

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): July 5, 2023

**Transphorm, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction of Incorporation)

**001-41295**  
(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 8.01. Other Events.

On July 5, 2023, Transphorm, Inc. (the “Company”) commenced its previously announced offering of shares of its common stock, par value \$0.0001 per share (the “Common Stock”) through a rights offering (the “Rights Offering”). The Company distributed non-transferable rights (the “Subscription Rights”) to its stockholders of record as of 5:00 p.m., Eastern Daylight Time, on June 26, 2023, to purchase up to an aggregate of 4,545,454 shares of Common Stock, subject to increase, if necessary, to accommodate stockholders that may purchase an additional share of Common Stock in lieu of receiving a fractional share since no fractional shares will be issued.

The offering of the Common Stock pursuant to the Rights Offering is being made pursuant to the Company’s existing effective shelf registration statement on Form S-3 (File No. 333-267522) (the “Registration Statement”) on file with the Securities and Exchange Commission (the “SEC”), including the base prospectus contained therein (the “Base Prospectus”), and a prospectus supplement relating to the rights offering filed with the SEC on the date hereof (the “Prospectus Supplement”) and together with the Base Prospectus, the “Prospectus”).

Questions about the Rights Offering and requests for copies of the Prospectus may be directed to Broadridge Corporate Issuer Solutions, LLC, the Company’s information agent and subscription agent for the Rights Offering, at (888) 789-8409.

In connection with the Rights Offering, the Company is filing certain ancillary documents as Exhibits 4.1 and 99.1 through 99.6 to this Current Report on Form 8-K for the purpose of incorporating such items by reference into the Prospectus. The Company is also filing, as Exhibit 5.1, the opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation in connection with the distribution of the Subscription Rights and the issuance of the Common Stock issuable upon exercise of the Subscription Rights.

On July 5, 2023, the Company issued a press release announcing the launch of the Rights Offering. A copy of the press release is attached as Exhibit 99.7 to this Current Report on Form 8-K.

This Current Report on Form 8-K shall not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company, nor shall there be any offer, solicitation or sale of any securities of the Company in any state or jurisdiction in which such offer, solicitation or sale would be unlawful under the securities laws of such state or jurisdiction.

## Item 9.01. Financial Statement and Exhibits.

(d) Exhibits.

<b>Exhibit No.</b>	<b>Document</b>
4.1	<u>Form of Non-Transferable Subscription Rights Certificate</u>
5.1	<u>Opinion of Wilson Sonsini Goodrich &amp; Rosati, Professional Corporation</u>
23.1	<u>Consent of Wilson Sonsini Goodrich &amp; Rosati, Professional Corporation (contained in Exhibit 5.1)</u>
99.1	<u>Form of Instructions as to Use of Transphorm, Inc. Non-Transferable Subscription Rights Certificates</u>
99.2	<u>Form of Notice to Stockholders Who Are Record Holders</u>
99.3	<u>Form of Notice to Stockholders Who Are Acting as Nominees</u>
99.4	<u>Form of Notice to Clients of Stockholders Who Are Acting as Nominees</u>
99.5	<u>Form of Beneficial Ownership Election Form</u>
99.6	<u>Form of Nominee Holder Certification</u>
99.7	<u>Press Release dated July 5, 2023</u>
104	Cover Page Interactive Data File (formatted as Inline XBRL)

**SIGNATURES**

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

**TRANSPHORM, INC.**

Dated: July 5, 2023

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

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE COMPANY'S PROSPECTUS SUPPLEMENT DATED JULY 5, 2023 TO THE COMPANY'S PROSPECTUS DATED SEPTEMBER 29, 2022 AND ARE INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS SUPPLEMENT AND BASE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM BROADRIDGE CORPORATE ISSUER SOLUTIONS, LLC, THE SUBSCRIPTION AND INFORMATION AGENT, BY CALLING (888) 789-8409.

**TRANSPHORM, INC.**

**NON-TRANSFERABLE SUBSCRIPTION RIGHTS CERTIFICATE**

Evidencing Non-Transferable Subscription Rights to Purchase Shares of Common Stock of Transphorm, Inc.  
Subscription Price: \$3.30 per Whole Share of Common Stock

THE SUBSCRIPTION RIGHTS WILL EXPIRE IF NOT EXERCISED BY 5:00 P.M.,  
EASTERN DAYLIGHT TIME, ON JULY 21, 2023, UNLESS EXTENDED BY THE COMPANY

**REGISTERED OWNER:**

THIS CERTIFIES THAT the registered owner whose name is inscribed hereon is the owner of the number of non-transferable subscription rights ("**Subscription Rights**") set forth above, which Subscription Rights entitle the holder to subscribe for and purchase shares of common stock, par value \$0.0001 per share ("**Common Stock**"), of Transphorm, Inc., a Delaware corporation (the "**Company**"), on the terms and subject to the conditions set forth in the Company's prospectus supplement dated July 5, 2023, as amended and supplemented from time to time, and the accompanying base prospectus dated September 29, 2022 (collectively, the "**Prospectus**"), which are incorporated herein by reference. The Subscription Rights may be exercised at any time during the subscription period, which commences on July 5, 2023 and ends at 5:00 p.m., Eastern Daylight Time, on July 21, 2023 (the "**Expiration Time**").

In connection with the rights offering described in the Prospectus (the "**Rights Offering**"), the Company is distributing one Subscription Right for every share of Common Stock held as of 5:00 p.m., Eastern Daylight Time, on June 26, 2023 (the "**Record Date**"). Each Subscription Right carries with it (i) a basic subscription right, which entitles the holder to purchase 0.07655623 of a share of Common Stock and (ii) an over-subscription privilege, which entitles a holder that has exercised its basic subscription right in full to subscribe for additional shares of Common Stock that are offered in the Rights Offering, to the extent other holders have not exercised their basic subscription rights in full. The subscription price is \$3.30 per whole share of Common Stock (the "**Subscription Price**"), payable in cash. No fractional shares of Common Stock will be issued upon the exercise of any Subscription Rights. If, pursuant to an exercise of Subscription Rights, the number of shares of Common Stock a holder would be entitled to receive would result in receipt of a fractional share, the aggregate number of shares of Common Stock the holder is entitled to purchase will be rounded up to the nearest whole number. The Subscription Price must be paid for each whole share of Common Stock that is purchased.

Please review the "Instructions as to Use of Transphorm, Inc. Non-Transferable Subscription Rights Certificates" accompanying this Non-Transferable Subscription Rights Certificate, which are acknowledged by the registered owner below.

**SAMPLE CALCULATION FOR A HOLDER WHO OWNS 100 SHARES OF COMMON STOCK**

Number of shares of Common Stock held on the Record Date:  $100 \times 1 = 100$  **Subscription Rights**  
(1 Subscription Right for every share of Common Stock held as of the Record Date)

Number of shares of Common Stock issuable upon full exercise of basic Subscription Rights:  
 $100 \text{ Subscription Rights} \times 0.07655623 = 7.655623$  shares of Common Stock  
Rounded up to the nearest whole share = **8 whole shares of Common Stock**

Aggregate Subscription Price:  $8 \text{ shares of Common Stock} \times \$3.30 = \mathbf{\$26.40}$

## METHOD OF EXERCISE OF RIGHTS

To exercise your Subscription Rights as a holder of record, whether you hold certificates evidencing shares of Common Stock directly or you hold shares in book-entry form with the Company's transfer agent (Pacific Stock Transfer Company), Broadridge Corporate Issuer Solutions, LLC (the "**Subscription Agent**") must receive, in the manner specified herein, by the Expiration Time, a properly completed and duly executed Subscription Rights Certificate and a wire transfer of immediately available funds, U.S. Postal money order, or cashier's, certified, or uncertified personal check drawn upon a U.S. bank, payable to "Broadridge Corporate Issuer Solutions, LLC" for an amount equal to the number of shares of Common Stock subscribed for pursuant to exercise of your Subscription Rights multiplied by the Subscription Price per whole share of Common Stock. Payment must be made in U.S. dollars.

**The method of delivery of this Subscription Rights Certificate and the payment of the aggregate Subscription Price are at the election and risk of the holder, but if sent by mail it is recommended that the Subscription Rights Certificate and payment be sent by registered mail, postage prepaid, properly insured, with return receipt requested, and that you allow a sufficient number of days to ensure delivery to the Subscription Agent and clearance of payment prior to the Expiration Time.**

Share certificates will not be issued for shares of Common Stock sold in the Rights Offering. Stockholders who are record owners will have the shares they acquire credited to their account with Pacific Stock Transfer Company, as transfer agent. Stockholders whose shares are held of record by Cede & Co. ("**Cede**") or by any other depository or nominee on their behalf or their broker-dealers' behalf will have any shares that they acquire credited to the account of Cede or the other depository or nominee holder. The Company expects to deliver the shares of Common Stock purchased in the Rights Offering on or about July 28, 2023.

Once you have exercised your Subscription Rights by submitting this Subscription Rights Certificate together with payment of the aggregate Subscription Price, you are not allowed to revoke, cancel or change the exercise of your Subscription Rights or request a refund of monies paid. All exercises of Subscription Rights are irrevocable, even if you subsequently learn information about the Company that you consider to be unfavorable, the Company's stock price declines, or you otherwise change your investment decision.

FOR A MORE COMPLETE DESCRIPTION OF THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING, PLEASE REFER TO THE PROSPECTUS, WHICH IS INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM THE INFORMATION AGENT, BROADRIDGE CORPORATE ISSUER SOLUTIONS, LLC, BY CALLING (TOLL-FREE) AT (888) 789-8409 OR BY E-MAIL AT [SHAREHOLDER@BROADRIDGE.COM](mailto:SHAREHOLDER@BROADRIDGE.COM).

## EXERCISE OF RIGHTS

PLEASE PRINT ALL INFORMATION CLEARLY AND LEGIBLY.

To subscribe for shares of Common Stock pursuant to your Subscription Rights, please complete sections (a) and (b) and sign in part (c). If you do not indicate the number of whole shares of Common Stock you are subscribing for, or if you do not submit the aggregate Subscription Price for the number of whole shares of Common Stock that you indicate are being purchased, the Subscription Agent will have the right to reject and return your subscription for correction. Any excess subscription payments received by the Subscription Agent will be returned, without interest or penalty, as soon as practicable.

**(a) EXERCISE OF RIGHTS:**

The maximum number of shares of Common Stock available for purchase in the Rights Offering pursuant to the exercise of a holder's basic subscription rights is equal to the number of shares of Common Stock owned by such holder as of the Record Date multiplied by 0.07655623, rounded up to the nearest whole share. Each holder who elects to exercise its basic subscription rights in full may also request to subscribe for additional shares issuable in the Rights Offering by completing the over-subscription privilege.

	<u>Number of Shares of Common Stock Owned as of the Record Date</u>		<u>Maximum Number of Shares of Common Stock Available to Subscribe For (Rounded Up to the Nearest Whole Share)</u>		<u>Number of Shares of Common Stock Subscribed For</u>		<u>Per Share Subscription Price</u>		<u>Aggregate Subscription Price</u>
Basic Subscription Right	_____	x	0.07655623	_____	_____	x	\$3.30	=	\$ _____
Over-Subscription Privilege					_____	x	\$3.30	=	\$ _____
Total Payment Required									\$ _____ (Sum of Lines 1 and 2)

**(b) PAYMENT:**

**AMOUNT ENCLOSED**

Total Amount Enclosed \$ \_\_\_\_\_

**METHOD OF PAYMENT (CHECK ONE)**

- U.S. Postal money order or cashier's, certified, or uncertified personal check drawn on a U.S. bank, payable to Broadridge Corporate Issuer Solutions, LLC (acting as Subscription Agent for Transphorm, Inc.).
- Wire transfer directly to the escrow account maintained by Broadridge Corporate Issuer Solutions, LLC, as Subscription Agent.

Beneficiary Account Name:	Broadridge Corporate Issuer Solutions, LLC
Account Number:	4124218686
ABA/Routing Number:	121000248
International/Swift Code:	WFBIUS6SXXX
Bank:	Wells Fargo 420 Montgomery Street San Francisco, CA 94104 United States
Reference:	Transphorm Rights Offering
For Further Credit Name:	Transphorm, Inc.
For Further Credit Account Number:	4377483557

**(c) SIGNATURE(S):**

TO SUBSCRIBE: I acknowledge that I have received the Prospectus for the Rights Offering and I hereby irrevocably subscribe for the number of whole shares of Common Stock indicated above on the terms and conditions specified in the Prospectus. I hereby agree that if I fail to pay for the shares of Common Stock for which I have

subscribed, Transphorm, Inc. may exercise its legal remedies against me. By signing below, I confirm that I am an "Eligible Stockholder" as defined in the Prospectus.

This form must be signed by the registered holder(s) exactly as their name(s) appear(s) on the certificate(s) or book entry or by person(s) authorized to sign on behalf of the registered holder(s) by documents transmitted herewith.

Signature of Subscriber: \_\_\_\_\_  
Name (please print): \_\_\_\_\_  
Date: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_  
Email: \_\_\_\_\_

If signature is by trustee(s), executor(s), administrator(s), guardian(s), attorney(s)-in-fact, agent(s), officer(s) of a corporation or another acting in a fiduciary or representative capacity, you must indicate the capacity in which you are signing when you sign and, if requested by the Subscription Agent in its sole and absolute discretion, you must present to the Subscription Agent satisfactory evidence of your authority to sign in that capacity. If this form is signed by a person other than the registered owner (e.g., where the shares have been assigned), this form must be accompanied by a stock power guaranteed by a bank, broker or other financial institution that is a member of a Securities Transfer Association-approved medallion program such as STAMP, SEMP, or MSP.

Signature: \_\_\_\_\_  
Name of Bank or Firm: \_\_\_\_\_  
Signature of Officer: \_\_\_\_\_  
By: \_\_\_\_\_

Please complete all applicable information and return to

*By mail:*  
Broadridge Corporate Issuer Solutions, LLC  
Attention: BCIS Re-Organization Dept.  
P.O. Box 1317  
Brentwood, New York 11717-0693

*By hand or overnight courier:*  
Broadridge Corporate Issuer Solutions, LLC  
Attention: BCIS IWS  
51 Mercedes Way  
Edgewood, New York 11717

**DELIVERY OF THIS SUBSCRIPTION RIGHTS CERTIFICATE TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE DOES NOT CONSTITUTE A VALID DELIVERY OR VALID EXERCISE OF SUBSCRIPTION RIGHTS.**

**Important Information**

This Subscription Rights Certificate and any claim, controversy or dispute arising under or related to this Subscription Rights Certificate shall be governed by and construed in accordance with the laws of the State of New York.

The offering of the Common Stock pursuant to the Rights Offering is being made pursuant to the Company's existing effective shelf registration statement on Form S-3 (File No. 333-267522) on file with the Securities and Exchange Commission, including the Prospectus.

July 5, 2023

Transphorm, Inc.  
75 Castilian Drive  
Goleta, CA 93117**Re: Public Offering of Subscription Rights of Transphorm, Inc.**

Ladies and Gentlemen:

We have acted as counsel to Transphorm, Inc., a Delaware corporation (the "Company"), in connection with (i) the filing by the Company with the Securities and Exchange Commission (the "Commission") on September 20, 2022 of a Registration Statement on Form S-3 (Reg. No. 333-267522) under the Securities Act of 1933, as amended (the "Act"), and declared effective on September 29, 2022 (the "Registration Statement"), including the prospectus dated September 29, 2022 included therein (the "Base Prospectus"), and (ii) the filing by the Company with the Commission on July 5, 2023 of a prospectus supplement dated July 5, 2023 (the "Prospectus Supplement" and together with the Base Prospectus, the "Prospectus") pursuant to Rule 424(b) under the Act. Pursuant to the Prospectus Supplement, the Company plans to distribute non-transferable subscription rights (the "Rights") to purchase shares of the Company's common stock, \$0.0001 par value per share (the "Common Stock") to its stockholders as of the Record Date (as defined in the Prospectus Supplement), entitling the holders thereof to purchase an aggregate of up to 4,545,454 shares of Common Stock, at a ratio of one Right to purchase 0.07655623 of a share of Common Stock. This opinion is being delivered at the request of the Company and in accordance with the requirements of Item 601(b)(5) of Regulation S-K promulgated by the Commission.

We have examined copies of the Registration Statement, together with the documents incorporated by reference therein, and the Prospectus. In addition, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such other instruments, documents, certificates and records that we have deemed relevant and necessary for the basis of our opinions hereinafter expressed. In such examination, we have assumed: (a) the authenticity of original documents and the genuineness of all signatures; (b) the conformity to the originals of all documents submitted to us as copies; (c) the truth, accuracy and completeness of the information, representations and warranties contained in the instruments, documents, certificates and records we have reviewed; (d) that the Registration Statement, and any amendments thereto (including post-effective amendments), is currently effective under the Act; (e) that the securities will be issued and sold in compliance with applicable U.S. federal and state securities laws and in the manner stated in the Registration Statement and the Prospectus; (f) with respect to shares of Common Stock offered by the Company, that there will be sufficient shares of Common Stock authorized under the Company's organizational documents that are not otherwise reserved for issuance; and (g) the legal capacity of all natural persons. As to any facts material to the opinions expressed herein that were not independently established or verified, we have relied upon oral or written statements and representations of officers and other representatives of the Company.

Based on such examination, we are of the opinion that:

1. The Rights, when issued, will be valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.
2. The Common Stock deliverable upon valid exercise of the Rights, including without limitation, payment of the consideration therefor as contemplated in the Prospectus, when



issued and delivered as contemplated in the Prospectus, will be validly issued, fully paid and non-assessable.

Our opinion that any document is legal, valid and binding is qualified as to:

- (a) limitations imposed by bankruptcy, insolvency, reorganization, arrangement, fraudulent transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally;
- (b) rights to indemnification and contribution, which may be limited by applicable law or equitable principles; and
- (c) the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief, whether considered in a proceeding in equity or at law.

We express no opinion as to the laws of any other jurisdiction, other than the federal laws of the United States of America and the General Corporation Law of the State of Delaware.

We hereby consent to the filing of this opinion as an exhibit to the Company's Current Report on Form 8-K filed on or about the date hereof for incorporation by reference into the Registration Statement and to the use of our name wherever it appears in the Registration Statement, the Prospectus and in any amendment or supplement thereto. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

**WILSON SONSINI GOODRICH & ROSATI**  
Professional Corporation

/s/ Wilson Sonsini Goodrich & Rosati, P.C.

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE COMPANY'S PROSPECTUS SUPPLEMENT DATED JULY 5, 2023 TO THE COMPANY'S PROSPECTUS DATED SEPTEMBER 29, 2022 AND ARE INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS SUPPLEMENT AND BASE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM BROADRIDGE CORPORATE ISSUER SOLUTIONS, LLC, THE SUBSCRIPTION AND INFORMATION AGENT, BY CALLING (888) 789-8409.

**FORM OF INSTRUCTIONS AS TO USE OF TRANSPHORM, INC.  
NON-TRANSFERABLE SUBSCRIPTION RIGHTS CERTIFICATES**

PLEASE CONSULT THE SUBSCRIPTION AND INFORMATION AGENT,  
YOUR BANK OR BROKER FOR ANY QUESTIONS

The following instructions relate to a rights offering (the "**Rights Offering**") by Transphorm, Inc., a Delaware corporation ("**we**," "**us**," "**our**," or the "**Company**"), to the stockholders (the "**holder**", or "**you**") of the Company's common stock, par value \$0.0001 per share (the "**Common Stock**"), as described in the prospectus supplement dated July 5, 2023 (the "**Prospectus Supplement**") to the Company's prospectus dated September 29, 2022 (together with the Prospectus Supplement, the "**Prospectus**").

Pursuant to the Rights Offering described in the Prospectus, each stockholder owning shares of Common Stock as of 5:00 p.m., Eastern Daylight Time, on June 26, 2023 (such date, the "**Record Date**" and, such stockholder, an "**Eligible Stockholder**") will receive one non-transferable subscription right (a "**Subscription Right**") for every share of Common Stock held as of the Record Date, evidenced by Non-Transferable Subscription Rights Certificates (the "**Rights Certificates**"). The Subscription Rights are non-transferable and will not be listed for trading on any stock exchange. This means that Eligible Stockholders may not sell, transfer, or assign their Subscription Rights to anyone else.

The Subscription Rights may be exercised at any time during the subscription period, which commences on July 5, 2023 and ends at 5:00 p.m., Eastern Daylight Time, on July 21, 2023 (the "**Expiration Time**"), unless we extend such period. If we elect to extend the Rights Offering, we will issue a press release announcing the extension no later than 9:00 a.m., Eastern Daylight Time, on the next business day after the most recently scheduled Expiration Time.

Each Subscription Right carries with it (i) a basic subscription right, which entitles the holder to purchase 0.07655623 of a share of Common Stock and (ii) an over-subscription privilege, which entitles each Eligible Stockholder that has exercised its basic subscription right in full to subscribe for additional shares of Common Stock that are offered in the Rights Offering, to the extent other Eligible Stockholders have not exercised their basic subscription rights in full. The subscription price is \$3.30 per whole share of Common Stock (the "**Subscription Price**"), payable in cash. No fractional shares of Common Stock will be issued upon the exercise of any Subscription Rights. If, pursuant to an Eligible Stockholder's exercise of its Subscription Rights, the number of shares of Common Stock that such Eligible Stockholder would be entitled to receive would result in receipt of a fractional share, the aggregate number of shares of Common Stock the Eligible Stockholder is entitled to purchase will be rounded up to the nearest whole number. The Subscription Price must be paid for each whole share of Common Stock that is purchased.

The number of Subscription Rights to which you are entitled is printed on the face of your Rights Certificate. You should indicate your wishes with regard to the exercise of your Subscription Rights by completing the appropriate portions of your Rights Certificate and returning the Rights Certificate to Broadridge Corporate Issuer Solutions, LLC (the "**Subscription Agent**") pursuant to the procedures described in the Prospectus.

You are not required to exercise any or all of your Subscription Rights. There is no minimum number of shares of Common Stock that we must sell in order to complete the Rights Offering. Eligible Stockholders who do not participate in the Rights Offering will continue to own the same number of shares of Common Stock but, after the Rights Offering, will own a smaller percentage of the total shares of Common Stock outstanding to the extent that other Eligible Stockholders participate in the Rights Offering.

Please see the discussion of risk factors related to the Rights Offering, including dilution, under the heading "Risk Factors—Risks Related to the Rights Offering" in the Prospectus Supplement.

*Over-Subscription Privilege*

Each Eligible Stockholder who elects to exercise the basic subscription right in full may also subscribe for additional shares issuable in the Rights Offering at the Subscription Price per whole share of common stock. If you wish to exercise your over-subscription privilege, you should indicate the number of additional shares that you would like to

purchase in the space provided on your Rights Certificate. When you send in your Rights Certificate, you must also send the full purchase price in cash, as provided herein, for the number of additional shares that you have requested to purchase, at the Subscription Price (in addition to the payment in cash, as provided herein, due for shares purchased through your basic subscription right). The Subscription Agent will return any excess payments, without interest or penalty.

As soon as practicable after the Expiration Time, the Subscription Agent will determine the number of shares of Common Stock available for purchase pursuant to exercise of over-subscription privileges. If there are not enough shares of Common Stock to satisfy all subscription requests made under the over-subscription privilege, the available shares of Common Stock issuable in the Rights Offering will be distributed proportionately among those Eligible Stockholders who fully exercised their basic subscription right and exercise their over-subscription privilege, based on the number of shares each Eligible Stockholder subscribed for under the basic subscription right. The available shares of Common Stock will be distributed proportionately until either all shares of Common Stock issuable in the Rights Offering have been allocated or all over-subscription requests have been fulfilled, whichever occurs earlier. If a pro rata allocation of the remaining shares would result in the allocation to you of a greater number of shares than you subscribed for under your over-subscription request, then we will allocate to you only the number of shares for which you subscribed and we will allocate the remaining shares among all other Eligible Stockholders exercising their over-subscription privileges.

If you exercise your over-subscription privilege and are allocated less than all of the shares for which you subscribed, your excess payment for shares that were not allocated to you will be returned, without interest or penalty, as soon as practicable after the Expiration Time. In connection with the exercise of the over-subscription privilege, banks, brokers and other nominee holders of Subscription Rights who act on behalf of beneficial owners will be required to certify to us and to the Subscription Agent as to the aggregate number of basic subscription rights exercised, and the number of shares requested through the over-subscription privilege, by each beneficial owner on whose behalf the nominee holder is acting.

#### *Expiration Time*

THE SUBSCRIPTION RIGHTS WILL EXPIRE AND WILL HAVE NO VALUE AT 5:00 P.M., EASTERN DAYLIGHT TIME, ON JULY 21, 2023, UNLESS WE EXTEND SUCH PERIOD. YOUR NON-TRANSFERABLE SUBSCRIPTION RIGHTS CERTIFICATE AND THE AGGREGATE SUBSCRIPTION PRICE MUST BE RECEIVED BY THE SUBSCRIPTION AGENT AND CLEAR PRIOR TO THE EXPIRATION TIME. ONCE YOU HAVE EXERCISED YOUR RIGHT AND SUBMITTED PAYMENT OF THE AGGREGATE SUBSCRIPTION PRICE, YOU ARE NOT ALLOWED TO REVOKE, CANCEL OR CHANGE THE EXERCISE OF YOUR RIGHTS OR REQUEST A REFUND OF MONIES PAID, EVEN IF YOU SUBSEQUENTLY LEARN INFORMATION ABOUT US THAT YOU CONSIDER TO BE UNFAVORABLE, OUR STOCK PRICE DECLINES, OR YOU OTHERWISE CHANGE YOUR INVESTMENT DECISION. RIGHTS NOT EXERCISED PRIOR TO THE EXPIRATION TIME WILL EXPIRE WITHOUT VALUE.

We will not be required to sell shares of Common Stock to you if the Subscription Agent receives your Rights Certificate or your payment of the aggregate Subscription Price after the Expiration Time, regardless of when the Rights Certificate and payment of the aggregate Subscription Price were sent. If you send your Rights Certificate and payment of the aggregate Subscription Price by mail, we recommend that you send them by registered mail, postage prepaid, properly insured, with return receipt requested, and that you allow a sufficient number of days to ensure delivery to the Subscription Agent and clearance of payment before the Expiration Time.

The Common Stock issued upon exercise of the Subscription Rights will be delivered as soon as practicable after the Expiration Time, and after all pro rata allocations and adjustments have been completed.

If you have any questions concerning the Rights Offering, please contact the Subscription Agent at the following address and number:

Broadridge Corporate Issuer Solutions, LLC  
Attn: BCIS Re-Organization Dept.  
P.O. Box 1317  
Brentwood, NY 11717-0718

Holder Inquiries:  
(888)789-8409 (toll free)  
shareholder@broadridge.com

**1. Method of Subscription—Exercise of Subscription Rights.**

To exercise your Subscription Rights, please: (1) complete Sections (a) and (b) on your Rights Certificate; (2) sign Section (c) of your Rights Certificate; and (3) send the properly completed and executed Rights Certificate evidencing such basic subscription rights and, if applicable, over-subscription privileges subscribed, together with payment in full of the Subscription Price for each share subscribed for pursuant to the basic subscription rights and, if applicable, over-subscription privileges, to the Subscription Agent, so that the Rights Certificate and payment of the aggregate Subscription Price will be actually received by the Subscription Agent prior to the Expiration Time. The Subscription Agent will hold all funds it receives in a segregated bank account until completion of the Rights Offering. PLEASE DO NOT SEND RIGHTS CERTIFICATES OR PAYMENTS TO THE COMPANY.

(a). *Method of Execution*

(i) *Execution by Registered Holder.* Your signature on the Rights Certificate must correspond with the name of the registered holder exactly as it appears on the face of the Rights Certificate without any alteration or change whatsoever. Persons who sign the Rights Certificate in a representative or other fiduciary capacity must indicate their capacity when signing and, unless waived by the Subscription Agent in its sole and absolute discretion, must present to the Subscription Agent satisfactory evidence of their authority to so act.

(ii) *Execution by Person Other than Registered Holder.* If the Rights Certificate is executed by a person other than the holder named on the face of the Rights Certificate, proper evidence of authority of the person executing the Rights Certificate must accompany the same unless, for good cause, the Subscription Agent dispenses with proof of authority.

(b). *Method of Payment*

Payments must be made in full in U.S. currency by:

- wire transfer of immediately available funds to accounts maintained by the Subscription Agent for purposes of accepting subscription in the Rights Offering at:

Beneficiary Account Name:	Broadridge Corporate Issuer Solutions, LLC
Account Number:	4124218686
ABA/Routing Number:	121000248
International/Swift Code:	WFBIUS6SXXX
Bank:	Wells Fargo 420 Montgomery Street San Francisco, CA 94104 United States
Reference:	Transphorm Rights Offering
For Further Credit Name:	Transphorm, Inc.
For Further Credit Account Number:	4377483557

- certified check, bank draft, or cashier’s check drawn against a U.S. bank payable to “Broadridge Corporate Issuer Solutions, LLC (acting as Subscription Agent for Transphorm, Inc.)”;
- U.S. Postal money order payable to “Broadridge Corporate Issuer Solutions, LLC (acting as Subscription Agent for Transphorm, Inc.)”; or
- uncertified personal check drawn against a U.S. bank payable to “Broadridge Corporate Issuer Solutions, LLC (acting as Subscription Agent for Transphorm, Inc.)”.

If you elect to exercise your Subscription Rights, we urge you to consider using a certified check, bank draft, cashier’s check, U.S. Postal money order, or wire transfer of immediately available funds to ensure that the Subscription Agent receives your funds prior to the Expiration Time. Payments will be deemed to have been received upon (i) clearance of any uncertified personal check, (ii) receipt by the Subscription Agent of any certified check, bank draft, or cashier’s check drawn upon a U.S. bank or of any U.S. Postal money order, or (iii) receipt of collected funds in the Subscription account designated above. If paying by uncertified personal check, please note that the funds paid thereby

may take at least five (5) business days to clear. Accordingly, holders who wish to pay the aggregate Subscription Price by means of uncertified personal check are urged to make payment sufficiently in advance of the Expiration Time to ensure that such payment is received and clears by the Expiration Time. Any wire transfer should clearly indicate the identity of the subscriber who is paying the aggregate Subscription Price by wire transfer.

If you send a payment that is insufficient to purchase the number of shares of Common Stock you requested, or you do not indicate the number of shares of Common Stock you are subscribing for, the Subscription Agent will have the right to reject and return your Rights Certificate for correction, if the Expiration Time has not passed. If the payment exceeds the Subscription Price for the full exercise of your Subscription Rights, or if you subscribe for more shares of Common Stock than you are eligible to purchase, then the excess payment will be returned to you as soon as practicable, without interest or penalty.

If you are otherwise ineligible to exercise Subscription Rights, your entire payment received by the Subscription Agent will be returned to you as soon as practicable, without interest or penalty, following the Expiration Time.

Fractional shares resulting from the exercise of the Subscription Rights will be eliminated by rounding up to the nearest whole share, with the aggregate Subscription Price being adjusted accordingly. Any excess subscription payments received by the Subscription Agent will be returned, without interest, as soon as practicable.

(c). *Method of Delivery*

Rights Certificates and payments of the aggregate Subscription Price (other than wire transfer of immediately available funds) must be delivered to the Subscription Agent by one of the methods described below:

<p><i>If delivering by hand or overnight courier:</i>          Broadridge Corporate Issuer Solutions, LLC          Attn: BCIS IWS          51 Mercedes Way          Edgewood, NY 11717</p>	<p><i>If delivering by first class mail:</i>          Broadridge Corporate Issuer Solutions, LLC          Attn: BCIS Re-Organization Dept.          P.O. Box 1317          Brentwood, NY 11717-0693</p>
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**Delivery to an address or by a method other than those above will not constitute valid delivery.**

The method of delivery of Rights Certificates and payment of the aggregate Subscription Price to the Subscription Agent will be at the election and risk of the Eligible Stockholder.

**2. Issuance of Common Stock.**

The following deliveries and payments will be made and/or issued to the address shown on the face of your Rights Certificate:

- (a). *Basic Subscription Rights.* As soon as practicable following the Expiration Time, we will issue to each Eligible Stockholder that validly exercises its basic subscription rights shares in book-entry, or uncertificated, form representing shares of Common Stock purchased pursuant to the basic subscription rights. We expect to deliver the shares of Common Stock purchased in the Rights Offering on or about July 28, 2023.
- (b). *Over-Subscription Privilege.* As soon as practicable following the Expiration Time and after all prorations and adjustments contemplated by the terms of the Rights Offering have been effected, we will issue to each Eligible Stockholder that validly exercises its over-subscription privilege shares in book-entry, or uncertificated, form representing the number of shares of Common Stock allocated to such Eligible Stockholder pursuant to the over-subscription privilege. We expect to deliver the shares of Common Stock purchased in the Rights Offering on or about July 28, 2023.
- (c). *Excess Cash Payments.* As soon as practicable following the Expiration Time and after all prorations and adjustments contemplated by the terms of the Rights Offering have been effected, any excess subscription payments received in payment of the Subscription Price will be returned to the applicable Eligible Stockholder, without interest or penalty.

### **3. No Sale or Transfer of Subscription Rights.**

The Subscription Rights granted to you are non-transferable and, therefore, you may not sell, transfer, or assign your Subscription Rights to anyone.

### **4. Special Provisions Relating to the Delivery of Subscription Rights through the Depository Trust Company.**

Banks, trust companies, securities dealers, and brokers (each, a “Nominee”) that hold shares of Common Stock on the Record Date as nominee for more than one beneficial owner may, upon proper showing to the Subscription Agent, exercise such beneficial owner’s Subscription Right through DTC on the same basis as if the beneficial owners were stockholders on the Record Date. Such Nominee may exercise the Subscription Rights on behalf of the exercising beneficial owner through DTC’s PSOP Function on the “agents subscription over PTS” procedure by (1) providing a certification as to the aggregate number of Subscription Rights exercised by the beneficial owner on whose behalf such Nominee is acting, and (2) instruct DTC to charge the Nominee’s applicable DTC account for the subscription payment for the shares to facilitate the delivery of the aggregate Subscription Price to the Subscription Agent. DTC must receive the subscription instructions and payment for the shares no later than the Expiration Time.

### **5. Determinations Regarding the Exercise of Your Rights.**

The Company will decide, in its sole discretion, all questions concerning the timeliness, validity, form, and eligibility of the exercise of your Subscription Rights. Any such determinations by the Company will be final and binding. The Company, in its sole discretion, may waive, in any particular instance, any defect or irregularity or permit, in any particular instance, a defect or irregularity to be corrected within such time as the Company may determine. The Company will not be required to make uniform determinations in all cases. The Company may reject the exercise of any of your Subscription Rights because of any defect or irregularity. The Company will not accept any exercise of Subscription Rights until all irregularities have been waived by the Company or cured by you within such time as the Company decides, in its sole discretion.

Neither the Company, the Subscription Agent, nor the Information Agent will be under any duty to notify you of any defect or irregularity in connection with your submission of Rights Certificates, and the Company will not be liable for failure to notify you of any defect or irregularity. The Company reserves the right to reject your exercise of Subscription Rights if it determines that your exercise is not in accordance with the terms set forth in the Prospectus and these Instructions, or in proper form. The Company will also not accept the exercise of your Subscription Rights if the issuance of shares of Common Stock to you could be deemed unlawful under applicable law.

### **6. Form W-9.**

Each Eligible Stockholder who elects to exercise Subscription Rights should provide the Subscription Agent with a correct Taxpayer Identification Number (TIN) on IRS Form W-9. See “Material U.S. Federal Income Tax Consequences — Information Reporting and Backup Withholding” in the Prospectus Supplement. Failure to provide the information on the form may subject such holder to a \$50 penalty for each such failure and to 24% federal income tax withholding with respect to dividends (including deemed dividends) that may be paid by the Company on shares of its Common Stock. Foreign persons are generally required to provide an appropriate IRS Form W-8 rather than IRS Form W-9 and may be subject to withholding on dividends (including deemed dividends) at a rate of up to 30%.

## TRANSPHORM, INC.

## NOTICE TO STOCKHOLDERS WHO ARE RECORD HOLDERS

Up to 4,545,454 Shares of Common Stock Issuable Upon Exercise of Non-Transferable Subscription Rights

July 5, 2023

Dear Stockholder:

Enclosed for your consideration is a prospectus supplement dated July 5, 2023 (as amended and supplemented from time to time, the “**Prospectus Supplement**”), and the accompanying prospectus dated September 29, 2022 (together with the Prospectus Supplement, the “**Prospectus**”), relating to the offering by Transphorm, Inc. (the “**Company**”) of non-transferable subscription rights (the “**Subscription Rights**”) to subscribe for up to an aggregate of 4,545,454 shares of the Company’s common stock, par value \$0.0001 per share (the “**Common Stock**”). The Subscription Rights are offered on the terms and subject to the conditions described in the Prospectus and are evidenced by Non-Transferable Subscription Rights Certificates (the “**Rights Certificates**”).

Pursuant to the rights offering described in the Prospectus (the “**Rights Offering**”), each stockholder owning shares of Common Stock as of 5:00 p.m., Eastern Daylight Time, on June 26, 2023 (such date, the “**Record Date**” and, such stockholder, an “**Eligible Stockholder**”) will receive one non-transferable Subscription Right for every share of Common Stock held as of the Record Date. Each Subscription Right carries with it (i) a basic subscription right, which entitles the holder to purchase 0.07655623 of a share of Common Stock and (ii) an over-subscription privilege, which entitles each Eligible Stockholder that has exercised its basic subscription right in full to subscribe for additional shares of Common Stock that are offered in the Rights Offering, to the extent other Eligible Stockholders have not exercised their basic subscription rights in full. The subscription price is \$3.30 per whole share of Common Stock, payable in cash (the “**Subscription Price**”). No fractional shares of Common Stock will be issued upon the exercise of any Subscription Rights. If, pursuant to an Eligible Stockholder’s exercise of its Subscription Rights, the number of shares of Common Stock that such Eligible Stockholder would be entitled to receive would result in receipt of a fractional share, the aggregate number of shares of Common Stock the Eligible Stockholder is entitled to purchase will be rounded up to the nearest whole number. The Subscription Price must be paid for each whole share of Common Stock that is purchased. Broadridge Corporate Issuer Solutions, LLC (the “**Subscription Agent**”) will return any excess payments, without interest or penalty.

The Subscription Rights may be exercised at any time during the subscription period, which commences on July 5, 2023 and ends at 5:00 p.m., Eastern Daylight Time, on July 21, 2023 (the “**Expiration Time**”), unless extended by the Company. The Subscription Rights are non-transferable and will not be listed for trading on any stock exchange. This means that Eligible Stockholders may not sell, transfer, or assign their Subscription Rights to anyone else. The Common Stock is listed on the Nasdaq Capital Market under the symbol “TGAN.”

Enclosed are copies of the following documents:

1. the Prospectus;
2. a Rights Certificate;
3. Instructions as to Use of Transphorm, Inc. Non-Transferable Subscription Rights Certificates; and
4. a return envelope, addressed to Broadridge Corporate Issuer Solutions, LLC.

Your prompt attention is requested. To exercise your Subscription Rights, you should complete and sign the Rights Certificate and forward it, with payment of the Subscription Price in full for each share of the Company’s Common Stock subscribed for pursuant to the Subscription Rights to the Subscription Agent, as indicated on the Rights Certificate and in the Prospectus.

The Subscription Agent must receive the properly completed and duly executed Rights Certificate and payment of the aggregate Subscription Price prior to the Expiration Time.

**ANY QUESTIONS OR REQUESTS FOR ASSISTANCE CONCERNING THE RIGHTS OFFERING SHOULD BE DIRECTED TO THE SUBSCRIPTION AND INFORMATION AGENT,**

**BROADRIDGE CORPORATE ISSUER SOLUTIONS, LLC, TOLL-FREE AT THE FOLLOWING TELEPHONE NUMBER: (888) 789-8409 OR VIA EMAIL AT [SHAREHOLDER@BROADRIDGE.COM](mailto:SHAREHOLDER@BROADRIDGE.COM).**



## TRANSPHORM, INC.

## NOTICE TO STOCKHOLDERS WHO ARE ACTING AS NOMINEES

Up to 4,545,454 Shares of Common Stock Issuable Upon Exercise of Non-Transferable Subscription Rights

July 5, 2023

Dear Stockholder:

This letter is being distributed to securities dealers, commercial banks, trust companies and other nominees in connection with the rights offering by Transphorm, Inc. (the “**Company**”) of non-transferable subscription rights (the “**Subscription Rights**”) to subscribe for up to an aggregate of 4,545,454 shares of the Company’s common stock, par value \$0.0001 per share (the “**Common Stock**”). The Subscription Rights are offered on the terms and subject to the conditions described in the Company’s prospectus supplement dated July 5, 2023 (as amended and supplemented from time to time, the “**Prospectus Supplement**”), and the accompanying prospectus dated September 29, 2022 (together with the Prospectus Supplement, the “**Prospectus**”), and are evidenced by Non-Transferable Subscription Rights Certificates (the “**Rights Certificates**”).

Pursuant to the rights offering described in the Prospectus (the “**Rights Offering**”), each stockholder owning shares of Common Stock as of 5:00 p.m., Eastern Daylight Time, on June 26, 2023 (such date, the “**Record Date**” and, such stockholder, an “**Eligible Stockholder**”) will receive one non-transferable Subscription Right for every share of Common Stock held as of the Record Date. Each Subscription Right carries with it (i) a basic subscription right, which entitles the holder to purchase 0.07655623 of a share of Common Stock and (ii) an over-subscription privilege, which entitles each Eligible Stockholder that has exercised its basic subscription right in full to subscribe for additional shares of Common Stock that are offered in the Rights Offering, to the extent other Eligible Stockholders have not exercised their basic subscription rights in full. The subscription price is \$3.30 per whole share of Common Stock, payable in cash (the “**Subscription Price**”). No fractional shares of Common Stock will be issued upon the exercise of any Subscription Rights. If, pursuant to an Eligible Stockholder’s exercise of its Subscription Rights, the number of shares of Common Stock that such Eligible Stockholder would be entitled to receive would result in receipt of a fractional share, the aggregate number of shares of Common Stock the Eligible Stockholder is entitled to purchase will be rounded up to the nearest whole number. The Subscription Price must be paid for each whole share of Common Stock that is purchased. Broadridge Corporate Issuer Solutions, LLC (the “**Subscription Agent**”) will return any excess payments, without interest or penalty.

The Subscription Rights may be exercised at any time during the subscription period, which commences on July 5, 2023 and ends at 5:00 p.m., Eastern Daylight Time, on July 21, 2023 (the “**Expiration Time**”), unless extended by the Company. The Subscription Rights are non-transferable and will not be listed for trading on any stock exchange. This means that Eligible Stockholders may not sell, transfer, or assign their Subscription Rights to anyone else. The Common Stock is listed on the Nasdaq Capital Market under the symbol “TGAN.”

The Company is asking that you contact your clients for whom you hold shares of Common Stock registered in your name(s) or in the name(s) of your nominee(s) to obtain instructions with respect to the Subscription Rights. If you hold Subscription Rights for the account of more than one client, you may aggregate your exercise of Subscription Rights for all your clients, provided that you identify the number of Subscription Rights you are exercising for each client.

All commissions, fees and other expenses (including brokerage commissions and transfer taxes), other than fees and expenses of the Subscription Agent, incurred in connection with the exercise of the Subscription Rights will be for the account of the holder of the Subscription Rights, and none of such commissions, fees or expenses will be paid by the Company or the Subscription Agent.

Enclosed are copies of the following documents:

1. the Prospectus;
2. a form of letter and Beneficial Owner Election Form, on which you may obtain your clients' instructions with respect to the Rights Offering; and
3. Nominee Holder Certification.

Subscription Rights not exercised prior to the Expiration Time will expire without value. The Subscription Agent must receive the properly completed and duly executed Rights Certificate and payment of the aggregate Subscription Price prior to the Expiration Time.

**ANY QUESTIONS OR REQUESTS FOR ASSISTANCE CONCERNING THE RIGHTS OFFERING SHOULD BE DIRECTED TO THE SUBSCRIPTION AND INFORMATION AGENT, BROADRIDGE CORPORATE ISSUER SOLUTIONS, LLC, TOLL-FREE AT THE FOLLOWING TELEPHONE NUMBER: (888) 789-8409 OR VIA EMAIL AT [SHAREHOLDER@BROADRIDGE.COM](mailto:SHAREHOLDER@BROADRIDGE.COM).**

## TRANSPHORM, INC.

## NOTICE TO CLIENTS OF STOCKHOLDERS WHO ARE ACTING AS NOMINEES

Up to 4,545,454 Shares of Common Stock Issuable Upon Exercise of Non-Transferable Subscription Rights

July 5, 2023

Dear Stockholder:

Enclosed for your consideration is a prospectus supplement dated July 5, 2023 (as amended and supplemented from time to time, the “**Prospectus Supplement**”), and the accompanying prospectus dated September 29, 2022 (together with the Prospectus Supplement, the “**Prospectus**”), relating to the offering by Transphorm, Inc. (the “**Company**”) of non-transferable subscription rights (the “**Subscription Rights**”) to subscribe for up to an aggregate of 4,545,454 shares of the Company’s common stock, par value \$0.0001 per share (the “**Common Stock**”). The Subscription Rights are offered on the terms and subject to the conditions described in the Prospectus and are evidenced by Non-Transferable Subscription Rights Certificates.

Pursuant to the rights offering described in the Prospectus (the “**Rights Offering**”), each stockholder owning shares of Common Stock as of 5:00 p.m., Eastern Daylight Time, on June 26, 2023 (such date, the “**Record Date**” and, such stockholder, an “**Eligible Stockholder**”) will receive one non-transferable Subscription Right for every share of Common Stock held as of the Record Date. Each Subscription Right carries with it (i) a basic subscription right, which entitles the holder to purchase 0.07655623 of a share of Common Stock and (ii) an over-subscription privilege, which entitles each Eligible Stockholder that has exercised its basic subscription right in full to subscribe for additional shares of Common Stock that are offered in the Rights Offering, to the extent other Eligible Stockholders have not exercised their basic subscription rights in full. The subscription price is \$3.30 per whole share of Common Stock (the “**Subscription Price**”). No fractional shares of Common Stock will be issued upon the exercise of any Subscription Rights. If, pursuant to an Eligible Stockholder’s exercise of its Subscription Rights, the number of shares of Common Stock that such Eligible Stockholder would be entitled to receive would result in receipt of a fractional share, the aggregate number of shares of Common Stock the Eligible Stockholder is entitled to purchase will be rounded up to the nearest whole number. The Subscription Price must be paid for each whole share of Common Stock that is purchased. Broadridge Corporate Issuer Solutions, LLC (the “**Subscription Agent**”) will return any excess payments, without interest or penalty.

The Subscription Rights may be exercised at any time during the subscription period, which commences on July 5, 2023 and ends at 5:00 p.m., Eastern Daylight Time, on July 21, 2023 (the “**Expiration Time**”), unless extended by the Company. The Subscription Rights are non-transferable and will not be listed for trading on any stock exchange. This means that Eligible Stockholders may not sell, transfer, or assign their Subscription Rights to anyone else. The Common Stock is listed on the Nasdaq Capital Market under the symbol “TGAN.”

Enclosed are copies of the following documents:

1. the Prospectus; and
2. a Beneficial Owner Election Form.

**THE MATERIALS ENCLOSED ARE BEING FORWARDED TO YOU AS THE BENEFICIAL OWNER OF COMMON STOCK CARRIED BY US IN YOUR ACCOUNT BUT NOT REGISTERED IN YOUR NAME. EXERCISES OF SUBSCRIPTION RIGHTS MAY ONLY BE MADE BY US AS THE RECORD OWNER AND PURSUANT TO YOUR INSTRUCTIONS.**

Accordingly, as your nominee, we request instructions as to whether you wish us to elect to subscribe for any shares of Common Stock to which you are entitled pursuant to the terms and subject to the conditions set forth in the enclosed Prospectus. However, we urge you to read the Prospectus carefully before instructing us to exercise any Subscription Rights.

Your instructions to us should be forwarded as promptly as possible in order to permit us to exercise the Subscription Rights on your behalf pursuant to the terms and subject to the conditions set forth in the Prospectus. The Subscription Rights will expire at the Expiration Time.

If you wish to have us, on your behalf, exercise your Subscription Rights for any shares of Common Stock to which you are entitled, please so instruct us by completing, executing and returning to us the Beneficial Owner Election Form included with this letter. Please contact us for our deadline with respect to your submission of the Beneficial Owner Election Form.

**ANY QUESTIONS OR REQUESTS FOR ASSISTANCE CONCERNING THE RIGHTS OFFERING SHOULD BE DIRECTED TO THE SUBSCRIPTION AND INFORMATION AGENT, BROADRIDGE CORPORATE ISSUER SOLUTIONS, LLC, TOLL-FREE AT THE FOLLOWING TELEPHONE NUMBER: (888) 789-8409 OR VIA EMAIL AT [SHAREHOLDER@BROADRIDGE.COM](mailto:SHAREHOLDER@BROADRIDGE.COM).**

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE COMPANY'S PROSPECTUS SUPPLEMENT DATED JULY 5, 2023 TO THE COMPANY'S PROSPECTUS DATED SEPTEMBER 29, 2022 AND ARE INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS SUPPLEMENT AND BASE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM BROADRIDGE CORPORATE ISSUER SOLUTIONS, LLC, THE SUBSCRIPTION AND INFORMATION AGENT, BY CALLING (888) 789-8409.

**TRANSPHORM, INC.**

**BENEFICIAL OWNER ELECTION FORM**

I (We), the beneficial owner(s) of shares of common stock, par value \$0.0001 per share (the "**Common Stock**") of Transphorm, Inc., a Delaware corporation (the "**Company**"), acknowledge receipt of your letter and the other enclosed materials relating to the offering of shares of Common Stock issuable upon the exercise of subscription rights ("**Subscription Rights**"), as described in the Company's prospectus supplement dated July 5, 2023 (as amended and supplemented from time to time, the "**Prospectus Supplement**") and the accompanying prospectus dated September 29, 2022 (together with the Prospectus Supplement, the "**Prospectus**"). I (We) have reviewed the Prospectus.

In this form, I (we) instruct you whether to exercise Subscription Rights to purchase shares of Common Stock distributed with respect to the Common Stock held by you for my (our) account, pursuant to the terms and subject to the conditions set forth in the Prospectus.

**CHECK THE APPLICABLE BOXES AND PROVIDE ALL REQUIRED INFORMATION**

I (We) hereby instruct you as follow:

**Box 1.**  Please **DO NOT EXERCISE SUBSCRIPTION RIGHTS** for shares of Common Stock.

*If you checked Box 1, please sign and date this form and mail it to your broker, custodian bank, or your other nominee that holds your shares.*

**Box 2.**  Please **EXERCISE SUBSCRIPTION RIGHTS** for shares of Common Stock as set forth below.

*If you checked Box 2, please fill out the table shown below. Next, please check Box 3 and/or Box 4, as applicable, and fill out the information indicated under Box 3 and/or Box 4, as applicable. Please then sign and date this form and mail it to your broker, custodian bank, or other nominee that holds your shares.*

The maximum number of shares of Common Stock available for purchase pursuant to the exercise of basic subscription rights is equal to the number of shares of Common Stock owned by a rights holder as of June 26, 2023 (the "**Record Date**") multiplied by 0.07655623, rounded up to the nearest whole share. Each rights holder who elects to exercise its basic subscription rights in full may also request to subscribe for additional shares issuable in the rights offering by completing the over-subscription privilege.

	<u>Number of Shares of Common Stock Owned as of the Record Date</u>		<u>Maximum Number of Shares of Common Stock Available to Subscribe For (Rounded Up to the Nearest Whole Share)</u>		<u>Number of Shares of Common Stock Subscribed For</u>		<u>Per Share Subscription Price</u>		<u>Aggregate Subscription Price</u>
<b>Basic Subscription Right</b>	_____	x	0.07655623		_____	x	\$3.30	=	\$_____ (line 1)
<b>Over-Subscription Privilege</b>					_____	x	\$3.30	=	\$_____ (line 2)
<b>Total Payment Required</b>									\$_____
									(sum of lines 1 and 2)

**Box 3.**  Payment in the following amount is enclosed: \$ \_\_\_\_\_

**Box 4.**  Please deduct payment of \$ \_\_\_\_\_ from the following account maintained by you:

Type of Account: \_\_ Account No.: \_\_

*The total of Box 3 and 4, together, must equal the sum of lines 1 and 2 from Box 2 above.*

I (We) on my (our) behalf, or on behalf of any other person(s) on whose behalf, or under whose directions, I am (we are) signing this form:

- elect to purchase the number of shares of Common Stock indicated above upon the terms and conditions specified in the Prospectus;
- any excess subscription amounts paid by me (us) will be put towards the purchase of additional shares in the rights offering; and
- agree that if I (we) fail to pay for the shares of Common Stock I (we) have elected to purchase, you may exercise any remedies available to you under law.

Name of beneficial owner(s): \_\_\_\_\_

Signature of beneficial owner(s): \_\_\_\_\_

Date: \_\_\_\_\_

If you are signing in your capacity as a trustee, executor, administrator, guardian, attorney-in-fact, agent, officer of a corporation or another acting in a fiduciary or representative capacity, please provide the following information:

Name of beneficial owner(s):  
Signature of beneficial owner(s):  
Date:  
Name:  
Capacity:  
Address (including Zip Code):  
Telephone Number:

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PLEASE MAKE SURE THAT YOU USE THE CORRECT ADDRESS. You may want to confirm this address with your broker.

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE COMPANY’S PROSPECTUS SUPPLEMENT DATED JULY 5, 2023 TO THE COMPANY’S PROSPECTUS DATED SEPTEMBER 29, 2022 AND ARE INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS SUPPLEMENT AND BASE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM BROADRIDGE CORPORATE ISSUER SOLUTIONS, LLC, THE SUBSCRIPTION AND INFORMATION AGENT, BY CALLING (888) 789-8409.

**TRANSPHORM, INC.**  
 SHARES OF COMMON STOCK SUBSCRIBED FOR UPON  
 EXERCISE OF SUBSCRIPTION RIGHTS

**NOMINEE HOLDER CERTIFICATION**

The undersigned, a bank, broker, trustee, depository, or other nominee holder of subscription rights (the “**Subscription Rights**”) to purchase shares of common stock, par value \$0.0001 (“**Common Stock**”) of Transphorm, Inc. (the “**Company**”), each Subscription Right carrying with it (i) a basic subscription right, which entitles the holder to purchase 0.07655623 of a share of Common Stock, rounded up to the nearest whole share, at a subscription price of \$3.30 per whole share of Common Stock (the “**Subscription Price**”) and (ii) an over-subscription privilege, which entitles each holder that has exercised its basic Subscription Right in full to subscribe for additional shares of Common Stock that are offered in the Rights Offering at the Subscription Price, to the extent other participating stockholders have not exercised their basic Subscription Rights in full, pursuant to the rights offering described in the Company’s prospectus supplement dated July 5, 2023 (as amended and supplemented from time to time, the “**Prospectus Supplement**”), to the Company’s prospectus, dated September 29, 2022 (together with the Prospectus Supplement, the “**Prospectus**”), hereby certifies to the Company and Broadridge Corporate Issuer Solutions, LLC, as subscription and information agent for the rights offering, that (1) the undersigned has exercised on behalf of the beneficial owners thereof (which may include the undersigned), Subscription Rights for the number of shares of Common Stock specified below pursuant to the exercise of basic Subscription Rights, and on behalf of beneficial owners of Subscription Rights who have subscribed for the purchase of additional shares of Common Stock pursuant to the over-subscription privilege, listing separately below a number of shares of Common Stock corresponding to such beneficial owners’ exercised basic Subscription Rights and a number of shares of Common Stock corresponding to such beneficial owners’ exercised over-subscription privileges (without identifying any such beneficial owner), and (2) to the extent any beneficial owner has exercised their over-subscription privilege, each such beneficial owner’s basic Subscription Rights have been exercised in full:

NUMBER OF SHARES OWNED ON RECORD DATE	NUMBER OF SHARES OF COMMON STOCK SUBSCRIBED FOR PURSUANT TO BASIC SUBSCRIPTION RIGHT	NUMBER OF SHARES OF COMMON STOCK SUBSCRIBED FOR PURSUANT TO OVER-SUBSCRIPTION PRIVILEGE
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____



Name of Bank, Broker, Trustee, Depository, or Other Nominee:

By:

\_\_\_\_\_  
Authorized Signature

Name:

\_\_\_\_\_  
(Please print or type)

Title:

\_\_\_\_\_  
(Please print or type)

Provide the following information if applicable:

\_\_\_\_\_  
Depository Trust Company ("DTC") Participant Number

Participant:

By:

\_\_\_\_\_  
Authorized Signature

Name:

\_\_\_\_\_  
(Please print or type)

Title:

\_\_\_\_\_  
(Please print or type)

DTC Subscription Confirmation Number(s)

\_\_\_\_\_  
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## Transphorm Announces Commencement of Rights Offering

**GOLETA, Calif.—July 5, 2023—** Transphorm, Inc. (NASDAQ: TGAN) (“Transphorm” or the “Company”) announced today that it has commenced its previously-announced rights offering. If the rights offering is fully subscribed, the Company will receive gross proceeds of \$15 million, less expenses related to the rights offering. The Company intends to use the net proceeds from the rights offering for working capital and other general corporate purposes.

Under the terms of the rights offering, the Company is distributing to all holders of record of its common stock, par value \$0.0001 (the “Common Stock”), as of 5:00 p.m., Eastern Daylight Time, on June 26, 2023 (the “Record Date”), one non-transferable subscription right for each share of Common Stock held as of the Record Date. Each subscription right carries with it (i) a basic subscription right, which entitles the holder to purchase 0.07655623 of a share of Common Stock and (ii) an over-subscription privilege, which entitles a holder that has exercised its basic subscription right in full to subscribe for additional shares of Common Stock that are offered in the rights offering, to the extent other holders have not exercised their basic subscription rights in full. The subscription price is \$3.30 per whole share of Common Stock (the “Subscription Price”), payable in cash. The Company will not issue fractional shares of Common Stock. If, pursuant to a stockholder’s exercise of their subscription rights, the number of shares of Common Stock that such stockholder would be entitled to receive would result in receipt of a fractional share, the aggregate number of shares of Common Stock the stockholder is entitled to purchase will be rounded up to the nearest whole number. The Subscription Price must be paid for each whole share of Common Stock that is purchased.

The subscription period for the rights offering commences today and will terminate at 5 p.m., Eastern Daylight Time, on July 21, 2023 (the “Expiration Time”), unless extended by the Company prior to the Expiration Time. The subscription rights may be exercised at any time during the subscription period and will expire if they are not exercised by the Expiration Time.

KKR Phorm Investors L.P., which beneficially owned approximately 38.52 % of the Common Stock outstanding as of the Record Date, has indicated an intent to exercise its basic subscription rights in full. In addition, the Company’s directors and executive officers, who together beneficially owned approximately 2.55% of the Common Stock outstanding as of the Record Date, and certain other stockholders that each beneficially owned more than 5% of the Common Stock outstanding as of the Record Date, have indicated an intent to participate in the rights offering. These indications are non-binding and there can be no assurances to what extent, if any, KKR Phorm Investors L.P., our directors, our executive officers or these other stockholders will choose to participate in the rights offering.

The shares of Common Stock to be issued upon exercise of the rights will be listed for trading on the Nasdaq Capital Market (“Nasdaq”) under the symbol “TGAN.” The rights are non-transferable, and the Company will not be listing the rights on Nasdaq or any other national securities exchange.

Neither the Company nor its Board of Directors has made or will make any recommendation to holders regarding the exercise of rights. Holders should make an independent investment decision about whether or not to exercise their rights based on their own assessment of the Company’s business and the rights offering and their personal investment objectives, tolerance for risk and financial situation.

### Other Important Information

The rights offering is more fully described and is being made pursuant to the Company’s existing effective shelf registration statement on Form S-3 (Reg. No. 333-267522) on file with the Securities and Exchange Commission (the “SEC”) and a prospectus supplement (and the accompanying base prospectus) filed with the SEC on the date hereof.

The Company expects that Broadridge Corporate Issuer Solutions, LLC, the subscription and information agent for the rights offering, will mail rights certificates and a copy of the prospectus supplement (and accompanying base prospectus) for the rights offering to holders of record of Common Stock as of the Record Date beginning on or about July 5, 2023. Holders of shares of Common Stock held in “street name” through a brokerage account, bank or other nominee will not receive physical rights certificates and must instruct their broker, bank or other nominee whether to exercise subscription rights on their behalf.

For any questions or further information about the rights offering, or to obtain a copy of the prospectus supplement (and the accompanying base prospectus), please contact Broadridge Corporate Issuer Solutions, LLC, the information agent for the rights offering, at (888) 789-8409.

The information herein is not complete and is subject to change. The Company reserves the right to amend, extend, terminate or cancel the rights offering or modify the subscription period of the rights offering at any time and for any reason prior to the Expiration Time. This press release does not constitute an offer to sell or the solicitation of an offer to buy any of the rights, Common Stock or any other securities, nor will there be any sale of the rights, Common Stock or any other securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction. This document is not an offering, which can only be made by the prospectus supplement (and the accompanying base prospectus), which contains information about the Company and the rights offering, and should be read carefully before investing.

### **About Transphorm, Inc.**

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 move power electronics beyond the limitations of silicon to achieve over 99% efficiency, 50% more power density and 20% lower system cost. Transphorm is headquartered in Goleta, California and has manufacturing operations in Goleta and Aizu, Japan.

### **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). Such statements include, but are not limited to, plans, projections and expectations regarding the rights offering, including the size, timing, intended participation of certain stockholders, and intended use of proceeds. These forward-looking statements are neither promises nor guarantees, should not be unduly relied upon, and are subject to a variety of risks and uncertainties that could cause the actual results to differ materially from those discussed in the forward-looking statements, including but not limited to: prevailing market conditions, whether stockholders of record will exercise their rights to purchase Common Stock and the amount subscribed, the net proceeds to the Company after expenses, whether the Company will be able to successfully complete the rights offering, and other material risks. Information regarding the foregoing and additional risks may be found in the sections titled "Risk Factors" in documents that Transphorm files from time to time with the SEC, including its Annual Report on Form 10-K filed with the SEC on June 28, 2023, as well as the prospectus supplement (and the accompanying base prospectus) filed with the SEC prior to the commencement of the rights offering. These forward-looking statements are made only as of the date of this press release, and Transphorm assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### **Investor Contact:**

David Hanover or Jack Perkins  
KCSA Strategic Communications  
transphorm@kcsa.com

### **Company Contact:**

Cameron McAulay  
Chief Financial Officer  
1-805-456-1300 ext. 140  
cmcaulay@transphormusa.com