only relieve the Indemnifying Party of its obligations hereunder to the extent the Indemnifying Party is prejudiced by such delay. If the Indemnifying Party disputes the Indemnified Party's entitlement to indemnification under a Notice of Loss and such dispute is not resolved within thirty (30) days after an Indemnifying Party's receipt of a Notice of Loss, the Indemnifying Party and the Indemnified Party shall each have the right to submit such dispute to a court of competent jurisdiction in accordance with the provisions of this Agreement. Notwithstanding anything to the contrary in this Agreement, Acquiror shall only be required to furnish any such Notice of Loss to Stockholder Representative (and shall not be required to furnish such Notice of Loss to all Stockholders).

(b) Third Party Claims.

(i) Notice. An Indemnified Party shall deliver a notice of claim ("**Notice of Claim**"), together with any other information with respect to such claim that is reasonably requested by the Indemnifying Party, to the Indemnifying Parties promptly after of becoming aware of the assertion of any claim or the commencement of any action, suit or proceeding by a third-party (a "**Third Party Claim**") for which indemnification may be sought; provided, however, that (subject to Section 8.3(a) (*Survival*)) any delay to so notify the Indemnifying Party shall only relieve the Indemnifying Party of its obligations to the extent that it is prejudiced by reason of such delay. Notwithstanding anything to the contrary in this Agreement, Acquiror shall only be required to furnish any such Notice of Claim to Stockholders' Representative (and shall not be required to furnish such Notice of Claim to all Stockholders).

(ii) Defense of Claim. If the Indemnifying Party does not intend to assume the defense of the Third Party Claim, then it shall give written notice to the Indemnified Party within 30 days of its receipt of the Notice of Claim and request for defense (or such shorter period as is reasonably requested by the Indemnified Party and required in the circumstances) specifying its reasons for rejecting the request for indemnity and defense, together with supporting detail (the "**Rejection Notice**"). Otherwise, the Indemnifying Party shall assume the requested defense of the Third Party Claim with counsel reasonably satisfactory to the Indemnified Party by giving written notice thereof to the Indemnified Party within thirty (30) days after the Indemnifying Party's receipt of the Notice of Claim(or such shorter period as is reasonably requested by the Indemnified Party and required in the circumstances), subject to the Indemnifying Party's right to send a Rejection Notice at a later point and to withdraw from the defense and contest the indemnity obligation based on subsequently available information. If the Indemnifying Party does not assume the defense of the Third Party Claim with counsel reasonably satisfactory to the Indemnified Party by giving such Rejection Notice to the Indemnified Party, then the Indemnified Party may assume such defense. If the Indemnified Party so assumes the defense, then the reasonable out-of-pocket and documented fees and expenses of counsel to the Indemnified Party solely in connection therewith shall be considered "Loss" for purposes of this Agreement if it is determined by a court of applicable jurisdiction that the Indemnifying Party was required to indemnify the Indemnified Party for such claim under this Agreement. Notwithstanding anything to the contrary in this Agreement, Acquiror shall be entitled to assume the defense of any Third Party Claim relating to Intellectual Property and the reasonable out-of-pocket and documented fees and expenses of counsel to Acquiror solely in connection therewith shall be considered "Loss" for purposes of this Agreement if it is determined by a court of applicable jurisdiction that the Company Indemnitors were required to indemnify Acquiror for such claim under this Agreement.

(iii) Participation in Defense. The party not controlling the defense of a Third Party Claim may participate therein at its own expense (in the case of the

Stockholders' Representative, solely on behalf of the Stockholder Indemnitors); provided that if the Indemnifying Party assumes control of such defense and the Indemnified Party reasonably concludes, based on advice from outside counsel, that the Indemnifying Party and the Indemnified Party have conflicting interests with respect to such Third Party Claim, the reasonable out-of-pocket and documented fees and expenses of counsel to the Indemnified Party solely in connection therewith shall be considered "Loss" for purposes of this Agreement unless it is determined by a court of applicable jurisdiction that the Indemnifying Party was not required to indemnify the Indemnified Party for such claim under this Agreement.

(iv) Cooperation; Reasonable Access. The Indemnified Party and Indemnifying Party shall cooperate with each other in all reasonable respects in the defense of a Third Party Claim. The Indemnified Party shall promptly make available to the Indemnifying Party such information and documentation with respect to a Third Party Claim that the Indemnifying Party may reasonably request, to the extent such information and documentation is reasonably available to the Indemnified Party and at the Indemnifying Party's expense. The Indemnified Party shall also make available to the Indemnifying Party, at reasonable times and places, such employees of the Indemnified Party as the Indemnifying Party may reasonably request and at the Indemnifying Party's expense in connection with the defense of such claim.

(v) Settlement. The Party controlling the defense of the Third Party Claim shall keep the other Party advised of the status of such defense and shall consider in good faith recommendations made by the other Party with respect thereto. The Indemnifying Party shall not agree to any settlement of a Third Party Claim that does not include a complete release of the Indemnified Party from all liability with respect thereto or that imposes any liability or obligation on the Indemnified Party or is reasonably likely to be harmful to the reputation of the Indemnified Party without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) Indemnity Escrow Fund.

(i) Subject to the limitations set forth in this Article VIII, and to the extent recovery is not then available under the R&W Insurance Policy, Acquiror hereby agrees that it shall first seek recourse for indemnifiable Losses pursuant to this Article VIII from the Indemnity Escrow Account, to the extent of the amount then held in the Indemnity Escrow Fund, with respect to any indemnification claim asserted hereunder. If the Indemnity Escrow Fund is insufficient to cover the indemnifiable Loss for which the Stockholder Indemnitors are liable, the Stockholder Indemnitors shall be jointly and severally liable on the terms and subject to the limitations set forth in this Agreement.

(ii) Within ten (10) Business Days following the Indemnity Escrow Expiration Date, the Acquiror and the Stockholders' Representative shall deliver a joint instruction to the Escrow Agent, instructing the Escrow Agent to release and distribute from the Indemnity Escrow Fund to the Stockholders, in accordance with their Pro Rata Percentages or as otherwise directed by both Stockholders, an amount equal to:

(A) $923,673.70,

(B) minus the aggregate amount of distributions, if any, made from the Indemnity Escrow Fund to Acquiror in satisfaction of any indemnification claims made by Acquiror prior to the Indemnity Escrow Expiration Date;

(C) minus the then-outstanding amount, if any, under any pending Notice of Loss or Notice of Claim delivered in good faith by Acquiror in accordance with Section 8.4(a) or Section 8.4(b), respectively, prior to the Indemnity Escrow Expiration Date (each, as applicable, a "**Continuing Claim**").

(iii) Within 5 days after each Continuing Claim is resolved, Acquiror and the Stockholders' Representative shall deliver a joint instruction to the Escrow Agent, instructing the Escrow Agent to release from the Indemnity Escrow Fund to the Stockholders, in accordance with their Pro Rata Percentages or as otherwise directed by both Stockholders, an amount equal the amount retained in respect of such resolved Continuing Claim.

Section 8.5 Tax Treatment of Indemnity Payments. Stockholders and Acquiror agree to treat any indemnity payment made pursuant to this Article VIII as an adjustment to the Merger Consideration for all applicable Tax purposes.

ARTICLE IX
CLOSING DELIVERIES

Section 9.1 Stockholders' Deliveries. As a condition of Closing, Stockholders shall deliver, or cause to be delivered, to Acquiror the following (unless waived by Acquiror):

(a) a certificate of an officer of the Company dated the Closing Date, which attaches and certifies the written consents of the stockholders and board of directors of the Company consenting to the Merger, waiving all dissenters' rights, authorizing and approving the execution, delivery, and performance of this Agreement, all other Transaction Agreements, and the consummation of the Transactions, and certifying as to the incumbency of each person executing (as a corporate officer or otherwise) any document executed by the Company and delivered to Acquiror pursuant to this Agreement;

(b) the Preliminary Closing Statement;

(c) the Employment Agreements, duly executed by the Key Employees;

(d) the Option Agreements, duly executed by each of the Optionees;

(e) the Registration Rights Agreement in the form attached as Exhibit J, duly executed by each of the Stockholders;

(f) the Invention Assignment Agreement, duly executed by Company and Singh;

(g) the Escrow Agreement, duly executed by each of the Stockholders; and

(h) a duly and fully executed IRS Form W-9 from the Company and the Stockholders.

Section 9.2 Deliveries by Acquiror. As a condition of Closing, Acquiror shall deliver, or cause to be delivered, to the Stockholders (with respect to clause 9.2(a)) and to the Stockholders' Representative (with respect to all other clauses of this Section 9.2) the following, (unless waived by Stockholders' Representative):

(a) payment of the Estimated Closing Cash Merger Consideration and issuance of the Closing Stock Merger Consideration, in each case in accordance with Section 2.8(a) of this Agreement;

(b) a certificate of an officer of the Acquiror and Merger Sub, dated the Closing Date, which attaches and certifies the resolutions duly adopted at a meeting or by written consent of the board of directors or managing member, as applicable, of the Acquiror and Merger Sub consenting to the Merger, authorizing and approving the execution, delivery, and performance of this Agreement, all other Transaction Agreements, and the consummation of the Transactions, and certifying as to the incumbency of each person executing (as a corporate officer or otherwise) any document executed and delivered by the Acquiror or Merger Sub pursuant to this Agreement;

(c) the Employment Agreements, duly executed by the Acquiror;

(d) the Option Agreements, duly executed by the Acquiror;

(e) the RSU Award Agreements, duly executed by the Acquiror;

(f) the Registration Rights Agreement, duly executed by the Acquiror; and

(g) the Escrow Agreement, duly executed by the Acquiror.

ARTICLE X
GENERAL PROVISIONS

Section 10.1 Fees and Expenses. Except as otherwise provided herein, all fees and expenses incurred in connection with or related to this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fees or expenses, whether or not such transactions are consummated; provided, however, that Stockholders shall be responsible for the payment of all Transaction Expenses. In the event of termination of this Agreement, the obligation of each party to pay its own expenses will be subject to any rights of such party arising from a willful and material breach of this Agreement by the other.

Section 10.2 Amendment and Modification. This Agreement may be amended, modified or supplemented by the parties at any time prior to the Closing Date. This Agreement may not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing specifically designated as an amendment hereto, signed on behalf of each of the parties in interest at the time of the amendment.

Section 10.3 Waiver; Extension. At any time prior to the Effective Time, Acquiror, on the one hand and on behalf of itself and Merger Sub, and the Company, on the other hand, may (a) extend the time for performance of any of the obligations or other acts of the other party contained herein, (b) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document, certificate or writing delivered by such party pursuant hereto, or (c) waive compliance by the other party with any of the agreements or conditions contained herein. Any agreement on the part of any party to any such extension or waiver shall be valid only if set forth in a written agreement signed on behalf of such party. No failure or delay of any party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. Any agreement on the part of any party to any such waiver shall be valid only if set forth in a written instrument executed and delivered by a duly authorized officer on behalf of such party.

Section 10.4 Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, or if by e-mail, upon written confirmation of receipt e-mail or otherwise, (b) on the first Business Day following the date of dispatch if delivered utilizing a next-day service by a recognized next-day courier or (c) on the earlier of confirmed receipt or the fifth Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice:

(i) if to the Company, to:

Genesic Semiconductor Inc.
43670 Trade Center Place Ste. 155

Dulles, VA 20166 USA
Attention: Ranbir Singh
E-mail: ranbir.singh@genesicsemi.com

with a copy (which shall not constitute notice) to:

Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, New York 10166-0193
Attention: John Gaffney
E-mail: jgaffney@gibsondunn.com

(ii) if to the Stockholders, to:

(iii) if to Acquiror, Merger Sub or the Surviving Entity, to:

Navitas Semiconductor Corporation
2101 E. El Segundo Blvd., Suite 205
El Segundo, CA 90245
Attention: General Counsel
E-mail: legalnotices@navitassemi.com

with a copy (which shall not constitute notice) to:

TCF Law Group, PLLC
21 Pleasant Street, Suite 237
Newburyport, MA 01950
Attention: Thomas Farrell, Esq.
Email: tfarrell@tcflaw.com

Section 10.5 Interpretation. When a reference is made in this Agreement to a Section, Article, Exhibit or Schedule such reference shall be to a Section, Article, Exhibit or Schedule of this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement or in any Exhibit or Schedule are for convenience of reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein shall have the meaning as defined in this Agreement. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth herein. The word “including” and words of similar import when used in this Agreement will

mean “including, without limitation,” unless otherwise specified. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to the Agreement as a whole and not to any particular provision in this Agreement. The term “or” is not exclusive. The word “will” shall be construed to have the same meaning and effect as the word “shall.” References to days mean calendar days unless otherwise specified.

Section 10.6 Entire Agreement. This Agreement (including the Exhibits and Schedules hereto) constitute the entire agreement, and supersede all prior written agreements, arrangements, communications and understandings and all prior and contemporaneous oral agreements, arrangements, communications and understandings among the parties with respect to the subject matter hereof and thereof, including the Acquiror’s indications of interest dated January 17, 2022 and March 23, 2022 (as amended). This Agreement shall not be deemed to contain or imply any restriction, covenant, representation, warranty, agreement or undertaking of any party with respect to the transactions contemplated hereby or thereby other than those expressly set forth herein or therein or in any document required to be delivered hereunder or thereunder and none shall be deemed to exist or be inferred with respect to the subject matter hereof. Notwithstanding any oral agreement or course of conduct of the parties or their Representatives to the contrary, no party to this Agreement shall be under any legal obligation to enter into or complete the transactions contemplated hereby unless and until this Agreement shall have been executed and delivered by each of the parties and such party’s closing conditions have been satisfied.

Section 10.7 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any Person other than the parties and their respective successors and permitted assigns any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement, except with respect to the provisions of Section 6.5, Section 6.6 and Article VIII, which shall inure to the benefit of the Persons benefiting therefrom who are intended to be third-party beneficiaries thereof.

Section 10.8 Governing Law. This Agreement and all disputes or controversies arising out of or relating to this Agreement or the transactions contemplated hereby shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of the State of Delaware.

Section 10.9 Submission to Jurisdiction. Each of the parties irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement brought by any party or its successors or assigns against any other party shall be brought and determined in the Court of Chancery of the State of Delaware, provided that if jurisdiction is not then available in the Court of Chancery of the State of Delaware, then any such legal action or proceeding may be brought in any federal court located in the State of Delaware or any other Delaware state court. Each of the parties hereby irrevocably submits to the exclusive jurisdiction of the aforesaid courts for itself and with respect to its property, generally and unconditionally, with regard to any such action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby. Each of the parties agrees not to commence any action, suit or proceeding relating thereto except in the courts described above in Delaware, other than actions in any court of competent jurisdiction to enforce any judgment, decree or award rendered by any such court in Delaware as described herein. Each of the parties further agrees that notice as provided herein shall constitute sufficient service of process and the parties further waive any argument that such service is insufficient. Each of the parties hereby irrevocably and unconditionally waives, and agrees not to assert, by way of motion or as a defense, counterclaim or otherwise, in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, (a) any claim that it is not personally subject to the jurisdiction of the courts in Delaware as described herein for any reason, (b) that it or its property is exempt or immune from

jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (c) that (i) the suit, action or proceeding in any such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

Section 10.10 Disclosure Generally. Notwithstanding anything to the contrary contained in the Disclosure Schedules or in this Agreement, the information and disclosures contained in any Disclosure Schedule shall be deemed to be disclosed and incorporated by reference in any other Disclosure Schedule as though fully set forth in such Disclosure Schedule for which applicability of such information and disclosure is reasonably apparent on its face. The fact that any item of information is disclosed in any Disclosure Schedule shall not be construed to mean that such information is required to be disclosed by this Agreement. Such information and the dollar thresholds set forth herein shall not be used as a basis for interpreting the terms "material" or "**Material Adverse Effect**" or other similar terms in this Agreement.

Section 10.11 Personal Liability. This Agreement shall not create or be deemed to create or permit any personal liability or obligation on the part of any direct or indirect stockholder of the Acquiror or any officer, director, employee, Representative or investor of any party hereto.

Section 10.12 Assignment; Successors. Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned or delegated, in whole or in part, by operation of law or otherwise, by any party without the prior written consent of Acquiror (in the case of an assignment by the Company) or the Company (in the case of an assignment by Acquiror or Sub) except that Acquiror may: (a) assign any or all of its rights and interests hereunder to one or more of its Affiliates and designate one or more of its Affiliates to perform its obligations hereunder (other than as set forth in Article II); (b) assign its rights under this Agreement for collateral security purposes to any lenders providing financing to Acquiror, or any of its respective Subsidiaries or Affiliates; or (c) assign its rights under this Agreement to any Person that acquires Acquiror or Company or substantially all of their respective assets (whether by merger, sale of equity, sale of all or substantially all assets, consolidation, recapitalization, or other business combination); provided, however, that Acquiror shall give written notice of such assignment to the Stockholder Representative after such assignment and no assignment shall limit or relieve the Acquiror of its obligations hereunder. Any assignment in violation of this Section 10.12 shall be null and void. Subject to the preceding sentences of this Section, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

Section 10.13 Enforcement. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, each of the parties shall be entitled to specific performance of the terms hereof, including an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in the Court of Chancery of the State of Delaware, provided that if jurisdiction is not then available in the Court of Chancery of the State of Delaware, then in any federal court located in the State of Delaware or any other Delaware state court, this being in addition to any other remedy to which such party is entitled at law or in equity. Each of the parties hereby further waives (a) any defense in any action for specific performance that a remedy at law would be adequate and (b) any requirement under any law to post security as a prerequisite to obtaining equitable relief.

Section 10.14 Currency. All references to "dollars" or "$" or "US$" in this Agreement refer to United States dollars, which is the currency used for all purposes in this Agreement.

Section 10.15 Severability. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable Law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision in such jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

Section 10.16 Waiver of Jury Trial. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 10.17 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

Section 10.18 Electronic, Facsimile or.pdf Signature. This Agreement may be executed electronically or by facsimile or .pdf signature and an electronic, facsimile, or .pdf signature shall constitute an original for all purposes. This Agreement may be delivered by transfer of such a signed document by e-mail or other electronic means, which will constitute effective delivery for purposes of this Agreement.

Section 10.19 Legal Representation.

(a) Acquiror, on behalf of itself and its Affiliates (including, after the Closing, the Surviving Entity) acknowledges and agrees that Gibson, Dunn & Crutcher LLP ("**Gibson Dunn**") has acted as counsel for the Stockholders and for the Company in connection with this Agreement and the transactions contemplated hereby (the "**Acquisition Engagement**"), and in connection with this Agreement and the transactions contemplated hereby, Gibson Dunn has not acted as counsel for any other Person, including Acquiror.

(b) Only the Stockholders, the Company and their respective Affiliates shall be considered clients of Gibson Dunn in the Acquisition Engagement. Acquiror, on behalf of itself and its Affiliates (including, after the Closing, the Surviving Entity) acknowledges and agrees that all confidential communications between the Stockholders, the Company and their respective Affiliates, on the one hand, and Gibson Dunn, on the other hand, in the course of the Acquisition Engagement, and any attendant attorney-client privilege, attorney work product protection, and expectation of client confidentiality applicable thereto, shall be deemed to belong solely to the Stockholders and their respective Affiliates (other than the Company), and not the Company, and shall not pass to or be claimed, held, or used by Acquiror or the Company (or, after the Closing, the Surviving Entity) upon or after the Closing. Accordingly, Acquiror shall not have access to any such communications, or to the files of Gibson Dunn relating to the Acquisition Engagement, whether or not the Closing occurs. If Sellers transfer any such communications to Acquiror or Merger Sub with the electronic records of the Company, it shall not be a violation of this provision for Acquiror or Merger Sub to inadvertently access such communications as long as such access is terminated promptly upon discovery by Acquiror or Merger Sub that such record is such a communication. Without limiting the generality of the foregoing, upon and after the Closing, (i) to the extent that files of Gibson Dunn in respect of the Acquisition Engagement constitute property of the client, only the Stockholders and their respective Affiliates shall hold such property rights and (ii) Gibson Dunn shall have no duty whatsoever to reveal or disclose any such attorney-client communications or files to the

Company (or, after the Closing, the Surviving Entity) or Acquiror by reason of any attorney-client relationship between Gibson Dunn and the Company or otherwise; provided, however, that notwithstanding the foregoing, Gibson Dunn shall not disclose any such attorney-client communications or files to any third parties (other than representatives, accountants and advisors of the Stockholders and their respective Affiliates; provided that such representatives, accountants and advisors are instructed to maintain the confidence of such attorney-client communications). Acquiror, on behalf of itself and its Affiliates (including, after the Closing, the Surviving Entity) irrevocably waives any right it may have to discover or obtain information or documentation relating to the Acquisition Engagement, to the extent that such information or documentation was subject to an attorney-client privilege, work product protection or other expectation of confidentiality owed to the Stockholders and/or their respective Affiliates. If and to the extent that, at any time subsequent to Closing, Acquiror or any of its Affiliates (including, after the Closing, the Surviving Entity) shall have the right to assert or waive any attorney-client privilege with respect to any communication between the Company or its Affiliates and any Person representing them that occurred at any time prior to the Closing, Acquiror, on behalf of itself and its Affiliates (including, after the Closing, the Surviving Entity) shall be entitled to waive such privilege only with the prior written consent of the Stockholders (such consent not to be unreasonably withheld).

(c) Acquiror, on behalf of itself and its Affiliates (including, after the Closing, the Surviving Entity) acknowledges and agrees that Gibson Dunn has acted as counsel for the Stockholders, the Company and their respective Affiliates and that the Stockholders reasonably anticipate that Gibson Dunn will continue to represent him and/or his respective Affiliates in future matters. Accordingly, Acquiror, on behalf of itself and its Affiliates (including, after the Closing, the Surviving Entity) expressly (i) consents to Gibson Dunn's representation of the Stockholders and/or their respective Affiliates and/or any of their respective agents (if any of the foregoing Persons so desire) in any matter, including, without limitation, any post-Closing matter in which the interests of Acquiror and the Surviving Entity, on the one hand, and the Stockholders or any of their respective Affiliates, on the other hand, are adverse, including any matter relating to the transactions contemplated by this Agreement, and whether or not such matter is one in which Gibson Dunn may have previously advised the Stockholders, the Company or their respective Affiliates and (ii) consents to the disclosure by Gibson Dunn to the Stockholders or their respective Affiliates of any information learned by Gibson Dunn in the course of its representation of the Stockholders, the Company or their respective Affiliates, whether or not such information is subject to attorney-client privilege, attorney work product protection, or Gibson Dunn's duty of confidentiality.

(d) From and after the Closing, the Surviving Entity shall cease to have any attorney-client relationship with Gibson Dunn, unless and to the extent Gibson Dunn is expressly engaged in writing by the Surviving Entity to represent the Surviving Entity after the Closing and either (i) such engagement involves no conflict of interest with respect to the Stockholders and/or any of their respective Affiliates or (ii) the Stockholders and/or any such Affiliate, as applicable, consent in writing to such engagement. Any such representation of the Surviving Entity by Gibson Dunn after the Closing shall not affect the foregoing provisions hereof. Furthermore, Gibson Dunn, in its sole discretion, shall be permitted to withdraw from representing the Surviving Entity in order to represent or continue so representing the Stockholders.

(e) Each of the parties to this Agreement consents to the arrangements in this Section 10.19(e) and waives any actual or potential conflict of interest that may be involved in connection with any representation by Gibson Dunn permitted hereunder.

Section 10.20 Stockholder Representative. Immediately upon the approval of this Agreement by the requisite vote or written consent of the Stockholders, each Stockholder shall

be deemed to have consented to the appointment of Ranbir Singh as such Stockholder's representative and attorney-in-fact, with full power of substitution to act on behalf of the Stockholders to the extent and in the manner set forth in this Agreement. All decisions, actions, consents and instructions by the Stockholder Representative shall be binding upon all of the Stockholders, and no Stockholder shall have the right to object to, dissent from, protest or otherwise contest the same. Acquiror shall not have the right to object to, dissent from, protest or otherwise contest the authority of the Stockholder Representative. Acquiror and Merger Sub shall be entitled to rely on any decision, action, consent or instruction of the Stockholder Representative as being the decision, action, consent or instruction of the Stockholders, and Acquiror and Merger Sub are hereby relieved from any liability to any Person for acts done by them in accordance with any such decision, act, consent or instruction. Each of the Stockholders hereby waives any claims they may have or assert, including those that may arise in the future, against the Stockholder Representative for any action or inaction taken or not taken by the Stockholder Representative in connection with such person's capacity as Stockholder Representative except to the extent that such action or inaction shall have been held by a court of competent jurisdiction to constitute gross negligence or willful misconduct.

Section 10.21 No Presumption Against Drafting Party. Each of Acquiror, Merger Sub, the Company, and each Stockholder acknowledges that each party to this Agreement has been represented by legal counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the drafting party has no application and is expressly waived.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

NAVITAS SEMICONDUCTOR CORPORATION

By: /s/ Gene Sheridan
Name: Gene Sheridan
Title: Chief Executive Officer

GEMINI ACQUISITION LLC

By: /s/ Gene Sheridan
Name: Gene Sheridan
Title: Chief Executive Officer

GENESIC SEMICONDUCTOR INC.

By: _____
Name: Ranbir Singh
Title: President/Chief Executive Officer

RANBIR SINGH

By: _____
Ranbir Singh, individually and in his capacity as the Stockholder Representative

THE RANBIR SINGH IRREVOCABLE TRUST DATED FEBRUARY 4, 2022

By: _____
Name: The Bryn Mawr Trust Company of Delaware
Title: Trustee

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

NAVITAS SEMICONDUCTOR CORPORATION

By: _____
Name:
Title:

GEMINI ACQUISITION LLC

By: _____
Name:
Title:

GENESIC SEMICONDUCTOR INC.

By: /s/ Ranbir Singh
Name: Ranbir Singh
Title: President/Chief Executive Officer

RANBIR SINGH

By: /s/ Ranbir Singh
Ranbir Singh, individually and in his capacity as the Stockholder Representative

THE RANBIR SINGH IRREVOCABLE TRUST DATED FEBRUARY 4, 2022

By: _____
Name: The Bryn Mawr Trust Company of Delaware
Title: Trustee

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

NAVITAS SEMICONDUCTOR CORPORATION

By: _____
Name:
Title:

GEMINI ACQUISITION LLC

By: _____
Name:
Title:

GENESIC SEMICONDUCTOR INC.

By: _____
Name: Ranbir Singh
Title: President/Chief Executive Officer

RANBIR SINGH

By: _____
Ranbir Singh, individually and in his capacity as the Stockholder Representative

THE RANBIR SINGH IRREVOCABLE TRUST DATED FEBRUARY 4, 2022

By: /s/_____
Name: The Bryn Mawr Trust Company of Delaware
Title: Trustee

Exhibit 10.1

Execution Copy

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made as of August 15, 2022 among Navitas Semiconductor Corporation, a Delaware corporation (the "Company") and the stockholders of Genesic Semiconductor Inc., a Delaware corporation ("Target") listed on the signature pages hereto (the "Original Holders").

RECITALS

A. The Company, Gemini Acquisition LLC, a Delaware limited liability company and a wholly-owned subsidiary of the Company, Target and the Original Holders have entered into an Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"), pursuant to which the Original Holders are acquiring shares of the Company's Common Stock (as defined below).

B. In connection with the execution and delivery of the Merger Agreement and the consummation of the transactions contemplated thereby, the Company has agreed to grant the Original Holders certain registration rights as set forth below.

AGREEMENT

In consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Certain Definitions. As used in this Agreement, capitalized terms not otherwise defined herein shall have the meanings ascribed to them below:

"Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in The City of New York.

"Common Stock" means the Class A Common Stock, par value $0.0001 per share, of the Company, and any equity securities issued or issuable in exchange for or with respect to the Common Stock by way of a stock dividend, stock split or combination of shares or in connection with a reclassification, recapitalization, merger, consolidation or other reorganization or otherwise.

"Common Stock Equivalent" means all options, warrants and other securities convertible into, or exchangeable or exercisable for (at any time or upon the occurrence of any event or contingency and without regard to any vesting or other conditions to which such securities may be subject), Common Stock.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"FINRA" means the Financial Industry Regulatory Authority, Inc.

"Holder" or "Holders" means any Original Holder and any Person who shall acquire and hold Registrable Securities in accordance with the terms of this Agreement.

"Issuer Free Writing Prospectus" means an issuer free writing prospectus, as defined in Rule 433 under the Securities Act, relating to an offer of Registrable Securities.

"Managing Holders" means, with respect to any offering of Registrable Securities pursuant to Section 2.1 or Section 2.2, (i) if Ranbir Singh proposes to participate in such offering, then Ranbir Singh; (ii) if Ranbir Singh does not propose to participate in such offering but Singh Trust does propose to participate in such offering, Singh Trust; and (iii) in all other cases, the Majority Participating Holders.

"Majority Participating Holders" means Participating Holders holding more than 50% of the Registrable Securities proposed to be included in any offering of Registrable Securities by such Participating Holders pursuant to Section 2.1 or Section 2.2.

"Person" means any individual, corporation, partnership, limited liability company, limited liability partnership, syndicate, person, trust, association, organization or other entity or any governmental or regulatory body or other agency or authority or political subdivision thereof, including any successor, by merger or otherwise, of any of the foregoing.

"Registrable Securities" means (i) the Closing Stock Merger Consideration (as defined in the Merger Agreement) and (ii) shares of Common Stock issued or issuable, directly or indirectly, in exchange for or with respect to the Common Stock referenced in clause (i) above. Any particular Registrable Securities shall cease to be Registrable Securities when (A) a registration statement with respect to the sale of such securities shall have been declared effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (B) such securities shall have been sold to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, (C) such securities shall have been otherwise transferred, new certificates or book entries for such securities not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent public distribution of such securities shall not require registration under the Securities Act, (D) such securities may be sold without registration pursuant to Rule 144 (or any successor provision) without complying with volume, manner of sale or other restrictions or limitations or (E) such securities shall cease to be outstanding.

"Registration Expenses" means all fees and expenses (other than Selling Expenses and subject to Section 2.9(b)) incurred by the Company in connection with its performance of or compliance with the provisions of Article II, including: (i) all registration, listing, qualification and filing fees (including FINRA filing fees); (ii) fees and expenses of compliance with state securities or "blue sky" laws (including counsel fees in connection with the preparation of a blue sky and legal investment survey and FINRA filings); (iii) printing and copying expenses; (iv) messenger and delivery expenses; (v) expenses incurred in connection with any road show; (vi) fees and disbursements of counsel for the Company; (vii) with respect to each registration, the reasonable fees and disbursements of one counsel for the selling Holder(s) selected by the Managing Holders; (viii) fees and disbursements of independent public accountants of the Company, including the expenses of any audit or "cold comfort" letter, and fees and expenses of other persons, including special experts, retained by the Company; (ix) any underwriter fees that do not constitute Selling Expenses; and (x) all internal expenses of the Company (including all salaries and expenses of officers and employees performing legal or accounting duties).

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Selling Expenses" means all underwriting discounts, selling commissions, brokerage fees, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any holder of Registrable Securities other than the reasonable fees and disbursements of counsel for the holders of Registrable Securities to the extent included in clause (vii) of the definition of Registration Expenses.

"Singh Trust" means The Ranbir Singh Irrevocable Trust dated February 4, 2022.

ARTICLE II
REGISTRATION RIGHTS

Section 2.1 Demand Registrations.

(a) (i) Subject to Section 2.1(c), at any time or from time to time after the six-month anniversary of the date hereof, one or more Holders shall have the right to require the Company to file a registration statement under the Securities Act covering such aggregate number of Registrable Securities which represents 20% or greater of the then-outstanding Registrable Securities, by delivering a written request therefor to the Company specifying the number of Registrable Securities to be included in such registration by such Holders and the intended method of distribution thereof. All such requests by any Holder pursuant to this Section 2.1(a)(i) are referred to as "Demand Registration Requests," the registrations so requested are referred to as "Demand Registrations" and the Holders making such demand for registration are referred to as the "Initiating Holders." As promptly as practicable, but no later than 10 days after receipt of a Demand Registration Request, the Company shall give written notice (a "Demand Exercise Notice") of such Demand Registration Request to all Holders of record of Registrable Securities. The Company shall not be obligated to effect a registration on Form S-1 pursuant to a Demand Registration under this Section 2.1 with respect to any or all Registrable Securities if the Company is eligible to effect such Demand Registration on Form S-3, *provided* that if for any reason the Company thereafter becomes ineligible or otherwise unable to effect a registration on Form S-3 then the Company shall effect the corresponding registration on Form S-1 or any similar long-form registration statement that may be available at such time.

(ii) The Company, subject to Sections 2.3 and 2.6, shall include in a Demand Registration (A) the Registrable Securities of the Initiating Holders and (B) the Registrable Securities of any other Holder of Registrable Securities that shall have made a written request to the Company within the time limits specified below for inclusion in such registration (together with the Initiating Holders, the "Participating Holders"). Any such request from the other Holders must be delivered to the Company within 15 days after the receipt of the Demand Exercise Notice and must specify the maximum number of Registrable Securities intended to be disposed of by such other Holders.

(ii) The Company, as expeditiously as possible but subject to Section 2.1(c), shall use its commercially reasonable efforts to effect such registration under the Securities Act of the Registrable Securities that the Company has been so requested to register for distribution in accordance with such intended method of distribution.

(b) Registrations under this Section 2.1 shall be on such appropriate registration form of the SEC for the disposition of such Registrable Securities in accordance with the intended method of disposition thereof, which form shall be selected by the Company and shall be reasonably acceptable to the Managing Holders.

(c) The Demand Registration rights granted in Section 2.1(a) to the Holders are subject to the following limitations:

(i) the Company shall not be required to cause a registration pursuant to Section 2.1(a) to be filed within 90 days or to be declared effective within a period of 180 days after the effective date of any other registration statement of the Company filed pursuant to the Securities Act, provided that the Holders had an opportunity to exercise piggyback rights with respect to such registration in accordance with Section 2.2;

(ii) if in the opinion of outside counsel to the Company, any registration of Registrable Securities would require disclosure of information not otherwise then required by law to be publicly disclosed and, in the good faith judgment of the board of directors of the Company, such disclosure is reasonably likely to adversely affect any material financing, acquisition, corporate reorganization or merger or other material transaction or event involving the Company or otherwise have a material adverse effect on the Company (a "Valid Business Reason"), the Company may postpone or withdraw a filing of a registration statement relating to a Demand Registration Request until such Valid Business Reason no longer exists, but in no event shall the Company avail itself of such right for more than 90 days, in the aggregate, in any period of 365 consecutive days; and the Company shall give notice of its determination to postpone or withdraw a registration statement and of the fact that the Valid Business Reason for such postponement or withdrawal no longer exists, in each case, promptly after the occurrence thereof; and

(iii) the Company shall not be obligated to effect more than three Demand Registrations under Section 2.1(a) for the Holders.

If the Company shall give any notice of postponement or withdrawal of any registration statement pursuant to clause (ii) above, the Company shall not register any equity security of the Company during the period of postponement or withdrawal. Each Holder of Registrable Securities agrees that, upon receipt of any notice from the Company that the Company has determined to withdraw any registration statement pursuant to clause (ii) above, such Holder will discontinue its disposition of Registrable Securities pursuant to such registration statement. If the Company shall have withdrawn or prematurely terminated a registration statement filed under Section 2.1(a)(i), the Company shall not be considered to have effected an effective registration for the purposes of this Agreement until the Company shall have filed a new registration statement covering the Registrable Securities covered by the withdrawn registration statement and such registration statement shall have been declared effective and shall not have been withdrawn. If the Company shall give any notice of withdrawal or postponement of a registration statement, at such time as the Valid Business Reason that caused such withdrawal or postponement no longer exists (but in no event more than 90 days after the date of the postponement or withdrawal), the Company shall use its commercially reasonable efforts to effect the registration under the Securities Act of the Registrable Securities covered by the withdrawn or postponed registration statement in accordance with this Section 2.1.

(d) The Company, subject to Sections 2.3 and 2.6, may elect to include in any registration statement and offering made pursuant to Section 2.1(a)(i), (i) authorized but unissued shares of Common Stock or shares of Common Stock held by the Company as treasury shares and (ii) any other shares of Common Stock that are requested to be included in such registration pursuant to the exercise of piggyback rights granted by the Company, provided any such rights granted after the date hereof are not inconsistent with the rights granted in, and do not otherwise conflict with the terms of, this Agreement ("Additional Piggyback Rights").

(e) A Holder may withdraw its Registrable Securities from a Demand Registration at any time. If all such Holders do so, the Company shall cease all efforts to secure registration and such registration nonetheless shall be deemed a Demand Registration for purposes of this Section 2.1 unless (i) the withdrawal is made following withdrawal or postponement of such registration by the Company pursuant to a Valid Business Reason as

contemplated by Section 2.1(c), (ii) the withdrawal is based on the reasonable determination of the Holders who requested such registration that there has been, since the date of the Demand Registration Request, a material adverse change in the business or prospects of the Company or (iii) the Holders who requested such registration shall have paid or reimbursed the Company for all of the reasonable out-of-pocket fees and expenses incurred by the Company in connection with the withdrawn registration.

(f) A Demand Registration shall not be deemed to have been effected and shall not count as such (i) unless a registration statement with respect thereto has become effective and has remained effective for a period of at least 180 days or such shorter period during which all Registrable Securities covered by such registration statement have been sold or withdrawn, or, if such registration statement relates to an underwritten offering, such longer period as, in the opinion of counsel for the underwriter(s), is required by law for delivery of a prospectus in connection with the sale of Registrable Securities by an underwriter or dealer, (ii) if, after the registration statement with respect thereto has become effective, it becomes subject to any stop order, injunction or other order or requirement of the SEC or other governmental agency or court for any reason, (iii) if it is withdrawn by the Company pursuant to a Valid Business Reason as contemplated by Section 2.1(c) or (iv) if the conditions to closing specified in the purchase agreement or underwriting agreement entered into in connection with such Demand Registration are not satisfied, other than solely by reason of some act or omission of the Participating Holders.

(g) In connection with any Demand Registration, the Managing Holders shall designate the lead managing underwriter in connection with such registration and each other managing underwriter for such registration.

Section 2.2 Piggyback Registrations.

(a) If, at any time, the Company proposes or is required to register any of its equity securities under the Securities Act (other than pursuant to (i) registrations on such form or similar form(s) solely for registration of securities in connection with an employee benefit plan or dividend reinvestment plan or (ii) a Demand Registration under Section 2.1) on a registration statement on Form S-1 or Form S-3 or an equivalent general registration form then in effect, whether or not for its own account, the Company shall give prompt written notice of its intention to do so to each Holder of record of Registrable Securities. Upon the written request of any such Holder, made within 15 days following the receipt of any such written notice (which request shall specify the maximum number of Registrable Securities intended to be disposed of by such Holder and the intended method of distribution thereof), the Company, subject to Sections 2.2(b), 2.3 and 2.6, shall use commercially reasonable efforts to cause all such Registrable Securities to be included in the registration statement with the securities that the Company at the time proposes to register to permit the sale or other disposition by the Holders in accordance with the intended method of distribution thereof of the Registrable Securities to be so registered. No registration of Registrable Securities effected under this Section 2.2(a) shall relieve the Company of its obligations to effect Demand Registrations under Section 2.1.

(b) If, at any time after giving written notice of its intention to register any equity securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such equity securities, the Company will give written notice of such determination to each Holder of record of Registrable Securities and (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such abandoned registration, without prejudice, however, to the rights of Holders under Section 2.1 and (ii) in the case of a determination to delay such registration of its equity

securities, shall be permitted to delay the registration of such Registrable Securities for the same period as the delay in registering such other equity securities.

(c) Any Holder shall have the right to withdraw its request for inclusion of its Registrable Securities in any registration statement pursuant to this Section 2.2 by giving written notice to the Company of its request to withdraw. Such request must be made in writing prior to the earlier of the execution of the underwriting agreement or the execution of the custody agreement with respect to such registration. Such withdrawal shall be irrevocable and, after making such withdrawal, a Holder shall no longer have any right to include Registrable Securities in the registration as to which such withdrawal was made.

Section 2.3 Priority in Registrations.

(a) If any requested registration made pursuant to Section 2.1 involves an underwritten offering and the lead managing underwriter of such offering (the "Manager") shall advise the Company that, in its view, the number of securities requested to be included in such registration by the Holders of Registrable Securities or any other persons, including other stockholders of the Company possessing piggyback rights with respect to such requested registration, and shares of Common Stock requested by the Company to be included in such registration, exceeds the maximum dollar amount or maximum number of equity securities that can be sold in the offering without adversely affecting the proposed offering price, the timing, the distribution method, or the probability of success of such offering (such maximum dollar amount or maximum number of such securities, as applicable, the "Maximum Number of Securities", and such Maximum Number of Securities under this Section 2.3(a), the "Section 2.3(a) Sale Number"), the Company shall use commercially reasonable efforts to include in such registration:

(i) first, all Registrable Securities requested to be included in such registration by the Holders thereof; provided, however, that, if the number of such Registrable Securities exceeds the Section 2.3(a) Sale Number, the number of such Registrable Securities (not to exceed the Section 2.3(a) Sale Number) to be included in such registration shall be allocated on a pro rata basis among all Holders requesting that Registrable Securities be included in such registration, based on the number of Registrable Securities then owned by each such Holder requesting inclusion in relation to the number of Registrable Securities owned by all Holders requesting inclusion;

(ii) second, to the extent that the number of securities to be included pursuant to clause (i) of this Section 2.3(a) is less than the Section 2.3(a) Sale Number, the remaining shares to be included in such registration shall be allocated on a pro rata basis among all holders requesting that securities be included in such registration pursuant to the exercise of Additional Piggyback Rights ("Piggyback Shares"), based on the aggregate number of Piggyback Shares then owned by each such holder requesting inclusion in relation to the aggregate number of Piggyback Shares owned by all such holders requesting inclusion, up to the Section 2.3(a) Sale Number; and

(iii) third, to the extent that the number of securities to be included pursuant to clauses (i) and (ii) of this Section 2.3(a) is less than the Section 2.3(a) Sale Number, any securities that the Company proposes to register, up to the Section 2.3(a) Sale Number.

If, as a result of the proration provisions of this Section 2.3(a), any Holder shall not be entitled to include all Registrable Securities in a registration that such Holder has requested be included, such Holder may elect to withdraw its request to include Registrable Securities in such registration or may reduce the number requested to be included; provided, however, that (A) such request must be made in writing prior to the earlier of the execution of the underwriting

agreement or the execution of the custody agreement with respect to such registration and (B) such withdrawal shall be irrevocable and, after making such withdrawal, such Holder shall no longer have any right to include Registrable Securities in the registration as to which such withdrawal was made.

(b) If any registration pursuant to Section 2.2 involves an underwritten offering that was proposed by the Company and the Manager shall advise the Company that, in its view, the number of securities requested to be included in such registration exceeds the Maximum Number of Securities (the "Section 2.3(b) Sale Number"), the Company shall include in such registration:

(i) first, all Common Stock that the Company proposes to register for its own account;

(ii) second, to the extent that the number of securities to be included pursuant to clause (i) of this Section 2.3(b) is less than the Section 2.3(b) Sale Number, all securities requested to be included in such registration by the holders, as of the date hereof, of Piggyback Shares with Additional Piggyback Rights; provided, however, that, if the number of such Piggyback Shares exceeds the Section 2.3(b) Sale Number, the number of such Piggyback Shares (not to exceed the Section 2.3(b) Sale Number) to be included in such registration shall be allocated on a pro rata basis among all such holders requesting that such Piggyback Shares be included in such registration, based on the number of Piggyback Shares then owned by each such holder requesting inclusion in relation to the number of Piggyback Shares owned by all of such holders requesting inclusion; and

(iii) third, to the extent that the number of securities to be included pursuant to clauses (i) and (ii) of this Section 2.3(b) is less than the Section 2.3(b) Sale Number, the remaining shares to be included in such registration shall be allocated on a pro rata basis among all holders requesting that Registrable Securities or Piggyback Shares (other than Piggyback Shares to be included pursuant to clause (ii) of this Section 2.3(b)) to be included in such registration pursuant to the exercise of piggyback rights pursuant to Section 2.2 of this Agreement or Additional Piggyback Rights (other than Additional Piggyback Rights in respect of Piggyback Shares included under clause (ii) of this Section 2.3(b)), based on the aggregate number of Registrable Securities and Piggyback Shares then owned by each such holder requesting inclusion in relation to the aggregate number of Registrable Securities and Piggyback Shares (other than Piggyback Shares included pursuant to clause (ii) of this Section 2.3(b)) owned by all such holders requesting inclusion, up to the Section 2.3(b) Sale Number.

(c) If any registration pursuant to Section 2.2 involves an underwritten offering that was proposed by Holders of securities of the Company that have the right to require such registration pursuant to an agreement entered into by the Company in accordance with Section 3.4 ("Additional Demand Rights") and the Manager shall advise the Company that, in its view, the number of securities requested to be included in such registration exceeds the Maximum Number of Securities (the "Section 2.3(c) Sale Number"), the Company shall include in such registration:

(i) first, all securities requested to be included in such registration by the holders of Additional Demand Rights ("Additional Registrable Securities"); provided, however, that, if the number of such Additional Registrable Securities exceeds the Section 2.3(c) Sale Number, the number of such Additional Registrable Securities (not to exceed the Section 2.3(c) Sale Number) to be included in such registration shall be allocated on a pro rata basis among all holders of Additional Registrable Securities requesting that Additional Registrable Securities be included in such registration, based on the number of Additional

Registrable Securities then owned by each such holder requesting inclusion in relation to the number of Additional Registrable Securities owned by all of such holders requesting inclusion;

(ii) second, to the extent that the number of securities to be included pursuant to clause (i) of this Section 2.3(c) is less than the Section 2.3(c) Sale Number, any Common Stock that the Company proposes to register for its own account, up to the Section 2.3(c) Sale Number; and

(iii) third, to the extent that the number of securities to be included pursuant to clauses (i) and (ii) of this Section 2.3(c) is less than the Section 2.3(c) Sale Number, the remaining shares to be included in such registration shall be allocated on a pro rata basis among all holders requesting that Registrable Securities or Piggyback Shares be included in such registration pursuant to the exercise of piggyback rights pursuant to Section 2.2 or Additional Piggyback Rights, based on the aggregate number of Registrable Securities and Piggyback Shares then owned by each holder requesting inclusion in relation to the aggregate number of Registrable Securities and Piggyback Shares owned by all holders requesting inclusion, up to the Section 2.3(c) Sale Number.

Section 2.4 Registration Procedures. Whenever the Company is required by the provisions of this Agreement to use commercially reasonable efforts to effect or cause the registration of any Registrable Securities under the Securities Act as provided in this Agreement, the Company as expeditiously as possible:

(a) shall prepare and file with the SEC the requisite registration statement, which shall comply as to form in all material respects with the requirements of the applicable form and shall include all financial statements required by the SEC to be filed therewith, and use commercially reasonable efforts to cause such registration statement to become and remain effective (provided, however, that before filing a registration statement or prospectus or any amendments or supplements thereto, or comparable statements under securities or blue sky laws of any jurisdiction, or any Issuer Free Writing Prospectus related thereto, the Company will furnish to one counsel for the Holders participating in the planned offering (selected by the Managing Holders, in the case of a registration pursuant to Section 2.1, and selected by the lead managing underwriter, in the case of a registration pursuant to Section 2.2) and the lead managing underwriter, if any, copies of all such documents proposed to be filed (including all exhibits thereto), which documents will be subject to the reasonable review and reasonable comment of such counsel, and the Company shall not file any registration statement or amendment thereto, any prospectus or supplement thereto or any Issuer Free Writing Prospectus related thereto to which the holders of a majority of the Registrable Securities covered by such registration statement or the underwriters, if any, shall reasonably object);

(b) shall prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for such period as any seller of Registrable Securities pursuant to such registration statement shall request and to comply with the provisions of the Securities Act with respect to the sale or other disposition of all Registrable Securities covered by such registration statement in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement;

(c) shall furnish, without charge, to each seller of such Registrable Securities and each underwriter, if any, of the securities covered by such registration statement such number of copies of such registration statement, each amendment thereto, the prospectus included in such registration statement, each preliminary prospectus and each Issuer Free Writing Prospectus utilized in connection therewith, all in conformity with the requirements of the Securities Act, and such other documents as such seller and underwriter reasonably may request

in order to facilitate the public sale or other disposition of the Registrable Securities owned by such seller, and shall consent to the use in accordance with all applicable law of each such registration statement, each amendment thereto, each such prospectus, preliminary prospectus or Issuer Free Writing Prospectus by each such seller of Registrable Securities and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such registration statement or prospectus;

(d) shall use commercially reasonable efforts to register or qualify the Registrable Securities covered by such registration statement under such other securities or "blue sky" laws of such jurisdictions as any sellers of Registrable Securities or any managing underwriter, if any, reasonably shall request, and do any and all other acts and things that may be reasonably necessary or advisable to enable such sellers or underwriter, if any, to consummate the disposition of the Registrable Securities in such jurisdictions, except that in no event shall the Company be required to qualify to do business as a foreign corporation in any jurisdiction where, but for the requirements of this Section 2.4(d), it would not be required to be so qualified, to subject itself to taxation in any such jurisdiction or to consent to general service of process in any such jurisdiction;

(e) shall promptly notify each Holder selling Registrable Securities covered by such registration statement and each managing underwriter, if any:

(i) when the registration statement, any pre-effective amendment, the prospectus or any prospectus supplement related thereto, any post-effective amendment to the registration statement or any Issuer Free Writing Prospectus has been filed and, with respect to the registration statement or any post-effective amendment, when the same has become effective;

(ii) of any request by the SEC or state securities authority for amendments or supplements to the registration statement or the prospectus related thereto or for additional information;

(iii) of the issuance by the SEC of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings for that purpose;

(iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the securities or blue sky laws of any jurisdiction or the initiation of any proceeding for such purpose;

(v) of the existence of any fact of which the Company becomes aware which results in the registration statement, the prospectus related thereto, any document incorporated therein by reference, any Issuer Free Writing Prospectus or the information conveyed to any purchaser at the time of sale to such purchaser containing an untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make any statement therein not misleading; and

(vi) if at any time the representations and warranties contemplated by any underwriting agreement, securities sale agreement, or other similar agreement, relating to the offering shall cease to be true and correct in all material respects; and, if the notification relates to an event described in clause (v), the Company, subject to the provisions of Section 2.1(c), promptly shall prepare and file with the SEC, and furnish to each seller and each underwriter, if any, a reasonable number of copies of, a prospectus supplemented or amended so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein in the light of the circumstances under which they were made not misleading;

(f) shall comply with all applicable rules and regulations of the SEC, and make generally available to its security holders, as soon as reasonably practicable after the effective date of the registration statement (and in any event within 90 days after the end of such 12 month period described hereafter), an earnings statement, which need not be audited, covering the period of at least 12 consecutive months beginning with the first day of the Company's first calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(g) shall use commercially reasonable efforts to cause all Registrable Securities covered by such registration statement to be authorized to be listed on a national securities exchange if shares of the particular class of Registrable Securities are at that time, or will be immediately following the offering, listed on such exchange;

(h) shall provide and cause to be maintained a transfer agent and registrar for all such Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(i) shall enter into such customary agreements (including, if applicable, an underwriting agreement) and take such other actions as the Managing Holders shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (it being understood that the Holders of the Registrable Securities that are to be distributed by any underwriters shall be parties to any such underwriting agreement and may, at their option, require that the Company make to and for the benefit of such Holders the representations, warranties and covenants of the Company which are being made to and for the benefit of such underwriters);

(j) shall use commercially reasonable efforts to obtain an opinion from the Company's counsel and a "cold comfort" letter from the Company's independent public accountants in customary form and covering such matters as are customarily covered by such opinions and "cold comfort" letters delivered to underwriters in underwritten public offerings, which opinion and letter shall be reasonably satisfactory to the underwriter, if any;

(k) shall use commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of the registration statement;

(l) shall provide a CUSIP number for all Registrable Securities, not later than the effective date of the registration statement;

(m) shall make reasonably available its employees and personnel for participation in "road shows" and other marketing efforts and otherwise provide reasonable assistance to the underwriters, taking into account the needs of the Company's businesses and the requirements of the marketing process, in the marketing of Registrable Securities in any underwritten offering;

(n) shall promptly prior to the filing of any document that is to be incorporated by reference into the registration statement or the prospectus, and prior to the filing of any Issuer Free Writing Prospectus, provide copies of such document to counsel for the selling holders of Registrable Securities and to each managing underwriter, if any, and make the Company's representatives reasonably available for discussion of such document and make such changes in such document concerning the selling holders prior to the filing thereof as counsel for such selling holders or underwriters may reasonably request;

(o) shall cooperate with the sellers of Registrable Securities and the managing underwriter, if any, to facilitate the timely preparation and delivery of certificates not bearing any

restrictive legends representing the Registrable Securities to be sold, and cause such Registrable Securities to be issued in such denominations and registered in such names in accordance with the underwriting agreement prior to any sale of Registrable Securities to the underwriters or, if not an underwritten offering, in accordance with the instructions of the sellers of Registrable Securities at least three Business Days prior to any sale of Registrable Securities and instruct any transfer agent and registrar of Registrable Securities to release any stop transfer orders in respect thereof;

(p) shall take all such other commercially reasonable actions as are necessary or advisable in order to expedite or facilitate the disposition of such Registrable Securities;

(q) shall not take any direct or indirect action prohibited by Regulation M under the Exchange Act; provided, however, that to the extent that any prohibition is applicable to the Company, the Company will take such action as is necessary to make any such prohibition inapplicable;

(r) shall cooperate with each seller of Registrable Securities and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA; and

(s) shall take all reasonable action to ensure that any Issuer Free Writing Prospectus utilized in connection with any registration covered by Section 2.1 or 2.2 complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby and, when taken together with the related prospectus, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

To the extent the Company is a well-known seasoned issuer as defined in Rule 405 under the Securities Act (a "WKSI") at the time any Demand Registration Request is submitted to the Company, and such Demand Registration Request requests that the Company file an automatic shelf registration statement as defined in Rule 405 under the Securities Act (an "Automatic Shelf Registration Statement") on Form S-3, the Company shall file an Automatic Shelf Registration Statement that covers those Registrable Securities that are requested to be registered. The Company shall use commercially reasonable efforts to remain a WKSI and not become an ineligible issuer (as defined in Rule 405 under the Securities Act) during the period during which such Automatic Shelf Registration Statement is required to remain effective. If the Company does not pay the filing fee covering the Registrable Securities at the time the Automatic Shelf Registration Statement is filed, the Company shall pay such fee at such time or times as the Registrable Securities are to be sold. If the Automatic Shelf Registration Statement has been outstanding for at least three years, at the end of the third year the Company shall refile a new Automatic Shelf Registration Statement covering the Registrable Securities. If at any time when the Company is required to re-evaluate its WKSI status, the Company determines that it is not a WKSI, the Company shall use commercially reasonable efforts to refile the shelf registration statement on Form S-3 and, if such form is not available, Form S-1 and keep such registration statement effective during the period during which such registration statement is required to be kept effective.

If the Company files any shelf registration statement for the benefit of the holders of any of its securities other than the Holders, the Company shall include in such registration statement such disclosures as may be required by Rule 430B under the Securities Act, referring to the unnamed selling security holders in a generic manner by identifying the initial offering of the securities to the Holders, in order to ensure that the Holders may be added to such shelf

registration statement at a later time through the filing of a prospectus supplement rather than a post-effective amendment.

The Company may require as a condition precedent to the Company's obligations under this Section 2.4 that each seller of Registrable Securities as to which any registration is being effected furnish the Company such information in writing regarding such seller and the distribution of such Registrable Securities as the Company from time to time reasonably may request; provided, that such information is necessary for the Company to consummate such registration and shall be used only in connection with such registration.

Each seller of Registrable Securities agrees that upon receipt of any notice from the Company under Section 2.4(e)(v), such seller will discontinue such seller's disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such seller's receipt of the copies of the supplemented or amended prospectus. In the event the Company shall give any such notice, the applicable period set forth in Section 2.4(b) shall be extended by the number of days during such period from and including the date of the giving of such notice to and including the date when each seller of any Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus.

If any such registration statement or comparable statement under "blue sky" laws refers to any Holder by name or otherwise as the Holder of any securities of the Company, such Holder shall have the right to require (i) the insertion therein of language, in form and substance reasonably satisfactory to such Holder and the Company, to the effect that the holding by such Holder of such securities is not to be construed as a recommendation by such Holder of the investment quality of the Company's securities covered thereby and that such holding does not imply that such Holder will assist in meeting any future financial requirements of the Company or (ii) in the event that such reference to such Holder by name or otherwise is not in the judgment of the Company, as advised by counsel, required by the Securities Act or any similar federal statute or any state "blue sky" or securities law then in force, the deletion of the reference to such Holder.

Section 2.5 Registration Expenses.

(a) The Company shall pay all Registration Expenses (i) with respect to any Demand Registration whether or not it becomes effective or remains effective for the period contemplated by Section 2.4(b) and (ii) with respect to any registration effected under Section 2.2. The Holders shall pay all Selling Expenses in connection with any registration under this Agreement.

(b) Notwithstanding the foregoing, (i) the provisions of this Section 2.5 shall be deemed amended to the extent necessary to cause these expense provisions to comply with "blue sky" laws of each state in which the offering is made, (ii) in connection with any registration hereunder, each Holder of Registrable Securities being registered shall pay all underwriting discounts and commissions and any transfer taxes, if any, attributable to the sale of such Registrable Securities, pro rata with respect to payments of discounts and commissions in accordance with the number of shares sold in the offering by such Holder and (iii) the Company shall, in the case of all registrations under this Article II, be responsible for all its internal expenses.

Section 2.6 Underwritten Offerings.

(a) If requested by the underwriters for any underwritten offering by the Holders pursuant to a registration requested under Section 2.1, the Company shall enter into a

customary underwriting agreement with the underwriters. Such underwriting agreement shall be satisfactory in form and substance to the Managing Holders and shall contain such representations and warranties by, and such other agreements on the part of, the Company and such other terms as are generally prevailing in agreements of that type. Any Holder participating in the offering shall be a party to such underwriting agreement and, at its option, may require that any or all of the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters also shall be made to and for the benefit of such Holder and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement be conditions precedent to the obligations of such Holder; provided, however, that the Company shall not be required to make any representations or warranties with respect to written information specifically provided by a selling Holder for inclusion in the registration statement. No Holder shall be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder, its ownership of and title to the Registrable Securities and its intended method of distribution; and any liability of such Holder to any underwriter or other Person under such underwriting agreement shall be limited to liability arising from breach of its representations and warranties and shall be limited to an amount equal to the proceeds (net of expenses and underwriting discounts and commissions) that it derives from such registration.

(b) In the case of a registration pursuant to Section 2.2, if the Company shall have determined to enter into an underwriting agreement in connection therewith, any Registrable Securities to be included in such registration shall be subject to such underwriting agreement. Any Holder participating in such registration may, at its option, require that any or all of the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters shall also be made to and for the benefit of such Holder and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement be conditions precedent to the obligations of such Holder. No Holder shall be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder, its ownership of and title to the Registrable Securities and its intended method of distribution; and any liability of such Holder to any underwriter or other Person under such underwriting agreement shall be limited to liability arising from breach of its representations and warranties and shall be limited to an amount equal to the proceeds (net of expenses and underwriting discounts and commissions) that it derives from such registration.

(c) In the case of any registration under Section 2.1 pursuant to an underwritten offering, or, in the case of a registration under Section 2.2, if the Company has determined to enter into an underwriting agreement in connection therewith, all securities to be included in such registration shall be subject to an underwriting agreement and no Person may participate in such registration unless such Person agrees to sell such Person's securities on the basis provided therein and, subject to the provisions of this Section 2.6, completes and executes all reasonable questionnaires, and other documents, including custody agreements and powers of attorney, that must be executed in connection therewith, and provides such other information to the Company or the underwriter as may be necessary to register such Person's securities.

Section 2.7 Holdback Agreements.

(a) Each seller of Registrable Securities agrees, to the extent requested in writing by a managing underwriter, if any, of any registration effected pursuant to Section 2.1, not to sell, transfer or otherwise dispose of, including any sale pursuant to Rule 144 under the Securities Act, any Common Stock, or any other equity security of the Company or any security convertible into or exchangeable or exercisable for any equity security of the Company other

than as part of such underwritten public offering during the time period reasonably requested by the managing underwriter, not to exceed 180 days.

(b) The Company agrees that, if it shall previously have received a request for registration pursuant to Section 2.1 or 2.2, and if such previous registration shall not have been withdrawn or abandoned, it shall not sell, transfer or otherwise dispose of any Common Stock, or any other equity security of the Company or any security convertible into or exchangeable or exercisable for any equity security of the Company (other than as part of such underwritten public offering, a registration on Form S-4 or Form S-8 or any successor or similar form which is then in effect or upon the conversion, exchange or exercise of any then outstanding Common Stock Equivalent), until a period of 180 days shall have elapsed from the effective date of such previous registration; and the Company shall so provide in any registration rights agreements hereafter entered into with respect to any of its securities.

Section 2.8 No Required Sale. Nothing in this Agreement shall be deemed to create an independent obligation on the part of any Holder to sell any Registrable Securities pursuant to any effective registration statement.

Section 2.9 Indemnification.

(a) In the event of any registration of any securities of the Company under the Securities Act pursuant to this Article II, the Company will, and hereby agrees to, indemnify and hold harmless, to the fullest extent permitted by law, each Holder of Registrable Securities, its directors, officers, fiduciaries, employees, agents, affiliates, consultants, representatives, general and limited partners, stockholders, successors, assigns (and the directors, officers, employees and stockholders thereof), each underwriter (as defined in the Securities Act), manager or other Person who participates in the offering of such securities, and each other Person, if any, who controls within the meaning of the Securities Act such Holder, underwriter, manager or participating Person, from and against any and all losses, claims, damages or liabilities, joint or several, actions or proceedings (whether commenced or threatened) and expenses (including reasonable fees of counsel and any amounts paid in any settlement effected with the Company's consent, which consent shall not be unreasonably withheld or delayed) to which each such indemnified party may become subject under the Securities Act or otherwise in respect thereof (collectively, "Losses"), that arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement under which such securities were registered under the Securities Act or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary, final or summary prospectus or any amendment or supplement thereto, together with the documents incorporated by reference therein, or any Issuer Free Writing Prospectus utilized in connection therewith, or the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the Company will reimburse any such indemnified party for any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such Loss as such expenses are incurred; provided, however, that the Company shall not be liable to any such indemnified party in any such case to the extent such Loss arises out of or is based upon any untrue statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact made in such registration statement or amendment thereof or supplement thereto or in any such prospectus or any preliminary, final or summary prospectus or Issuer Free Writing Prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of such indemnified party specifically for use therein. Such indemnity and reimbursement of expenses shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified party and shall survive the transfer of such securities by such Holder.

(b) In connection with any registration in which a holder of Registrable Securities is participating, each such holder shall furnish to the Company in writing such information as the Company reasonably requests for use in connection with any such Registration Statement or Prospectus. Each Holder of Registrable Securities that are included in the securities as to which any registration under Section 2.1 or 2.2 is being effected shall, severally and not jointly, indemnify and hold harmless (in the same manner and to the same extent as set forth in paragraph (a) of this Section 2.9) to the extent permitted by law the Company, its officers and directors, each Person controlling the Company within the meaning of the Securities Act and all other prospective sellers and their respective directors, officers, fiduciaries, employees, agents, affiliates, consultants, representatives, general and limited partners, stockholders, successors, assigns and respective controlling Persons with respect to any untrue statement or alleged untrue statement of any material fact in, or omission or alleged omission of any material fact from, such registration statement, any preliminary, final or summary prospectus contained therein, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus utilized in connection therewith, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company or its representatives by or on behalf of such Holder specifically for use therein and reimburse such indemnified party for any legal or other expenses reasonably incurred in connection with investigating or defending any such Loss as such expenses are incurred; provided, however, that the aggregate amount that any such Holder shall be required to pay pursuant to this Section 2.9(b) and Sections 2.9(c), (e) and (f) shall in no case be greater than the amount of the net proceeds received by such Holder upon the sale of the Registrable Securities pursuant to the registration statement giving rise to such claim. Such indemnity and reimbursement of expenses shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified party and shall survive the transfer of such securities by such Holder.

(c) Any Person entitled to indemnification under this Agreement promptly shall notify the indemnifying party in writing of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Section 2.9, but the failure of any such Person to provide such notice shall not relieve the indemnifying party of its obligations under the preceding paragraphs of this Section 2.9, except to the extent the indemnifying party is materially prejudiced thereby and shall not relieve the indemnifying party from any liability that it may have to any such Person otherwise than under this Article II. In case any action or proceeding is brought against an indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, unless in the reasonable opinion of outside counsel to the indemnified party a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, to assume the defense thereof jointly with any other indemnifying party similarly notified, to the extent that it chooses, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party that it so chooses, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that (i) if the indemnifying party fails to take reasonable steps necessary to defend diligently the action or proceeding within 20 days after receiving notice from such indemnified party, (ii) if such indemnified party who is a defendant in any action or proceeding that is also brought against the indemnifying party reasonably shall have concluded that there may be one or more legal defenses available to such indemnified party that are not available to the indemnifying party or (iii) if representation of both parties by the same counsel is otherwise inappropriate under applicable standards of professional conduct, then, in any such case, the indemnified party shall have the right to assume or continue its own defense as set forth above (but with no more than one firm of counsel for all indemnified parties in each jurisdiction, except to the extent any indemnified party or parties reasonably shall have concluded that there may be legal defenses

available to such party or parties that are not available to the other indemnified parties or to the extent representation of all indemnified parties by the same counsel is otherwise inappropriate under applicable standards of professional conduct) and the indemnifying party shall be liable for any expenses therefor. Without the written consent of the indemnified party, which consent shall not be unreasonably withheld, no indemnifying party shall effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder, whether or not the indemnified party is an actual or potential party to such action or claim, unless such settlement, compromise or judgment (A) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (B) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If for any reason the foregoing indemnity is unavailable or is insufficient to hold harmless an indemnified party under Section 2.9(a), (b) or (c), then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of any Loss in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and the indemnified party, on the other hand, with respect to such offering of securities. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. If, however, the allocation provided in the second preceding sentence is not permitted by applicable law, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative faults but also the relative benefits of the indemnifying party and the indemnified party as well as any other relevant equitable considerations. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 2.9(d) were to be determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the preceding sentences of this Section 2.9(d). The amount paid or payable in respect of any Loss shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such Loss. No Person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. Notwithstanding anything in this Section 2.9(d) to the contrary, no indemnifying party other than the Company shall be required pursuant to this section 2.9(d) to contribute any amount in excess of the net proceeds received by such indemnifying party from the sale of Registrable Securities in the offering to which the losses, claims, damages or liabilities of the indemnified parties relate, less the amount of any indemnification payment made by such indemnifying party pursuant to Sections 2.9(b) and (c).

(e) The indemnity and contribution agreements contained herein shall be in addition to any other rights to indemnification or contribution which any indemnified party may have pursuant to law or contract and shall remain operative and in full force and effect regardless of any investigation made or omitted by or on behalf of any indemnified party and shall survive the transfer of the Registrable Securities by any such party.

(f) The indemnification and contribution required by this Section 2.9 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred

Section 2.10 Trading Limitations. Notwithstanding anything to the contrary in this Agreement, sales by any Holder (together with its Affiliates) of Registrable Securities pursuant

to registrations under this Agreement on any single trading day shall be limited in the aggregate to a number of shares of Common Stock that does not exceed 20% of the average daily trading volume of the Common Stock on the Nasdaq Stock Exchange over the preceding 20 consecutive trading day period; *provided, that* the foregoing limitation shall not apply to any underwritten offering or any privately negotiated block trades by a Holder.

Section 2.11 Restrictions on Registration Rights. If (a) during the period starting with the date 30 days prior to the Company's good faith estimate of the date of the filing of, and ending on a date 45 days after the effective date of, a Company-initiated registration of Common Stock for which Holders would have the right to piggyback pursuant to Section 2.2(a), and provided that the Company has delivered written notice to the Holders prior to receipt of a Demand Registration pursuant to Section 2.1, complied with its obligations under Section 2.2 and continues to actively employ, in good faith, all reasonable efforts to cause the applicable Registration Statement to become effective as promptly as possible; or (b) the Holders have requested an underwritten registration and the Company and the Holders are unable to obtain the commitment of underwriters to firmly underwrite the offer; or (c) in the good-faith judgment of the board of directors of the Company such registration would be seriously detrimental to the Company and the board of directors concludes as a result that it is essential to defer the filing of such Registration Statement at such time, then in each case the Company shall furnish to such Holders a certificate signed by the Chairman of the Board stating that in the good-faith judgment of the board of directors it would be seriously detrimental to the Company for such Registration Statement to be filed and that it is therefore essential to defer the filing of such Registration Statement. In such event, the Company shall have the right to defer such filing for a period of not more than 30 days; provided, however, that the Company shall not defer its obligation in this manner more than once in any 12-month period.

ARTICLE III
GENERAL

Section 3.1 Adjustments Affecting Registrable Securities. The Company shall not effect or permit to occur any combination or subdivision of shares of Common Stock that would adversely affect the ability of any Holder of any Registrable Securities to include such Registrable Securities in any registration contemplated by this Agreement or the marketability of such Registrable Securities in any such registration. The Company will take all reasonable steps necessary to effect a subdivision of shares if in the reasonable judgment of (a) the Managing Holders or (b) the managing underwriter for the offering in respect of such Demand Registration Request, such subdivision would enhance the marketability of the Registrable Securities. Each Holder shall vote all of its shares of capital stock in a manner, and to take all other actions necessary, to permit the Company to carry out the intent of the preceding sentence including, without limitation, voting in favor of an amendment to the Company's certificate of incorporation in order to increase the number of authorized shares of capital stock of the Company.

Section 3.2 Rule 144. The Company covenants that (a) it will timely file the reports required to be filed by it under the Securities Act or the Exchange Act or, if it is not required to file such reports, upon the request of any Holder it shall make publicly available other information so long as necessary to permit sales of such Registrable Securities in compliance with Rule 144 under the Securities Act and (b) it will take such further action as any Holder of Registrable Securities reasonably may request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC. Upon the request of any Holder of Registrable Securities, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements.

Section 3.3 Nominees for Beneficial Owners. If Registrable Securities are held by a nominee for the beneficial owner thereof, the beneficial owner thereof may, at its option, be treated as the Holder of such Registrable Securities for purposes of any request or other action by any Holder or Holders of Registrable Securities pursuant to this Agreement or any determination of any number or percentage of shares constituting Registrable Securities held by any Holder or Holders of Registrable Securities contemplated by this Agreement; provided, that the Company shall have received assurances reasonably satisfactory to it of such beneficial ownership.

Section 3.4 No Inconsistent Agreements. The rights granted to the Holders of Registrable Securities hereunder do not materially conflict with and are not materially inconsistent with any other agreements to which the Company is a party or by which it is bound. Without the prior written consent of Holders of a majority of the then outstanding Registrable Securities, the Company will not enter into any agreement with respect to its securities that is inconsistent with the rights granted in this Agreement or otherwise conflicts with the provisions hereof or provides terms and conditions that are more favorable to, or less restrictive on, the other party thereto than the terms and conditions contained in this Agreement are to the Holders, other than any lock-up agreement with the underwriters in connection with any registered offering effected hereunder, pursuant to which the Company shall agree not to register for sale, and the Company shall agree not to sell or otherwise dispose of, Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, for a specified period following the registered offering. If the Company enters into any other registration rights agreement with respect to any of its securities that contains terms that are more favorable to, or less restrictive on, the other party thereto than the terms and conditions contained in this Agreement are to the Holders, the terms and conditions of this Agreement shall immediately be deemed to have been amended without further action by the Company or any of the Holders of Registrable Securities so that the Holders shall each be entitled to the benefit of any such more favorable or less restrictive terms or conditions.

ARTICLE IV
MISCELLANEOUS

Section 4.1 Amendment and Waiver.

(a) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and is signed, by (A) the Company, (B) Ranbir Singh, if he is a Holder, (C) Singh Trust, if it is a Holder and (D) Holders representing a majority of Registrable Securities.

(b) No failure or delay of any party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties hereunder are cumulative and are not exclusive of any rights or remedies which they would otherwise have hereunder.

Section 4.2 Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, or if by facsimile or e-mail, upon written confirmation of receipt by facsimile, e-mail or otherwise, (b) on the first Business Day following the date of dispatch if delivered utilizing a next-day service by a recognized next-day courier or (c) on the earlier of confirmed receipt or the fifth Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice:

(i) if to any Holder other than the Original Holders, to its last known address appearing on the books of the Company maintained for such purpose, and if to the Original Holders, to:

Ranbir Singh
43670 Trade Center Place Ste. 155
Dulles, VA 20166 USA
E-mail: ranbir.singh@genesicsemi.com

with a copy (which shall not constitute notice) to:

Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, New York 10166-0193
Attention: John Gaffney
E-mail: jgaffney@gibsondunn.com

(ii) if to the Company, to:

Navitas Semiconductor Corporation
2101 E. El Segundo Blvd., Suite 205
El Segundo, CA 90245
Attention: General Counsel
E-mail: legalnotices@navitassemi.com

or after October 1, 2022 to:
Navitas Semiconductor Corporation
3520 Challenger Street
Torrance, CA 90503
Attention: General Counsel
E-mail: legalnotices@navitassemi.com

or such other address as the Company or the Holders shall have specified to the other party in writing in accordance with this Section 4.2.

Section 4.3 Interpretation. When a reference is made in this Agreement to a Section, Article, Exhibit or Schedule such reference shall be to a Section, Article, Exhibit or Schedule of this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement or in any Exhibit or Schedule are for convenience of reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein shall have the meaning as defined in this Agreement. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth herein. The word “including” and words of similar import when used in this Agreement will mean “including, without limitation,” unless otherwise specified. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to the Agreement as a whole and not to any particular provision in this Agreement. The term “or” is not exclusive. The word “will” shall be construed to have the same meaning and effect as the word “shall.” References to days mean calendar days unless otherwise specified.

Section 4.4 Entire Agreement. This Agreement and the Merger Agreement constitute the entire agreement, and supersede all prior written agreements, arrangements, communications and understandings and all prior and contemporaneous oral agreements, arrangements,

communications and understandings between the parties with respect to the subject matter hereof and thereof.

Section 4.5 No Third-Party Beneficiaries. Except as provided in Section 2.9, nothing in this Agreement, express or implied, is intended to or shall confer upon any Person other than the parties and their respective successors and permitted assigns any legal or equitable right, benefit or remedy of any nature under or by reason of this Agreement.

Section 4.6 Governing Law. This Agreement and all disputes or controversies arising out of or relating to this Agreement or the transactions contemplated hereby shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles.

Section 4.7 Submission to Jurisdiction. Each of the parties irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement brought by any other party or its successors or assigns shall be brought and determined in any Delaware State or federal court sitting in the State of Delaware (or, if such court lacks subject matter jurisdiction, in any appropriate Delaware state or federal court), and each of the parties hereby irrevocably submits to the exclusive jurisdiction of the aforesaid courts for itself and with respect to its property, generally and unconditionally, with regard to any such action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby. Each of the parties agrees not to commence any action, suit or proceeding relating thereto except in the courts described above in Delaware, other than actions in any court of competent jurisdiction to enforce any judgment, decree or award rendered by any such court in Delaware as described herein. Each of the parties further agrees that notice as provided herein shall constitute sufficient service of process and the parties further waive any argument that such service is insufficient. Each of the parties hereby irrevocably and unconditionally waives, and agrees not to assert, by way of motion or as a defense, counterclaim or otherwise, in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, (a) any claim that it is not personally subject to the jurisdiction of the courts in Delaware as described herein for any reason, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (c) that (i) the suit, action or proceeding in any such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

Section 4.8 Assignment; Successors. This Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns. If any Person shall acquire Registrable Securities from any Holder in any manner, whether by operation of law or otherwise, such Person shall promptly notify the Company and such Registrable Securities acquired from such Holder shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities such Person shall be entitled to receive the benefits of and be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement. Any such successor or assign shall agree in writing to acquire and hold the Registrable Securities acquired from such Holder subject to all of the terms hereof. If any Holder shall acquire additional Registrable Securities, such Registrable Securities shall be subject to all of the terms, and entitled to all of the benefits, of this Agreement.

Section 4.9 Enforcement. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, each of the parties shall be

entitled to specific performance of the terms hereof, including an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any New York State or federal court sitting in the Borough of Manhattan in The City of New York (or, if such court lacks subject matter jurisdiction, in any appropriate New York State or federal court), this being in addition to any other remedy to which such party is entitled at law or in equity. Each of the parties hereby further waives (a) any defense in any action for specific performance that a remedy at law would be adequate and (b) any requirement under any law to post security as a prerequisite to obtaining equitable relief.

Section 4.10 Severability. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision in such jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

Section 4.11 Waiver of Jury Trial. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 4.12 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

Section 4.13 Facsimile or .pdf Signature. This Agreement may be executed by facsimile or .pdf signature and a facsimile or .pdf signature shall constitute an original for all purposes

Section 4.14 No Presumption Against Drafting Party. Each of the parties hereto acknowledges that it has been represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the drafting party has no application and is expressly waived.

[The remainder of this page is intentionally left blank.]

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

Navitas Semiconductor Corporation

By: /s/ Gene Sheridan
Name: Gene Sheridan
Title: Chief Executive Officer

Ranbir Singh

By:
Name:
Title:

The Ranbir Singh Irrevocable Trust dated February 4, 2022

By:
Name:
Title:

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

Navitas Semiconductor Corporation

By:
Name:
Title:

Ranbir Singh

By: /s/ Ranbir Singh
Name: Ranbir Singh
Title: President

The Ranbir Singh Irrevocable Trust dated February 4, 2022

By:
Name:
Title:

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

Navitas Semiconductor Corporation

By:
Name:
Title:

Ranbir Singh

By:
Name:
Title:

The Ranbir Singh Irrevocable Trust dated February 4, 2022

By: /s/ Tracey Stegemeier
Name: Tracey Stegemeier
Title: Vice President, The Bryn Mawr Trust Company of Delaware as Trustee

NAVITAS SEMICONDUCTOR 2022 EMPLOYEE STOCK PURCHASE PLAN

1. General.

(a) Definitions. Capitalized terms used in this Plan have the meanings given in Section 17.

(b) Purpose. The Company, by means of the Plan, seeks to retain the services of such Employees, to secure and retain the services of new Employees and to provide incentives for such persons to exert maximum efforts for the success of the Company and its Related Corporations and Affiliates. The Plan provides a means by which Eligible Employees of the Company and certain Designated Companies may be given an opportunity to purchase shares of Common Stock. The Plan permits the Company to grant a series of Purchase Rights to Eligible Employees under an Employee Stock Purchase Plan.

(c) Qualified and Non-Qualified Offerings Permitted. The Plan includes two components: a 423 Component and a Non-423 Component. The Company intends (but makes no undertaking or representation to maintain) the 423 Component to qualify as an Employee Stock Purchase Plan. The provisions of the 423 Component, accordingly, will be construed in a manner that is consistent with the requirements of Section 423 of the Code. In addition, this Plan authorizes grants of Purchase Rights under the Non-423 Component that do not meet the requirements of an Employee Stock Purchase Plan. Except as otherwise provided in the Plan or determined by the Board, the Non-423 Component will operate and be administered in the same manner as the 423 Component. In addition, the Company may make separate Offerings which vary in terms (provided that such terms are not inconsistent with the provisions of the Plan or the requirements of an Employee Stock Purchase Plan to the extent the Offering is made under the 423 Component), and the Company will designate which Designated Company is participating in each separate Offering.

2. Administration.

(a) The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine how and when Purchase Rights will be granted and the provisions of each Offering (which need not be identical).

(ii) To designate from time to time which Related Corporations will be eligible to participate in the Plan as Designated 423 Corporations or which Related Corporations or Affiliates will be eligible to participate in the Plan as Designated Non-423 Corporations, which Affiliates or Related Corporations may be excluded from participation in the Plan, and which Designated Companies will participate in each separate Offering (to the extent that the Company makes separate Offerings).

(iii) To construe and interpret the Plan and Purchase Rights, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, in a manner and to the extent it deems necessary or expedient to make the Plan fully effective.

(iv) To settle all controversies regarding the Plan and Purchase Rights granted under the Plan.

(v) To suspend or terminate the Plan at any time as provided in Section 12.

(vi) To amend the Plan at any time as provided in Section 12.

(vii) Generally, to exercise such powers and to perform such acts as it deems necessary or expedient to promote the best interests of the Company, its Related Corporations, and Affiliates and to carry out the intent that the 423 Component be treated as an Employee Stock Purchase Plan.

(viii) To adopt such rules, procedures and sub-plans relating to the operation and administration of the Plan as are necessary or appropriate under applicable local laws, regulations and procedures to permit or facilitate participation in the Plan by

Employees who are foreign nationals or employed or located outside the United States. Without limiting the generality of, but consistent with, the foregoing, the Board specifically is authorized to adopt rules, procedures, and sub-plans, which, if applicable to a Designated Non-423 Corporation, do not have to comply with the requirements of Section 423 of the Code, regarding, without limitation, eligibility to participate in the Plan, the definition of eligible "earnings," handling and making of Contributions, establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, withholding procedures and handling of share issuances, any of which may vary according to applicable requirements.

(c) The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. Further, to the extent not prohibited by Applicable Law, the Board or Committee may, from time to time, delegate some or all of its authority under the Plan to other persons or groups of persons, including without limitation the Plan Administrator, as it deems necessary, appropriate, or advisable under conditions or limitations that it may set at or after the time of the delegation. The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated. Whether or not the Board has delegated administration of the Plan to a Committee, the Board will have the final power to determine all questions of policy and expediency that may arise in the administration of the Plan.

(d) All determinations, interpretations and constructions made by the Board will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. Shares of Common Stock Subject to the Plan.

(a) Number of Shares Available. Subject to the provisions of Section 11(a) relating to Capitalization Adjustments, the initial number of shares of Common Stock that may be issued under the Plan shall equal 3,000,000 shares of Common Stock (the "***Share Reserve***"). For the avoidance of doubt, up to the maximum number of shares of Common Stock reserved under this Section 3(a) may be used to satisfy purchases of Common Stock under the 423 Component and any remaining portion of such maximum number of shares may be used to satisfy purchases of Common Stock under the Non-423 Component.

(b) Shares Available Following Purchase Right Terminations. If any Purchase Right granted under the Plan terminates without having been exercised in full, the shares of Common Stock not purchased under such Purchase Right will again become available for issuance under the Plan.

(c) Source of Shares. The stock purchasable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market.

4. Grant of Purchase Rights; Offerings.

(a) Offerings. The Board may from time to time grant or provide for the grant of Purchase Rights to Eligible Employees under an Offering (consisting of one or more Purchase Periods) on an Offering Date or Offering Dates selected by the Board. Each Offering will be in such form and will contain such terms and conditions as the Board will deem appropriate, and, with respect to the 423 Component, will comply with the requirements of Section 423(b)(5) of the Code that all Employees granted Purchase Rights will have the same rights and privileges. The terms and conditions of an Offering shall be incorporated by reference into the Plan and treated as part of the Plan. The provisions of separate Offerings need not be identical, but each Offering will include (through incorporation of the provisions of this Plan by reference in the Offering Document or otherwise) the period during which the Offering will be effective, which period will not exceed 27 months beginning with the Offering Date, and the substance of the provisions contained in Sections 5 through 8 of the Plan, inclusive.

(b) Restart Provision Permitted. The Board will have the discretion to structure an Offering so that if the Fair Market Value of a share of Common Stock on the first Trading Day of a new Purchase Period within that Offering is less than or equal to the Fair Market Value of a share of Common Stock on the Offering Date for that Offering, then (i) that Offering will terminate immediately as of that first Trading Day and (ii) the

Participants in such terminated Offering will be automatically enrolled in a new Offering beginning on the first Trading Day of such new Purchase Period.

5. Eligibility.

(a) General. Purchase Rights may be granted only to Employees of the Company or, as the Board may designate in accordance with Section 2(b), to Employees of a Related Corporation or an Affiliate. Except as provided in Section 5(b) or as required by Applicable Law, an Employee will not be eligible to be granted Purchase Rights unless, on the Offering Date, the Employee has been in the employ of the Company, a Related Corporation or an Affiliate, as the case may be, for such continuous period preceding such Offering Date as the Board may require, but in no event will the required period of continuous employment be equal to or greater than two years. The Board may provide that no Employee will be eligible to be granted Purchase Rights under the Plan unless, on the Offering Date, such Employee's customary employment with the Company, the Related Corporation or the Affiliate, as applicable, is more than 20 hours per week and/or more than five months per calendar year and/or such other criteria as the Board may determine consistent with Section 423 of the Code with respect to the 423 Component and Applicable Law. The Board further retains the discretion to determine which Eligible Employees may participate in an Offering pursuant to and consistent with U.S. Treasury Regulation Section 1.423-2(e) and (f).

(b) Grant of Purchase Rights in Ongoing Offering. The Board may provide that each person who, during the course of an Offering, first becomes an Eligible Employee will, on a date or dates specified in the Offering which coincides with the day on which such person becomes an Eligible Employee or which occurs thereafter, receive a Purchase Right under that Offering, which Purchase Right will thereafter be deemed to be a part of that Offering. Such Purchase Right will have the same characteristics as any Purchase Rights originally granted under that Offering, as described herein, except that:

(i) the date on which such Purchase Right is granted will be the "Offering Date" of such Purchase Right for all purposes, including determination of the exercise price of such Purchase Right;

(ii) the period of the Offering with respect to such Purchase Right will begin on its Offering Date and end coincident with the end of such Offering; and

(iii) the Board may provide that if such person first becomes an Eligible Employee within a specified period of time before the end of the Offering, he or she will not receive any Purchase Right under that Offering.

(c) 5% Stockholders Excluded. No Employee will be eligible for the grant of any Purchase Rights if, immediately after any such Purchase Rights are granted, such Employee owns stock possessing five percent or more of the total combined voting power or value of all classes of stock of the Company or of any Related Corporation. For purposes of this Section 5(c), the rules of Section 424(d) of the Code will apply in determining the stock ownership of any Employee, and stock which such Employee may purchase under all outstanding Purchase Rights and options will be treated as stock owned by such Employee.

(d) US$25,000 Limit. As specified by Section 423(b)(8) of the Code, an Eligible Employee may be granted Purchase Rights only if such Purchase Rights, together with any other rights granted under all Employee Stock Purchase Plans of the Company and any Related Corporations or Affiliates, do not permit such Eligible Employee's rights to purchase stock of the Company or any Related Corporation or Affiliates to accrue at a rate which, when aggregated, exceeds US$25,000 of Fair Market Value of such stock (determined at the time such rights are granted, and which, with respect to the Plan, will be determined as of their respective Offering Dates) for each calendar year in which such rights are outstanding at any time, subject to compliance with Applicable Law.

(e) Highly Compensated Employees. Officers of the Company and any Designated Company, if they are otherwise Eligible Employees, will be eligible to participate in Offerings under the Plan. Notwithstanding the foregoing, the Board may provide in an Offering that Employees who are highly compensated Employees within the meaning of Section 423(b)(4)(D) of the Code will not be eligible to participate.

(f) Non-423 Component Offerings. Notwithstanding anything in this Section 5 to the contrary, in the case of an Offering under the Non-423 Component, an Eligible Employee (or group of Eligible Employees)

may be excluded from participation in the Plan or an Offering if the Board has determined, in its sole discretion, that participation of such Eligible Employee(s) is not advisable or practical for any reason.

6. Purchase Rights; Purchase Price.

(a) Grant and Maximum Contribution Rate. On each Offering Date, each Eligible Employee, pursuant to an Offering made under the Plan, will be granted a Purchase Right to purchase up to that number of shares of Common Stock (rounded down to the nearest whole number of shares) purchasable either with a percentage or with a maximum dollar amount, as designated by the Board, but in either case not exceeding 20% of such Employee's earnings (as defined by the Board in each Offering) during the period that begins on the Offering Date (or such later date as the Board determines for a particular Offering) and ends on the date stated in the Offering, which date will be no later than the end of the Offering.

(b) Purchase Dates. The Board will establish one or more Purchase Dates during an Offering on which Purchase Rights granted for that Offering will be exercised and shares of Common Stock will be purchased in accordance with such Offering.

(c) Other Purchase Limitations. A Participant may not purchase more than 3,000 shares of Common Stock under the Plan on any one Purchase Date. Without stockholder approval the Board may increase or reduce such maximum (including without limitation pursuant to Section 11(a) relating to Capitalization Adjustments) but shall not eliminate it under any circumstances with respect to an Offering under the 423 Component. In addition, in connection with each Offering made under the Plan, the Board may specify (i) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants pursuant to such Offering and/or (ii) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants on any Purchase Date under the Offering. If the aggregate purchase of shares of Common Stock issuable upon exercise of Purchase Rights granted under the Offering would exceed any such maximum aggregate number, then, in the absence of any Board action otherwise, a pro rata allocation (based on each Participant's accumulated Contributions) of the shares of Common Stock (rounded down to the nearest whole number of shares) available will be made in as nearly a uniform manner as will be practicable and equitable.

(d) Purchase Price. The purchase price of shares of Common Stock acquired pursuant to Purchase Rights will be not less than the lesser of:

(i) an amount equal to 85% of the Fair Market Value of the shares of Common Stock on the Offering Date; or

(ii) an amount equal to 85% of the Fair Market Value of the shares of Common Stock on the applicable Purchase Date.

7. Participation; Withdrawal; Termination.

(a) Enrollment and Contributions. An Eligible Employee may elect to authorize payroll deductions as the means of making Contributions by completing and delivering to the Company or Company Designee, within the time specified in the Offering, an enrollment form provided by the Company or Company Designee. The enrollment form will specify the amount of Contributions not to exceed the maximum amount specified by the Board. Each Participant's Contributions will be credited to a bookkeeping account for such Participant under the Plan and will be deposited with the general funds of the Company except where Applicable Laws require that Contributions be deposited with a Company Designee or otherwise segregated. If permitted in the Offering, a Participant may begin such Contributions with the first payroll occurring on or after the Offering Date (or, in the case of a payroll date that occurs after the end of the prior Offering but before the Offering Date of the next new Offering, Contributions from such payroll will be included in the new Offering). If permitted in the Offering, a Participant may thereafter during the Offering reduce (including to zero) or increase his or her Contributions. If required under Applicable Law or if specifically provided in the Offering, in addition to or instead of making Contributions by payroll deductions, a Participant may make Contributions through a payment by cash, check or wire transfer prior to a Purchase Date, in a manner directed by the Company or a Company Designee.

(b) Withdrawals. During an Offering, a Participant may cease making Contributions and withdraw from the Offering by delivering to the Company or a Company Designee a withdrawal form provided by the Company. The Company may impose a deadline before a Purchase Date for withdrawing. Upon such withdrawal, such Participant's Purchase Right in that Offering will immediately terminate and the Company will distribute as soon as practicable to such Participant all of his or her accumulated but unused Contributions. A Participant's withdrawal from that Offering will have no effect upon his or her eligibility to participate in

any other Offerings under the Plan, but such Participant will be required to deliver a new enrollment form to participate in subsequent Offerings.

(c) Termination of Employment or Eligible Employee Status. Unless otherwise required by Applicable Law, Purchase Rights granted to a Participant pursuant to any Offering under the Plan will terminate immediately if the Participant either (i) is no longer an Employee for any reason or for no reason or (ii) is otherwise no longer eligible to participate, and the Company will distribute as soon as practicable to such Participant all of his or her accumulated but unused Contributions and such Participant's Purchase Right in that Offering shall thereupon terminate.

(d) Leave of Absence. For purposes of this Section 7, an Employee will be deemed not to have terminated employment or not failed to remain in the continuous employ of the Company or of a Designated Company in the case of sick leave, military leave, or any other leave of absence approved by the Company; provided that such leave is for a period of not more than 90 days or reemployment upon the expiration of such leave is guaranteed by contract or statute. The Company will have sole discretion to determine whether a Participant has terminated employment and the effective date on which the Participant terminated employment, regardless of any notice period or garden leave required under local law.

(e) Employment Transfers. Unless otherwise determined by the Board, a Participant whose employment transfers or whose employment terminates with an immediate rehire (with no break in service) by or between the Company and a Designated Company or between Designated Companies will not be treated as having terminated employment for purposes of participating in the Plan or an Offering; however, if a Participant transfers from an Offering under the 423 Component to an Offering under the Non-423 Component, the exercise of the Participant's Purchase Right will be qualified under the 423 Component only to the extent such exercise complies with Section 423 of the Code. If a Participant transfers from an Offering under the Non-423 Component to an Offering under the 423 Component, the exercise of the Purchase Right will remain non-qualified under the Non-423 Component. In the event that a Participant's Purchase Right is terminated under the Plan, the Company will distribute as soon as practicable to such individual all of his or her accumulated but unused Contributions.

(f) No Transfers of Purchase Rights. During a Participant's lifetime, Purchase Rights will be exercisable only by such Participant. Purchase Rights are not transferable by a Participant, except by will, by the laws of descent and distribution, or, if permitted by the Company, by a beneficiary designation.

(g) No Interest. Unless otherwise specified in the Offering or required by Applicable Law, the Company will have no obligation to pay interest on Contributions.

8. Exercise of Purchase Rights.

(a) On each Purchase Date, each Participant's accumulated Contributions will be applied to the purchase of shares of Common Stock (rounded down to the nearest whole number of shares), up to the maximum number of shares of Common Stock permitted by the Plan and the applicable Offering, at the purchase price specified in the Offering. No fractional shares will be issued unless specifically provided for in the Offering.

(b) Unless otherwise provided in the Offering, if any amount of accumulated Contributions remains in a Participant's account after the purchase of shares of Common Stock on a Purchase Date in an Offering, then such remaining amount will be distributed to such Participant as soon as practicable after the applicable Purchase Date, without interest, unless the payment of interest is required by Applicable Law and *provided*, *that*, if the remaining amount is less than the applicable purchase price of one full share of Common Stock on such Purchase Date, then the Company may approve, in its discretion, for such amount to be included in Contributions for the next Offering (if the Participant elects to participate therein).

(c) No Purchase Rights may be exercised to any extent unless the shares of Common Stock to be issued upon such exercise under the Plan are covered by and permitted to be sold under an effective registration statement pursuant to the Securities Act and the Plan is in material compliance with all applicable U.S. federal and state, foreign and other securities, exchange control and other laws applicable to the Plan. If on a Purchase Date the shares of Common Stock are not so registered and permitted to be sold, or the Plan is not in such compliance, no Purchase Rights will be exercised on such Purchase Date, and the Purchase Date will be delayed until the shares of Common Stock are subject to and may be sold under such an effective registration statement and the Plan is in material compliance, except that the Purchase Date will in no event be more than 6 months from the Offering Date. If, on the Purchase Date, as delayed to the maximum extent permissible, the shares of Common Stock are not registered permitted to be sold under such registration, or the

Plan is not in material compliance with Applicable Law, as determined by the Company in its sole discretion, no Purchase Rights will be exercised and all accumulated but unused Contributions will be distributed as soon as practicable to the Participants without interest, unless the payment of interest is required by Applicable Law.

9. Covenants of the Company.

The Company will seek to obtain from each U.S. federal or state, non-U.S., or other regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Purchase Rights and issue and sell shares of Common Stock thereunder unless the Company determines, in its sole discretion, that doing so is not practical or would cause the Company to incur costs that are unreasonable. If, after commercially reasonable efforts, the Company is unable to obtain the authority that counsel for the Company deems necessary for the grant of Purchase Rights and the lawful issuance and sale of Common Stock under the Plan, and at a commercially reasonable cost, the Company will be relieved from any liability for failure to grant Purchase Rights and/or to issue and sell Common Stock upon exercise of such Purchase Rights.

10. Death of Participant.

If a Participant dies, the Company will deliver any shares of Common Stock and/or Contributions to the executor or administrator of the estate of the Participant. If no executor or administrator has been appointed (to the knowledge of the Company), the Company, in its sole discretion, may deliver such shares of Common Stock and/or Contributions, without interest, unless the payment of interest is required by Applicable Law, to the Participant's spouse, dependents or relatives, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

11. Adjustments upon Changes in Common Stock; Corporate Transactions.

(a) Capitalization Adjustment. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) or kind and maximum number of securities subject to the Plan pursuant to Section 3(a); (ii) the class(es) or kind and number of securities subject to, and the purchase price applicable to outstanding Offerings and Purchase Rights; and (iv) the class(es) or kind and number of securities that are the subject of the purchase limits under each ongoing Offering. The Board will make these adjustments, and its determination will be final, binding and conclusive.

(b) Corporate Transaction. In the event of a Corporate Transaction, then: (i) any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue outstanding Purchase Rights or may substitute similar rights (including a right to acquire the same consideration paid to the stockholders in the Corporate Transaction) for outstanding Purchase Rights, or (ii) if any surviving or acquiring corporation (or its parent company) does not assume or continue such Purchase Rights or does not substitute similar rights for such Purchase Rights, then the Participants' accumulated Contributions will be used to purchase shares of Common Stock (rounded down to the nearest whole number of shares) within ten business days (or such other period specified by the Board) prior to the Corporate Transaction under the outstanding Purchase Rights, and the Purchase Rights will terminate immediately after such purchase.

(c) Spin-Off. In the event of a spin-off or similar transaction involving the Company, the Board may take actions deemed necessary or appropriate in connection with an ongoing Offering and subject to compliance with Applicable Law (including the assumption of Purchase Rights under an ongoing Offering by the spun-off company, or shortening an Offering and scheduling a new Purchase Date prior to the closing of such transaction). In the absence of any such action by the Board, a Participant in an ongoing Offering whose employer ceases to qualify as a Related Corporation as of the closing of a spin-off or similar transaction will be treated in the same manner as if the Participant had terminated employment (as provided in Section 7(c)).

12. Amendment, Termination or Suspension of the Plan.

(a) Plan Amendment. The Board may amend the Plan at any time in any respect the Board deems necessary or advisable. However, except as provided in Section 11(a) relating to Capitalization Adjustments, stockholder approval will be required for any amendment of the Plan for which stockholder approval is required by Applicable Law, including any amendment that either (i) materially increases the number of shares of Common Stock available for issuance under the Plan, (ii) materially expands the class of individuals eligible to become Participants and receive Purchase Rights, (iii) materially increases the benefits accruing to Participants under the Plan or materially reduces the price at which shares of Common Stock may be purchased

under the Plan, or (iv) expands the types of awards available for issuance under the Plan, but in each of (i) through (iv) above only to the extent stockholder approval is required by Applicable Law.

(b) Suspension or Termination. The Board may suspend or terminate the Plan at any time. No Purchase Rights may be granted under the Plan while the Plan is suspended or after it is terminated.

(c) No Impairment of Rights. Any benefits, privileges, entitlements and obligations under any outstanding Purchase Rights granted before an amendment, suspension or termination of the Plan will not be materially impaired by any such amendment, suspension or termination except (i) with the consent of the person to whom such Purchase Rights were granted, (ii) as necessary to facilitate compliance with any laws, listing requirements, or governmental regulations (including, without limitation, the provisions of Section 423 of the Code and the regulations and other interpretive guidance issued thereunder relating to Employee Stock Purchase Plans), including without limitation any such regulations or other guidance that may be issued or amended after the Effective Date, or (iii) as necessary to obtain or maintain any special tax, listing, or regulatory treatment. To be clear, the Board may amend outstanding Purchase Rights without a Participant's consent if such amendment is necessary to ensure that the Purchase Right and/or the 423 Component complies with the requirements of Section 423 of the Code, or other Applicable Law.

(d) Corrections and Administrative Procedures. Notwithstanding anything in the Plan to the contrary, the Board or the Plan Administrator will be entitled to: (i) permit Contributions in excess of the amount designated by a Participant in order to adjust for mistakes in the Company's processing of properly completed Contribution elections; (ii) establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant's Contributions; (iii) amend any outstanding Purchase Rights or clarify any ambiguities regarding the terms of any Offering to enable the Purchase Rights to qualify under and/or comply with Section 423 of the Code; and (iv) establish other limitations or procedures as the Board or the Plan Administrator determines in its sole discretion advisable that are consistent with the Plan. The actions of the Board or the Plan Administrator pursuant to this paragraph will not be considered to alter or impair any Purchase Rights granted under an Offering as they are part of the initial terms of each Offering and the Purchase Rights granted under each Offering.

13. Tax Matters.

(a) Code Section 409A. Purchase Rights granted under the 423 Component are intended to be exempt from the application of Section 409A of the Code under U.S. Treasury Regulation Section 1.409A-1(b)(5)(ii). Purchase Rights granted under the Non-423 Component to U.S. taxpayers are intended to be exempt from the application of Section 409A of the Code under the short-term deferral exception or compliant with Section 409A of the Code and any ambiguities will be construed and interpreted in accordance with such intent.

(b) No Guarantee of Tax Treatment. Although the Company may endeavor to qualify a Purchase Right for special tax treatment under the laws of the United States or jurisdictions outside the United States, or avoid adverse tax treatment (e.g., under Section 409A of the Code), the Company makes no representation to that effect and expressly disavows any covenant to maintain special or to avoid unfavorable tax treatment, notwithstanding anything to the contrary in this Plan.

14. Tax Withholding.

The Participant will make adequate provision to satisfy the Tax-Related Items withholding obligations, if any, of the Company and/or the applicable Designated Company which arise with respect to Participant's participation in the Plan or upon the disposition of the shares of the Common Stock. The Company and/or the Designated Company may, but will not be obligated to, withhold from the Participant's compensation or any other payments due the Participant the amount necessary to meet such withholding obligations, withholding a sufficient whole number of shares of Common Stock issued following exercise having an aggregate value sufficient to pay the Tax-Related Items or withhold from the proceeds of the sale of shares of Common Stock, either through a voluntary sale or a mandatory sale arranged by the Company or any other method of withholding that the Company and/or the Designated Company deems appropriate. The Company and/or the Designated Company will have the right to take such other action as may be necessary in the opinion of the Company or a Designated Company to satisfy withholding and/or reporting obligations for such Tax-Related Items. The Company shall not be required to issue any shares of Common Stock under the Plan until such obligations are satisfied.

15. Effective Date of Plan.

The Plan will become effective upon its adoption and approval by the Board. No Purchase Rights will be exercised unless and until the Plan has been approved by the stockholders of the Company, which approval must be within 12 months before or after the date the Plan is adopted (or if required under Section 12(a) above, materially amended) by the Board.

16. Miscellaneous Provisions.

(a) Proceeds from the sale of shares of Common Stock pursuant to Purchase Rights will constitute general funds of the Company.

(b) A Participant will not be deemed to be the holder of, or to have any of the rights of a holder with respect to, shares of Common Stock subject to Purchase Rights unless and until the Participant's shares of Common Stock acquired upon exercise of Purchase Rights are recorded in the books of the Company (or its transfer agent).

(c) The Plan and Offering do not constitute an employment contract. Nothing in the Plan or in the Offering will in any way alter the at-will nature of a Participant's employment or amend a Participant's employment contract, if applicable, or be deemed to create in any way whatsoever any obligation on the part of any Participant to continue in the employ of the Company, a Related Corporation, or an Affiliate, or on the part of the Company, a Related Corporation or an Affiliate to continue the employment of a Participant.

(d) The provisions of the Plan will be governed by the laws of the State of Delaware without resort to that state's conflicts of laws rules.

(e) If any particular provision of the Plan is found to be invalid or otherwise unenforceable, such provision will not affect the other provisions of the Plan, but the Plan will be construed in all respects as if such invalid provision were omitted.

(f) If any provision of the Plan does not comply with Applicable Law, such provision shall be construed in such a manner as to comply with Applicable Law.

17. Definitions.

As used in the Plan, the following capitalized terms have the respective meanings given:

"***423 Component***" means the part of the Plan, which excludes the Non-423 Component, pursuant to which Purchase Rights that satisfy the requirements for an Employee Stock Purchase Plan may be granted to Eligible Employees.

"***Affiliate***" means any entity, other than a Related Corporation, in which the Company has an equity or other ownership interest or that is directly or indirectly controlled by, controls, or is under common control with the Company, in all cases as determined by the Board, whether now or hereafter existing.

"***Applicable Law***" means the requirements relating to the administration of equity-based awards under state corporate laws, United States federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Purchase Rights are, or will be, granted under the Plan.

"***Board***" means the board of directors of the Company.

"***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Purchase Right after the Effective Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other similar equity restructuring transaction, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

"***Code***" means the U.S. Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

"Committee" means a committee of one or more members of the Board to whom authority has been delegated by the Board in accordance with Section 2(c).

"***Common Stock***" means the Class A Common Stock, par value $0.0001 per share, of the Company.

"***Company***" means Navitas Semiconductor Corporation, a Delaware corporation, and any successor corporation thereto.

"***Contributions***" means the payroll deductions and/or other payments specifically provided for in the Offering that a Participant contributes to fund the exercise of a Purchase Right. A Participant may make additional payments into his or her account if specifically provided for in the Offering, and then only if the Participant has not already contributed the maximum permitted amount of payroll deductions and/or other payments during the Offering.

"***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of more than 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation or the sole parent of the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

"***Designated 423 Corporation***" means any Related Corporation selected by the Board as participating in the 423 Component.

"***Designated Company***" means any Designated 423 Corporation or any Designated Non-423 Corporation, provided, however, that at any given time, a Related Corporation participating in the 423 Component shall not be a Related Corporation participating in the Non-423 Component.

"***Designated Non-423 Corporation***" means any Related Corporation or Affiliate selected by the Board as participating in the Non-423 Component.

"***Director***" means a member of the Board.

"***Effective Date***" means the effective date of the Plan, as set forth in Section 15.

"***Eligible Employee***" means an Employee who meets the requirements set forth in the document(s) governing the Offering for eligibility to participate in the Offering, provided that such Employee also meets the requirements for eligibility to participate set forth in the Plan. For purposes of clarity, the term "***Eligible Employee***" shall not include the following, regardless of any subsequent reclassification as an employee by the Company or a Designated Company, any governmental agency, or any court: (i) any independent contractor; (ii) any consultant; or (iii) any individual performing services for the Company or a Designated Company who has entered into an independent contractor or consultant agreement with the Company or a Designated Company. The Board shall have exclusive discretion to determine whether an individual is an Eligible Employee for purposes of the Plan.

"***Employee***" means any person, including an Officer or Director, who is "employed" for purposes of Section 423(b)(4) of the Code by the Company or a Related Corporation (including an Affiliate). However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "***Employee***" for purposes of the Plan.

"***Employee Stock Purchase Plan***" means a plan that grants Purchase Rights intended to be options issued under an "employee stock purchase plan," as that term is defined in Section 423(b) of the Code.

"***Exchange Act***" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"***Fair Market Value***" means, as of any date of determination, the closing sales price of the Common Stock as quoted on the Nasdaq Stock Market, LLC on such date. Unless otherwise provided by the Board, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing sales price on the last preceding date for which such quotation exists. In the absence of such a market for the Common Stock, the Fair Market Value will be determined by the Board in good faith in compliance with Applicable Law and, to the extent applicable as determined in the sole discretion of the Board, in a manner that complies with Sections 409A of the Code.

"***Non-423 Component***" means the part of the Plan, which excludes the 423 Component, pursuant to which Purchase Rights that are not intended to satisfy the requirements for an Employee Stock Purchase Plan may be granted to Eligible Employees.

"***Offering***" means the grant to Eligible Employees of Purchase Rights, with the exercise of those Purchase Rights automatically occurring at the end of one or more Purchase Periods. The terms and conditions of an Offering will generally be set forth in the "***Offering Document***" approved by the Board for that Offering.

"***Offering Date***" means a date selected by the Board for an Offering to commence.

"***Officer***" means a person who is an officer of the Company or a Related Corporation or Affiliate within the meaning of Section 16 of the Exchange Act.

"***Participant***" means an Eligible Employee who holds an outstanding Purchase Right.

"***Plan***" means this Navitas Semiconductor 2022 Employee Stock Purchase Plan, as amended from time to time.

"***Plan Administrator***" means one or more Officers or Employees designated by the Board to administer the day-to-day operations of the Plan and the Company's other equity incentive programs.

"***Purchase Date***" means one or more dates during an Offering selected by the Board on which Purchase Rights will be exercised and on which purchases of shares of Common Stock will be carried out in accordance with such Offering.

"***Purchase Period***" means a period of time specified within an Offering, generally beginning on the Offering Date or on the first Trading Day following a Purchase Date, and ending on a Purchase Date. An Offering may consist of one or more Purchase Periods.

"***Purchase Right***" means an option to purchase shares of Common Stock granted pursuant to the Plan.

"***Related Corporation***" means any "parent corporation" or "subsidiary corporation" of the Company whether now or subsequently established, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

"***Securities Act***" means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"***Share Reserve***" means the maximum number of shares of Common Stock that may be issued under the Plan, as defined and determined in accordance with Section 3(a) of the Plan.

"***Tax-Related Items***" means any income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items arising in relation to a Participant's participation in the Plan and legally applicable to a Participant.

"***Trading Day***" means any day on which the exchange(s) or market(s) on which shares of Common Stock are listed, including but not limited to the Nasdaq Global Market or any successors thereto, is open for trading.

Exhibit 31.1

CERTIFICATION

I, Gene Sheridan, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the fiscal quarter ended September 30, 2022 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; and

   (b) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313); and

   (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: November 14, 2022

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

Exhibit 31.2

CERTIFICATION

I, Ron Shelton, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the fiscal quarter ended September 30, 2022, 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; and

   (b) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313); and

   (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: November 14, 2022

/s/ Ron Shelton
Ron Shelton
Sr. Vice President, Chief Financial Officer and Treasurer
(principal financial officer)

Exhibit 32.1

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' quarterly report on Form 10-Q for the period ended September 30, 2022, 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-Q. 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: November 14, 2022

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

Date: November 14, 2022

/s/ Ron Shelton
Ron Shelton
Sr. Vice President, Chief Financial Officer and Treasurer
(principal financial officer)