

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

FORM 8-K

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

Date of Report (Date of earliest event reported): May 24, 2022

Transphorm, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation)

000-55832
(Commission File Number)

82-1858829
(I.R.S. Employer Identification No.)

75 Castilian Drive
Goleta, CA 93117
(Address of principal executive offices, including zip code)

(805) 456-1300
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	TGAN	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On May 24, 2022, Transphorm, Inc. (the "Company") issued a press release announcing its financial results for the quarter ended March 31, 2022. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein. The press release also announced that the Company would be hosting a webcast to discuss the financial results for the quarter on May 24, 2022. During the webcast, the Company will discuss the contents of a presentation prepared by the Company, a copy of which is furnished herewith as Exhibit 99.2 and is incorporated by reference herein.

The information furnished under this Item 2.02 and in the accompanying Exhibit 99.1 and Exhibit 99.2 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release dated May 24, 2022
99.2	Investor Presentation dated May 24, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Signature

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

Transphorm, Inc.

Dated: May 24, 2022

By: /s/ Cameron McAulay
Cameron McAulay
Chief Financial Officer

Transphorm Announces Record Fiscal 2022 Full Year Revenue of \$24.1 Million
- an 89% Year-Over-Year Increase as
Fiscal 2022 Fourth Quarter Revenue Increased 103%

*- Company to Host a Webcast Today at 5:00 p.m. ET to Review the
Quarterly Results and Provide a Business Update -*

GOLETA, Calif.—May 24, 2022—Transphorm, Inc. (NASDAQ: TGAN)—an innovative design pioneer and global supplier of efficient, high-reliability, high-performance gallium nitride (GaN) power conversion products, announced today financial results for the Company’s 2022 fiscal fourth quarter and the fiscal year ended March 31, 2022.

Fiscal Fourth Quarter and Recent Highlights

- Achieved up listing of Transphorm’s common stock to the NASDAQ under the ticker symbol TGAN.
- Full year FY22 revenue increased 89% year-over-year to a record \$24.1 million due to strong growth in product revenue based on prior targeted investments in designs for a broader market.
- FY22 product revenue increased sequentially for the ninth consecutive quarter to a record of over \$4 million, a 190 % sequential increase when compared to Q4 FY21.
- Secured largest SuperGaN® high-power Gen IV FET production order for the Company to date for over 500,000 units of 3kW class power supplies. The magnitude of this order clearly demonstrates Transphorm’s continuing leadership in design innovation and manufacturing reliability of high-power GaN.
- Secured laptop adapter design-win from a Tier 1 Fortune 100 company, including an initial purchase order of 50,000 units of SuperGaN® Gen IV 240 mohm class FETs. These FETs provide higher efficiency for 65W fast-charging adapter applications versus competing e-mode GaN FETs that require a larger 150 mohm device for similar applications. As a result, these Transphorm SuperGaN® FETs allow our customers to do more with less.
- Secured pre-production POs from ODMs for large Asia mobile phone (65W) and leading WW e-retailer (140W) projects
- Announced the first 99% efficient power switching demonstration from a 1200V GaN power transistor prototype, demonstrating Transphorm’s cutting-edge innovation in high-power GaN.
- Cash and equivalents as of March 31, 2022 were \$34.0 million.

Primit Parikh, Transphorm’s President and Co-founder, commented, “We are excited to continue to deliver strong revenue growth, having achieved our 9th consecutive quarter of record product revenue. We also reaffirmed our leadership in high-power GaN by securing our largest order to date for over a half-million 3kW class GaN products.

Dr. Parikh continued, “The demand for our GaN solutions is strong, driven by our products’ unique, easy to interface architecture, world leading GaN product portfolio with a broad range of power capabilities from 45W to 5kW, and leading performance with field reliability. With a strong backlog in place, our current focus is on managing supply chain constraints, expanding our manufacturing capacity, and continuing to grow our ecosystem of solution partners”.

Cameron McAulay, CFO of Transphorm, stated “During the 2022 fiscal year we completed an uplisting to the NASDAQ, dramatically improving the Company’s liquidity. Along with the additional capital we raised in fiscal Q3 of 2022, this provides expanded operational flexibility in support of our future anticipated growth.”

Fiscal 2022 Fourth Quarter and Full Year Financial Results

Revenue for the 2022 fiscal fourth quarter was \$4.93 million, compared to \$4.6 million in the 2022 fiscal third quarter ended December 31, 2021 and \$2.4 million in the 2021 fiscal fourth quarter ended March 31, 2021. Revenue for the quarter reflected yet another record in product sales from ramping shipments of GaN devices for a broad range of power conversion applications, with an 10% sequential increase from the prior quarter. For the full fiscal year 2022, product sales increased 189% as compared to full fiscal year 2021.

Operating expenses on a GAAP basis were \$5.6 million in the 2022 fiscal fourth quarter, compared to \$5.4 million in the prior quarter and \$5.2 million in the 2021 fiscal fourth quarter. 2022 fiscal fourth quarter operating expenses consisted of R&D expenses of \$1.6 million and SG&A expenses of \$4.0 million. On a non-GAAP basis, operating expenses in the 2022 fiscal fourth quarter were \$4.6 million, compared with non-GAAP operating expenses of \$4.4 million in the prior quarter and \$4.5 million in the 2021 fiscal fourth quarter.

GAAP net profit (loss) for the 2022 fiscal fourth quarter was (\$5.0) million, or (\$0.09) per share, compared to GAAP net loss of (\$4.2) million, or (\$0.08) per share, in the prior quarter, and a GAAP net loss of (\$6.6) million, or (\$0.16) per share, in the 2021 fiscal fourth quarter. On a non-GAAP basis, net loss for the 2022 fiscal fourth quarter was (\$4.0) million, or (\$0.08) per share, compared to non-GAAP net loss of (\$4.3) million, or (\$0.09) per share, in the prior quarter, and a non-GAAP net loss of (\$5.2) million, or (\$0.13) per share, in the 2021 fiscal fourth quarter.

Cash and equivalents as of March 31, 2022 were \$34 million, compared to \$9.5 million at March 31, 2021.

Webcast

Transphorm will host a webcast today at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time) to review the Company’s 2022 fiscal fourth quarter and the fiscal year ended March 31, 2022 results and provide a business update. The webcast can be accessed at: <https://event.on24.com/wcc/r/2947335/9EA3AFF729C086351F33CF46EFE76B59>.

Investors and analysts may also join the conference call by dialing: 1 (888) 330-2446 or 1 (240) 789-2732 and providing the conference ID: 8060388.

A replay and the supporting presentation materials will be available on the day of the conference call and for approximately 90 days on the Investor Relations section of the Company’s website. Additionally, a telephone replay of the conference call will be available after the conclusion of the call and through May 31, 2022. The telephone replay can be accessed by dialing +1-800-770-2030 and entering the conference ID: 8060388.

About Transphorm

Transphorm, Inc., a global leader in the GaN revolution, designs and manufactures high performance and high reliability GaN semiconductors for high voltage power conversion applications. Having one of the largest Power GaN IP portfolios of more than 1,000 owned or licensed patents, Transphorm produces the industry's first JEDEC and AEC-Q101 qualified high voltage GaN semiconductor devices. The Company's vertically integrated device business model allows for innovation at every development stage: design, fabrication, device, and application support. Transphorm's innovations are moving power electronics beyond the limitations of silicon to achieve over 99% efficiency, 40% more power density and 20% lower system cost. Transphorm is headquartered in Goleta, California and has manufacturing operations in Goleta and Aizu, Japan. For more information, please visit www.transphormusa.com. Follow us on Twitter @transphormusa and WeChat @ Transphorm_GaN.

Non-GAAP Financial Measures

This press release includes and makes reference to certain non-GAAP financial measures. The presentation of this financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP.

Transphorm believes that the presentation of non-GAAP financial measures provides important supplemental information to management and investors regarding financial and business trends relating to the Company's financial condition and results of operations. Transphorm believes that these non-GAAP financial measures provide additional insight into Transphorm's ongoing performance and core operational activities and has chosen to provide these measures for more consistent and meaningful comparison between periods. These measures should only be used to evaluate Transphorm's results of operations in conjunction with the corresponding GAAP measures. The non-GAAP results exclude the effect of stock-based compensation, depreciation, amortization, change in fair value of promissory note and other income in joint venture.

A reconciliation between GAAP and non-GAAP financial results is provided in the financial statements portion of this press release.

Forward-Looking Statements

This press release contains forward-looking statements (including within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended) concerning industry acceptance of GaN technology, the Company's ability to manage supply chain constraints, expand its manufacturing capacity, and grow its ecosystem of solution partners, and the Company's pipeline and future anticipated growth. Forward-looking statements generally include statements that are predictive in nature and depend upon or refer to future events or conditions, and include words such as "may," "will," "should," "would," "expect," "plan," "believe," "intend," "look forward," and other similar expressions among others. Statements that are not historical facts are forward-looking statements. Forward-looking statements are based on current beliefs and assumptions that are subject to risks and uncertainties and are not guarantees of future performance. Actual results could differ materially from those contained in any forward-looking statement as a result of various factors, including, without limitation: risks related to Transphorm's operations, such as additional financing requirements and access to capital; competition; the ability of Transphorm to protect its intellectual property rights; and other risks set forth in the Company's filings with the Securities and Exchange Commission. Except as required by applicable law, the Company undertakes no obligation to revise or update any forward-looking statement, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

Investor Contacts:

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KCSA Strategic Communications
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Company Contact:

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Chief Financial Officer
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cmcaulay@transphormusa.com

Transphorm, Inc.
Condensed Consolidated Balance Sheets
(in thousands)

	March 31, 2022 (unaudited)	December 31, 2021 (unaudited)	March 31, 2021 (audited)
Assets			
Current assets:			
Cash and cash equivalents	\$ 33,435	\$ 40,467	\$ 9,500
Restricted cash	500	500	—
Accounts receivable	2,632	2,489	1,618
Inventory	6,330	5,956	2,223
Prepaid expenses and other current assets	1,750	1,249	953
Total current assets	44,647	50,661	14,294
Property and equipment, net	1,796	1,897	1,360
Goodwill	1,180	1,250	1,302
Intangible assets, net	617	691	914
Investment in joint venture	143	61	—
Other assets	263	282	274
Total assets	\$ 48,646	\$ 54,842	\$ 18,144
Liabilities and stockholders' equity (deficit)			
Current liabilities:			
Accounts payable and accrued expenses	\$ 3,626	\$ 4,749	\$ 3,140
Deferred revenue	308	267	505
Development loan	—	—	10,000
Revolving credit facility	180	368	10,150
Unfunded commitment in joint venture	—	—	1,866
Accrued payroll and benefits	1,171	1,239	1,410
Total current liabilities	5,285	6,623	27,071
Revolving credit facility	12,000	12,000	—
Promissory note	—	—	16,128
Total liabilities	17,285	18,623	43,199
Commitments and contingencies			
Stockholders' equity (deficit):			
Common stock	5	5	4
Additional paid-in capital	211,190	210,841	144,201
Accumulated deficit	(178,638)	(173,639)	(168,403)
Accumulated other comprehensive loss	(1,196)	(988)	(857)
Total Stockholders' equity (deficit)	31,361	36,219	(25,055)
Total liabilities and stockholders' equity (deficit)	\$ 48,646	\$ 54,842	\$ 18,144

Transphorm, Inc.
Condensed Consolidated Statements of Operations
(in thousands except share and per share data)

	Three Months Ended			Twelve Months Ended	
	March 31, 2022 (unaudited)	December 31, 2021 (unaudited)	March 31, 2021 (audited)	March 31, 2022 (unaudited)	March 31, 2021 (unaudited)
Revenue, net	\$ 4,927	\$ 4,604	\$ 2,425	\$ 24,050	\$ 12,696
Operating expenses:					
Cost of goods sold	3,789	3,935	1,788	12,530	7,015
Research and development	1,632	1,609	1,780	6,655	5,898
Sales and marketing	1,047	976	663	3,535	2,319
General and administrative	2,917	2,852	2,733	11,226	9,969
Total operating expenses	9,385	9,372	6,964	33,946	25,201
Loss from operations	(4,458)	(4,768)	(4,539)	(9,896)	(12,505)
Interest expense	181	187	187	792	758
Loss in joint venture	677	712	1,468	3,971	6,885
Changes in fair value of promissory note	—	—	699	(605)	2,093
Other income, net	(317)	(1,503)	(314)	(3,819)	(1,940)
Loss before tax expense	(4,999)	(4,164)	(6,579)	(10,235)	(20,301)
Tax expense	—	—	—	—	—
Net loss	\$ (4,999)	\$ (4,164)	\$ (6,579)	\$ (10,235)	\$ (20,301)
Net loss per share - basic and diluted	\$ (0.09)	\$ (0.08)	\$ (0.16)	\$ (0.22)	\$ (0.56)
Weighted average common shares outstanding - basic and diluted	53,343,862	49,147,630	40,274,660	46,056,331	36,555,353

Transphorm, Inc.
Reconciliation of GAAP and Non-GAAP Financial Information (unaudited)
(in thousands except share and per share data)

	Three Months Ended			Twelve Months Ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
GAAP net loss	\$ (4,999)	\$ (4,164)	\$ (6,579)	\$ (10,235)	\$ (20,301)
Adjustments:					
Stock-based compensation	758	848	513	2,614	1,906
Depreciation	147	142	123	546	500
Amortization	74	74	74	296	296
Changes in fair value of promissory note	—	—	699	(605)	2,139
Other income (1)	—	(1,222)	—	(2,677)	—
Total adjustments to GAAP net loss	979	(158)	1,409	174	4,841
Non-GAAP net loss	\$ (4,020)	\$ (4,322)	\$ (5,170)	\$ (10,061)	\$ (15,460)
GAAP net loss per share - basic and diluted	\$ (0.09)	\$ (0.08)	\$ (0.16)	\$ (0.22)	\$ (0.54)
Adjustment	0.01	(0.01)	0.03	—	0.12
Non-GAAP net loss per share - basic and diluted	\$ (0.08)	\$ (0.09)	\$ (0.13)	\$ (0.22)	\$ (0.42)
Weighted average common shares outstanding - basic and diluted	53,343,862	49,147,630	40,274,660	46,056,331	36,555,353

(1) Other income consists of \$1.2 million gain upon the conversion of the Yaskawa Note for the three months ended December 31, 2021 and \$1.5 million gain upon termination of the joint venture agreement between Fujitsu Semiconductor Limited and Transphorm Aizu for the three months ended September 30, 2021.

	Three Months Ended			Twelve Months Ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
GAAP operating expenses	\$ 5,596	\$ 5,437	\$ 5,176	\$ 21,416	\$ 18,186
Adjustments:					
Stock-based compensation	715	796	475	2,453	1,789
Depreciation	147	142	123	546	500
Amortization	74	74	74	296	296
Total adjustments to GAAP operating expenses	936	1,012	672	3,295	2,585
Non-GAAP operating expenses	\$ 4,660	\$ 4,425	\$ 4,504	\$ 18,121	\$ 15,601

Transphorm, Inc.
Consolidated Statements of Cash Flows (unaudited)
(in thousands)

	Twelve Months Ended March 31,	
	2022	2021
Cash flows from operating activities:		
Net loss	\$ (10,235)	\$ (20,301)
Adjustments to reconcile net loss to net cash used in operating activities:		
Inventory write-off	196	273
Depreciation and amortization	842	796
Provision for doubtful accounts	—	62
Licensing revenue from a related party	(8,000)	(5,000)
Stock-based compensation	2,614	1,906
Interest cost	107	758
Gain on promissory note conversion	(1,222)	—
Gain on sale of equipment	—	(40)
Loss in joint venture	2,516	6,885
Changes in fair value of promissory note	(605)	2,093
Changes in operating assets and liabilities:		
Accounts receivable	(1,014)	(267)
Inventory	(4,303)	(1,411)
Prepaid expenses and other current assets	(297)	428
Other assets	11	214
Accounts payable and accrued expenses	236	(132)
Deferred revenue	(197)	505
Accrued payroll and benefits	(239)	334
Net cash used in operating activities	(19,590)	(12,897)
Cash flows from investing activities:		
Purchases of property and equipment	(742)	(222)
Investment in joint venture	(4,526)	(6,768)
Net cash used in investing activities	(5,268)	(6,990)
Cash flows from financing activities:		
Proceeds from sale of equipment	—	4
Proceeds from stock option exercise	221	16
Proceeds from issuance of common stock	49,773	14,596
Proceeds from exercise of warrants	272	—
Payment for taxes related to net share settlement of restricted stock units	(768)	—
Net cash provided by financing activities	49,498	14,616
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(205)	123
Net increase in cash, cash equivalents and restricted cash	24,435	(5,148)
Cash, cash equivalents and restricted cash at beginning of period	9,500	14,648
Cash, cash equivalents and restricted cash at end of period	\$ 33,935	\$ 9,500

TGAN

transphorm

Leading the GaN Revolution

Business and Investor Update

May, 2022 | NASDAQ: TGAN



Safe Harbor Statement

- This presentation is made solely for informational purposes, and no representation or warranty, express or implied, is made by Transphorm, Inc. ("Transphorm") or any of its representatives as to the information contained in these materials or disclosed during any related presentations or discussions. This presentation is intended solely for the purposes of familiarizing investors with Transphorm. This presentation is not an offer to sell nor does it seek an offer to buy any securities.
- This presentation contains forward-looking statements. All statements other than statements of historical fact contained in this presentation, including statements regarding Transphorm's business strategy, plans and objectives for future operations, expectations regarding its total addressable market, products, and competitive position, are forward-looking statements. The words "may," "will," "estimate," "expect," "plan," "believe," "potential," "predict," "target," "should," "would," "could," "continue," "believe," "project," "intend" or similar terminology are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.
- Transphorm may not actually achieve the plans, intentions, or expectations disclosed in these forward-looking statements, and you should not place undue reliance on these forward-looking statements. These statements are based upon management's current expectations, assumptions and estimates, and are not guarantees of future results or the timing thereof. Actual results may differ materially from those contemplated in these statements due to a variety of risks and uncertainties, including risks and uncertainties related to Transphorm's business and financial performance and cash flows and its ability to reduce operating losses and achieve profitability, attract and retain customers, continue commercial production, continue to access funding sources to finance operations, continue having access to third party manufacturers, develop new products, enhance existing products, compete effectively, manage growth and costs, and execute on its business strategy. The forward-looking statements contained in this presentation are also subject to other risks and uncertainties, including those more fully described in our filings with the Securities and Exchange Commission, including our Quarterly Report on Form 10-Q for the quarter ended December 31, 2021, filed with the Securities and Exchange Commission on February 10, 2022
- The information contained herein is provided only as of the date on which this presentation is made and is subject to change. Transphorm is not under any obligation, except as may be required by law, to update or otherwise revise the information after the date of this presentation. Transphorm has not independently verified the statistical and other industry data generated by independent parties and contained in this presentation and accordingly cannot guarantee their accuracy or completeness.

Key Investment Highlights

GaN Power Semiconductor Pioneer and Leader

Disruptive Technology

GaN Enables Next Generation Power Conversion Solutions – 99% Efficiency¹, 50% More Compact/Lightweight, Lower System Cost

Large Market Opportunity

Transphorm's GaN Solutions will Enable the Future of Electric Vehicles and Fast-charging for 5G – Contributing to GaN TAM growing to \$6B² in 2026

Validation From Blue Chip Partners and Customers

Including KKR, Marelli, Yaskawa, SAS, Nexperia, Microchip, Diodes and the U.S. DoD(Navy), DOE



Ramping Commercially with Strong Manufacturing Base

Technology and Product Development completed, Integrated Manufacturing, \$24.1M FY-22 Revenues, Target >50% LT CAGR

Best-In-Class Differentiated GaN Technology + Industry's Strongest IP Position

IP Portfolio Appraised in Excess of \$200M³ Leader in Quality + Reliability, > 40 Billion Field hours, Silicon-like Reliability⁴

Team Led by World-Renowned GaN Experts

Proven Leadership, 18 PhDs and Over 300 Years of GaN Expertise

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¹ Measured TGAN >99% efficient power stages, commercial implementations

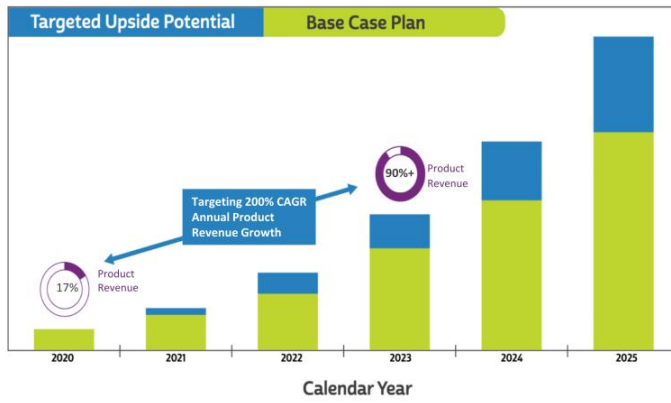
² See slide 10 on GaN TAM Analysis

³ 2021 Analysis done for GaN portfolio using Intracom Group Intellectual Property Solutions' patent valuation models based on 27 independent criteria, value consists of Transphorm's owned or exclusively licensed patents (non-exclusive patents not included)

⁴ Based on field performance, low power and high power GaN, FIT (Failure in Time) < 0.3 / Billion hours

Target Operating Model

Building a High-Growth, Product Driven Cash Generating Business



Operating Guidelines:

- Rapid top-line growth and GaN adoption across multiple end markets
- OpEx for continued development of best-in-class products and IP portfolio
- CAPEX investment for increased scale

Target Model:

5-year CAGR range: 50%+

Gross Margin: 40%+

Operating Margin: 20%+

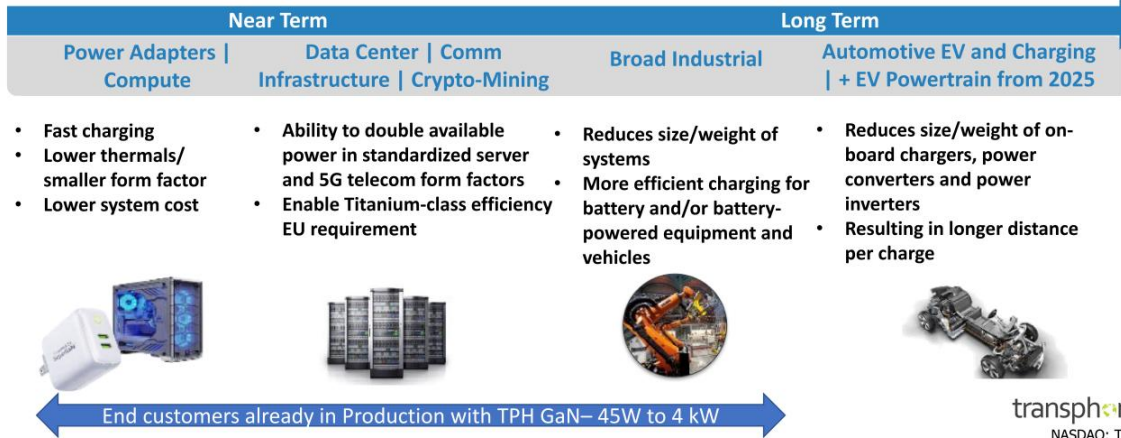
Free Cash Flow: 10%+

transphorm
NASDAQ: TGAN

Targeting \$3 Billion Power Market Opportunity in 2023

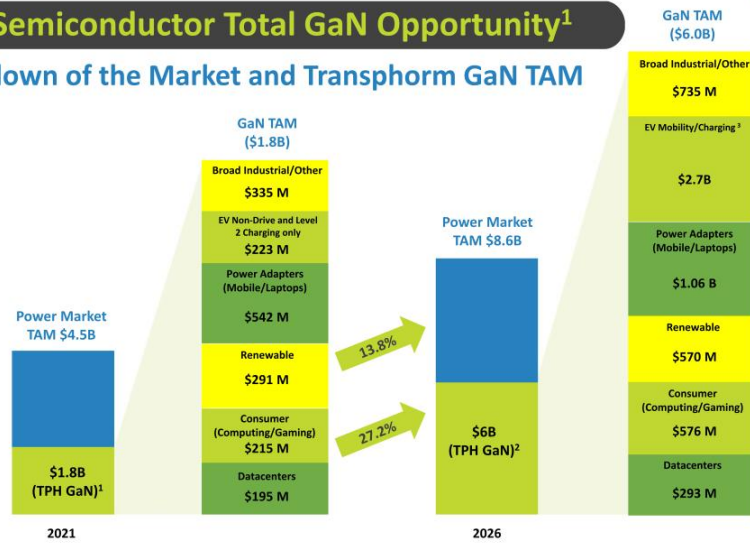
Upside to TAM from Electric Vehicle Powertrain starting in 2025

End Market Applications and GaN Benefits



Power Semiconductor Total GaN Opportunity¹

A Breakdown of the Market and Transphorm GaN TAM



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¹ Market access based on current, future device offerings with operations to support shipments. Does not include the adoption of GaN technology nor Transphorm's yearly adoption rate
² Shows the breakout; potential GaN market sizes; does not include any adoption rate
³ Includes modules for EV inverter and EV fast charging starting in 2024 and beyond
⁴ See appendix for references

Transphorm Advantage: Enabling Customers by Taking GaN Benefits to the Next Level

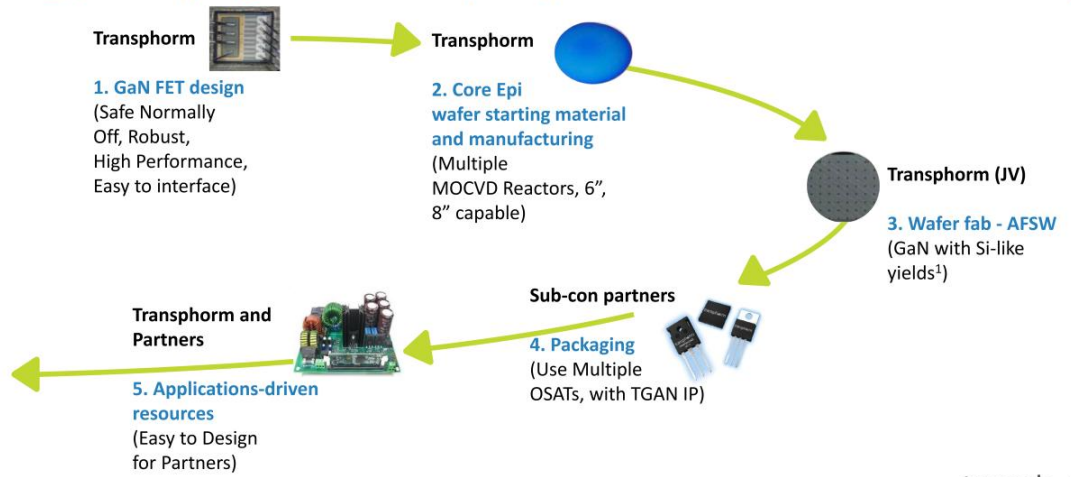
Faster, Smaller, More Efficient and Robust Solutions

Intrinsic Benefits of GaN	
Performance	<ul style="list-style-type: none">Field-proven best-in-class efficiencyDemonstrated and in volume over wide power levels
Quality & Reliability	<ul style="list-style-type: none">JEDEC + AEC-Q101, best-in-class robustness< 0.3 FIT > 40B hours
Volume Production Capability	<ul style="list-style-type: none">In-house GaN supply, vertically integrated value chainCapacity to support higher unit volumes
Comprehensive Product Portfolio	<ul style="list-style-type: none">Products span low-to-high power, 45W to +10kWOnly company with 900V GaN, 1200V and short circuit in R&D
Ease of Drivability and Design-in	<ul style="list-style-type: none">Compatibility with standard Silicon packages w/ superior thermal heatsink capabilityGrowing number of reference designs and IC partners
Patent & IP Coverage	<ul style="list-style-type: none">Industry's strongest GaN IP position with >1K patentsFrom material and process to design and application

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TGAN Owns GaN Wafer Production Supply Chain

Asset-Light, Vertically Integrated Manufacturing Driving Innovation

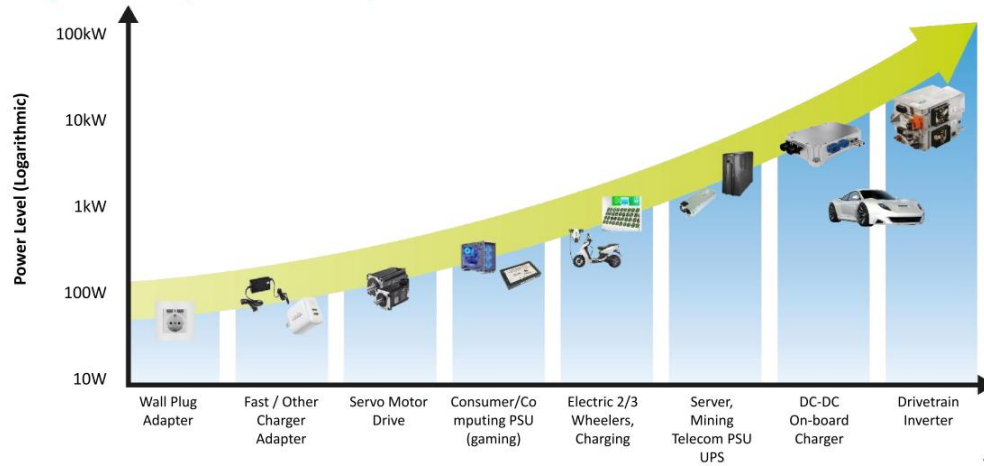


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1) P. Parikh et. al., GaN Power Commercialization with Highest Quality-Highest Reliability 650V HEMTs- Requirements, Successes and Challenges, 2018 IEEE International Electron Devices Meeting (IEDM), Dec 2018

Comprehensive GaN Product Portfolio: 45 W to +10 kW

TGAN Core Platform Spanning the Power Spectrum: Wide breadth of 650V, 900V
JEDEC/AEC-Q101 Qualified Products, 1200V and short circuit in R&D



TPH GaN vs. e-mode GaN: Why We Win!

Key Factors	Silicon MOSFET	e-mode GaN	Transphorm GaN FET
Ease of use (std. drivers, agnostic to controllers)	●	●	●
Size (form factor) and Speed (frequency)	●	●	●
Performance (efficiency) ¹	●	●	●
Added BoM components (cost) ²	●	●	●
Reliability and Robustness ³	●	●	●

● Strong

● Medium

● Weak

TGAN FET: Higher Range, Reliability & Performance Spanning Low to High Power

Why Transphorm Wins:

- Transphorm adopted in many more markets
- “e-mode” input interface is weaker – hard to operate in widely used TO Packages for higher power
- Superior Dynamic performance from TGAN FET – Strong performance, from smaller GaN die
- Proven reliability & manufacturing for scaled device – 10 kW capable single GaN device in production

In Production ¹			
Markets	GaN IC	GaN FET	Power Range TGAN Wins
Adapters	✓	✓	30-250W
Datacenters	✗	✓	800-3200W
Gaming (Desktop)	✗	✓	1600W
Crypto mining	✗	✓	1600-3600W
Industrial (≥ 500 W)	✗	✓	500-3000W
Aerospace	✗	✓	420-1200W

1. Based on our best knowledge of released products and in volume production with customers' systems

Myths/Mis-information

Myths Clarified: "IC" or Discrete Integrated or Other – Performance/Ease of Use/Reliability/Cost is what matters

Normally off:
"e-mode/
d-mode"

Fact:
Customer/Application
demands Normally off
Transistor.

TGAN FETs are Normally
Off - just like MOSFETS

TPH GaN FET vs.
GaN IC
Performance

Fact:
GaN FET solution proven
higher performance.

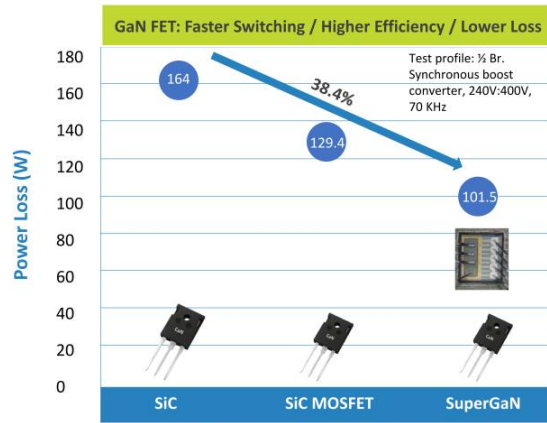
For example, in comparable
adapter solutions.

Drivers/
Integration

Fact:
Many modern controllers have
drivers integrated (free), TGAN
FETs – No extra driver or
interfacing need, and where
drivers needed, it is a Silicon-
like interface.

Transphorm GaN FET Outperforms the Competition

SuperGaN® offers reduced power loss (25-38%) over SiC FETs



Recent 3rd party independent validation: 15-20% loss reduction (0.5-1% point efficiency improvement) at 5 kW in a resonant converter ¹

Device Power Loss Comparison (9.2 kW)
(Limited due to SiC FET junction temperature)

1. PCIM 2022, Technical Paper, Alejandro Llop et. al., "A Comparison among Wide Bandgap Devices using a CLLC Bidirectional Resonant Converter"

Customers Select Transphorm GaN

Efficient, Reliable, Highest Performance, East of Drivability and Designability



“The Corsair AX1600i is the **best PSU** that money can buy today, period.”
tom's**HARDWARE**

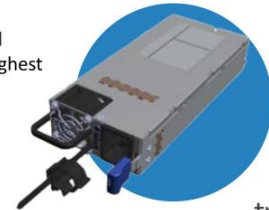


“Ease of drivability and designability—does not require custom drivers. Proven reliability — JEDEC and AEC-Q101”

“Based largely on the power semiconductors’ proven quality and reliability as well as the team’s reputation for successful collaboration,”



“Transphorm’s GaN within a totem-pole PFC configuration proved the **most reliable**, highest performing solution possible today,”



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Leadership in High-Power GaN – Secured new PO >500,000 units

Efficient, Reliable, High Performance, Patented GaN Architecture

Block Chain Computing – Power Hungry Systems requiring Titanium efficiency



- Consumes ~120 TWh, equivalent to small country
- TGAN solutions can enable up to 1% higher efficiency
- 230 V_{AC} (> 125 lbs of CO₂ emissions / TGAN Device¹)
 - Greater than 50,000 metric tons in 2022

Data Center Server Power – We have enabled Titanium performance for > 4 years



- 5 MW Data center, \$103K saved / year, 397 tons reduced carbon footprint²
- Regulations like EU Ecodesign³ in 2023 expected to accelerate GaN adoption
 - Increased order from existing customer

15

Notes:

1) Based on company estimates done for a 5MW data center.

2) Based on existing rectifiers with 92% efficiency | Source: EPA estimated one kWh produces 1.52 pounds of carbon dioxide (excl. line-losses).

3) European Union's Ecodesign Directive (Directive 2009/125/EC).

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GaN Enables Future of Next-Gen Electric Vehicles

EV challenges for existing Silicon-based solutions

Lower Watts / Cubic Inch
 +
 Power Loss
 +
 Heat Constraints
 +
 Limited Driving Distance
 =
Higher Cost & Power Demand



Transphorm Gen IV
650V 35mΩ GaN FET
 • Automotive qualified (AEC) today

- Charger / Converter / Inverters for EVs
- Staying ahead: R&D for 1200V ¹ with GaN for higher battery voltage EVs (taking on SiC higher Voltage FETs)

Faster Charging & Increased Range w/ GaN

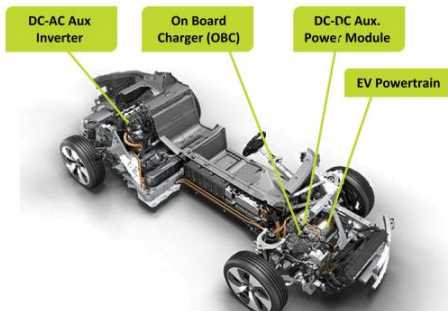
Future of EV with GaN-based solutions

GaN-enabled Power Solution Benefits¹:

- + 2x More Watts / Cubic Inch, Faster Charging
- + Less Power Loss (~20%)
- + Reduced Size (~50%)
- + Increased Range

Accelerating Opportunity for GaN Enabled Power in EV

GaN Opportunities in EV



Addressable GaN \$ Content/EV²

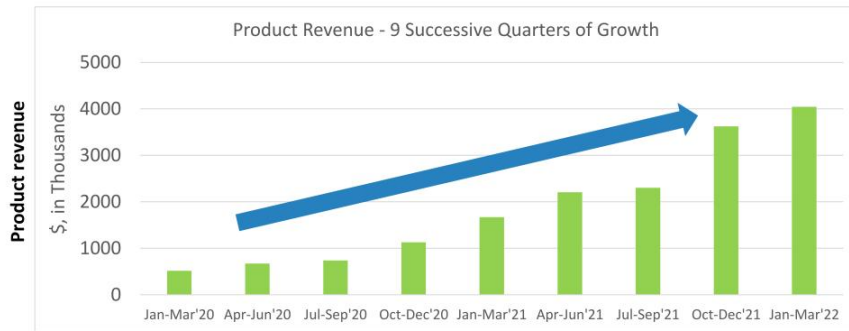


- Well-positioned for automotive opportunity with leading products, strategic partners
- EV Adoption increasing to 32 million (44 million - hyper adoption) vehicles by 2030¹

Transphorm GaN AEC-Q101 (Automotive) Qualified NOW

Strong QoQ of Product Revenue Growth

- *Maintaining leadership in higher power markets (1-5kW segment): Captured recent >500,000 units order (1 large device ~ 8 smaller Adapter/charger devices)*
- *Gain share in Adapter/chargers with superior performance, strong solutions partners*



Key Business Focus – Scaling Product Revenue

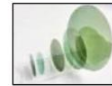
Focus on Product Revenue Growth, Supply Chain and Expanding Capacity

Key focus area	Achieved	Comments
1. Revenue/Products	<ul style="list-style-type: none"> ✓ \$4M Products (Total \$4.93M) 	<ul style="list-style-type: none"> • 9th sequentially higher Qtr. • Robust demand, strong backlog
2. Adapters/Chargers: Design-ins, Production, Solutions (45W – 250W)	<ul style="list-style-type: none"> ✓ Design-Ins: >55 (>5 added) ✓ In Production: >20 ✓ Solutions/Ref designs: >12 	<ul style="list-style-type: none"> • Laptop win, 50K units PO • Easy to use, no added driver, Small die vs. e-mode • Pilot wins at major Tier 1s
3. High power: Design-Ins, Production, Ref. Designs (300W-4kW)	<ul style="list-style-type: none"> ✓ Design-Ins: >35 (> 5 added) ✓ In Production: >15 ✓ Eval kits/Ref designs: >8 (1-4kW) 	<ul style="list-style-type: none"> • >500K units PO for 3kW+ • >50% of revenue High Power • Next: Expand & Dominate
4. Product SKUs and Qualification	<ul style="list-style-type: none"> ✓ Total: 17 (AEC qualified: 3) ✓ 1200V R&D Demo (@ Major IEEE Conf.) 	<ul style="list-style-type: none"> • Broadest offering (650/900V), • Compact surface-mount & thermally robust TOs • Next: Gen5 AEC qualification
5. Capacity Proof Points	<ul style="list-style-type: none"> ✓ Lower power (PQFN) – multiple sources in place ✓ Higher power (TO247) –1st 5 months of CY'22 > all of CY'21 	<ul style="list-style-type: none"> • Focus - Supply chain management • Epi , Fab Wafer capacity expansion ongoing

Key Business Update – Strategic Partnerships

Manufacturing, Capacity Increase Partnerships

- Global Wafers (Partner) – Epiwafer expansion on track (completion in mid-CY 2023)
- AFSW Fab (Transphorm's JV) – Managing with GaNovation (Financial-Strategic partner) and planning for increases in 2H'CY 22 and 2023 to keep up with increasing demand



Industrial and Automotive

- Yaskawa (Industrial) – Program aligned for cost effective innovative solutions for robotic applications
 - Development funding to be completed
- Nexperia (Automotive focus) – Continued epi and fab wafer supply, next milestone Gen5 AEC qual, Marelli (Automotive) – Ongoing development phase, with Gen IV/Gen V: Charger/Converter, Inverter
 - Other: Continuing design-ins with other Japan EV, for CY 2023-2024 dc-dc and obc opportunities




Government Revenue and Epi Business

- Navy and Govt. Programs – On track, \$0.9m in FQ4'22. Epi for RF (Navy, DARPA), 1200V R&D (ARPA-E)
- Additional Epi customers (rf) – Ongoing, primary focus on internal power products ramp

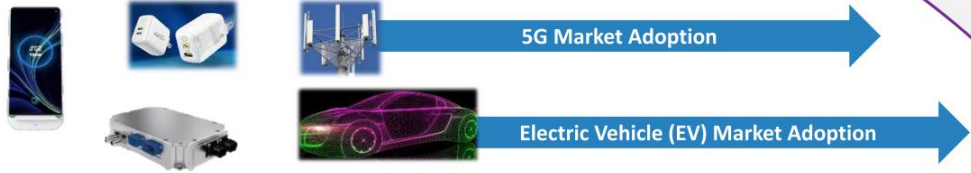


Key Financial Highlights

Record Product Revenue, Improving EPS, TGAN now on NASDAQ

	Q4 FY2022	FY2022	Commentary
Revenue	\$4.9m (> 80% Product)	\$24.1m (> 50% product)	<ul style="list-style-type: none"> 9 successive quarters of revenue growth Total Revenue increased 7% from Q3, 89% from FY21 Product revenue increased 10% from Q3, 190% from FY21
Gross Margin	23%	48%	<ul style="list-style-type: none"> FY2022 blended margin of 48% (FY21 – 45%) Gross margin progressing toward long term model
OPEX (non-GAAP)	\$4.6m	\$18.1m	<ul style="list-style-type: none"> 5% increase in quarter, 16% increase from FY21 Increases largely driven by staffing
EPS (non-GAAP)	(\$0.08)	(\$0.22)	<ul style="list-style-type: none"> Solid improvement in EPS Q3 FY22 EPS (\$0.09) and FY21 EPS (\$0.42)
Stockholders Equity		\$32m	<ul style="list-style-type: none"> Stockholder's equity improved \$56m from FY21 Strong equity raises, Yaskawa loan conversion and execution on Development loan
Operational Notables			<ul style="list-style-type: none"> Record quarterly product bookings Strong Backlog in place to support growth

Positioned to Grow Across Multiple Segments



Adoption / Growth	Execution and Expansion	Achieve Target Model
CY 2021-2022	CY 2023	CY 2024+
<ul style="list-style-type: none"> • Multiple revenue streams in place • Growing production across multiple segments • Shipped > 1M units in December 2021 • Continued investment in growth across all aspects of the company • Investing in capacity increases 	<ul style="list-style-type: none"> • Broad market inflection point • Ramping revenue across consumer, data centers and crypto segments • Continue to scale capacity aggressively • Initial wins in automotive segment • Continued government contracts 	<ul style="list-style-type: none"> • Continued momentum and broad market expansion • Automotive adoption growth • Leader in High Power, EV, Consumer segments • Positive cash flow generation • Execute to target model

Key Investment Highlights

GaN Power Semiconductor Pioneer and Leader

Disruptive Technology

GaN Enables Next Generation Power Conversion Solutions – 99% Efficiency¹, 50% More Compact/Lightweight, Lower System Cost

Large Market Opportunity

Transphorm's GaN Solutions will Enable the Future of Electric Vehicles and Fast-charging for 5G – Contributing to GaN TAM growing to \$6B² in 2026

Validation From Blue Chip Partners and Customers

Including KKR, Marelli, Yaskawa, SAS, Nexperia, Microchip, Diodes and the U.S. DoD(Navy), DOE



Ramping Commercially with Strong Manufacturing Base

Technology and Product Development completed, Integrated Manufacturing, \$24.1M FY-22 Revenues, Target >50% LT CAGR

Best-In-Class Differentiated GaN Technology + Industry's Strongest IP Position

IP Portfolio Appraised in Excess of \$200M³ Leader in Quality + Reliability, > 40 Billion Field hours, Silicon-like Reliability⁴

Team Led by World-Renowned GaN Experts

Proven Leadership, 18 PhDs and Over 300 Years of GaN Expertise



Appendices

Financials

Consolidated Balance Sheets

Transphorm, Inc.
Condensed Consolidated Balance Sheets
(in thousands)

	March 31, 2022 (unaudited)	December 31, 2021 (unaudited)	March 31, 2021 (unaudited)
Assets:			
Current assets:			
Cash and cash equivalents	\$ 33,435	\$ 40,467	\$ 9,500
Restricted cash	500	500	—
Accounts receivable	2,632	2,489	1,418
Inventory	6,330	5,956	2,223
Prepaid expenses and other current assets	1,750	1,249	953
Total current assets	44,647	50,661	14,294
Property and equipment, net	1,796	1,897	1,360
Goodwill	1,180	1,250	1,302
Intangible assets, net	617	691	914
Investment in joint venture	143	61	—
Other assets	263	282	274
Total assets:	\$ 48,646	\$ 64,842	\$ 19,144
Liabilities and stockholders' equity (deficit):			
Current liabilities:			
Accounts payable and accrued expenses	\$ 3,626	\$ 4,749	\$ 3,140
Deferred revenue	308	267	505
Development loan	—	—	10,000
Revolving credit facility	180	368	10,150
Unfunded commitment in joint venture	—	—	1,866
Accrued payroll and benefits	1,171	1,239	1,410
Total current liabilities	5,285	6,623	27,071
Revolving credit facility	12,000	12,000	—
Provisionary note	—	—	16,118
Total liabilities:	17,285	18,623	43,189
Commitments and contingencies			
Stockholders' equity (deficit):			
Common stock	\$	\$	4
Additional paid-in capital	211,190	210,641	144,201
Accumulated deficit	(178,438)	(173,439)	(168,403)
Accumulated other comprehensive loss	(1,199)	(988)	(857)
Total Stockholders' equity (deficit)	31,261	36,219	(25,985)
Total liabilities and stockholders' equity (deficit)	\$ 48,646	\$ 64,842	\$ 19,144

Subject to completion of audit procedures

transphorm
NASDAQ: TGAN

Condensed Consolidated Statements of Operations

Transphorm, Inc.
Condensed Consolidated Statements of Operations
(in thousands; except share and per share data)

	Three Months Ended			Twelve Months Ended	
	March 31, 2022 (unaudited)	December 31, 2021 (unaudited)	March 31, 2021 (audited)	March 31, 2022 (unaudited)	March 31, 2021 (unaudited)
Revenue, net	\$ 4,927	\$ 4,604	\$ 2,425	\$ 24,050	\$ 12,696
Operating expenses:					
Cost of goods sold	3,789	3,935	1,788	12,530	7,015
Research and development	1,432	1,609	1,780	6,655	5,896
Sales and marketing	1,047	976	663	3,535	2,319
General and administrative	2,917	2,852	2,733	11,226	9,869
Total operating expenses	9,385	9,372	6,964	33,946	25,201
Loss from operations	(4,458)	(4,768)	(4,539)	(9,896)	(12,505)
Interest expense	181	187	187	792	758
Loss in joint venture	677	712	1,468	3,971	6,885
Changes in fair value of promissory note	—	—	699	(605)	2,093
Other income, net	(317)	(1,503)	(314)	(3,819)	(1,940)
Loss before tax expense	(4,999)	(4,164)	(6,579)	(10,235)	(20,301)
Tax expense	—	—	—	—	—
Net loss	\$ (4,999)	\$ (4,164)	\$ (6,579)	\$ (10,235)	\$ (20,301)
Net loss per share - basic and diluted	\$ (0.09)	\$ (0.08)	\$ (0.16)	\$ (0.22)	\$ (0.56)
Weighted average common shares outstanding - basic and diluted	53,343,962	49,147,630	40,174,660	46,056,331	36,555,353

Subject to completion of audit procedures

transphorm
NASDAQ: TGMN

GAAP to NON-GAAP Reconciliation

Transphorm, Inc.
Reconciliation of GAAP and Non-GAAP Financial Information (unaudited)
(In thousands except share and per share data)

	Three Months Ended			Twelve Months Ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
GAAP net loss	\$ (4,999)	\$ (4,164)	\$ (6,579)	\$ (10,338)	\$ (20,201)
Adjustments:					
Stock-based compensation	758	848	513	2,614	1,906
Depreciation	147	142	123	546	500
Amortization	74	74	74	296	296
Changes in fair value of promissory note	—	—	699	(655)	2,139
Other income (1)	—	(1,222)	—	(2,677)	—
Total adjustments to GAAP net loss	979	(138)	1,409	174	4,841
Non-GAAP net loss	\$ (4,020)	\$ (4,302)	\$ (5,170)	\$ (10,061)	\$ (15,360)
GAAP net loss per share - basic and diluted	\$ (0.89)	\$ (0.88)	\$ (0.18)	\$ (0.22)	\$ (0.84)
Adjustment	0.01	(0.01)	0.02	—	0.12
Non-GAAP net loss per share - basic and diluted	\$ (0.88)	\$ (0.89)	\$ (0.13)	\$ (0.22)	\$ (0.42)
Weighted average common shares outstanding - basic and diluted	53,243,862	49,147,628	40,174,660	46,086,331	36,555,253

(1) Other income consists of \$1.2 million gain upon the conversion of the Yenkrone Note for the three months ended December 31, 2021 and \$1.5 million gain upon termination of the joint venture agreement between Fujitsu Semiconductor Limited and Transphorm Ams for the three months ended September 30, 2021.

	Three Months Ended			Twelve Months Ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
GAAP operating expenses	\$ 5,596	\$ 6,437	\$ 5,176	\$ 21,416	\$ 18,186
Adjustments:					
Stock-based compensation	715	796	475	2,453	1,789
Depreciation	147	142	123	546	500
Amortization	74	74	74	296	296
Total adjustments to GAAP operating expenses	936	1,012	672	3,295	2,585
Non-GAAP operating expenses	\$ 4,660	\$ 4,425	\$ 4,504	\$ 18,121	\$ 15,601

Subject to completion of audit procedures

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NASDAQ: TGMN

TGAN

transphorm

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