

Risk Factors Comparison 2024-03-06 to 2023-04-03 Form: 10-K

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

PART I Item 1. Business. Overview We design, develop and market next-generation power semiconductors including gallium nitride (GaN) power integrated circuits (ICs), silicon carbide (SiC) **and power devices**, associated high-speed silicon system controllers, and digital isolators used in power conversion and charging. Power supplies incorporating our products may be used in a wide variety of electronics products including fast chargers for mobile phones and laptops, consumer electronics, data centers, solar inverters and electric vehicles, among numerous other applications. **On August 15, 2022, we completed the acquisition of GeneSiC Semiconductor Inc. (“GeneSiC”), a silicon carbide (“SiC”) pioneer with deep expertise in SiC power device design and process. Our acquisition of GeneSiC expands our reach into the electric vehicle and solar technology markets. Specifically, the acquisition marks a further expansion for us into the realm of high-power applications for wide bandgap technology, including electric vehicles (EVs), solar photovoltaics (PVs), and data centers. Our products provide superior efficiency, performance, size, cost and sustainability relative to existing silicon technology. Our solutions offer faster charging, higher power density and greater energy savings compared to silicon-based power systems with the same output power. By unlocking this speed and efficiency, we believe Navitas is leading a revolution in high-frequency, high-efficiency, high-density, and sustainable power electronics to “Electrify Our World”™ for a cleaner tomorrow.**

Industry Overview Most electronic devices that connect to a wall socket require a power supply to convert energy provided by utilities at 100-240V alternating current (AC) into lower-voltage direct current (DC) required by most electronic devices. Power supplies can be located inside the devices they are powering, as is the case with many consumer electronics and home appliances, or outside of the device, as is typically the case with devices like mobile phone chargers or laptop computers, typically referred to as wall chargers or power adapters. In other applications such as electric vehicles, power may be converted from a high-voltage (e.g. 400V–400 V) DC battery to a lower voltage (e.g. 12V–12 V) or, in the case of solar inverters, from low-voltage DC to high-voltage AC. In electronic devices today, most of these charging and power supply functions are carried out using silicon (Si) power MOSFETs (Metal Oxide Silicon Field Effect Transistors) or IGBTs (Insulated Gate Bipolar Transistors), along with related analog peripheral semiconductors. As the electronic content and functionality of systems have increased over time, existing silicon-based solutions have struggled to achieve high energy efficiency and fast charging, and they require large heat sinks or other thermal management methods, and large or complex form factors. Two newer “wide band-gap” (“WBG”) materials have entered the power electronics market—gallium nitride (GaN) and silicon carbide (SiC). In general terms, devices rated around 700V address applications requiring output power of approximately 20W–20 W to 20kW–20 kW, such as smartphone chargers or data center power supplies. Silicon Carbide (SiC) solutions are generally designed for higher power applications (up to 1 MW) and higher device voltages (up to 6, 500V–500 V). At the highest level, GaN is a combination of gallium and nitrogen, which forms a powerful bond with materially stronger electric fields and greater electron mobility compared to silicon. With a GaN power IC, increased power system switching speeds and energy efficiency can be achieved, which translate into notable benefits for power electronics such as smaller size, lighter weight, higher density, faster charging, energy savings and ultimately a lower system cost. These are significant gains relative to existing Si-based power solutions. A transistor is at the heart of a power supply, and a discrete (that is, non-integrated) GaN transistor requires a specialized silicon driver and multiple other components to drive and protect that GaN transistor. This additional circuitry has limited the adoption of GaN over the last decade due to cost, complexity, size, and vulnerability to system transients. Navitas has solved this problem with the GaN power IC. The Company is the first to integrate all the drive and protection components along with the GaN transistor in a single GaN chip. This provides several form-factor improvements and energy savings compared to silicon solutions. The GaN IC solution also provides several benefits compared to GaN discrete solutions, including a smaller footprint, fewer components, energy savings, and lower cost. Based on third-party **and our internal** estimates, the GaN device market **(all voltages) in 2020-2023 was about \$ 20-260 million of total sales with SiC around \$ 2. 8 billion. Based on Navitas’ estimates, Navitas is a market leader in high-voltage (600- 700V) GaN, and has a growing share of the SiC market. The combined GaN and SiC market is estimated to grow around 29 more than double every year through 2026 to \$ 2. 1 billion (117% CAGR) in 2024, while with the legacy silicon total power semiconductor market growing only approximately 5 is expected to grow at a more modest 6% CAGR during the same time. This growth represents an opportunity for GaN and for Navitas, as we believe we are a clear leader in the GaN space.** Combining GaN and SiC, the total potential market opportunity

is estimated to be over \$ 22 billion per year **by 2026**, split \$ 7 billion for GaN, \$ 9. 3 billion for SiC, and with \$ 6. 1 billion overlapping GaN / SiC market. By the end of **2027-2028**, Yole, **which is a consulting firm that specializes in the strategic analysis of markets**, estimates that 30 % of the legacy power silicon market will have been taken by GaN and SiC. Company Overview Converting power efficiently has emerged as a critical challenge as the electrification of our planet continues amid **the** pursuit of a reduced carbon **footprint**. Electric vehicles, renewable energy, large- scale data processing and other applications all demand power and charging infrastructures with greater speed and efficiency than status- quo silicon technology. Navitas' **integrated circuits-GaN and SiC products** solve complex and demanding challenges that are inherent in power conversion by unlocking both speed and efficiency. Since our founding in 2014, we have successfully harnessed the fundamentally superior material properties of GaN to enable cost savings and enhanced power conversion through product integration, reducing the amount of space needed to support multiple requirements while dramatically increasing charging speeds. With ten -times stronger electrical fields and twice the electron mobility compared to silicon, GaN is ideally suited for disrupting power switching applications, but challenges around manufacturing quality and reliability make commercialization difficult. By developing a fully qualified manufacturing process with over one billion device hours tested, Navitas **has overcome** **overcame** these key hurdles to successfully and reliably integrate the critical drive, control and protection circuits into a single chip, enabling mainstream GaN adoption and unlocking the full potential of GaN in speed, efficiency, simplicity and cost. Navitas estimates show that GaN- based power systems can provide 20x faster switching, up to 3x higher power density, 3x faster charging, up to 40 % energy savings and are 3x smaller and lighter compared to silicon- based power systems. Navitas' **best-in-class** ICs allow end customers to implement GaN technology with a simple, dependable solution to realize groundbreaking power density and efficiency. We are developing a differentiated GaN power IC platform utilizing decades of power semiconductor technical expertise, robust applications knowledge and strong end customer relationships. We believe our competitive strengths and robust IP portfolio of over **145-250** issued and pending patents have enabled us to establish a leading market position in GaN power semiconductors. In August 2022, Navitas acquired GeneSiC Semiconductor, adding a broad range of SiC MOSFETs and diodes to the Navitas portfolio. GeneSiC proprietary trench- assisted planar- grade MOSFET technology combines the best of planar SiC (ease of manufacturing, robustness) with the best of trench SiC (low resistance, smaller die sizes). Navitas SiC MOSFETs have lower resistance than competitors at higher temperatures, and **operate at in head-to-head bench evaluation, 25 °C-cooler temperatures**, for **expected** 3x longer device life expectancy. Navitas is led by a team of **tenured** power semiconductor industry experts with a combined 300 years of experience in semiconductor materials, devices, applications, systems and marketing **and over \$ 4B / year in power semiconductor revenue generated in their careers**. Navitas' Market Opportunities We believe GaN and SiC **are positioned-will continue** to displace silicon- based power semiconductors in **a broad range of** markets ranging from mobile / consumer to home appliance / industrial, data center, solar / storage, and EV. These markets are driven by major, long- term secular trends including explosive growth in data traffic, increasing electricity cost, and the transition from fossil fuel- based to sustainable energy sources **and uses as we "Electrify Our World"™** to help address climate change. Industry analyst Yole estimates that by the end of 2028, GaN and SiC will have replaced 30 % of the legacy silicon market. • Mobile / Consumer. With short design- in times, and a strong **"portability"** value proposition, our initial focus and technology beachhead for GaN was the mobile fast and ultra- fast charging market for smartphones, tablets and laptops. GaN Power ICs generally can provide up to 3x more power and up to 3x faster charging, with half the size and weight of silicon chargers with the same output power. With the introduction of USB -**PD-Type-C** universal connectors and charging protocols, and as smartphone screen size, batteries and functions have increased, demand for high- power **"ultra- fast"** chargers has been established. For example, GaN- based 240 W chargers supplied with today **"s** flagship smartphones can enable 0- 100 % charging in less than 10 minutes. As over 2. 5 billion chargers are shipped every year, each estimated to include **potentially** approximately \$ 1 of GaN content, the mobile charger market represents a multi- billion- dollar opportunity based on estimates from IDC PC tracker, USB- C research, Yole research and Navitas estimates. As of **March-December** 2023, all of the top- 10 mobile OEMs are in production or development with Navitas. Non- mobile (non- battery) applications **like include** ultra- thin TVs, high- powered gaming systems, desktop all- in- one PCs, **or and** various smart home internet -connected devices **aggregate to around 600 million systems shipped per year (2022), and typically use about \$ 3 of GaN content per system, adding another \$ 2 billion per year opportunity, based on estimates from Gartner, Pulsenews, WitsView, Statista and Navitas**. • Data Center Within the enterprise end- market, we primarily focus on solving power problems of data centers. Nearly 50 % of the total cost of ownership of a data center is related to power, which includes **the** cost of power supplies as well as the cost of electricity for data processing, cooling, lighting and other power needs. For the data processing component alone, by our estimates (2021), a silicon- based data center **today** is about 75 % efficient, implying 25 % of the energy used by a data center is wasted as heat. A GaN- based data center can improve efficiency to about 84 % total efficiency, representing benefits in reduced cost of electricity and the cost of cooling. **Based on our analysis, approximately \$ 1. 9 billion in electricity could be saved each year if all data centers moved to GaN**. Navitas' data center power platform designs are half the size of legacy silicon solutions, meet or exceed European Union efficiency requirements and, based on customer feedback, have an overall bill -of -materials cost lower than legacy silicon. In aggregate, we estimate that data centers represent about a \$ 1 billion opportunity for GaN ICs based on IDC Worldwide Quarterly Server Tracker and Navitas analysis. • Solar / Storage. In residential solar, we believe GaN is well positioned to replace silicon in per- panel micro- inverters (350 – 500 W). Based on customer feedback, we estimate system cost reductions of approximately 25 % compared to legacy silicon solutions, in addition to efficiency- driven energy savings over time. We estimate this translates into about a 10 % improvement **to in** the return on investment in solar systems. Overall, we estimate the GaN IC opportunity for solar applications to be over \$ 1 billion per year based on Markets and Markets Micro- Inverter Market report and Navitas analysis. **Meanwhile, Higher higher** - power, higher- voltage commercial **"string"** inverters have adopted SiC to replace legacy silicon IGBTs, with significant savings in weight and size. To help balance solar supply and electrical demand, and for users to become more grid- independent, the **"**

attach rate ²” for battery- based energy- storage designs (or ²“bi- directional ²” EV) that require SiC, is expected to increase from ~~less than~~ 10 % in 2022 to 30 %- 40 % in 2025, according to a leading customer. • Home Appliance / Industrial. This market is dominated by high- efficiency motor drive applications, including domestic appliances such as washing machines, vacuum cleaners, dishwasher pumps, refrigerator compressors and heat pumps, plus industrial uses such as water pumps, conveyor systems, robots, ~~and~~ warehouse materials handling ~~systems~~, etc. Based on Navitas estimates, high- speed GaN half- bridge power ICs deliver ~~improved~~ over 70 %- energy savings compared to legacy silicon and enable drive- motor integration due to their smaller size and lighter weight. We estimate the opportunity for GaN in 50- 300 W motor drive applications to be around \$ 1. 5 billion per year. As motor drive power increases to over 1 hp (~ 750 W), the higher current- handling capabilities of SiC come into play. • Electric Vehicles. EV demand is increasing. ~~Per BCG, the Boston Consulting Group’s~~ 2018 forecast for world- wide EV adoption in 2030 was 21 %. By 2022, that 2030 forecast had risen to ~~has~~ 53 %. EV adoption challenges include three main themes: the need for faster charging, demand for extended range, and lowering the cost compared to traditional, internal combustion powered cars. EVs can also act as supplementary energy back- up for your home to balance energy supply (from household AC, solar, generators) and demand (~~Wi- Fi~~, heating, cooling, cooking, ~~device charging and other electronics~~), and be a critical part of an energy- independent micro- grid in the event of a grid power failure. This is known as “ V2x ” (vehicle to anything) charging. For 400 V- rated EV battery systems, ~ 700 V- rated GaN operates at high- speeds in on- board chargers (OBCs) and DC- DC converters. For example, Navitas ²“ 3- in- 1 ²” platform design includes ~~a~~ a 6. 6 kW bi- directional charge / discharge and consolidated DC- DC converter. For ~~the higher- power traction inverter~~ ~~inverters~~, and systems with 800 V- rated batteries, 1, 200 V SiC is an optimized solution. We estimate GaN and SiC content per passenger EV to ~~be~~ approximately \$ 350 per vehicle. For trucks, buses and earth- moving equipment, OBCs may be up to 300 kW, and use higher- voltage distribution rails such as 1, 000 V – which require 1, 700 – 3, 300 V SiC. Similar power and voltage requirements are found in roadside fast chargers. Competitive Strengths By ~~March~~ ~~December~~ 2023, over ~~75-125~~ million Navitas GaN devices have been shipped, with failure rates of less than one part per million. Over ~~240-400~~ mobile ~~chargers- charger models~~ that include Navitas GaN devices have entered mass production, ~~with roughly 250 more in development~~. As of ~~March~~ ~~February~~ 2023-2024, based on publicly- available data, no other vendor has entered production with monolithically- integrated high- voltage GaN, other than simple diode- connected gate- protection transistors. We believe Navitas is the market and technology leader in GaN power ICs, with leading revenue, technology and intellectual property. To date, over ~~9-12~~ million GeneSiC products have shipped with excellent quality, and superior performance. We believe our key competitive advantages include: • Industry- Leading IP Position and Proprietary Design Support. Navitas has a broad portfolio of over ~~185-250~~ patents issued or pending, encompassing key aspects of GaN power circuitry ~~as well as~~ analog and digital integration ~~and as well as~~ SiC device design. Our patents are generally applicable to use cases in all of our targeted market applications. A key element of our intellectual property is our GaN IC process design kit (PDK), which we use to facilitate and accelerate product implementation and end customer development. We believe our PDK includes the industry’ s first and most mature and comprehensive device and circuit development libraries, characterization and verification tools, and robust simulation models. • Differentiated GaN Power Solutions. Our integrated circuit approach to GaN power semiconductors eliminates complexity in driving, controlling and protecting GaN transistors while simultaneously fostering design simplicity. We have overcome key hurdles to commercialization with our proprietary GaN design and manufacturing test systems and are fully qualified with over one billion device hours tested to underscore reliability. • Industry- leading, Proprietary SiC Power Solutions. GeneSiC proprietary trench- assisted planar- gate MOSFET technology combines the best of planar SiC (ease of manufacturing, robustness) with the best of trench SiC (low resistance, smaller die sizes). Navitas SiC MOSFETs have lower resistance than competitors at higher temperatures, and in head- to- head bench evaluations, run 25 ° C cooler, for 3x longer device life expectancy. • Enabling, ~~high~~ ~~High~~ - frequency ~~eco- Eco~~ - system ~~control- Control~~ and ~~isolation- Isolation~~ technology ~~Technology~~. For performance- and cost- optimized applications, high- speed GaN and SiC power components are accompanied by high- frequency system control ICs and digital isolators. Navitas is unique in having a comprehensive eco- system that enables the high levels of integration from 30 W smartphone chargers to 22 kW ~~on- board, and mega- Watt roadside~~ EV chargers. • Established Relationships with Key Partners and End Customers. In support of our technology leadership, we have formed relationships with numerous Tier 1 manufacturers and suppliers, gaining significant traction in mobile and consumer charging applications. ~~To date, we have partnered with all major mobile OEMs and brought over 240 GaN charger models into mass production, with an additional 250 charger models in development.~~ • Dedicated Application- Specific Design Centers. We believe we are unique in adding application- specific design centers for mobile, data center and EV, which allow us to develop GaN- ~~and~~ SiC- based power systems working with key customers in each of these segments, driving additional value with these customers and fueling additional system- led integration back in to our ~~products~~ GaN ICs for future generations. ~~Additional Navitas- customer co- development design centers have been established in EV and mobile, with Navitas engineering teams embedded at customer sites.~~ • Proven Leadership Team of Tenured Industry Experts. Navitas’ management team has over 400 years of combined power semiconductor experience and a track record of shareholder value creation. Three of Navitas’ founders have worked closely together for over 25 years and are credited with power semiconductor industry achievements and successes that include over 200 issued patents and 200 industry papers and presentations. Strategy We are committed to offering unprecedented speed and efficiency to our end- customers through next- generation power semiconductor solutions, empowering ~~an~~ efficient electrification ~~of the planet~~ while also reducing ~~the~~ carbon footprint ~~of our customers’ products~~. Navitas products address a variety of power applications from 20 W to 20 MW, across markets including mobile / consumer, data centers, home appliance / industrial, solar / storage and EV. With an established track record in mobile fast charging, over ~~75-125~~ million GaN units shipped, ~~we believe~~ and a 20- year limited warranty on GaN ~~Fast power ICs~~, Navitas is well positioned to expand GaN into higher power applications, ~~and~~ accelerate adoption of ~~the our~~ expansive GeneSiC SiC portfolio. Our key strategic initiatives include: • Acceleration of Technology Development and Innovation. We are focused on bringing to market multiple generations

of high- voltage GaN, SiC, and low- voltage Si controller technology that enhance our margin profile while providing further integration benefits and advanced packaging to serve higher power markets. • Expansion into New End Markets and Geographies. Building on our initial success in mobile fast charging and consumer electronics, Navitas is poised for expansion into new market applications including data centers, solar and renewable energy as well as electric vehicles and mobility. Our fabless manufacturing model allows us to scale efficiently into new markets and applications while minimizing capital expenditures. • Selective Acquisitions of Complementary Technologies. We plan to continually evaluate acquisition opportunities that are complementary to our existing portfolio and increase power semiconductor content in our targeted applications. In 2022, Navitas acquired VDD Tech (Belgium) for VDDTECH srl, a developer of high- speed digital isolator technology, and GeneSiC Semiconductor (USA) for Inc., a producer of SiC MOSFETs and diodes. In 2023, Navitas bought-out the remainder of a joint venture with Halo Microelectronics International Corporation (Taiwan) for high- speed, low- voltage silicon system controllers. • Leadership in Sustainability. Through Navitas analysis and third- party auditing, we estimate that each GaN power IC shipped saves a net 4 kg of CO₂ emissions, and that to each SiC MOSFET saves 25kg. To date, over 150-200, 000 tons of CO₂ emissions have been saved vs. as compared to legacy silicon solutions providing the same power output. Overall, by the target date of the Paris Accord, we estimate that GaN and SiC can reduce CO₂ emissions by over 6 Gtons per year. Navitas was the first pure-play semiconductor producer solely focused on GaN and SiC products to publish a quantitative, third- party- verified sustainability report, and the first semiconductor company worldwide to be certified Carbon Neutral™ CarbonNeutral® by Climate Impact Partners. Each customer can adapt the CO₂ footprint- reduction value of GaN and SiC to achieve their own sustainability analysis and commitments. Sales, Marketing and End Customer Support For GaN, our go- to- market strategy combines robust GaN commercialization and design expertise with validated success in mobile and consumer charging applications to capture market share and expand into new verticals- vertical markets. We partner with numerous platforms and end customers globally and target innovative, Tier 1 suppliers to design differentiated power semiconductor solutions. To facilitate end customer success, we offer comprehensive design support and utilize a proprietary process design kit tailored to specific engineering needs. Navitas is unique in opening three, separate, system- dedicated application design centers to accelerate adoption of GaN and SiC into fast chargers, data centers and EV. Furthermore, our technologies are capable of being integrated into numerous product generations and design architectures, creating a unique- scalable business opportunity. This technical business- to- business (B2B) approach is supplemented by commercial business- to- consumer (B2C) end- user awareness, and customer co- operative activities across in- person and virtual multi- media platforms. Key distribution partners provide additional field application engineer- engineering resources to assist with expanding in introducing our market technology to a diversified end customer base and implementing our products in end customers' products and systems. In addition, Navitas' direct sales team works to facilitate development of new end customer partnerships with our distribution partners. With a focus on leading global clients, we believe Navitas is well positioned to expand both its existing end customer base and enter new markets in the near- term, while maintaining its current market leadership position in mobile fast charging. The core strength of our business lies in our industry- leading IP position in GaN power ICs and SiC MOSFETs. We invented the first commercial GaN power ICs and along the way have patented many fundamental circuit elements which are needed in most power systems from 20 W to 20 kW. We have more than 185-250 issued or pending patents, which are expected to expire between the end of 2034 and early February of 2041. A key element of our intellectual property is our GaN IC process design kit (PDK), which we use to facilitate and accelerate product implementation and end customer development. We believe our PDK includes the industry' s first and most mature and comprehensive device and circuit development libraries, characterization and verification tools, and robust simulation models. Competition Our competitors include suppliers of silicon- based and as well as GaN - based and SiC - based power semiconductors. Most suppliers of GaN- based devices today offer discrete (i. e., non- integrated) GaN solutions, which require silicon- based and other components for drive, control and protection. These solutions, even though they offer some benefits compared to silicon, still do not capture all the advantages of a GaN integrated power IC that Navitas provides. Our primary GaN competitors include Infineon Technologies AG, GaN Systems, Inc., Power Integrations, Inc., Texas Instruments Incorporated, Innoscience (Suzhou) Semiconductor Co., Ltd., Transphorm, Inc. and Efficient Power Conversion Corporation (EPC). Primary SiC competitors include Infineon, Wolfspeed, Inc., ON Semiconductor Corporation, ROHM Co., Ltd., Qorvo, Inc., and STMicroelectronics International N. V. Our primary silicon- based power semiconductor competitors include Infineon, STMicroelectronics International N. V., ON Semiconductor Corporation (onsemi) and Power Integrations, among others. Silicon- based power devices are still the incumbent solutions used for power applications and currently have a lower- cost advantage. However, given the speed, power and size advantages of an integrated GaN IC over a silicon solution, coupled with expected cost reductions, we estimate that system expect to cross the cost -parity point for GaN- based (vs. silicon- based) mobile chargers with output silicon and achieve GaN- based power systems that are lower cost than their silicon counterparts by the end of 65 W or above was reached in 2023. In higher- power systems, such as kW- level data center supplies, we believe the price- cost - parity point was has already been reached even earlier, based on customer feedback. While Although we believe system cost parity for these GaN- based applications was mobile chargers in excess of 30W will reach reached in system cost parity with silicon- based chargers during 2023, there are inherent risks that market conditions such cost parity may change, which not be achieved. Those risks include: • GaN wafer and assembly (packaging) prices may not be reduced by suppliers as fast as expected or committed, especially if global semiconductor shortages continue occur. • GaN manufacturing yields, while demonstrated over 90 % on a stable, multi- month basis, could deteriorate causing manufacturing costs of GaN IC- ICs to increase. • The cost of silicon controllers, which are an important complement to GaN power ICs used in all mobile chargers, is expected to decrease, but price increases could occur, particularly if global semiconductor shortages continue occur. Such costs are not directly controlled by Navitas. • Passive and mechanical components (inductors, transformers, capacitors, printed circuit boards (PCBs), plastic housings, and others) are an important complement to GaN power ICs, are used in all mobile chargers

and contribute to cost reduction as they generally decrease in size, weight and cost as GaN increases charger switching frequency compared to silicon-based chargers. Although we expect these cost reductions for passive and mechanical components to continue, it is possible that they will not materialize as expected, and such costs are not directly controlled by Navitas. ~~Some of~~ **Even in the absence of** ~~above-mentioned risk factors are associated with existing or potential shortages in the semiconductor industry.~~ ~~However, it is also likely that~~ corresponding components in silicon-based chargers **will may** increase ~~in cost independent of the shortages~~, allowing GaN-based chargers to ~~still achieve~~ **expected the forecasted** system cost parity ~~in 2023~~ on a relative basis. ~~The~~ **With respect to** SiC, ~~the market is currently has been~~ supply-restricted, and **in 2023** Navitas ~~has entered into long-term supply agreements to increase raw-material availability and manufacturing~~ **capacity** by 5x, ~~starting in 2023~~. Manufacturability We utilize a fabless business model, working with third parties to manufacture, assemble and test our products. Navitas devices are fabricated in a layer of GaN sitting on a silicon substrate (known as “GaN-on-Si”). This combination traditionally posed several challenges due to physical dissimilarities in the materials and resulting defect densities, which translated into poor manufacturing, low yields, high costs, and poor reliability. We have spent a significant amount of our history working to solve these problems through process and design improvements and test methods. As a result of these efforts, we have achieved stable, predictable, and consistent yields of well over 90%. Gallium is produced primarily as a byproduct from the production of bauxite, the chief ore of aluminum. ~~In 2017 world production capacity is was~~ estimated at over 1,000 tons (low-grade and refined), and is estimated to be growing at about 15% per year, with a supply potential of over 2,000 tons sourced from many countries. Semiconductor applications dominate the commercial demand for gallium, representing 98% of its use, which includes microwave circuits, ultra-high-speed logic chips, LEDs, laser diodes and, as is the case for Navitas GaN power ICs, in power electronics. Gallium is not considered a rare or precious metal. GaN power ICs typically use only ~~95ug~~ **95 µg (micrograms)** of Gallium ~~gallium per devi~~ in the manufacture of a ~~device~~ single GaN power IC. ~~We expect~~ **On this basis we estimate** Navitas will consume less than 0.01% of the 2,000 tons estimated annual supply potential by 2026. Our GaN wafer fab partner since inception has been Taiwan Semiconductor Manufacturing Company (TSMC). We have worked to co-develop GaN-based product manufacturing capabilities with TSMC, which has invested significant capital to develop this capability. Although we have no volume-contracted commitments with TSMC, and ~~work~~ **purchase wafers** on the ~~a purchase-order~~ **order** basis ~~of purchase orders~~, **we believe** our volumes of GaN products in TSMC wafer fabs are critical to the utilization and efficiency of TSMC’s GaN-specific infrastructure. TSMC operates as a leading global supplier, with significant capacity to meet our growth needs. Our process is compatible with multiple complementary metal-oxide-semiconductor (“CMOS”) foundries with the addition of a small number of GaN-specific process modules. Navitas ~~GeneSiC~~ **SiC** products are manufactured by ~~XFAB Texas X-Fab in Lubbock TX, Inc.~~ on 150 mm wafers, with high yields and lead times **we believe are** around half that of competitors. ~~In 2023, Navitas entered into~~ **Long-long**-term supply agreements with ~~XFAB X-Fab~~ and raw wafer suppliers ~~have been signed~~ to establish capacity increases of 5x from 2022, ~~starting in 2023~~. Research & Development Navitas has invested its time and effort to carefully develop its proprietary GaN IC chips for power electronics and semiconductor applications. Our experienced teams around the world have made GaN adoption a reality as many end customers in different end markets start to realize the true potential of our GaN power ICs. ~~To~~ **In order to** protect our market leadership in GaN ICs, we continually look to innovate and improve our GaN ICs, to achieve greater efficiency, integration and speed at lower costs. We evaluate various complementary technologies, look to improve our PDK and hope to keep introducing newer generations of GaN technology. In 2022, Navitas acquired GeneSiC Semiconductor (USA) for SiC MOSFETs and diodes with plans to accelerate research and development and adoption of the expansive GeneSiC SiC portfolio. Navitas’ research and development activities are located primarily in the U.S., China and Taiwan. We believe we are the first company to publish a sustainability report that comprehensively quantifies the positive impact of GaN power semiconductors on climate change based on global standards. Our report includes a third-party Lifecycle Assessment (LCA) of GaN technology according to ISO14040 / 14044, the international standard for assessing environmental impacts throughout a product’s life cycle — from raw material acquisition through production, use, end-of-life treatment, recycling and final disposal. The Navitas report also quantifies corporate greenhouse gas (GHG) impacts through 3rd party assessments. We estimate that each GaN power IC shipped saves a net 4 kg of CO2 emissions, **and each SiC MOSFET saves 25 kg**. Combined, GaN and SiC are estimated to save an aggregate of 6 Gtons of CO2 emissions per year by 2050. Human Capital Resources As of December 31, ~~2022~~ **2023**, our worldwide workforce consisted of ~~230~~ **314** full and part-time employees. Our approach to compensation attempts to align the interests of every employee with the creation of company value over time. The Company offers a wide variety of benefits for employees around the world and invests in tools and resources that are designed to support employees’ individual growth and development. Item 1A. Risk Factors. Risk Related to Our Business and Operations **Our success and future revenue depends on** ~~The cyclical nature of the semiconductor industry may limit our ability to maintain~~ **achieve design wins and to convince** ~~or our~~ **improve our net sales and profitability.** The semiconductor industry is highly cyclical and is prone to significant downturns from time to time. Cyclical downturns can result in substantial declines in semiconductor demand, production overcapacity, high inventory levels and accelerated erosion of average selling prices. Such downturns result from a variety of market forces including constant and rapid technological change, quick product obsolescence, price erosion, evolving standards, short product life cycles and wide fluctuations in product supply and demand. In the past several years, downturns in the semiconductor industry have been attributed to a variety of factors including the current Covid-19 pandemic, ongoing trade disputes between the United States and **prospective** China, weakness in demand and pricing for semiconductors across applications, and excess inventory. These downturns have directly impacted our business, suppliers, distributors and end customers **to design our products into their product offerings**. Additionally, **If we do not continue to win designs or** our products are used across different end markets, and demand for our products is difficult to predict and may vary within or among mobile, consumer electronics, data center / enterprise, solar and EV markets. Our target markets may not grow **designed into** ~~or our~~ **develop** as we currently expect, and demand may increase or change in one or more of our end markets. Changes in demand may reduce our

revenue, lower our gross margins and affect our operating results. We have experienced concentrations of revenue at certain end customers, **product offerings** and within certain end markets, **our results of operations** and we regularly compete for design opportunities at these **business will be harmed. We sell our power chips to** end customers **who select our solutions for inclusion** and within these markets. Any deterioration in these end markets, reductions in the **their** magnitude of revenue streams, our inability **product offerings. This selection process is typically lengthy and may require us** to meet **incur significant** design and **development expenditures** pricing requirements, or volatility in demand for our products could lead to a reduction in revenue and **dedicate scarce engineering resources** adversely affect our operating results. Our success in **pursuit** our end markets depends on many factors, including the strength or financial performance of **a single** the end customers in our end markets, our ability to timely meet rapidly changing product requirements, market needs, and our ability to maintain design wins **win** across different markets and end customers to dampen the effects of market volatility. The dynamics of the markets in which we operate make it difficult to predict and react to these events. If we are unable to accomplish any of the foregoing, **with** or to offset the volatility of cyclical changes in the semiconductor industry or our end markets through diversification into other markets, it could harm our business, financial condition and operating results. Conversely, significant upturns could cause us to be unable to satisfy demand in a timely and cost-efficient manner and could result in increased competition for access to third-party foundry, assembly and testing capacity. We are dependent on the availability of this capacity to manufacture and assemble our products and we can provide no assurance that adequate capacity **our solutions** will be available **selected. If we fail** to us **convince our current or prospective end customers to include our products in their product offerings or to achieve a consistent number of design wins, our business, financial condition, and results of operations will be harmed. Because of our extended sales cycle, our revenue in** future years is highly dependent on design wins. In the event of such an upturn, we **are** awarded in prior years. It is typical that a design win will not result in meaningful revenue **until for** one year or more or later, if at all. If we do not continue to achieve design wins in the short term, our revenue in the following years will deteriorate. Further, a significant portion of our revenue in any period may depend on a single product design win with a large customer. As a result, the loss of any key design win or any significant delay in the ramp of volume production of the customer's products into which our product is designed could adversely affect our business, financial condition, and results of operations. We may not be able to **maintain** expand our workforce and operations in a sufficiently timely manner, procure adequate resources and raw materials, or locate suitable suppliers or other subcontractors to respond effectively to changes in demand for our existing products or to the demand for new products. As a result, our business, financial condition and results of operations could be materially and adversely affected. Downturns or volatility in general economic conditions could have a material adverse effect on our business, financial condition, results of operations and liquidity. Our net sales **to** and profitability depend significantly on general economic conditions and the demand for the end products in the markets in which our **key** end customers **or continue to secure key design wins** compete. Weaknesses in the global economy and financial markets, including **for a variety** example, weaknesses resulting from the Covid-19 pandemic, have led to lower demand in some of **reasons, and** our target markets. Economic uncertainty affects businesses such as ours **our** in a number of ways, making it difficult to accurately forecast and plan. A decline in end-user demand can affect the need that end customers have for **can stop incorporating** our products into **and the their** tightening of credit in financial **product offerings with limited notice to us and suffer little or no penalty. If we fail to anticipate or respond to technological shifts or** markets **market demands may lead consumers and businesses to postpone spending, either or to timely develop new or enhanced products or technologies in response to the same, it could result in decreased revenue and the loss of our design wins to our competitors. Due to the interdependence of various components in the systems within** which may cause our **products and the products of our competitors operate,** end customers **are unlikely** to cancel, decrease or delay their existing and future orders with us. Adverse changes **change** in economic conditions **to another design, once adopted** including any recession, economic slowdown **until the next generation of a technology. As a result, if we fail to introduce new or enhanced products that meet the needs of** or **our** disruption of credit **end customers or penetrate new** markets, may also lead to lower demand for our products. In addition, financial difficulties experienced by our suppliers or distributors could result in product delays, increased accounts receivable defaults and inventory challenges. In addition, any disruption in the credit markets could impede our access to capital. If there is limited access to additional financing sources, we may be required to defer capital expenditures or seek other sources of liquidity, which may not be available on acceptable terms or at all. Similarly, if our suppliers face challenges in obtaining credit or other financial difficulties, they may be unable to provide the necessary materials or services to us. Demand for our products is a function of the health of the economies of the United States, Europe, China and the rest of Asia. We cannot predict the timing, strength or duration of any economic disruptions or subsequent economic recoveries from such disruptions worldwide, in our industry, or in the different markets that we serve. For example, we cannot predict the success of government, business and other efforts to recover from the economic disruptions that have resulted from the Covid-19 pandemic. We also may not accurately assess the impact of changing market and economic conditions on our business and operations. These and other economic factors have had, and may in the future have, a material adverse effect on demand for our products and on our financial condition and operating results. All of these factors related to global economic conditions, which are beyond our control, could adversely impact our business, financial condition, results of operations and liquidity. 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 **timely fashion** 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 **our designs** 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 **gain** 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. Since we have significant operations and revenues in China, our business development plans, results of operations and financial condition may be materially and adversely affected by significant political, social and economic developments in China. A slowdown in economic growth in China could adversely impact our end customers, prospective end customers, suppliers, distributors and partners in China, which could have a material adverse effect on our results of operations and financial condition. There is no guarantee that economic downturns, whether actual or perceived, any further decrease in economic growth rates or an otherwise uncertain economic outlook in China will not occur or persist in the future, that they will not be protracted, or that governments will respond adequately to control and reverse such conditions, any of which could materially and adversely affect our business, financial condition and results of operations. Our business could be materially and adversely affected by health epidemics and outbreaks such as the global Covid-19 pandemic. In connection with the Covid-19 pandemic, governments have implemented significant measures, including closures, quarantines, travel restrictions and other social distancing directives, intended to control the spread of the virus. Companies have also taken precautions, such as requiring employees to work remotely, imposing travel restrictions and temporarily closing businesses. To the extent that these restrictions remain in place, additional prevention and mitigation measures are implemented in the future, or there is uncertainty about the effectiveness of these or any other measures to contain or treat Covid-19, there is likely to be an adverse impact on global economic conditions and consumer confidence and spending, which could materially and adversely affect our operations and demand for our products. In addition, the Covid-19 pandemic has negatively impacted, and may continue to impact, the global semiconductor supply chain, resulting in shortages in supply. These shortages may result in delays in manufacturing for our products and harm our ability to execute on our backlog and our business, revenue and results of operations. The Covid-19 pandemic has also caused significant uncertainty and volatility in global financial markets and the trading prices for the securities of technology companies. Due to such volatility, we may not be able to raise additional capital, if needed, on favorable terms, or at all. Further adverse economic events resulting from the Covid-19 pandemic, including a recession, depression, or other sustained economic downturn, could materially and adversely affect our business, access to capital markets and the value of the company's common stock. In addition, given the inherent uncertainty surrounding Covid-19 due to rapidly changing governmental directives, public health challenges and economic disruption and the duration of the foregoing, the potential impact that the Covid-19 pandemic could have on the other risk factors described in this "Risk Factors" section remain unclear. We believe that we have experienced some delay and disruption in the manufacture, shipment, and sales of, and overall demand for, our products. In addition, we believe the production capabilities of our suppliers has been, and will likely continue to be, impacted as a result of quarantines, closures of production facilities, lack of supplies, or delays caused by restrictions on travel or work-from-home orders. The continued disruption in the manufacture, shipment and sales of our products may negatively and materially impact our operating and financial operating results, including revenue, gross margins, operating margins, cash flows and other operating results. The resumption of normal business operations after such disruptions may be delayed and a resurgence of Covid-19 could occur resulting in continued disruption to us, our suppliers and/or our end customers. As a result, the effects of the Covid-19 pandemic could have a material adverse impact on our business, results of operations and financial condition for the remainder of 2023 and beyond. The semiconductor industry is highly competitive. If we are not able to compete successfully, our business, financial results and future prospects will be harmed. The semiconductor industry is highly competitive and characterized by constant and rapid technological change, short product lifecycles, significant price erosion, and evolving standards for quality. Accordingly, the success of our business depends, to a large extent, on our ability to meet evolving industry requirements and introduce new products and technologies, both in a timely manner and at prices that are acceptable **acceptance** to end customers. Moreover, the costs related to the research and development necessary to develop new technologies and products are significant and some of our direct and indirect competitors may have greater financial, technological, manufacturing, marketing, and sales resources than we. If they significantly increase the resources that they devote to developing and marketing their products, we may not be able to compete effectively which could adversely impact our business. The semiconductor industry is characterized by continued price erosion, especially after a product has been on the market. One of the results of the rapid innovation in the semiconductor industry is that pricing pressure, especially on

products containing older technology, can be intense. Product life cycles are relatively short. As a result, products tend to be replaced by more technologically advanced substitutes on a regular basis. In turn, demand for older technology falls, causing the price at which such products can be sold to drop, in some cases precipitously. In order to profitably supply these products, we must reduce our product costs in line with the lower revenue it can expect to generate. Usually, this must be accomplished through improvements in process technology and production efficiencies. If we cannot advance our process technologies or improve our efficiencies to a degree sufficient to maintain required margins, we will lose no longer be able to make market share and a profit from the sale of these products. Moreover, we may not be able to cease production of such products, either due to contractual obligations or our for competitive position. The loss of a key end customer relationship reasons, and as a result may be required to bear a loss on such products. We cannot guarantee that competition in our or design core product markets will not lead to price erosion, lower revenue or lower margins in win , a the future. Should reductions reduction in sales our manufacturing costs fail to keep pace with reductions in market prices for the products it sells, this could have a material adverse effect on our business, financial condition and results of operations. Our working capital needs are difficult to predict. Our working capital needs are difficult to predict and may fluctuate. The comparatively long period between the time at which we commence the manufacturing process and the time at which a product may be delivered to an any end key customer leads to high inventory and work , a significant delay or negative development in progress levels. The volatility of our end customers' businesses and the time required to manufacture products product development plans also make it difficult to manage inventory levels. Industry consolidation may result in increased competition, which or our inability to attract new significant end customers or secure new key design wins could seriously impact our result in a reduction in revenue and .

Some of our competitors have made or may make acquisitions or enter into partnerships or other strategic relationships to achieve competitive advantages. In addition, new entrants not currently considered competitors may enter our market through acquisitions, partnerships or strategic relationships. Industry consolidation may result in competitors with more compelling product offerings or greater pricing flexibility due to their financial resources than we have, or business practices that make it more difficult for us to compete effectively, including on the basis of price, sales, technology or supply. These competitive pressures could have a material materially and adverse adversely effect affect on our business. As a result of these competitive pressures, we may face declining sales volumes or lower prices for our products and may not be able to reduce total costs in line with declining revenue. If any of these risks materialize, they could have a material adverse effect on our business, financial condition , and results of operations . We depend on growth in the end markets that use our products. Any slowdown in the growth of these end markets could adversely affect our financial results. Our continued success will depend in large part on general economic growth and growth within our target markets, which include mobile phones and portable computing devices such as tablet and laptop computers, electric vehicles, solar energy, data center and consumer goods. Factors affecting these markets could seriously harm our end customers and, as a result, harm us, including:

- reduced sales of our end customers' products;
- the effects of catastrophic and other disruptive events at our end customers' offices or facilities including, but not limited to, natural disasters, telecommunications failures, cyber-attacks, terrorist attacks, pandemics or other outbreaks of infectious disease, such as the Covid-19 pandemic, breaches of security or loss of critical data;
- increased costs associated with potential disruptions to our end customers' supply chain and other manufacturing and production operations;
- the deterioration of our end customers' financial condition;
- delays and project cancellations as a result of design flaws in the products developed by our end customers;
- the inability of end customers to dedicate the resources necessary to promote and commercialize their products;
- the inability of our end customers to adapt to changing technological demands resulting in their products becoming obsolete; and
- the failure of our end customers' products to achieve market success and gain broad market acceptance.

The average selling prices (" ASPs ") of products in our markets have historically decreased over time and could do so in the future, which could adversely impact our revenue and profitability. The market for our products is generally characterized by declining ASPs resulting from factors such as increased competition, overcapacity, the introduction of new products and increased unit volumes. We have in the past experienced, and in the future may experience, substantial period-to-period fluctuations in operating results due to declining ASPs. We anticipate that ASPs may decrease in the future in response to the introduction of new products by us or our competitors, or due to other factors, including pricing pressures from our end customers. In order to sustain profitable operations, we must continually reduce costs for our existing products and also develop and introduce new products with enhanced features on a timely basis that can be sold initially at higher ASPs. Failure to do so could cause our net sales and gross margins to decline, which would negatively affect our financial condition and results of operations and could significantly harm our business. We may be unable to reduce the cost of our products sufficiently to enable us to compete with others. Our cost reduction efforts may not allow it to keep pace with competitive pricing pressures and could adversely affect our gross margins. We maintain an infrastructure of facilities and human resources in several locations around the world and, as a result, has limited ability to reduce our operating costs. Accordingly, in order to remain competitive, we must continually reduce the cost of manufacturing our products through design and engineering changes. We cannot assure you that we will be successful in redesigning our products and bringing redesigned products to the market in a timely manner, or that any redesign will result in sufficient cost reductions to allow us to reduce the price of our products to remain competitive or maintain or improve our gross margins. To the extent we are unable to reduce the prices of our products and remain competitive, our net sales will likely decline, resulting in further pressure on our gross margins, which could have a material adverse effect on our business, financial condition and results of operations and our ability to grow our business. A significant portion of our net sales is generated through end customers in China which subjects us to risks associated with changes of Chinese end customer interest and governmental or regulatory changes. We generate a significant portion of our net sales through end customers in China. In the fiscal years ended December 31, 2022 and December 31, 2021, 38 % and 74 %, respectively, of our net revenues were from sales to end customers in China. We expect that our end customers in China will continue to account for a high percentage of our revenue for the foreseeable future. Thus, our business success depends on our ability to maintain strong relationships with our

end customers in China. Any loss of our key end customers for any reason, including because of changes of end customer interest in our products, or a change in the relationship with them, including a significant delay or reduction in their purchases, may cause a significant decrease in our revenue, which we may not be able to recapture, and our business could be harmed. Additionally, China's government has implemented policies from time to time to regulate economic expansion in China. It exercises significant control over China's economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Any additional new regulations or the amendment or modification of previously implemented regulations could require us and our manufacturing partners to change our business plans, increase our costs, or limit our ability to sell products and conduct activities in China, which could adversely affect our business and operating results. The Chinese government also has broad discretion and authority to regulate the technology industry in China. The Chinese government and provincial and local governments also have provided, and continue to provide, various incentives to encourage the development of the semiconductor industry in China. Such incentives include tax rebates, reduced tax rates, favorable lending policies and other measures, some or all of which may be available to our manufacturing partners in China. Any of these incentives could be reduced or eliminated by governmental authorities at any time. Any such reduction or elimination of incentives currently provided to our manufacturing partners could adversely affect our business and operating results. If we fail in a timely and cost-effective manner to develop new product features or new products that address end customer preferences and achieve market acceptance, our operating results could be adversely affected. Our products are based on novel GaN design technology and our future success depends on the successful development of high-voltage power switching components and systems based on GaN design technology. There can be no assurance that any development problems we experience in the future related to our products will not cause significant delays or unanticipated costs, or that such development problems can be solved. In addition, we compete in a dynamic environment characterized by rapid technology and product evolution. Our end customers are constantly seeking new products with more features and functionality at lower cost, and our success relies heavily on our ability to continue to develop and market to our end customers new and innovative products and improvements of existing products. In order to respond to new and evolving end customer demands, achieve strong market share and keep pace with new technological, processing and other developments, we must constantly introduce new and innovative products into the market. Our failure to timely develop new technologies or to react quickly to changes in existing technologies could materially delay our development of new products, which could result in product obsolescence, decreased revenue, and / or a loss of market share to competitors. As we develop new product lines, we must adapt to market conditions that are unfamiliar to us, such as competitors and distribution channels that are different from those we have known in the past. Some of our new product lines require us to re-equip our labs to test parameters we have not tested in the past. If we are unable to adapt rapidly to these new and additional conditions, we may not be able to successfully penetrate new markets, although we strives-- strive to respond to end customer preferences and industry expectations in the development of our products. Further, if initial sales volumes for new or enhanced products do not reach anticipated levels within the time periods we expect, we may be required to engage in additional marketing efforts to promote such products and the costs of developing and commercializing such products may be higher than we predict. Moreover, new and enhanced products may not perform as expected. We may also encounter lower manufacturing yields and longer delivery schedules in commencing volume production of new products that we introduce, which could increase our costs and disrupt our supply of such products. The success of a new product depends on accurate forecasts of long-term market demand and future technological developments, as well as on a variety of specific implementation factors, including:

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

To the extent that we fail to timely introduce new products or to quickly penetrate new markets, our business, financial condition and results of operations could be materially and adversely affected. Furthermore, we face the risk that end customers may not value or be willing to bear the cost of incorporating newer solutions we develop into our product offerings, particularly if they believe their end customers are satisfied with prior offerings. Regardless of the improved features or superior performance of the newer solutions, end customers may be unwilling to adopt our new solutions due to design or pricing constraints. Because of the extensive time and resources that we invest in developing new solutions, if we are unable to sell new generations of our solutions, our revenue could decline and our business, financial condition, and results of operations would be negatively affected. A fundamental shift in technologies, the regulatory climate or demand patterns and preferences in our existing product markets or the product markets of our end customers or end-users could make our current products obsolete, prevent or delay the introduction of new products or enhancements to our existing products or render our products irrelevant to our end customers' needs. If our new product development efforts fail to align with the needs of our end customers, including due to circumstances outside of our control like a fundamental shift in the product markets of our end customers and end users or regulatory changes, our business, financial condition and results of operations could be materially and adversely affected. If we fail to accurately anticipate and respond to rapid technological change in the industries in which we operate, our ability to attract and retain end customers could be impaired and our competitive position could be harmed. We operate in industries characterized by rapidly changing technologies as well as technological obsolescence. The introduction of new products by our competitors, the delay or cancellation of any of our end customers' product offerings for which our solutions are designed, the market acceptance of products based on new or alternative technologies, or the emergence of new industry standards could render our existing or future products uncompetitive, obsolete, and otherwise unmarketable. Our failure to anticipate or timely develop new or enhanced products or technologies in response to changing market demand, whether due to technological shifts or otherwise, could result in the loss of end customers and decreased revenue and have an adverse effect on our business, financial condition, and results of operations. Our competitive position could be adversely affected..... our product may not be

successful. The success of some of our products are dependent on our end customers' ability to develop products that achieve market acceptance, and our end customers' failure to do so could negatively affect our business, financial condition, and results of operations. The success of some of our products are heavily dependent on the timely introduction, quality, and market acceptance of our end customers' products incorporating our solutions, which are impacted by factors beyond our control. Our end customers' products are often very complex and subject to design complexities that may result in design flaws, as well as potential defects, errors, and bugs. We have in the past been subject to delays and project cancellations as a result of design flaws in the products developed by our end customers, changing market requirements, such as the end customer adding a new feature, or because a customer's product fails their end customer's evaluation or field trial. In other cases, end customer products are delayed due to incompatible deliverables from other vendors. Such end customers have in the past, and may in the future, vary order levels significantly from period to period, request postponements of scheduled delivery dates, modify their orders or reduce lead times. This is particularly common during periods of low demand. We incur significant design and development costs in connection with designing our products for end customers' products that may not ultimately achieve market acceptance. As the company offers more products to new and existing customers, potentially expands its supply relationships, and enters new markets, the company may encounter yield, bugs and reliability issues with specific products, and any such issues could cause customer problems or adversely affect financial results. No assurance can be given that future reliability issues will not have a material effect on financial results in any given period. If our end customers discover design flaws, defects, errors, or bugs in their products, or if they experience changing market requirements, failed evaluations or field trials, or incompatible deliverables from other vendors, they may delay, change, or cancel a project, and we may have incurred significant additional development costs and may not be able to recoup our costs, which in turn would adversely affect our business, financial condition, and results of operations. Furthermore, developing industry trends, including end customers' use of outsourcing and new and revised supply chain models, may affect our revenue, costs and working capital requirements. ~~to enhance our product offerings and our inability to continue to develop or maintain such relationships in the future would harm our ability to remain competitive. We develop many of our products for applications in systems that are driven by industry and technology leaders in mobile consumer electronics, enterprise, eMobility and new energy markets. We work with distributors, resellers, ODMs, and OEMs to define industry conventions and standards within our target markets. We believe that these relationships enhance our ability to achieve market acceptance and widespread adoption of our products. If we are unable to continue to develop or maintain these relationships, our solutions could become less desirable to our end customers, our sales could suffer and our competitive position could be harmed. We~~ **are subject to risks and uncertainties associated with international operations, which may harm** not be able to effectively manage our growth business. **We maintain our operations around the world, including the United States, Ireland, Hong Kong, China, Taiwan and may need to incur significant expenditures to address the additional operational Philippines. For the years ended December 31, 2022, December 31, 2021, December 31, 2020 and control requirements December 31, 2019, approximately 43 %, 82 %, 92 % and 85 %, respectively,** of our growth, **either net sales were to end customers** If our products do not conform to, or are not compatible with, existing or emerging industry standards, demand for our products may decrease, which in turn would harm our business and operating results. We design certain of our products to conform to current industry standards. Some industry standards may not be widely adopted or implemented uniformly and competing standards may emerge that may be preferred by our distributors or our end customers. Our ability to compete in the future will depend on our ability to identify and ensure compliance with evolving industry standards in our target markets. The emergence of new industry standards could render our products incompatible with products developed by third-party suppliers or make it difficult for our products to meet the requirements of certain original equipment manufacturers. If our end customers or our third-party suppliers adopt new or competing industry standards with which our solutions are not compatible, or if industry groups fail to adopt standards with which our solutions are compatible, our products would become less desirable to our current or prospective end customers. As a result, our sales would suffer, and we could be required to make significant expenditures to develop new products. Although we believe our products are compliant with applicable industry standards, proprietary enhancements may not in the future result in conformance with existing industry standards under all circumstances. **We may 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. 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 cybersecurity 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. 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. We are subject to risks and uncertainties associated with international operations, which may harm our business. We maintain our operations around the world, including the United States, Ireland, Germany, Italy, Belgium, China, Taiwan, Thailand, South Korea, and the Philippines. For the years ended December 31, 2023 and December 31, 2022, approximately 70 % and 43 %, respectively, of our net sales were to end customers in Asia. We allocate revenue among individual countries based on the location to which the products are initially billed even if our end customers' revenue is attributable to end customers that are located in a different location. As of December 31, 2023, approximately 60 % of our workforce was located outside of the United States. In addition, a substantial majority of our products are manufactured, assembled, tested and packaged by third parties located outside of the United States. Our principal assembly and test facilities are located in Taiwan and the Philippines. We also rely on several other wafer fabrication manufacturing partners located throughout Asia. Any conflict or uncertainty in this region, including public health or safety concerns or natural disasters, could have a material adverse effect on our business, financial condition and results of operations. Moreover, the global nature of our business subjects us to a number of additional risks and uncertainties, which could harm our business, financial condition and results of operations, including:

- international economic and political conditions and other political tensions between countries in which we do business;
- actual or threatened military conflicts in countries or regions where we do not do business or have manufacturing partners, such as the military conflict between Russia and Ukraine, may increase the likelihood of supply interruptions or disruptions in countries or regions where we do business or in which our manufacturing partners have facilities. Such interruptions or disruptions may make it harder for us to find favorable pricing and reliable sources for materials and services we need to make our products, putting upward pressure on our costs;
- unexpected changes in, or impositions of, legislative or regulatory requirements, including changes in tax laws;
- restrictions on cross-border investment, including enhanced oversight by the Committee on Foreign Investment in the United States ("CFIUS") and substantial restrictions on investment from China;
- differing legal standards with respect to protection of intellectual property and employment practices;
- local business and cultural factors that differ from our normal standards and practices, including business practices that we are prohibited from engaging in by the U.S. Foreign Corrupt Practices Act of 1977 ("FCPA") and other anticorruption laws and regulations;
- exporting or importing issues related to export or import restrictions, including deemed export restrictions, tariffs, quotas and other trade barriers and restrictions; and
- disruptions of capital and trading markets and currency fluctuations.

Since we have significant operations and revenues in China, our business development plans, results of operations and financial condition may be materially and adversely affected by significant political, social and economic developments in China. A slowdown in economic growth in China could adversely impact our end customers, prospective end customers, suppliers, distributors and partners in China, which could have a material adverse effect on our results of operations and financial condition. There is no guarantee that economic downturns, whether actual or perceived, any further decrease in economic growth rates or an otherwise uncertain economic outlook in China will not occur or persist in the future, that they will not be protracted, or that governments will respond adequately to control and reverse such conditions, any of which could materially and adversely affect our business, financial condition and results of operations. A significant portion of our net sales is generated through end customers in China which subjects us to risks associated with changes of Chinese end customer interest and governmental or regulatory changes. We generate a significant portion of our net sales through end customers in China. In the fiscal years ended December 31, 2023 and December 31, 2022, 62 % and 38 %, respectively, of our net revenues were from sales to end customers in China. We expect that our end customers in China will continue to account for a high percentage of our revenue for the foreseeable future. Thus, our business success depends on our ability to maintain strong relationships with our end customers in China. Any loss of our key end customers for any reason, including because of changes of end customer interest in our products, or a change in the relationship with them, including a significant delay or reduction in their purchases, may cause a significant decrease in our revenue, which we may not be able to recapture, and our business could be harmed. Additionally, China's government has implemented policies from time to time to regulate economic expansion in China. It exercises significant control over China's economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Any additional new regulations or the amendment or modification of previously implemented regulations could require us and our manufacturing partners to change our business plans, increase our costs, or limit our ability to sell products and conduct activities in China, which could adversely affect our business and operating results. The Chinese government also has broad discretion and authority to regulate the technology industry in China. The Chinese government and provincial and local governments also have provided, and continue to provide, various incentives to encourage the development of the semiconductor industry in China. Such incentives include tax rebates, reduced tax rates, favorable lending policies and other measures, some or all of which may be available to our manufacturing partners in China. Any of these incentives could be reduced or eliminated by governmental authorities at any time. Any such reduction or elimination of incentives currently provided to our manufacturing partners could adversely affect our business and operating results. 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 prospect to be harmed. We sell our products

primarily through distributors and resellers, with no long- term or minimum purchase commitments from them or their end customers. Substantially all of our sales to date have been made on a purchase order basis, which orders may be cancelled, changed, or rescheduled with little or no notice or penalty. In addition, even when distributors or end customers may not have the contractual right to cancel or reschedule orders, it is customary business practice in the semiconductor industry for suppliers like us to permit such cancellations or rescheduling in order to retain a customer's good will or for other business reasons. As a result, our revenue and operating results could fluctuate materially and could be materially and disproportionately impacted by purchasing decisions of our end customers, including our larger end customers. In the future, our distributors or their end customers may decide to purchase fewer units than they have in the past, may alter their purchasing patterns at any time with limited or no notice, or may decide not to continue to purchase our power semiconductor chips at all, any of which could cause our revenue to decline materially and materially harm our business, financial condition, and results of operations. Cancellations of, reductions in, or rescheduling of end customer orders could also result in the loss of anticipated sales without allowing us sufficient time to reduce our inventory and operating expenses, as a substantial portion of our expenses are fixed at least in the short term. In addition, changes in forecasts or the timing of orders expose Navitas to the risks of inventory shortages or excess inventory. As we no longer intend to acquire inventory to pre- build custom products, we may not be able to fulfill increased demand, at least in the short term. Any of the foregoing events could materially and adversely affect our business, financial condition, and results of operations.

Reliability is especially critical in the power semiconductor industry, and any adverse reliability result by us with any of our end customers could negatively affect our business, financial condition, and results of operations. Our end customers generally establish demanding specifications for quality, performance, and reliability that our products must meet. ICs as complex as ours often encounter development delays and may contain undetected defects or failures when first introduced or after commencement of commercial shipments, which might require product replacement or recall. Further, our third- party manufacturing processes or changes thereof, or raw material used in the manufacturing processes may cause our products to fail. We have from time to time in the past experienced product quality, performance or reliability problems. Our standard warranty period is generally one to two years. We recently announced a warranty period of 20 years for our GaN IC products. Although we believe this warranty represents a differentiating feature of our GaN IC products and is justified by the reliability our products have demonstrated, our product warranties expose us to significant risks of claims for defects and failures. If defects and failures occur in our products, we could experience lost revenue, increased costs, including warranty expense and costs associated with end customer support, cancellations or rescheduling of orders or shipments, and product returns or discounts, any of which would harm our operating results. Furthermore, we may incur costs to investigate customer warranty claims even when those claims prove to be unfounded, such as when a claimed defect results from a customer's improper system design. Further, the manufacture of our products, including the fabrication of semiconductor wafers, and the assembly and testing of products, involve highly complex processes. For example, minute levels of contaminants in the manufacturing environment, difficulties in the wafer fabrication process or other factors can cause a substantial portion of the components on a wafer to be nonfunctional. These problems may be difficult to detect at an early stage of the manufacturing process and often are time- consuming and expensive to correct. From time to time, we have experienced problems achieving acceptable yields at our third- party wafer fabrication partner, resulting in delays in the availability of components. Moreover, an increase in the rejection rate of products during the quality control process before, during or after manufacture and / or shipping of such products, results in lower yields and margins. In addition, changes in manufacturing processes required as a result of changes in product specifications, changing end customer needs and the introduction of new product lines have historically significantly reduced manufacturing yields, resulting in low or negative margins on those products. Poor manufacturing yields over a prolonged period of time could adversely affect our ability to deliver products on a timely basis and harm relationships with our end customers, which could materially and adversely affect our business, financial condition and results of operations. Our products may contain defects, errors or bugs when they are first introduced or as new versions are released. We have in the past and may in the future experience these defects, errors and bugs. If any of our solutions have reliability, quality or compatibility problems, we may not be able to successfully correct these problems in a timely manner or at all. In addition, if any of our proprietary features contain defects, errors or bugs when first introduced or as new versions of our solutions are released, we may be unable to timely correct these problems. Consequently, our reputation may be damaged and end customers may be reluctant to buy our products, which could harm our ability to retain existing end customers and attract new end customers, and could adversely affect our financial results. In addition, these defects, errors or bugs could interrupt or delay sales to our end customers. If any of these problems are not found until after we have commenced commercial production of a new product, we may incur significant additional development costs and product recall, repair or replacement costs. These problems may also result in claims against us by our end customers or others. Warranty claims, product liability claims and product recalls could harm our business, results of operations and financial condition. We face an inherent business risk of exposure to warranty and product liability claims if products fail to perform as expected or are alleged to result in bodily injury, death, and / or property damage. In addition, if any of our designed products are alleged to be defective, we may be required to participate in their recall. We carry various commercial liability policies, including umbrella / excess policies which provide some protection against product liability exposure. However, a successful warranty or product liability claim against us in excess of our available insurance coverage and established reserves, or a requirement that we participate in a product recall, could have adverse effects on our business results. Further, it is possible that, in the future, we will not be able to obtain insurance coverage in the amounts and for the risks we seek at policy costs and terms we desire. Additionally, in the event that our products fail to perform as expected or such failure of our products results in a recall, our reputation may be damaged, which could make it more difficult for us to sell our products to existing and prospective end customers and could materially and adversely affect our business, results of operations and financial condition. Furthermore, end

customers may recall their end products if they prove to be defective or they may make compensatory payments in accordance with industry or business practice or in order to maintain good end customer relationships. If such a recall or payment is caused by a defect in one of our products, end customers may seek to recover all or a portion of their losses from us. If any of these risks materialize, our reputation would be harmed and there could be a material adverse effect on our business, financial condition and results of operations. Our competitive position could be adversely affected if we are unable to meet end customers' or device manufacturers' quality requirements. Semiconductor IC suppliers must meet increasingly stringent quality standards of end customers. While our quality performance to date has generally met these requirements, we may experience problems in achieving acceptable quality results in the manufacture of our products, particularly in connection with the production of new products or adoption of a new manufacturing process. This risk is greater for products used in applications with higher quality and reliability standards, such as applications in the automotive industry, an important market in which we expect to introduce new products and increase our revenues in response to expected growing demand for electric vehicles. Our failure to achieve acceptable quality levels for products intended for such applications, or generally, could adversely affect our business results. We aim to use the most advanced manufacturing process technology appropriate for our products that is available from our third-party foundry. As a result, we periodically evaluate the benefits of migrating our solutions to smaller geometry process technologies in order to improve performance and reduce costs. We believe this strategy will help us to remain competitive. These ongoing efforts require us from time to time to modify the manufacturing processes for our products and to redesign some products, which in turn may result in delays in product deliveries. We may face difficulties, delays and increased expense as we transition our products to new processes and potentially to new foundries. We cannot assure you that our current third-party foundry will be able to effectively manage such transitions or that we will be able to maintain our relationship with our current third-party foundries or develop relationships with new foundries. If we or our foundry experience significant delays in transitioning to smaller geometries or fail to efficiently implement transitions, we could experience reduced manufacturing yields, delays in product deliveries and increased costs, all of which could harm our relationships with our end customers and our operating results. As new processes become more prevalent, we expect to continue to integrate greater levels of functionality, as well as more end customer and third-party intellectual property, into our solutions. We may not be able to achieve higher levels of design integration or deliver new integrated solutions on a timely basis. If our foundry vendor does not achieve satisfactory yields or quality, our reputation and end customer relationships could be harmed. The fabrication of our GaN power ICs is a complex and technically demanding process. Minor deviations in the manufacturing process can cause substantial decreases in yields, and in some cases, cause production to be suspended. Our foundry vendor, from time to time, experience manufacturing defects and reduced manufacturing yields. Changes in manufacturing processes or the inadvertent use of defective or contaminated materials by our foundry vendors could result in lower than anticipated manufacturing yields or unacceptable performance of our ICs. Many of these problems are difficult to detect at an early stage of the manufacturing process and may be time consuming and expensive to correct. Poor yields from our foundry vendor, or defects, integration issues or other performance problems in our solutions, could cause us significant end customer relations and business reputation problems, harm our financial results and give rise to financial or other damages to our end customers. Our end customers might consequently seek damages from us for their losses. A product liability claim brought against us, even if unsuccessful, would likely be time consuming and costly to defend. We rely on a single third-party wafer fabrication facility for the fabrication of semiconductor wafers and on a limited number of suppliers of other materials, and the failure of this facility 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. We rely on a single supplier to supply and fabricate silicon wafers used in the manufacture of our IC products and purchases a number of key materials and components used in the manufacture of our products from single or limited sources which means that any disruption in their supply (including ceasing or suspending operations entirely), may require us to transfer manufacturing processes to a new location or facility. Our success is dependent upon our ability to successfully partner with our suppliers and our ability to produce wafers with competitive performance attributes and prices, including smaller process geometries. In addition, terms with respect to the volume and timing of wafer production and the pricing of wafers produced by the semiconductor foundries are determined through periodic negotiations with wafer foundries, which usually result in short-term agreements that do not provide for long-term supply or allocation commitments for end customers, including us. We cannot guarantee that the foundry that supplies our wafers will offer us competitive pricing terms or other commercial terms important to our business. We cannot guarantee that our suppliers will not experience manufacturing problems, including delays in the realization of advanced manufacturing process technologies or difficulties due to limitations of new and existing process technologies. For example, we may experience supply shortages due to the difficulties our supplier and other foundries may encounter if they must rapidly increase their production capacities from low utilization levels to high utilization levels because of an unexpected increase in demand. Furthermore, we cannot guarantee that the supplier will be able to manufacture sufficient quantities of our products or that they will continue to manufacture a given product for the full life of the product. We could also experience supply shortages due to very strong demand for our products, or a surge in demand for semiconductors in general, which may lead to tightening of foundry capacity across the industry. We do not have long-term contracts with some of our suppliers and third-party manufacturers. As a result, such supplier or third-party manufacturer can discontinue supplying components or materials to us at any time without penalty. Converting or transferring such fabrication processes from one of our primary facilities to an alternative or backup facility due to a disruption would likely be expensive and could take substantial time, given our highly complex manufacturing and fabrication processes, which incorporate our proprietary technologies. During such a transition, we may attempt to meet end customer demand through our existing inventories, or may attempt to modify partially finished goods to meet the required fabrication specifications. Given the rapid obsolescence timeline to which our products are typically subject, however, we generally do not maintain significant levels of excess inventory and, as a result, it is unlikely that our existing inventory will be sufficient to meet end customer demand during such a transition. In addition, any

attempt to modify partially finished goods to meet the required fabrication specifications may not be successful and will require us to incur unanticipated costs. As a result, we may not be able to meet our end customers' needs during such a transition, which would negatively impact our net sales, potentially damage our end customer relationships and our reputation and may have a material adverse effect on our business, financial condition and results of operations. Further, public health crises such as an outbreak of contagious diseases like Covid- 19 have negatively affected the supply chain for silicon wafers, resulting in shortages, and may affect the operations of our supplier and other foundries. In addition, weak economic conditions may adversely impact the financial health and viability of the supplier and result in its insolvency or its inability to meet its commitments to us. The insolvency of our supplier or any significant manufacturing problem or insufficient foundry capacity would disrupt our operations and negatively impact our financial condition and results of operations. If we fail to maintain our supplier relationships, if our suppliers do not provide facilities and support for our development efforts, if our suppliers are insolvent or experience financial difficulty, or if we elect or are required to change foundry, we may incur significant costs and delays. If our suppliers are unable to, or do not, manufacture sufficient quantities of our products at acceptable yields, we may be required to allocate the affected products among our end customers, prematurely limit or discontinue the sales of certain products, or incur significant costs to transfer products to another foundry, which could harm our end customer relationships and operating results. **If our foundry vendor does not achieve..... time consuming and costly to defend.** We rely on the timely supply of materials and new technologies and could suffer if suppliers fail to meet their delivery obligations or raise prices. Certain new technologies and materials needed in our manufacturing operations are only available from a limited number of suppliers. Our manufacturing operations depend on deliveries of materials in a timely manner and, in some cases, on a just- in- time basis. From time to time, suppliers may extend lead times, limit the amounts supplied or increase prices due to capacity constraints or other factors. Supply disruptions may also occur due to shortages in critical materials or components. We have encountered shortages and delays in obtaining components and materials and may encounter additional shortages and delays in the future. Because our products are complex, it is frequently difficult or impossible to substitute one type of material with another. Further, a failure by suppliers to deliver requirements could result in disruptions to our third party manufacturing operations. Our business, financial condition and results of operations could be harmed if we are unable to obtain adequate supplies of materials in a timely manner or if there are significant increases in the costs of materials. In addition, our next- generation technology depends on other new technologies supplied by third- party vendors. We depend on these third parties to supply us with new technology in a timely manner that meets our performance, cost and quality needed by our end customers. We do not have any long- term supply agreements with any of our suppliers. If these new technologies are not available in the future or if we encounter any problems with the delivery, quality, cost or performance of these new technologies, our business could be materially impacted and our financial condition and results of operation could be harmed. Worldwide manufacturing capacity for wafers is relatively inelastic. If the demand for wafers or assembly material exceeds market supply, our supply of wafers or assembly material could quickly become limited or prohibitively expensive. A shortage in manufacturing capacity could also hinder our ability to meet product demand and therefore reduce our revenue. If greater demand for wafers is not offset by an increase in foundry capacity, market demand for wafers or production and assembly materials increases, or if a supplier of our wafers or other materials ceases or suspends operations, for example due to shutdown measures implemented in response to the Covid- 19 outbreak, our supply of wafers and other materials could become limited. Such shortages raise the likelihood of potential wafer price increases, wafer shortages or shortages in materials at production and test facilities, resulting in potential inability to address our end customer product demands and our backlog in a timely manner and reduce our revenue and gross margins. If we are unable to purchase wafers at favorable prices or at all, or we face supply shortages, our financial condition and results of operations will be harmed. **Our working capital needs are difficult to predict. Our working capital needs are difficult to predict and may fluctuate. The comparatively long period between cost of raw materials is a key element in the time at which we commence the manufacturing** cost of our products. Our inability to offset material price inflation through increased prices **process and the time at which a** to end customers, suppliers, productivity actions, or through commodity hedges could adversely affect our results of operations. Many major components, product equipment items, and raw materials, are procured or subcontracted on a single or sole- source basis. Although we maintain a qualification and performance surveillance process and believe that sources of supply for raw materials and components are generally adequate, it is difficult to predict what effects shortages or price increases may **be delivered** have in the future. Our inability to fill our supply needs would jeopardize our ability to fulfill obligations under our contracts, which could, in turn, result in reduced sales and **an** profits, contract penalties or terminations, and damage to our end customer **leads** relationships. Furthermore, increases in the price of wafers, testing costs, and commodities, which may result in increased production costs, mainly assembly and packaging costs, may result in a decrease in our gross margins. Moreover, our suppliers may pass the increase in raw materials and commodity costs onto us which would further reduce the gross margin of our products. In addition, as we are a fabless company, global market trends such as a shortage of capacity to **high** fulfill our fabrication needs also may increase our raw material costs and thus decrease our gross margin. We depend on independent contractors and third parties to provide key services in our product development and operations, and any disruption of their services, or an increase in cost of these services, could negatively impact our financial condition and results of operations. We depend on subcontractors to provide cost- effective and efficient services in our product development and supply chain functions, including test and assembly services, software and hardware development, support of intellectual property cores, inventory management, order fulfillment and direct sales logistics. Our operations and operating results may be negatively impacted if we experience problems with our subcontractors that impact the delivery of product to our end customers. These problems may include: delays in software or hardware development timelines, prolonged inability to obtain wafers or packaging materials with competitive performance and cost attributes; inability to achieve adequate yields or timely delivery; inability to meet end customer timelines or demands, disruption or defects in assembly, test, or shipping services; or delays in stabilizing manufacturing processes or ramping up volume for new products. If

our third-party supply chain providers were to reduce or discontinue services for us or their operations are disrupted as a result of a fire, earthquake, act of terrorism, political unrest, governmental uncertainty, war, disease, or other natural disaster or catastrophic event, weak economic conditions, or any other reason, our financial condition and results of operations could be adversely affected. We rely on our relationships with industry and technology leaders to enhance our product offerings and our inability to continue to develop or maintain such relationships in the future would harm our ability to remain competitive. We develop many of our products for applications in systems that are driven by industry and technology leaders in mobile consumer electronics, enterprise, eMobility and new energy markets. We work with distributors, resellers, ODMs,..... our net sales were to end customers in Asia - progress levels. The volatility of We allocate revenue among individual countries based on the location to which the products are initially billed even if our end customers' businesses and revenue is attributable to end customers that are located in a different location. As of December 31, 2022, approximately 66 % of our workforce was located outside of the time required to manufacture United States. In addition, a substantial majority of our products are manufactured, assembled, tested and packaged by third parties located outside of the United States. Our principal assembly and test facilities are located in Taiwan and the Philippines. We also rely on several other wafer fabrication manufacturing partners located throughout Asia. Any conflict or uncertainty in this region, including public health or safety concerns or natural disasters, could have a material adverse effect on our business, financial condition and results of operations. Moreover, the global nature of our business subjects us to a number of additional risks and uncertainties, which could harm our business, financial condition and results of operations, including:

- international economic and political conditions and other political tensions between countries in which we do business;
- actual or threatened military conflicts in countries or regions where we do not do business or have manufacturing partners, such as the military conflict between Russia and Ukraine, may increase the likelihood of supply interruptions or disruptions in countries or regions where we do business or in which our manufacturing partners have facilities. Such interruptions or disruptions may make it harder for us to find favorable pricing and reliable sources for materials and services we need to make our products, putting upward pressure on our costs;
- unexpected changes in, or impositions of, legislative or regulatory requirements, including changes in tax laws;
- restrictions on cross-border investment, including enhanced oversight by the Committee on Foreign Investment in the United States ("CFIUS") and substantial restrictions on investment from China;
- differing legal standards with respect to protection of intellectual property and employment practices;
- local business and cultural factors that differ from our normal standards and practices, including business practices that we are prohibited from engaging in by the U. S. Foreign Corrupt Practices Act of 1977 ("FCPA") and other anticorruption laws and regulations;
- exporting or importing issues related to export or import restrictions, including deemed export restrictions, tariffs, quotas and other trade barriers and restrictions; and
- disruptions of capital and trading markets and currency fluctuations.

Our company culture has contributed to our success and if we cannot maintain this culture as it grows, our business could be harmed. We believe that our company culture, which promotes innovation, open communication, and teamwork, has been critical to our success. We face a number of challenges that may affect our ability to sustain our corporate culture, including:

- failure to identify, attract, reward, and retain people in leadership positions in our organization who share and further our culture, values and mission;
- the increasing size and geographic diversity of our workforce;
- competitive pressures to move in directions that may divert us from our mission, vision, and values;
- the continued challenges of a rapidly-evolving industry; and
- the increasing need to develop expertise in new areas of business that affect us.

If we are not able to maintain our culture, our business, financial condition, and results of operations could be adversely affected. Loss of key management or other highly skilled personnel, or an inability to attract such management and other personnel, could adversely affect our business. We depend on our executive officers and key employees to run our business and on development engineers to develop new products and technologies. The loss of any key personnel could have a material adverse effect on our business. In addition, the market for qualified employees, including skilled engineers and other individuals with the required technical expertise to succeed in business, is highly competitive and an inability to attract, retain and motivate the employees required for the operation of our business could hinder our ability to successfully conduct research activities or develop marketable products. In addition, we must attract and retain highly qualified personnel, including certain foreign nationals who are not U. S. citizens or permanent residents, many of whom are highly skilled and constitute an important part of our U. S. workforce, particularly in the areas of engineering and product development. Our ability to hire and retain these employees and their ability to remain and work in the U. S. are impacted by laws and regulations, as well as by procedures and enforcement practices of various government agencies. Changes in immigration laws, regulations or procedures, including those that may be enacted by the current U. S. presidential administration, may adversely affect our ability to hire or retain such workers, increase operating expenses and negatively impact our ability to deliver products and services, any of which would adversely affect our business, financial condition and results of operations. The loss of one or more of our executive officers or other key personnel or our inability to locate suitable or qualified replacements could be significantly detrimental to product development efforts and could have a material adverse effect on our business, financial condition and results of operations. Furthermore, we are dependent on the services of certain of our key personnel. It is possible that we will lose some key personnel, the loss of which could negatively impact the operations and profitability of our company. We may not be able to effectively manage our growth and may need to incur significant expenditures to address the additional operational and control requirements of our growth, either of which could harm our business and operating results. To continue to grow, we must continue to expand our operational, engineering, accounting and financial systems, procedures, controls and other internal management systems. This may require substantial managerial and financial resources, and our efforts in this regard may not be successful. Our current systems, procedures and controls may not be adequate to support our future operations. Unless our growth results in an increase in our revenues that is proportionate to the increase in our costs associated with this growth, our operating margins and profitability will be adversely affected. If we fail to adequately manage our growth, improve our operational, financial and management information systems, or effectively motivate and manage our new and future employees, it could adversely affect our business, financial condition and results of operations.

We have an accumulated deficit and have incurred net losses in the past, and we may continue to incur net losses in the future. We have experienced net losses in each year since our inception until fiscal year 2022 where we realized net income, primarily driven by gains on the change in fair value of warrants and earnout liability. As of December 31, 2021, December 31, 2020 and December 31, 2019, we had an accumulated deficit of \$ 228.7 million, \$ 75.9 million and \$ 56.9 million, respectively. We generated net losses of \$ 152.7 million, \$ 19.0 million and \$ 17.3 million in the years ended December 31, 2021, 2020 and 2019, respectively. The net losses in 2021 and 2020 were primarily attributable to adding additional headcount to expand new product development and end customer outreach in current markets and the loss in 2019 was primarily due to our expanding headcount and expenses across the company in preparation of future growth. We expect to continue to make significant investments to support our research and development, sales and marketing and general and administrative functions, as a result it expects these losses to continue for at least the next several years. In addition, if our products do not achieve sufficient market acceptance, we will not become profitable. If we fail to become profitable, or if we are unable to fund our continuing losses we may be unable to continue our business operations. There can be no assurance that we will ever achieve or sustain profitability. As a public company, we also continue to incur significant additional legal, accounting and other expenses. If our revenue growth does not exceed the growth of these anticipated expenses, we may not be able to achieve or sustain profitability, and our stock price could decline. Our actual operating results may differ significantly from our guidance. From time to time, we provide forward looking estimates regarding our future performance that represent our management's estimates as of a point in time. These forward looking statements are based on projections prepared by our management. These projections are not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, and neither our independent registered public accountants nor any other independent expert or outside party compiles or examines the projections and, accordingly, no such person expresses any opinion or any other form of assurance on our projections. Projections are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions and conditions, some of which will change. The principal reason that we provide forward looking information is to provide a basis for our management to discuss our business outlook with stakeholders. Forward looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions of our forward looking statements will not materialize or will vary significantly from actual results. Accordingly, our forward looking statements are only an estimate of what management believes is realizable as of the date of release. Actual results will vary from our forward looking statements and the variations may be material. In light of the foregoing, investors are urged not to place undue reliance upon our guidance in making investment decisions. 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. In connection with the audit of our consolidated financial statements for the year ended December 31, 2021, we identified material weaknesses in our internal control over financial reporting. These material weaknesses related to the design of internal controls as follows: (1) the lack of a sufficient number of trained professionals with the appropriate U. S. GAAP technical expertise to identify, evaluate, value and account for complex and non-routine transactions, including revenue arrangements and stock-based compensation; and (2) the lack of sufficient accounting resources to maintain segregation of duties, including the lack of internal control to ensure that manual journal entries are reviewed by someone independent of the preparer with the appropriate competence and ability. We have begun implementing and are continuing to implement measures designed to improve our internal control over financial reporting to remediate these material weaknesses, specifically by hiring additional accounting personnel to augment existing technical expertise as well as to provide the staffing necessary to maintain effective segregation of duties. If we are unable to successfully remediate our existing or any future material weaknesses in our internal control over financial reporting, or if we identify additional material weaknesses, the accuracy and timing of our financial reporting may be adversely affected, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable Nasdaq listing requirements. Investors may lose confidence in our reported financial information as a result, which would likely have a negative effect on the trading price our stock. We also could become subject to investigations by Nasdaq, the SEC or other regulatory authorities. Events beyond our control could have an adverse effect on our business, financial condition, results of operations and cash flows. Our offices in California, the production facilities of third-party wafer suppliers, IC testing and manufacturing facilities, a portion of our assembly and research and development activities, and certain other critical business operations are located in or near seismically active regions and are subject to periodic earthquakes or are subject to power outages, natural disasters, political, social, or economic unrest, and other potentially catastrophic events. For example, our El Segundo operations are located near major earthquake fault lines in California. In the event of a major earthquake, wild fires, hurricane, flooding, or other catastrophic event such as power loss, telecommunications failure, cyber-attack, war, terrorist attack, political, social, or economic unrest, or disease outbreak, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our product development, breaches of data security, or loss of critical data, any of which could have an adverse effect on our future results of operations. Much of our revenue, as well as our manufacturers and assemblers, are concentrated in Asia, particularly in China. The political, legal and economic risks associated with our operations in foreign countries, in particular China, include, without limitation: expropriation; changes in a specific country's or region's political or economic conditions; changes in tax laws, trade protection measures and import or export licensing requirements; difficulties in protecting our intellectual property; difficulties in managing staffing and exposure to different employment practices and labor laws; changes in foreign currency exchange rates; restrictions on transfers of funds and other assets of our subsidiaries between jurisdictions; changes in freight and interest rates; disruption in air transportation between the

United States and our overseas locations; loss or modification of exemptions for taxes and tariffs; and compliance with U. S. laws and regulations related to international operations, including export control and economic sanctions laws and regulations and the FCPA. In addition, our worldwide operations (or those of our business partners) could be subject to natural disasters such as earthquakes, tsunamis, flooding, typhoons and volcanic eruptions that disrupt manufacturing or other operations. There may be conflict or uncertainty in the countries in which we operate, including public health issues (for example, an outbreak of a contagious disease such as COVID-19, avian influenza, measles or Ebola), safety issues, natural disasters, fire, disruptions of service from utilities, nuclear power plant accidents or general economic or political factors. Any of the above risks, should they occur, could result in an increase in the cost of components, production delays, general business interruptions, delays from difficulties in obtaining export licenses for certain technology, tariffs and other barriers and restrictions, longer payment cycles, increased taxes, restrictions on the repatriation of funds and the burdens of complying with a variety of foreign laws, any of which could harm our business. Furthermore, any disaster affecting end customers (or their respective end customers) may significantly negatively impact the demand for our products and therefore our revenue. There is increasing concern that climate change is occurring that may cause a rising number of natural disasters with potentially dramatic effects on human activity. Fluctuations in foreign exchange rates could have an adverse effect on our results of operations. We operate in various worldwide locations and our consolidated financial results are reported in U. S. dollars. However, some of the revenue and expenses of our foreign subsidiaries are denominated in local currencies. Fluctuations in foreign exchange rates against the U. S. dollar could result in changes in reported revenues and operating results due to the foreign exchange impact of translating these transactions into U. S. dollars. Currency fluctuations could decrease revenue and increase our operating costs. The impact of foreign currency exchange rates on our revenues and results of operations was de minimis for all periods presented in this annual report. Our quarterly net sales and operating results are difficult to predict accurately and may fluctuate significantly from period to period. As a result, we may fail to meet the expectations of investors, which could cause our stock price to decline. We operate in a highly dynamic industry and our future operating results could be subject to significant fluctuations, particularly on a quarterly basis. Our quarterly net sales and operating results have fluctuated significantly in the past and may continue to vary from quarter to quarter due to a number of factors, many of which are not within our control. A significant percentage of our net sales in each fiscal quarter is dependent on sales that are booked and shipped during that fiscal quarter and are typically attributable to a large number of orders from diverse end customers and markets. As a result, accurately forecasting our operating results in any fiscal quarter is difficult. If our operating results do not meet the expectations of securities analysts and investors, the our stock price may decline. Additional factors that can contribute to fluctuations in our operating results include:

- the rescheduling, increase, reduction or cancellation of significant end customer orders;
- the timing of end customer qualification of our products and commencement of volume sales by our end customers of systems that include our products;
- the timing and amount of research and development and sales and marketing expenditures;
- the rate at which our present and future end customers and end users adopt our technologies in our target end markets;
- the timing and success of the introduction of new products and technologies by we and our competitors, and the acceptance of our new products by our end customers;
- our ability to anticipate changing end customer product requirements;
- our gain or loss of one or more key end customers;
- the availability, cost and quality of materials and components that we purchases from third-party vendors and any problems or delays in the fabrication, assembly, testing or delivery of our products;
- the availability of production capacity at our third-party wafer fabrication facility or other third-party subcontractors and other interruptions in the supply chain, including as a result of materials shortages, bankruptcies or other causes;
- supply constraints for and changes in the cost of the other components incorporated into our end customers' products;
- our ability to reduce the manufacturing costs of our products;
- fluctuations in manufacturing yields;
- the changes in our product mix or end customer mix;
- competitive pressures resulting in lower than expected ASPs;
- the timing of expenses related to the acquisition of technologies or businesses;
- product rates of return or price concessions in excess of those expected or forecasted;
- the emergence of new industry standards;
- product obsolescence;
- unexpected inventory write-downs or write-offs;
- costs associated with litigation over intellectual property rights and other litigation;
- the length and unpredictability of the purchasing and budgeting cycles of our end customers;
- loss of key personnel or the inability to attract qualified engineers;
- the quality of our products and any remediation costs;
- adverse changes in economic conditions in various geographic areas where we or our end customers do business;
- the general industry conditions and seasonal patterns in our target end markets;
- other conditions affecting the timing of end customer orders or our ability to fill orders of end customers subject to export control or U. S. economic sanctions; and
- geopolitical events, such as war, threat of war or terrorist actions, or the occurrence of pandemics, epidemics or other outbreaks of disease, including the current Covid-19 pandemic, or natural disasters, and the impact of these events on the factors set forth above. We may experience a delay in generating or recognizing revenues for a number of reasons. Open orders at the beginning of each quarter are typically lower than expected net sales for that quarter and are generally cancelable or reschedulable with minimal notice. Accordingly, we depend on obtaining orders during each quarter for shipment in that quarter to achieve our net sales objectives and failure to fulfill such orders by the end of a quarter may adversely affect our operating results. Furthermore, our end customer agreements typically provide that the end customer may delay scheduled delivery dates and cancel orders within specified timeframes without significant penalty. In addition, we maintain an infrastructure of facilities and human resources in several locations around the world and have a limited ability to reduce the expenses required to maintain such infrastructure. Because we base our operating expenses on anticipated revenue trends and a high percentage of our expenses are fixed in the short term, any delay in generating or recognizing forecasted net sales or changes in levels of our end customers' forecasted demand could materially and adversely impact our business, financial condition and results of operations. Due to our limited ability to reduce expenses, in the event our revenues decline or our forecasted net sales do not meet our expectations, it is likely that in some future quarters our operating results will decrease from the previous quarter or fall below the expectations of securities analysts and investors. As a result of these factors, our operating results may vary significantly from quarter to quarter.

Accordingly, you are cautioned not to place undue reliance on period-to-period comparisons of our results of operations. Any shortfall in net sales or net income from a previous quarter or from levels expected by the investment community could cause a decline in the trading price of our stock. Due to our limited operating history, we may have difficulty accurately predicting our future revenue and appropriately budgeting our expenses. We were incorporated in 2013 and first generated product revenue in the second quarter of fiscal year 2018. As a result, we have a limited operating history from which to predict future revenue. This limited operating experience, combined with the rapidly evolving nature of the markets in which we sell our products, substantial uncertainty concerning how these markets may develop and other factors beyond our control, limits our ability to accurately forecast quarterly or annual revenue. The nature of our business and length of the sales cycle makes our revenue, gross margin and net income (loss) subject to fluctuation and difficult to accurately predict. A number of factors, including how products are manufactured to support end markets, yield, wafer pricing, cost of packaging raw materials, product mix, market acceptance of our new products, competitive pricing dynamics, product quality, geographic and / or end market mix, and pricing strategies, can cause our revenue, gross margins and net income (loss) to fluctuate significantly either positively or negatively from period to period. We have limited visibility into the timing of demand for our products, particularly new products, because demand for our products depends upon our products being designed into end customers' products and those products achieving market acceptance. During our sales cycle, our end customers typically test and evaluate our products prior to deciding to include our products into the design of their own products, and then require additional time to begin volume production of their products. This lengthy sales cycle may cause us to incur significant expenses, experience significant production delays and to incur additional inventory costs before we receive an end customer order that may be delayed or never get placed. A key strategic end customer may demand certain design or production resources to meet their requirements or work on a specific solution, which could cause delays in our normal development schedule and result in significant investment of our resources or missed opportunities with other potential end customers. We may incur these expenses without generating revenue from our products to offset the expenses. While our sales cycles are typically long, our average product life cycles tend to be short as a result of the rapidly changing technology environment in which we operate. Our inventory levels may be higher than historical norms, from time to time, due to inventory build decisions aimed at meeting expected demand from a single large customer, reducing direct material cost or enabling responsiveness to expected demand. In the event the expected demand does not materialize, or if our short sales cycle does not generate sufficient revenue, we may be subject to incremental excess and obsolescence costs. These factors make it difficult for us to **manage** accurately forecast future sales and project quarterly revenues. The difficulty in forecasting future sales weakens our ability to project our inventory requirements, which could result, and in the past has resulted, in inventory write-downs or failure to meet end customer product demands in a timely manner. While we may give guidance, the difficulty in forecasting revenues as well as the relative end customer and product mix of those revenues limits our ability to provide accurate forward-looking revenue and gross margin guidance. While we intend to continue to invest in research and development, we may be unable to make the substantial investments that are required to remain competitive in our business. The semiconductor industry requires substantial investment in research and development in order to bring to market new and enhanced solutions. Our research and development expense was \$ 50.3 million in the fiscal year ended 2022, \$ 27.5 million in the fiscal year ended 2021, \$ 13.0 million in fiscal year 2020 and \$ 11.1 million in fiscal year 2019. We expect to continue to increase our research and development expenditures as compared to prior periods as part of our strategy. We do not know whether we will have sufficient resources to maintain the level **levels** of investment in research and development required to remain competitive. In addition, we cannot assure you that the technologies which are the focus of our research and development expenditures will become commercially successful or generate any revenue. Shifts in our product mix or end customer mix may result in declines in gross margin. Gross margins on individual products fluctuate over the product's life cycle. Our overall gross margins have fluctuated from period to period as a result of shifts in product mix, end customer mix, the introduction of new products, decreases in ASPs for older products and our ability to reduce product costs. We expect these fluctuations to continue in the future. Changes to financial accounting standards may affect our results of operations and could cause us to change our business practices. We prepare our consolidated financial statements to conform to generally accepted accounting principles, or GAAP, in the United States. These accounting principles are subject to interpretation by the American Institute of Certified Public Accountants, the SEC and various bodies formed to interpret and create appropriate accounting rules and regulations. Changes in those accounting rules can have a significant effect on our financial results and may affect our reporting of transactions completed before a change is announced. Changes to those rules or the questioning of current practices may adversely affect our reported financial results or the way we conduct our business. A portion of our Earnout Shares are accounted for as liabilities and the changes in value of our Earnout Shares could have a material effect on our financial results. A portion of our Earnout Shares are accounted for as liabilities and changes in value of our Earnout Shares could have a material effect on our financial results. In particular, the fair value of the contingent consideration liability will be remeasured each reporting period and changes in value will be reflected in net income (loss). As a result of the recurring fair value measurement, our financial statements and results of operations may fluctuate quarterly, based on factors which are outside of our control. Due to the recurring fair value measurement, we expect that we will recognize non-cash gains or losses on our Earnout Shares each reporting period and that the amount of such gains or losses could be material. As part of our strategy, we may enter into a number of long-term strategic partnerships and alliances. There can be no assurances that they will be successful. We may have interests that diverge from those of our joint venture partners or other strategic partners and we may not be able to direct the management and operations of the joint venture or other strategic relationship in the manner we believe is most appropriate, exposing us to additional risk. In addition, if any of our current strategic partners or alliances we may engage with in the future were to encounter financial difficulties or change their business strategies, they may no longer be able or willing to participate in these groups or alliances, which could have a material adverse effect on our business, financial condition and results of operations. We may from time to time desire to exit certain programs or

businesses, or to restructure our operations, but may not be successful in doing so. From time to time, we may decide to divest certain businesses or restructure our operations, including through the contribution of assets to joint ventures. However, our ability to successfully exit businesses, or to close or consolidate operations, depends on a number of factors, many of which are outside of our control. For example, if we are seeking a buyer for a particular business, none may be available, or we may not be successful in negotiating satisfactory terms with prospective buyers. In addition, we may face internal obstacles to our efforts. In some cases, particularly with respect to European operations, there may be laws or other legal impediments affecting our ability to carry out such sales or restructuring. If we are unable to exit a business in a timely manner, or to restructure our operations in a manner we deem to be advantageous, this could have a material adverse effect on our business, financial condition and results of operations. Even if a divestment is successful, we may face indemnity and other liability claims by the acquirer or other parties. We may pursue growth opportunities by acquiring complementary businesses, solutions or technologies through strategic acquisitions, investments or partnerships. There can be no assurances that they will be successful. The identification of suitable acquisition, strategic investment or strategic partnership candidates can be costly and time consuming and can distract our management team from our current operations. If such strategic transactions require us to seek additional debt or equity financing, we may not be able to obtain such financing on terms favorable to us or at all, and such transaction may adversely affect our liquidity and capital structure. We may also choose to divest certain non-core assets, which divestitures could lead to charges against earnings and may expose us to additional liabilities and risks. Any strategic transaction might not strengthen our competitive position, may increase some of our risks, and may be viewed negatively by our end customers, partners or investors. Even if we successfully complete a strategic transaction, we may not be able to effectively integrate the acquired business, technology, systems, control environment, solutions, personnel or operations into our business or global tax structure. We may experience unexpected changes in how we are required to account for strategic transactions pursuant to U. S. GAAP and may not achieve the anticipated benefits of any strategic transaction. We may incur unexpected costs, claims or liabilities that we incur during the strategic transaction or that we assume from the acquired company, or we may discover adverse conditions post acquisition for which we have limited or no recourse. We may require additional capital to support our business, and this capital might not be available on acceptable terms, if at all. We intend to continue to make investments to support our business growth and may require additional capital to respond to business opportunities and challenges, including the need to develop new features and products or enhance existing services, improve operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in debt or equity financings to secure additional funds. Any such financing secured in the future would increase expenses and could involve restrictive covenants relating to capital raising activities or create significant shareholder dilution, which may make it more difficult to obtain additional capital and to pursue business opportunities. We may not be able to obtain additional financing on favorable terms, if at all. If we are unable to obtain adequate financing or financing on satisfactory terms when required, our ability to continue to support business growth and to respond to business challenges could be significantly impaired, and our business may be harmed.

Serviceing The cost of raw materials is a key element in the cost of our products. Our inability to offset material price inflation through increased prices to end customers, suppliers, productivity actions, our or through commodity hedges could adversely affect our results debt and other payment obligations requires a significant amount of cash operations. Many major components, product equipment items, and raw materials, are procured or subcontracted on a single or sole- source basis. Although we maintain a qualification and performance surveillance process and believe that sources of supply for raw materials and components are generally adequate, it is difficult to predict what effects shortages or price increases may not have in the future sufficient cash flow from our business to pay our debts. Our inability to fill our supply needs would jeopardize our ability to fulfill make scheduled payments or to refinance our obligations under our contracts debt arrangements depends on our future performance and available cash, which could is subject to economic, in turn, result in reduced sales and profits, contract penalties or terminations, and damage to our end customer relationships. Furthermore, increases in the price of wafers, testing costs, and commodities, which may result in increased production costs, mainly assembly and packaging costs, may result in a decrease in our gross margins. Moreover, our suppliers may pass the increase in raw materials and commodity costs onto us which would further reduce the gross margin of our products. In addition, as we are a fabless company, global market trends such as a shortage of capacity to fulfill our fabrication needs also may increase our raw material costs and thus decrease our gross margin. We have in the past identified material weaknesses in our internal control over financial reporting, competitive and other factors beyond our control. Our business may not generate cash flow from operations in the future sufficient to service our debt, other repayment obligations and /or make necessary investments or capital expenditures. If we identify such material weaknesses in the future and are unable to generate such cash flow remedy these material weaknesses, or if we fail to establish and maintain effective internal controls, we may be required unable to adopt one or more alternatives produce timely and accurate financial statements, and we may conclude such as selling assets, restructuring debt or obtaining additional capital on terms that may be onerous or our internal control over highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial reporting is condition at such time. We may not effective be able to engage in any of these activities or engage in these activities on favorable terms, which could result adversely impact our investors' confidence and our stock price. As previously disclosed in a default our annual report on our debt Form 10- K or for repayment obligations. Our business depends on the year ended December 31, 2021 and 2022, in connection with the audit of our consolidated financial statements for the years the then proper functioning of ended, we identified material weaknesses in our internal processes control over financial reporting, as described in Part II, Item 9A, Controls and Procedures information technology systems. A failure of In 2022 and into 2023, we began implementing and are continuing to implement measures designed to improve our internal control over financial reporting to remediate these processes and systems, data breaches, cyber- attacks, or cyber- fraud may cause business disruptions, compromise our intellectual property or other sensitive information, litigation or

government actions, or result in losses. We rely on the efficient and uninterrupted operation of complex information technology applications, systems and networks to operate our business. The reliability and security of information technology infrastructure and software, and our ability to expand and continually update technologies in response to changing needs is critical to our business. Any significant interruption in these applications, systems or networks, including but not limited to new system implementations, computer viruses, cyberattacks, security breaches, facility issues or energy blackouts, could have a material **weaknesses** adverse impact on our business, **specifically by hiring additional accounting personnel** financial condition and results of operations. Cyber-attacks attempting to **augment existing** obtain access to our computer systems and networks could result in the misappropriation of proprietary information and technology. Although we have not experienced a breach or incident to date, there can be no assurance that a future breach or incident will not have a material impact on our operations and financial results. In the current environment, there are numerous and evolving risks to cybersecurity and privacy, including criminal hackers, state-sponsored intrusions, industrial espionage, employee malfeasance, and human or technological **technical expertise** error. In the event of such breaches, we, our end customers or other third parties could be exposed to potential liability, litigation, and regulatory action, as well as the potential loss of existing or potential end customers, damage to **provide** reputation, and other **the financial loss** **staffing necessary to maintain effective segregation of duties**. In addition **2023**, the cost **we hired** and **an external consulting firm** operational consequences of responding to **act as** attempted breaches and implementing remediation measures could be significant. Cyber-attacks or **our internal audit department and** other catastrophic events could result in interruptions or delays to **assist** us, our end customers, or other third-party operations or services, financial loss, potential liability, and damage our reputation and affect our relationships with end customers and suppliers. Further, we may be subject to theft **the Company's SOX 404 (b) requirements**, loss, or misuse of personal and confidential data regarding our employees, end customers and suppliers that is routinely collected, used, stored, and transferred to run our business. Such **As part of** theft **the Company's SOX 404 (b) requirements**, loss, or misuse could result in significantly increased business and security costs or costs related to defending legal claims. Even though we have **identified** taken measures to comply with current federal, state, or international privacy-related or data protection laws and regulations, material changes in these laws and regulations could result in increased costs on Navitas in order to maintain compliance. Our business also depends on various outsourced IT services. We rely on third-party vendors to provide critical services and to adequately address cyber security threats to their own systems. Any material failure of third-party systems and services to operate effectively could disrupt our operations and could have a material adverse effect on our business, financial condition and results of operations. Our business is exposed to the risks associated with litigation, investigations and regulatory proceedings. We may in the future face legal, administrative and regulatory proceedings, claims, demands and/or investigations involving shareholder, consumer, employment, third-party manufacturers, subcontractors, competition and/or other issues relating to our business on a global basis. Litigation and regulatory proceedings are inherently uncertain, and adverse rulings could occur, including monetary damages, or an **and implemented** injunction stopping us from manufacturing or selling certain products, engaging in certain business practices, or requiring other remedies, such as compulsory licensing of patents. An unfavorable outcome or settlement may result in a material adverse impact on our business, results of operations, financial position, and overall trends. In addition **additional**, litigation, regardless of outcome, could result in substantial costs, reputational harm and a diversion of management's attention and resources, and any litigation may have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, the laws and regulations our business is subject to are complex and change frequently. We may be required to incur significant expense to comply with changes in, or remedy violations of, these laws and regulations. Inadequate internal controls could result in inaccurate financial reporting. If we fail to **mitigate** maintain an effective system of internal controls, we may not be able to accurately report our financial results. As a result, our stakeholders could lose confidence in our financial reporting, which could adversely affect results of our business and our enterprise value. We will need to undertake significant efforts to strengthen our processes and systems and adapt them **the** to changes as our business evolves. This continuous process of maintaining and adapting our internal controls is expensive and time-consuming and requires significant management attention. We cannot be certain that our internal control measures will, in the future, provide adequate control over our financial processes and reporting. Furthermore, as our business evolves and if we expand through acquisitions of other companies or make significant investments in other companies or enters into joint development and similar arrangements, our internal controls may become more complex and we will require significantly more resources to ensure our internal controls remain effective. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. If we or our independent registered public accounting firm identify additional material weaknesses in **identified from** the future, the prior year. As disclosure **disclosed in Part II, Item 9A, we have tested our controls related to the material weaknesses identified from the prior year for a sufficient period of time and have concluded through testing** that fact, even if quickly remediated, could reduce the market's confidence in our financial statements and harm our enterprise value. Our ability to receive timely payments from or the deterioration of the financial conditions of, our distributors or our end customers could adversely affect our operating results. Our ability to receive timely payments from or the deterioration of the financial condition of, our distributors or our end customers could adversely impact our collection of accounts receivable, and, as a result, our revenue. We regularly review the collectability and creditworthiness of our end customers to determine an appropriate allowance for doubtful accounts. Based on our review of our customers, nearly all of which are distributors, annually and as of December 31, 2022 **2023**, 2021 **these controls were operating effectively. Therefore**, 2020 and **we have concluded that the material weaknesses previously identified have been remediated at** December 31, 2019, respectively, we believe all of our receivables are collectable. If our doubtful accounts, however, were to exceed our current or future allowance for doubtful accounts, our business, financial condition, and results of operations would be adversely affected. If we do not sustain our growth rate, we may not be able to execute our business plan and our operating results could suffer. We have

experienced significant growth in a short period of time. Our net revenue increased from zero in fiscal year 2017, to \$ 11. 8 million in fiscal year 2020 **2023**, to \$ 23. 7 million in fiscal year 2021, to \$ 37. 9 million in fiscal year 2022. We may not achieve similar growth rates in future periods. You should not rely upon our revenue growth, gross margins or operating results for any prior quarterly or annual periods as an indication of Navitas' future operating performance. If we are unable to maintain adequate revenue growth, our financial results could suffer and our stock price could decline. Our margins are dependent on us achieving continued yield improvement. We rely on obtaining yield improvements and corresponding cost reductions in the manufacture of existing products and on introducing new products that incorporate advanced features and other price/ performance factors that enable us to increase revenues while maintaining acceptable margins. To the extent such cost reductions and new product introductions do not occur in a timely manner, or that our products do not achieve market acceptance or market acceptance at acceptable pricing, our forecasts of future revenue, financial condition, and operating results could be harmed.

Risks Related to Taxes The Company and Legacy Navitas are a U. S. corporation for U. S. federal income tax purposes and thus subject to U. S. corporate income tax on our worldwide income. In addition, because Legacy Navitas is also incorporated under Irish law, Legacy Navitas is also subject to Irish income tax on its worldwide income. We, through our foreign subsidiaries, are subject to income taxes in other foreign jurisdictions as a result of foreign operations in such jurisdictions. Thus, new laws and policy relating to either U. S., Irish or other applicable foreign jurisdiction taxes may have an adverse effect on our business and future profitability. Further, existing U. S., Irish or other foreign tax laws, statutes, rules, regulations, ordinances or treaties could be interpreted, changed, modified or applied adversely to us, possibly with retroactive effect. For example, several tax proposals in the U. S. would, if enacted, make significant changes to U. S. tax laws. Such proposals include, but are not limited to, (i) an increase in the U. S. income tax rate applicable to corporations from 21 % to 28 %, (ii) an increase in the maximum U. S. federal income tax rate applicable to individuals and (iii) an increase in the U. S. federal income tax rate for long term capital gain for certain taxpayers with income in excess of a threshold amount. Congress may consider, and could include, some or all of these proposals in connection with tax reform to be undertaken by the current administration. It is unclear whether these or similar changes will be enacted and, if enacted, how soon any such changes could take effect (or whether such changes would have retroactive effect). The passage of any legislation as a result **resulting in** of these proposals and other similar changes in U. S. federal income tax laws could adversely affect our business and future profitability. Further, we could be adversely impacted by changes in tax treaties or the interpretation or enforcement thereof by any tax authority. Such changes could materially and adversely affect the effective tax rate of our business and require us to take further action, at potentially significant expense, to seek to preserve our effective tax rate.

Legacy Navitas is a tax resident of, and is subject to tax in, both the United States and Ireland. While we intend to pursue relief from double taxation under the double tax treaty between the United States and Ireland, there can be no assurance that such efforts will be successful. Accordingly, the status of Legacy Navitas as a tax resident in the U. S. and Ireland may result in an increase in our cash tax obligations and effective tax rate, which increase may be material. Because Legacy Navitas is registered as a Delaware limited liability company and because it is treated as a U. S. corporation under Section 7874 of the Code and the Treasury Regulations promulgated thereunder, it is treated as a U. S. corporation for U. S. federal income tax purposes. Because Legacy Navitas is treated as a domestic corporation for U. S. federal income tax purposes, among other consequences, it is generally subject to U. S. federal income tax on its worldwide income, and its dividends are treated as dividends from a U. S. corporation. Regardless of the application of Section 7874 of the Code and its registration as a Delaware limited liability company, Legacy Navitas is also treated as an Irish tax resident for Irish income tax purposes as a consequence of being incorporated under the laws of Ireland. Therefore, because Legacy Navitas is a tax resident of Ireland and the U. S., it could be liable for both U. S. and Irish taxes on its worldwide income and dividends paid by it to us could be subject to Irish withholding taxes. While we intend to pursue relief from double taxation under the double tax treaty between the United States and Ireland, there can be no assurance that such efforts will be successful or result in a favorable outcome. Accordingly, the status of Legacy Navitas as a tax resident in the United States and Ireland may result in an increase in its cash tax obligations and effective tax rate, which increase may be material. As a consequence of Legacy Navitas being treated as an inverted domestic corporation under the Homeland Security Act, the U. S. federal government and certain state and local governments may refrain from entering into contracts with it in the future, which could substantially decrease the value of our business and, accordingly, the value of our common shares. The Federal Acquisition Regulation (" FAR ") prohibits U. S. federal government agencies from using appropriated (or otherwise made available) funds for contracts with a foreign incorporated entity, or a subsidiary of such an entity, that is an " inverted domestic corporation, " as defined in the Homeland Security Act at 6 U. S. C. § 395 (b). This means that government agencies may be prohibited from entering into new contracts with an inverted domestic corporation, and may be prohibited from paying for contractor activities on existing contracts after the date of the " inversion. " If our business becomes heavily dependent upon revenues generated from U. S. federal government contracts, the treatment of Legacy Navitas as an inverted domestic corporation could substantially decrease the value of our business and, accordingly, the value of our common shares. The application of the " inverted domestic corporation " definition is somewhat unclear due to the lack of detailed regulations or other guidance promulgated with respect to the relevant provisions of the Homeland Security Act (or similar state or local rules). Section 7874 of the Code, discussed above, includes substantially similar provisions regarding the determination of whether a foreign corporation is treated as a U. S. domestic corporation for U. S. federal income tax purposes. While the regulatory provisions and other guidance issued by the IRS and the Treasury Department with respect to Section 7874 of the Code provide more detailed guidance, which interprets Section 7874 of the Code as having expansive application, these regulations do not explicitly apply for the purposes of determining whether a corporation is an inverted domestic corporation under the Homeland Security Act (or similar state or local rules), and it is unclear to what extent they should be viewed as interpretive guidance for such purposes. As discussed above, Legacy Navitas is treated as a U. S. domestic corporation under Section 7874 of the Code. Therefore, if the expansive guidance issued by the IRS and Treasury Department were viewed as

interpretive for purposes of the definition of “inverted domestic corporation” in the Homeland Security Act (or similar state or local rules), it is expected that Legacy Navitas will be treated as an inverted domestic corporation for such purposes. In connection with the restructuring of Legacy Navitas in 2020, substantially all of the intellectual property and other intangible assets of Legacy Navitas were sold from a subsidiary of the Legacy Navitas group to Navitas Ireland. Legacy Navitas has recently obtained a third-party valuation of the transferred assets to support the purchase price paid for such assets. However, there can be no assurance that the relevant taxing authorities will agree with the purchase price ascribed to the transferred assets, and an adjustment to the purchase price could adversely impact Legacy Navitas’ tax position. In the event our business expands domestically or internationally, our effective tax rates may fluctuate widely in the future. Future effective tax rates could be affected by operating losses in jurisdictions where no tax benefit can be recorded under U. S. GAAP, changes in the composition of earnings in countries with differing tax rates, changes in deferred tax assets and liabilities, or changes in tax laws. Additionally, we may be subject to tax on more than one-hundred percent of our income as a result of such income being subject to tax in multiple state, local or non-U. S. jurisdictions. Factors that could materially affect our future effective tax rates include, but are not limited to: (a) changes in tax laws or the regulatory environment, (b) changes in accounting and tax standards or practices, (c) changes in the composition of operating income by tax jurisdiction and (d) pre-tax operating results of the combined business. Additionally, we may be subject to significant income, withholding and other tax obligations in the United States and Ireland and may become subject to taxes in numerous additional state, local and non-U. S. jurisdictions with respect to income, operations and subsidiaries related to those jurisdictions. Our after-tax profitability and financial results could be subject to volatility or be affected by numerous factors, including: (a) the availability of tax deductions, credits, exemptions, refunds (including refunds of value added taxes) and other benefits to reduce tax liabilities; (b) changes in the valuation of deferred tax assets and liabilities; (c) expected timing and amount of the release of any tax valuation allowances; (d) tax treatment of stock-based compensation; (e) changes in the relative amount of earnings subject to tax in the various jurisdictions in which we operate; (f) the potential expansion into or otherwise becoming subject to tax in additional jurisdictions; (g) changes to the existing intercompany structure (and any costs related thereto) and business operations; (h) the extent of intercompany transactions and the extent to which taxing authorities in the relevant jurisdictions respect such intercompany transactions; and (i) the ability to structure our operations in an efficient and competitive manner. Outcomes from audits or examinations by taxing authorities could have an adverse effect on our after-tax profitability and financial condition. Additionally, the IRS and several foreign tax authorities have increasingly focused attention on intercompany transfer pricing with respect to sales of products and services and the use of intangibles. Tax authorities could disagree with our intercompany charges, cross-jurisdictional transfer pricing or other matters and assess additional taxes. If we do not prevail in any such disagreements, our profitability may be adversely affected. We have incurred net operating losses for U. S. federal income tax purposes since our inception. To the extent that we continue to generate U. S. federal net operating losses, amounts which are not used to offset taxable income may carry forward to offset future taxable income, if any, for U. S. federal income tax purposes until such carryforwards expire, if at all. As of December 31, 2021-2023, Navitas had U. S. federal net operating loss carryforwards of approximately \$ 100-165.1-0 million. Under the Tax Cuts and Jobs Act of 2017 (the “TCJA”), as modified by the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), U. S. federal net operating loss carryforwards generated in taxable years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such net operating loss carryforwards in taxable years beginning after December 31, 2020, is limited to 80 % of taxable income. It is uncertain if and to what extent various states will conform to the TCJA or the CARES Act. In addition, our U. S. federal net operating loss carryforwards are subject to review and possible adjustment by the IRS and state tax authorities. Under Sections 382 and 383 of the Code, the deductibility of our U. S. federal net operating loss carryforwards and other tax attributes may become subject to an annual limitation in the event of certain cumulative changes in the ownership of our common stock. Under Section 382 of the Code, if a corporation experiences an “ownership change,” the corporation’s ability to use its pre-change net operating loss carryforwards to offset its post-change income may be limited. An ownership change pursuant to Section 382 of the Code generally occurs if one or more stockholders or groups of stockholders who own at least 5 percent of a corporation’s stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. If we have experienced an ownership change at any time since our inception, utilization of the U. S. federal net operating loss carryforwards or other U. S. federal tax attributes would be subject to an annual limitation under Section 382 of the Code, which is determined by first multiplying the value of our common stock at the time of the ownership change by the applicable long-term tax-exempt rate, and then could be subject to additional adjustments, as required. Any limitation may result in expiration of a portion of our U. S. federal net operating loss carryforwards before utilization. Additionally, future changes in our stock ownership, which may be outside our control, may trigger an ownership change. Our U. S. federal net operating losses may also be impaired under state tax laws. Accordingly, we may not be able to utilize a material portion of our U. S. federal net operating loss carryforwards. We have not yet determined any resulting limitations on our ability to utilize our net operating loss carryforwards and other tax attributes. If we earn taxable income for U. S. federal income tax purposes in the future, such limitations could result in increased future income tax liability to us and our future cash flows could be adversely affected. We have recorded a valuation allowance related to our net operating loss carryforwards and other deferred tax assets due to the uncertainty of the ultimate realization of the future benefits of those assets. Risks Related to Our Intellectual Property Much of the technology used in the markets in which we compete is protected by patents and trade secrets, and our commercial success will depend in significant part on our ability to obtain and maintain patent and trade secret protection for our products and methods. To compete in these markets, we rely on a combination of trade secret protection, nondisclosure and licensing agreements, patents and trademarks to establish and protect our proprietary intellectual property rights. Our intellectual property rights may be challenged or infringed upon by third parties or we may be unable to maintain, renew or enter into new license agreements with third-party owners of intellectual property on reasonable terms. In addition, our intellectual property may be

subject to infringement or other unauthorized use outside of the United States. In such case, our ability to protect our intellectual property rights by legal recourse or otherwise may be limited, particularly in countries where laws or enforcement practices are undeveloped or do not recognize or protect intellectual property rights to the same extent as the United States. Unauthorized use of our intellectual property rights or our inability to preserve existing intellectual property rights could adversely impact our competitive position and results of operations. The loss of our patents could reduce the value of the related products that practice such patents. In addition, the cost to litigate infringements of our patents, or the cost to defend ourselves against patent infringement actions by others, could be substantial and, if incurred, could materially affect our business and financial condition. Proprietary trade secrets and unpatented know-how are also very important to our business. We rely on trade secrets to protect certain aspects of our technology, especially where we do not believe that patent protection is appropriate or obtainable. However, trade secrets can be difficult to protect. Our employees, consultants, contractors, outside collaborators and other advisors may unintentionally or willfully disclose our confidential information to competitors, and confidentiality agreements may not provide an adequate remedy in the event of unauthorized disclosure of confidential or proprietary information. Enforcing a claim that a third party illegally obtained and is using our trade secrets may be expensive and time consuming. Moreover, our competitors may independently develop equivalent knowledge, methods and know-how. Failure to obtain or maintain trade secret protection could adversely affect our competitive business position. Our ability to obtain additional patents is uncertain and the legal protection afforded by these patents may not adequately protect our rights or permit us to gain or keep competitive advantage. In addition, the specific content required of patents and patent applications that are necessary to support and interpret patent claims can be uncertain due to the complex nature of the relevant legal, scientific and factual issues. Changes in either patent laws or interpretations of patent laws in the United States or elsewhere may diminish the value of our intellectual property or narrow the scope of our patent protection. Even if patents are issued regarding our products and processes, our competitors may challenge the validity of those patents. If we infringe or misappropriate, or are accused of infringing or misappropriating, the intellectual property rights of third parties, we may incur substantial costs or prevent us from being able to commercialize new products. The semiconductor industry is characterized by frequent litigation regarding patent and other intellectual property rights. From time to time, we may receive communications from third parties that allege that our products or technologies infringe their patent or other intellectual property rights. Lawsuits or other proceedings resulting from allegations of infringement could subject us to significant liability for damages, invalidate our proprietary rights and adversely affect our business. In the event that any third-party succeeds in asserting a valid claim against us or any of our end customers, we could be forced to do one or more of the following: • discontinue selling, importing or using certain technologies that contain the allegedly infringing intellectual property which could cause us to stop manufacturing certain products; • seek to develop non-infringing technologies, which may not be feasible; • incur significant legal expenses; • pay substantial monetary damages to the party whose intellectual property rights we may be found to be infringing; and / or • we or our end customers could be required to seek licenses to the infringed technology that may not be available on commercially reasonable terms, if at all. We may not prevail in such matters or be able to license any valid and infringed patents from third parties on commercially reasonable terms. This could result in the loss of our ability to import and sell our products or require us to pay costly royalties to third parties in connection with sales of our products. In addition, if a third-party causes us to discontinue the use of any technologies, we could be required to design around those technologies. This could be costly and time consuming and could have an adverse effect on our financial results. Any significant impairments of intellectual property rights from any litigation we face could materially and adversely impact our business, financial condition, results of operations and our ability to compete. In addition, we could be subject to claims that our employees, or we, have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of third parties. If we are unable to resolve claims that may be brought against us by third parties related to their intellectual property rights on terms acceptable to us, we may be precluded from offering some of our products or using some of our processes. Defending ourselves against third-party claims, including litigation in particular, may be costly and time consuming and may divert management's attention from our business. **Our ability to design and introduce new products in a timely manner is dependent upon third-party IP, including third party and "open source" software.** In the design and development of new products and product enhancements, we rely on third-party intellectual property such as software development tools and hardware testing tools. Furthermore, certain product features rely on intellectual property acquired from third parties, including hardware and software tools and products. The design requirements necessary to meet future consumer demands for more features and greater functionality from semiconductor products may exceed the capabilities of the third-party intellectual property or development tools that are available to us. In addition, hardware and software tools and products procured from third parties may contain design or manufacturing defects that such third parties are unable to resolve, including flaws that could unexpectedly interfere with the operation of our products. Furthermore, some of the software licensed from third parties may not be available in the future on terms acceptable to us or allow our products to remain competitive. The loss of these licenses or the inability to maintain any of them on commercially acceptable terms could delay development of future products or the enhancement of existing products. If the third-party intellectual property that we use becomes unavailable or fails to produce designs that meet consumer demands, our business could be harmed.

Risks Related to Regulatory Compliance **Investments in or by us may be** Our failure to comply with the large body of laws and regulations to which we are subject or to **foreign investment** successfully develop and implement policies, procedures and practices intended to facilitate compliance with such laws and regulations could have a material adverse effect on our business and operations. We are subject to regulation **and review** by various governmental agencies in the United States and **elsewhere**, other jurisdictions in which we operate **may result in material restrictions, conditions** including China, **prohibitions** Taiwan, the Philippines, Hong Kong and Korea. In addition, the laws and regulations our **or business penalties on us or our investors related to any such investments. Semiconductor technologies generally, and GaN and SiC semiconductors specifically, may be subject to heightened regulatory scrutiny. Our industry** is subject to **foreign direct investment ("FDI") regulations in many**

countries, including the United States. Our ability to invest in companies or operations in, and our ability to raise capital from investors affiliated with, those jurisdictions may be subject to review or approval requirements, restrictions, conditions, or prohibitions. Any review and approval of an investment or transaction by an FDI regulator may have outsized impacts on transaction certainty, timing, feasibility, and cost, among other things. FDI regulatory policies and practices are complex, rapidly evolving, and in the event that and an change frequently FDI regulator reviews one or more proposed or existing investments, there can be no assurance that we will be able to maintain, or proceed with, such investments on terms acceptable to us. We may be required unable to incur significant expenses complete commercially desirable acquisitions in such jurisdictions or be subject to material costs or restrictions in connection with such acquisitions. While we strive to comply with all changes in applicable laws and regulations and requirements and, the application of FDI regulations could also in some circumstances result in financial our or failure to comply with other penalties or require divestments, any of which applicable regulations or requirements could have a material impact on us. In the United States, certain investments that involve the acquisition of, or investment in, a U. S. business by an investor subject us to investigations, sanctions, enforcement actions, fines, damages, penalties, or injunctions foreign control (a “foreign person”) may be subject to review and approval by the Committee on Foreign Investment in the United States (“CFIUS”). Whether CFIUS has jurisdiction to review an acquisition or investment transaction depends on, among other factors, the nature and structure of the transaction, including the level of beneficial ownership interest and the nature of any governmental sanctions information or governance rights involved, and the nature of the technology possessed by the U. S. business. For example, investments that result in “control” of a U. S. business, which may include governance rights falling well short of majority control, by a foreign person are imposed, or if we always subject to CFIUS jurisdiction. CFIUS’ s jurisdiction also extends to investments that do not prevail result in control of a U. S. any possible civil or criminal litigation, our business by a foreign person, financial condition and results of operations could if they afford foreign investors with information or governance rights in a U. S. business that has a nexus to, among other things, “critical technologies.” Transactions involving companies that develop, produce, or test critical technologies may be materially and adversely affected subject to mandatory filing requirements. In addition, responding recent U. S. regulatory initiatives have classified certain semiconductor technologies as “critical to any action will likely national security,” including compound semiconductors and wide- bandgap semiconductors. Both gallium nitride (GaN) and silicon carbide (SiC) are compound semiconductors and wide- bandgap semiconductors. As a result, our company in a significant diversion of management’ s attention exclusive focus on GaN- and SiC- based products, together with our global presence in rapidly growing markets, including China, may subject our company to additional regulatory restrictions or scrutiny, including by CFIUS, in connection with past or future transactions that involve investments in us or by us. Although we believe all of our GaN and SiC products are generally not subject to export controls under the U. S. Export Administration Regulations (EAR), CFIUS could choose to review proposed or past investments in us by foreign persons whether or not our business is deemed to involve “critical technologies.” In the case of such review, CFIUS could prohibit or impose conditions on the relevant investment. Such conditions might include limitations or obligations on our operations that could result in material costs or disruptions of our current or future operations. The prospect of CFIUS review, or any such prohibitions or conditions, could result in material costs or disruptions in our current or future operations or plans, and could also have a negative impact on our stock price. Furthermore, we have had communications with CFIUS with respect to our products, investors and acquisitions, and may have additional communications in the future with respect to these or other matters. Any future communications with CFIUS or other similar regulatory agency with authority over FDI, if not satisfactorily resolved, may result in material restrictions, conditions, prohibitions or penalties on us or our investors. Finally, U. S. authorities have publicly announced plans to institute and an financial resources outbound investment review regime, and various legislative proposals to implement such a regime are also pending. For example, on August 9, 2023, the U. S. Treasury Department issued an Advance Notice of Proposed Rulemaking announcing a proposed program that would prohibit certain types of investments by U. S. companies into certain Chinese entities with capabilities or activities related to specified semiconductor technologies, including integrated circuits manufactured from a gallium- based compound semiconductor. The final scope and content of this program remain to be defined through public comment and further rule- making. There can be no assurance that any such regime will not restrict our ability to engage in commercially desirable investments in jurisdictions outside the United States, particularly China, or that any such restrictions will not impose material costs or competitive disadvantages on us. We are subject to export restrictions and laws affecting trade and investments that could materially and adversely affect our business and results of operations. Since the beginning of 2018, there have been several instances of U. S. tariffs on Chinese goods, some of which prompted retaliatory Chinese tariffs on U. S. goods. In May 2019, the U. S. President issued an executive order that invoked national emergency economic powers to implement a framework to regulate the acquisition or transfer of information communications technology in transactions that imposed undue national security risks. These actions could lead to additional restrictions on the export of products that include or enable certain technologies, including products we provide to China- based end customers. The institution of trade tariffs both globally and between the U. S. and China specifically carries the risk of negatively affecting China’ s overall economic condition, which could have negative repercussions on our business. Furthermore, the imposition of tariffs could cause a decrease in the sales of products to end customers located in China or other end customers selling to Chinese end users, which could materially and adversely affect our business, financial condition and results of operations. We are subject to U. S. laws and regulations that could limit and restrict the export of some products and services and may restrict transactions with certain end customers, business partners and other persons, including, in certain cases, dealings with or between our employees and subsidiaries. In certain circumstances, export control and economic sanctions regulations may prohibit the export of certain products, services and technologies and in other

circumstances we may be required to obtain an export license before exporting the controlled item. Compliance with these laws and regulations could materially limit operations or sales, which would materially and adversely affect our business and results of operations. In addition, U. S. laws and regulations and sanctions, or threat of sanctions, that could limit and restrict the export of some of our products and services to end customers, may also encourage end customers to develop their own solutions to replace our products, or seek to obtain a greater supply of similar or substitute products from competitors that are not subject to these restrictions, which could materially and adversely affect our business, financial condition and results of operations. Further, our sales may be adversely affected by the current and future political environment in China and the policies of the China Central Government. China's government has exercised and continues to exercise substantial control over nearly all sectors of the Chinese economy through regulation and state ownership. Our ability to ship products to China may be adversely affected by changes in Chinese laws and regulations, including those relating to taxation, import and export tariffs, raw materials, environmental regulations, land use rights, property and other matters. Under its current leadership, China's government has been pursuing economic reform policies that encourage private economic activity and greater economic decentralization. There is no assurance, however, that China's government will continue to pursue these policies, or that it will not significantly alter these policies from time to time without notice. The United States government has called for substantial changes to foreign trade policy with China and has raised (as well as has proposed to further raise in the future), tariffs on several Chinese goods. China has retaliated with increased tariffs on United States goods. Any further changes in United States trade policy could trigger retaliatory actions by affected countries, including China, resulting in trade wars. Any changes in United States and China relations, including through changes in policies by the Chinese government could adversely affect our financial condition and results of operations, including: changes in laws, regulations or the interpretation thereof, confiscatory taxation, governmental royalties, restrictions on currency conversion, imports or sources of supplies, or the expropriation or nationalization of private enterprises. In addition, there may be circumstances where we may have to incur premium freight charges to expedite the delivery of our products to end customers or as a result of being required to ship to alternative ports due to local Chinese government regulations or delays at the ports that we typically utilize. If we incur a significant amount of freight charges, our gross profit will be negatively affected if we are unable to pass on those charges to end customers. ~~In order to comply with environmental and occupational health and safety laws and regulations, we may need to modify our activities or incur substantial costs, and such laws and regulations, including any failure to comply with such laws and regulations, could subject us to substantial costs, liabilities, obligations and fines, or require it to have suppliers alter their processes. The semiconductor industry is subject to a variety of international, federal, state, local and non-U. S. laws and regulations governing pollution, environmental protection and occupational health and safety. Compliance with current or future environmental and occupational health and safety laws and regulations could restrict our ability to expand our business or require us to modify processes or incur other substantial expenses which could harm our business. Environmental and occupational health and safety laws and regulations have tended to become more stringent over time, causing a need to redesign technologies, imposing greater compliance costs and increasing risks and penalties associated with violations, which could seriously harm our business. Conflict minerals and other supply chain diligence and disclosure regulations may force us to incur additional expenses, may result in damage to our business reputation and may adversely impact our ability to conduct our business. The SEC has disclosure requirements for companies that use conflict minerals in their products. Some of these metals are commonly used in semiconductor devices, including our products. These SEC rules require companies to investigate, disclose and report whether or not such metals originated from the Democratic Republic of Congo or adjoining countries. We have numerous foreign suppliers, many of whom are not obligated by law to investigate their own supply chains. As a result, we may incur significant costs to comply with the diligence and disclosure requirements, including costs related to determining the source of any of the relevant metals used in our products. In addition, because our supply chain is with third parties, we may not be able to sufficiently verify the origin of all the relevant metals used in our products through the due diligence procedures we implement. We may also face difficulties in satisfying our end customers if they require that we prove or certify that our products are "conflict free." Key components and parts that can be shown to be "conflict free" may not be available to us in sufficient quantity, or at all, or may only be available at significantly higher cost to us. If we are not able to meet end customer requirements, end customers may discontinue purchasing from us. Any of these outcomes could adversely impact our business, financial condition or operating results. We could be adversely affected by violations of applicable anti-corruption laws or violations of our internal policies designed to ensure ethical business practices. We operate in a number of countries throughout the world, including in countries that do not have as strong a commitment to anti-corruption and ethical behavior that is required by U. S. laws or by corporate policies. We are subject to the risk that we, our U. S. employees or our employees located in other jurisdictions or any third parties that we engage to do work on our behalf in foreign countries may take action determined to be in violation of anti-corruption laws in any jurisdiction in which we conduct business, including the FCPA. In addition, we operate in certain countries in which the government may take an ownership stake in an enterprise and such government ownership may not be readily apparent (thereby increasing potential FCPA violations). Any violation of the FCPA or any similar anti-corruption law or regulation could result in substantial fines, sanctions, civil and / or criminal penalties and curtailment of operations in certain jurisdictions and might adversely affect our business, results of operations or financial condition. In addition, the we will have internal ethics policies that we require our employees to comply with in order to ensure that our business is conducted in a manner that our management deems appropriate. If these anti-corruption laws or internal policies were to be violated, our reputation and operations could also be substantially harmed. Compliance with state, federal, and foreign laws and regulations related to privacy, data use, and security may require increased capital expenditure, and a failure to comply with such laws and regulations could adversely affect us. We are subject to state and federal laws and regulations related to privacy, data use, and security. In addition, in recent years, there has been a heightened legislative and regulatory focus on data security. Legislation has been introduced in Congress and there have been several Congressional~~

hearings addressing these issues. In addition, several states have enacted privacy or security breach legislation requiring varying levels of consumer notification in the event of a security breach, and granting consumers broader or new rights with respect to personal data that a business collects about them. For example, California passed the California Consumer Privacy Act (“CCPA”), which enhances consumer protection and privacy rights by granting consumers resident in California new rights with respect to the collection of their personal data and imposing new operational requirements on businesses, went into effect in January 2020. The CCPA includes a statutory damages framework and private rights of action against businesses that fail to comply with certain CCPA terms or implement reasonable security procedures and practices to prevent data breaches. Several other states are considering similar legislation. Additionally, the Federal Trade Commission and many state attorneys general are interpreting federal and state consumer protection laws to impose standards for the online collection, use, dissemination and security of data. Foreign governments are raising similar privacy and data security concerns. In particular, the European Union has enacted a General Data Protection Regulation (“GDPR”), which became effective in May 2018. China, Russia, Japan, and other countries in Latin America and Asia are also strengthening their privacy laws and the enforcement of privacy and data security requirements. Complying with such laws and regulations may be time-consuming and require additional resources, and could therefore harm our business, financial condition, and results of operations. In addition, personal privacy, cyber security, and data protection are becoming increasingly significant issues in China. To address these issues, the Standing Committee of the National People’s Congress promulgated the Cyber Security Law of the People’s Republic of China (the “Cyber Security Law”), which took effect on June 1, 2017. The Cyber Security Law sets forth various requirements relating to the collection, use, storage, disclosure and security of data, among other things. Various Chinese agencies are expected to issue additional regulations in the future to define these requirements more precisely. These requirements may increase our costs of compliance. Any failure by us to comply with the Cyber Security Law and the relevant regulations and policies could result in further cost and liability to us and could adversely affect our business and results of operations. Additionally, increased costs to comply with, and other burdens imposed by, the Cyber Security Law and relevant regulations and policies that are applicable to the businesses of our suppliers, vendors and other service providers, as well as our end customers, could adversely affect our business and results of operations. Any failure, or perceived failure, by us to comply with any federal, state, local or foreign privacy or consumer protection-related laws, regulations or other principles or orders to which we may be subject or other legal obligations relating to privacy or consumer protection could adversely affect our reputation, brand and business, and may result in claims, investigations, proceedings or actions against us by governmental entities or others or other penalties or liabilities or require us to change our operations and / or cease using certain data sets. Regulations and evolving legislation governing issues involving climate change and sustainability could result in increased operating costs, which could have a material adverse effect on our business. A number of international, federal, state or local governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impact of climate change. For example, the United States Environmental Protection Agency (“EPA”) issued a notice of finding and determination that emissions of carbon dioxide, methane, and other greenhouse gases (“GHGs”) present an endangerment to human health and the environment, which allowed EPA to begin regulating emissions of GHGs under existing provisions of the Clean Air Act (“CAA”). Legislation and increased regulation regarding climate change could impose significant costs on Navitas and its suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring, permitting, reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact our ability to compete with companies situated in areas and countries not subject to such limitations. Given the political significance, regulatory or compliance obligations and uncertainty around the impact of climate change and how it should be addressed, we cannot predict how legislation and regulation will affect our financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could harm our reputation. The potential physical impacts of climate change on our operations are highly uncertain, and would be particular to the geographic circumstances in areas in which we operate. These impacts may adversely impact the cost, production and financial performance of our operations.

Risks Related to Ownership of Our Common Stock At September 19 December 31, 2022 2023. Our executive officers, directors and their affiliates, including the investment funds they represent, as a group beneficially owned approximately **36-32.5%** of our outstanding Class A Common Stock. As a result, these stockholders **are** will be able to exercise a significant level of **control influence** over matters requiring stockholder approval, including the election of directors, amendment of our certificate of incorporation and approval of significant corporate transactions. **This control Such influence** could have the effect of delaying or preventing a change of control of our company or changes in management and will make the approval of certain transactions difficult or impossible without the support of these stockholders. **We do not intend to pay cash dividends for the foreseeable future.** We currently intend to retain our future earnings, if any, to finance the further development and expansion of our business and do not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of us and will depend on our financial condition, results of operations, capital requirements, restrictions contained in future agreements and financing instruments, business prospects and such other factors as our board of directors deems relevant. Future resales of our Class A Common Stock may cause the market price of our securities to drop significantly, even if our business is doing well. Pursuant to the Lock-Up Agreements and the Sponsor Letter Amendment, subject to certain exceptions, the Sponsor, our directors and officers and certain stockholders of us will be contractually restricted from selling or transferring any of their respective shares of Class A Common Stock (the “Lock-up Shares”). Such restrictions begin at Closing and end at varying times, ranging from six months to three years, subject, in certain circumstances, to early release upon the achievement of certain price targets, or other events. However, following the expiration of such applicable lockup periods, the Sponsor, our directors and officers and the applicable stockholders of us will not be restricted from selling shares of the Class A Common Stock held by them, other than by applicable securities laws. As such, sales of a substantial number of shares

of our Class A Common Stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our Class A Common Stock. The Sponsor, Navitas' directors and officers and the stockholders of Navitas will collectively beneficially own approximately 70% of the outstanding shares of Class A Common Stock. The shares held by Sponsor, our directors and officers and certain of our stockholders may be sold after the expiration of the applicable lock-up period under the Lock-Up Agreements and the Sponsor Letter Amendment and the Registration Rights Agreement. As restrictions on resale and registration statements are available for use, the sale or possibility of sale of these shares could have the effect of increasing the volatility in the share price or the market price of our Class A Common Stock and could decline if the holders of currently restricted shares sell them or are perceived by the market as intending to sell them. The trading market for our Class A Common Stock will rely in part on the research and reports that industry or financial analysts publish about us or our business. We will not control these analysts. In addition, some financial analysts may have limited expertise with our model and operations. Furthermore, if one or more of the analysts who do cover us downgrade our stock or industry, or the stock of any of our competitors, or publish inaccurate or unfavorable research about our business, the price of our stock could decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline. At March 28-December 31, 2023, we had 561,540, 636,991, 238,421 shares of Class A Common Stock authorized but unissued. In addition, our certificate of incorporation authorizes us to issue up to 1-10,000,000 shares of Class B Common Stock and 1,000,000 shares of preferred stock. The preferred stock can be issued with such rights and preferences as may be determined by our board. Our certificate of incorporation authorizes us to issue shares of Class A Common Stock or other securities convertible into or exercisable or exchangeable for shares of Class A Common Stock from time to time, for the consideration and on the terms and conditions established by our board in its sole discretion, whether in connection with a financing, an acquisition, an investment, stock incentive plans or otherwise. Such additional shares of Class A Common Stock or such other securities may be issued at a discount to the market price of Class A Common Stock at the time of issuance. Our preferred stock could be issued with voting, liquidation, dividend and other rights superior to the rights of Class A Common Stock. As discussed below, the potential issuance of preferred stock may delay or prevent a change in control of us, discourage bids for Class A Common Stock at a premium to the market price, and materially and adversely affect the market price and the voting and other rights of the holders of Class A Common Stock. Any issuance of such securities could result in substantial dilution to our then existing stockholders and cause the market price of shares of Class A Common Stock to decline. The obligations associated with being a public company involves significant expenses and requires significant resources and management attention, which may divert from our business operations. As a public company, we are subject to the reporting requirements of the Exchange Act and the Sarbanes-Oxley Act. The Exchange Act requires the filing of annual, quarterly and current reports with respect to a public company's business and financial condition. The Sarbanes-Oxley Act requires, among other things, that a public company establish and maintain effective internal control over financial reporting. As a result, we will incur significant legal, accounting and other expenses that we did not previously incur. Our entire management team and many of our other employees will need to devote substantial time to compliance, and may not effectively or efficiently manage our transition into a public company. These rules and regulations will result in us incurring substantial legal and financial compliance costs and will make some activities more time-consuming and costly. For example, these rules and regulations will likely make it more difficult and more expensive for us to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be difficult for us to attract and retain qualified people to serve on our board of directors, our board committees or as executive officers. Provisions in our certificate of incorporation and our bylaws and under the DGCL contain antitakeover provisions that could prevent or discourage a takeover. Provisions in our certificate of incorporation and our bylaws may discourage, delay or prevent a merger, acquisition or other change in control that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our Class A Common Stock, thereby depressing the market price of Class A Common Stock. In addition, because our board is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board. Among other things, these provisions include those establishing: • a classified board of directors with three-year staggered terms, which may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control of us or our management; • no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates; • the exclusive right of our board to elect a director to fill a vacancy created by, among other things, the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from filling vacancies on our board; • the ability of our board to authorize the issuance of shares of preferred stock and to determine the terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer; • the ability of our board to alter the bylaws without obtaining stockholder approval; • a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of stockholders; • the requirement that a special meeting of stockholders may be called only by a majority vote of our board, which may delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take action, including the removal of directors; and • advance notice procedures that stockholders must comply with in order to nominate candidates to our board or to propose matters to be acted upon at an annual meeting or special meeting of stockholders, which may discourage or delay a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us until the next stockholder meeting or at all. We qualify as an "emerging growth company" within the meaning of the Securities Act of 1933, as amended, and if we take advantage of certain

exemptions from disclosure requirements available to emerging growth companies, it could make our securities less attractive to investors and may make it more difficult to compare our performance to the performance of other public companies. We are currently an “emerging growth company” within the meaning of the Securities Act, as modified by the JOBS Act, and we are able to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. As a result, our shareholders may not have access to certain information they may deem important. We cannot predict whether investors will find our securities less attractive because we will rely on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be, there may be a less active trading market for our securities and the trading prices of our securities may be more volatile. Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company, which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accountant standards used. Our certificate of incorporation designates the Court of Chancery of the State of Delaware and the federal district courts of the United States of America as the exclusive forums for certain disputes between us and our stockholders, which will restrict such stockholders’ ability to choose the judicial forum for disputes with us or our directors, officers, or employees. Our certificate of incorporation provides that the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) is the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on behalf of us; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, or other employees to us or our stockholders; (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers or other employees arising out of or pursuant to any provision of the DGCL, the certificate of incorporation or the bylaws; (iv) any action or proceeding to interpret, apply, enforce or determine the validity of the certificate of incorporation or the bylaws (including any right, obligation, or remedy thereunder); (v) any action or proceeding as to which the DGCL confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action or proceeding asserting a claim against us or any of our current or former directors, officers, or other employees that is governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court’s having personal jurisdiction over the indispensable parties named as defendants. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction, or the Securities Act. In addition, to prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, the certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. However, as Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder, there is uncertainty as to whether a court would enforce such provision. The certificate of incorporation further provides that any person or entity holding, owning or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions. These choice of forum provisions may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring such a claim arising under the Securities Act against us, our directors, officers, or other employees in a venue other than in the federal district courts of the United States of America. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of the certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and we cannot assure you that the provisions will be enforced by a court in those other jurisdictions. If a court were to find either exclusive forum provision in the certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could harm our business. Actions of stockholders could cause us to incur substantial costs, divert management’s attention and resources and have an adverse effect on our business. We may, from time to time, be subject to proposals and other requests from stockholders urging us to take certain corporate actions, including proposals seeking to influence our corporate policies or effect a change in our management. In the event of such stockholder proposals, particularly with respect to matters which our management and board of directors, in exercising their fiduciary duties, disagree with or have determined not to pursue, our business could be adversely affected because responding to actions and requests of stockholders can be costly and time-consuming, disrupting our operations and

diverting the attention of management and our employees. Additionally, perceived uncertainties as to our future direction may result in the loss of potential business opportunities and may make it more difficult to attract and retain qualified personnel, business partners and end customers. Legacy Navitas never operated as a public company and will incur significant legal, accounting and other expenses that were not incurred as a private company. The individuals who constitute our management team have limited experience managing a publicly-traded company, and limited experience complying with the increasingly complex and changing laws pertaining to public companies. Our management team and other personnel will need to devote a substantial amount of time to compliance, and we may not effectively or efficiently manage our transition into a public company. We expect rules and regulations such as the Sarbanes-Oxley Act of 2002 to increase our legal and finance compliance costs and to make some activities more time consuming and costly. For example, Section 404 of the Sarbanes-Oxley Act requires that our management report on, and our independent auditors attest to, the effectiveness of our internal control over financial reporting. Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. Section 404 compliance may divert internal resources and will take a significant amount of time and effort to complete. We may not be able to successfully complete the procedures and certification and attestation requirements of Section 404 by the time we will be required to do so. In addition, these Sarbanes-Oxley Act requirements may be modified, supplemented or amended from time to time. Implementing these changes may take a significant amount of time and may require specific compliance training of our personnel. In the future, we may discover areas of our internal controls that need improvement. If we or our auditors discover a material weakness or significant deficiency, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in our financial statements and harm our stock price. Any inability to provide reliable financial reports or prevent fraud could harm our business. We may not be able to effectively and timely implement necessary control changes and employee training to ensure continued compliance with the Sarbanes-Oxley Act and other regulatory and reporting requirements. Our recent growth rate could present challenges to maintain the internal control and disclosure control standards applicable to public companies. If we fail to successfully complete the procedures and certification and attestation requirements of Section 404, or if in the future our Chief Executive Officer, Chief Financial Officer or independent registered public accounting firm determines that our internal controls over financial reporting are not effective as defined under Section 404, we could be subject to sanctions or investigations by the SEC, or other regulatory authorities. Furthermore, investor perceptions of our company may suffer, and this could cause a decline in the market price of our stock. We cannot assure you that we will be able to fully comply with the requirements of the Sarbanes-Oxley Act or that our management or our auditors will conclude that our internal controls are effective in future periods. Irrespective of compliance with Section 404, any failure of our internal controls could have a material adverse effect on our stated results of operations and harm our reputation. Changes in laws or regulations, or a failure to comply with any laws or regulations, may adversely affect our business, investments and results of operations. We are subject to laws and regulations enacted by national, regional and local governments. In particular, we are required to comply with certain SEC and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on our business and results of operations. We may issue a substantial number of additional shares under an employee incentive plan. The issuance of additional shares of common or preferred stock: • may significantly dilute the equity interests of our investors; • may subordinate the rights of holders of Class A Common Stock if preferred stock is issued with rights senior to those afforded our Class A Common Stock; • could cause a change in control if a substantial number of shares of our Class A Common Stock is issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors; and • may adversely affect prevailing market prices for our Class A Common Stock.