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): **August 15, 2022**

Transphorm, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**000-55832**	**82-1858829**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(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 August 15, 2022, Transphorm, Inc. (the "Company") issued a press release announcing its financial results for its fiscal quarter ended June 30, 2022. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K. The press release also announced that the Company would be hosting a webcast to discuss its financial results for the quarter on August 15, 2022. During the webcast, the Company will discuss the contents of a presentation prepared by the Company, a copy of which is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

The information in 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 August 15, 2022
99.2	Investor Presentation, dated August 15, 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: August 15, 2022

By: /s/ Cameron McAulay

Cameron McAulay

Chief Financial Officer

Exhibit 99.1

Transphorm Announces Fiscal 2023 First Quarter
Financial Results and Business Update

Transphorm reports first quarter revenue of $5.2 million and record product revenue of over $4.4 million representing a 101% increase year-over-year and the 10th successive quarter of product revenue growth

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

GOLETA, Calif.—August 15, 2022—Transphorm, Inc. (NASDAQ: TGAN)—a pioneer in and global supplier of high-reliability, high-performance gallium nitride (GaN) power conversion products, announced today financial results from its 2023 fiscal first quarter that ended on June 30, 2022.

Fiscal First Quarter And Recent Highlights

- Completed first full quarter as NASDAQ-listed company; added to the Russell 2000 and Russell 3000 Indexes.
- First quarter 2023 revenue of $5.2 million increased 60% year-over-year, with product revenue up 101% year-over-year.
- Announced a 65W 2C1A USB PD Adapter launched by Phihong, a global supplier of power products and EV charging stations, is powered by Transphorm's easy to use and robust GaN FET platform.
- Secured continued orders for our previously announced design wins with a Fortune 100 laptop manufacturer and leading worldwide e-retailer, as well as secured a new pilot production order targeted for a leading brand 100-inch TV power supply
- Added seventh surface mount device (SMD), Industry-Standard 650V SuperGaN FET, TO-263 (D2PAK), extending SuperGaN platform benefits.
- Announced availability of seven reference designs to speed development of SuperGaN-based USB-C PD power adapters.
- Announced LEMURIA Li-ion battery power supply from Nayuta Power Energy Co. Ltd. is powered by Transphorm's GaN technology, chosen for performance and reliability. Achieved 99% efficiency and 73% loss reduction in a fanless design.
- Received $16 million from sales of common stock, bringing cash and equivalents as of June 30, 2022 to $43 million.

"We continue to see strong traction in our targeted markets with record product bookings in the first quarter contributing to our strong backlog position," commented Primit Parikh, Transphorm's President, COO, and Co-founder. "In the near term, we continue to encounter supply chain challenges, including those related to COVID restrictions in the Asia region, that we expect to impact product revenue growth for the next two quarters. We have taken steps to protect against these issues in the future. Additionally, in July, we purchased two additional MOCVD reactors, and we anticipate bringing these reactors in production at some point in calendar year 2023, helping us to further meet demand and build upon our high-power GaN leadership position."

Parikh continued, "With our wide range of product offerings and notably high power GaN, Transphorm is well-positioned to grow across multiple markets – including consumer, data centers, blockchain, industrial, two and three wheeler EVs and, in the longer term, the broader EV market. Revenue traction

exists today in several of these markets including consumer, data centers, blockchain and industrial applications, and we have now grown product revenue 10 quarters in succession."

Cameron McAulay, CFO of Transphorm, added, "With the recent exercise of the greenshoe, our balance sheet was strengthened even further and we ended the quarter with $43 million in cash and cash equivalents. This will enable us to continue to invest in the growth engines across all aspects of the company – both from a staffing and a capacity perspective."

Fiscal 2023 First Quarter Financial Results

Revenue for the 2023 fiscal first quarter was $5.2 million, compared to $4.9 million in the 2022 fiscal fourth quarter ended March 31, 2022 and $3.2 million in the 2022 fiscal first quarter ended June 30, 2022. 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 a 10% sequential increase from the prior quarter. For the first fiscal quarter of 2023, product sales increased 101% as compared to the first fiscal quarter of 2022.

Operating expenses on a GAAP basis were $6.1 million in the 2023 fiscal first quarter, compared to $5.6 million in the prior quarter and $5.3 million in the 2022 fiscal first quarter. 2023 fiscal first quarter operating expenses consisted of R&D expenses of $1.7 million and SG&A expenses of $4.4 million. On a non-GAAP basis, operating expenses in the 2023 fiscal first quarter were $5.4 million, compared with non-GAAP operating expenses of $4.7 million in the prior quarter and $4.6 million in the 2022 fiscal first quarter.

GAAP net profit (loss) for the 2023 fiscal first quarter was ($5.4) million, or ($0.10) per share, compared to GAAP net loss of ($5.0) million, or ($0.09) per share, in the prior quarter, and GAAP net loss of ($7.1) million, or ($0.17) per share, in the 2022 fiscal first quarter. On a non-GAAP basis, net loss for the 2023 fiscal first quarter was ($4.5) million, or ($0.08) per share, compared to non-GAAP net loss of ($4.0) million, or ($0.08) per share, in the prior quarter, and non-GAAP net loss of ($5.3) million, or ($0.13) per share, in the 2022 fiscal first quarter.

Cash and equivalents as of June 30, 2022 were $43.1 million, compared to $2.5 million at June 30, 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 2023 fiscal first quarter results and provide a business update. The webcast can be accessed at: https://events.q4inc.com/attendee/914330044

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 "Investors 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 August 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, and changes in fair value of promissory note.

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 the Company's ability to manage supply chain constraints, the Company's expectations around the timing of bringing additional MOCVD reactors into production, the Company's market positioning 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:
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

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

	June 30, 2022 (unaudited)	March 31, 2022 (audited)	June 30, 2021 (unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 42,613	$ 33,435	$ 1,962
Restricted cash	500	500	500
Accounts receivable	3,203	2,558	2,247
Inventory	6,963	6,330	2,924
Prepaid expenses and other current assets	2,575	1,971	2,160
Total current assets	55,854	44,794	9,793
Property and equipment, net	2,199	1,649	1,832
Operating lease right-of-use assets	3,448	—	—
Goodwill	1,056	1,180	1,303
Intangible assets, net	543	617	839
Investment in joint venture	339	143	—
Other assets	291	263	267
Total assets	**$ 63,730**	**$ 48,646**	**$ 14,034**
Liabilities and stockholders' equity (deficit)			
Current liabilities:			
Accounts payable and accrued expenses	$ 4,674	$ 3,588	$ 3,744
Deferred revenue	354	346	1,016
Accrued interest	182	180	166
Accrued payroll and benefits	1,120	1,171	1,582
Operating lease liabilities	521	—	—
Unfunded commitment in joint venture	—	—	1,339
Development loan	—	—	8,000
Revolving credit facility	12,000	—	—
Total current liabilities	18,851	5,285	15,847
Revolving credit facility, net of current portion	—	12,000	12,000
Promissory note	—	—	17,190
Operating lease liabilities, net of current portion	2,941	—	—
Total liabilities	**21,792**	**17,285**	**45,037**
Commitments and contingencies			
Stockholders' equity (deficit):			
Common stock	6	5	4
Additional paid-in capital	227,512	211,190	145,332
Accumulated deficit	(183,991)	(178,638)	(175,455)
Accumulated other comprehensive loss	(1,589)	(1,196)	(884)
Total Stockholders' equity (deficit)	**41,938**	**31,361**	**(31,003)**
Total liabilities and stockholders' equity (deficit)	**$ 63,730**	**$ 48,646**	**$ 14,034**

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

	Three Months Ended		
	June 30, 2022	**March 31, 2022**	**June 30, 2021**
Revenue, net	$ 5,156	$ 4,927	$ 3,216
Cost of goods sold	4,050	3,789	2,567
Gross profit	1,106	1,138	649
Operating expenses:			
Research and development	1,740	1,632	1,823
Sales and marketing	1,083	1,047	687
General and administrative	3,317	2,917	2,743
Total operating expenses	6,140	5,596	5,253
Loss from operations	(5,034)	(4,458)	(4,604)
Interest expense	182	181	204
Loss in joint venture	582	677	1,490
Changes in fair value of promissory note	—	—	1,024
Other income, net	(445)	(317)	(270)
Loss before tax expense	(5,353)	(4,999)	(7,052)
Tax expense	—	—	—
Net loss	**$ (5,353)**	**$ (4,999)**	**$ (7,052)**
Net loss per share - basic and diluted	**$ (0.10)**	**$ (0.09)**	**$ (0.17)**

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

	Three Months Ended		
	June 30, 2022	**March 31, 2022**	**June 30, 2021**
GAAP net loss	**$ (5,353)**	**$ (4,999)**	**$ (7,052)**
Adjustments:			
Stock-based compensation	582	758	497
Depreciation	152	147	123
Amortization	74	75	74
Changes in fair value of promissory note	—	—	1,024
Total adjustments to GAAP net loss	808	980	1,718
Non-GAAP net loss	**$ (4,545)**	**$ (4,019)**	**$ (5,334)**
GAAP net loss per share - basic and diluted	**$ (0.10)**	**$ (0.09)**	**$ (0.17)**
Adjustment	0.02	0.01	0.03
Non-GAAP net loss per share - basic and diluted	**$ (0.08)**	**$ (0.08)**	**$ (0.13)**

	Three Months Ended		
	June 30, 2022	**March 31, 2022**	**June 30, 2021**
GAAP operating expenses	**$ 6,140**	**$ 5,596**	**$ 5,253**
Adjustments:			
Stock-based compensation	543	715	470
Depreciation	152	147	123
Amortization	74	75	74
Total adjustments to GAAP operating expenses	769	937	667
Non-GAAP operating expenses	**$ 5,371**	**$ 4,659**	**$ 4,586**

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

	Three Months Ended June 30,	
	2022	**2021**
Cash flows from operating activities:		
Net loss	$ (5,353)	$ (7,052)
Adjustments to reconcile net loss to net cash used in operating activities:		
Inventory write-off	37	134
Depreciation and amortization	226	197
Amortization of right-of-use assets	150	—
Stock-based compensation	583	497
Interest cost	2	54
Gain on sale of equipment	(100)	—
Loss in joint venture	582	1,490
Changes in fair value of promissory note	—	1,024
Changes in operating assets and liabilities:		
Accounts receivable	(645)	(629)
Inventory	(670)	(835)
Prepaid expenses and other current assets	(604)	(707)
Other assets	(28)	7
Accounts payable and accrued expenses	1,086	354
Deferred revenue	8	511
Accrued payroll and benefits	(51)	172
Operating lease liabilities	(136)	—
Net cash used in operating activities	**(4,913)**	**(4,783)**
Cash flows from investing activities:		
Purchases of property and equipment	(723)	(346)
Proceeds from sale of equipment	100	—
Investment in joint venture	(778)	(2,018)
Net cash used in investing activities	**(1,401)**	**(2,364)**
Cash flows from financing activities:		
Proceeds from stock option exercise	20	134
Proceeds from issuance of common stock	16,000	—
Cost associated with issuance of common stock	(280)	—
Net cash provided by financing activities	**15,740**	**134**
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	**(248)**	(25)
Net increase (decrease) in cash, cash equivalents and restricted cash	**9,178**	**(7,038)**
Cash and cash equivalents and restricted cash at beginning of period	33,435	9,500
Cash and cash equivalents at beginning of period	42,613	2,462
Restricted cash at beginning of period	500	—
Cash and cash equivalents and restricted cash at end of period	**$ 43,113**	**$ 2,462**


TGAN
transphorm
Leading the GaN Revolution
Fiscal Q1'23 Investor Update
August, 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 following-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 June 30, 2022, filed with the Securities and Exchange Commission on August 15, 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% Efficiency[1], 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 $6B[2] in 2026

Validation From Blue Chip Partners and Customers

Including KKR, SAS, Nexperia, Yaskawa, Marelli, 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 $200M[3]
Leader in Quality + Reliability, > 60 Billion Field hours, Silicon-like Reliability[4]
TGAN FET: Higher performance, easy to interface

Team Led by World-Renowned GaN Experts

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

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%+

Excludes licensing revenue in FY20, FY21, FY22

Targeting $3 Billion Power Market Opportunity in 2023

Upside to TAM from Electric Vehicle Powertrain starting in 2025

End Market Applications and GaN Benefits

Near Term | **Long Term**

Power Adapters | Compute	Data Center | Comm Infrastructure | Crypto-Mining	Broad Industrial	2W-3W-4W EV and Charging | + EV Powertrain from 2025
• Fast charging • Lower thermals/ smaller form factor • Lower system cost	• Ability to double available power in standardized server and 5G telecom form factors • Enable Titanium-class efficiency EU requirement	• Reduces size/weight of systems • More efficient charging for battery and/or battery-powered equipment and vehicles	• Reduces size/weight of on-board chargers, power converters and power inverters • Resulting in longer distance per charge
			 

End customers in Production with TPH GaN– 45W to 4 kW

transphorm
NASDAQ: TGAN

TGAN Owns GaN Wafer Production Supply Chain

Asset-Light, Vertically Integrated Manufacturing Driving Innovation

Transphorm

1. GaN FET design
(Safe Normally Off, Robust, High Performance, Easy to interface)

Transphorm

2. Core Epi wafer starting material and manufacturing
(Multiple MOCVD Reactors, 6", 8" capable)

Transphorm (JV)

3. Wafer fab - AFSW
(GaN with Si-like yields[1])

Sub-con partners

4. Packaging
(Use Multiple OSATs, with TGAN IP)

Transphorm and Partners

5. Applications-driven resources
(Easy to Design for Partners)

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

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

[1,2]Based on multiple public and internal reference designs, https://www.transphormusa.com/en/reference-design/tsadp-sil-usbc-65w-rd/
[3]Impact of OFF-state Gate Bias on Dynamic R$_{on}$ of p-GaN Gate HEMT (33rd ISPSD, 2021)

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 – *Higher* performance, from *smaller* GaN die**
- **Proven reliability & manufacturing for scaled device – *10 kW capable* single GaN device in production**
- **Higher power => higher energy and emissions impact, *e.g. Blockchain consumes 120 TWH, TGAN's 1% efficiency gain => 1TWH + (> 125 lbs of CO_2 emissions / TGAN Device[2]), >50,000 metric tons in 2022 alone (single market application!)***

In Production[1]			
Markets	**GaN e-mode or "IC"**	**GaN FET**	**Power Range TGAN Wins**
Adapters	✓	✓	30-250W
Datacenters	✗	✓	800-3200W
Gaming (Desktop)	✗	✓	1600W
Blockchain	✗	✓	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
2. Based on existing rectifiers with 92% efficiency | Source: EPA estimated one kWh produces 1.52 pounds of carbon dioxide (excl. line-losses).

Customers Select Transphorm GaN – Adapters & Chargers, 60 design-ins

Ultra slim, light weight (65 W)

Compact, high efficiency (68 W)

Quick Charge-5, USB C PD (100 W)

Compact Power Bar, 65W 1A-1C

Compact 100W 2C-1A

High-efficiency (65 W)

Wall plug – high efficiency, compact (35 W)

Note book – small size, 200 KHz high speed (160 W)

Compact 30W Power Bar

Multi out 150W (2C-1A)

Compact, efficient USB-C (65W)

New 65W 2C-1A (Phihong)

New 65W 2C-1A)

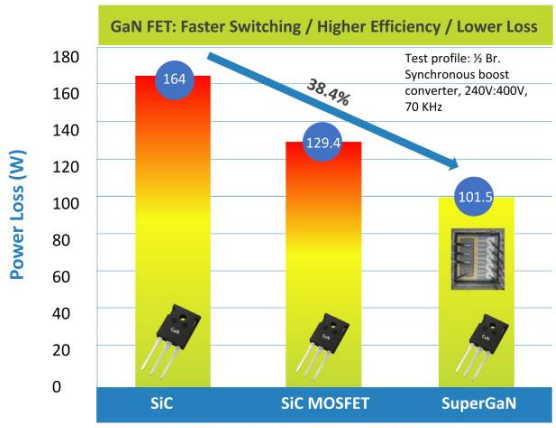
New 120W 2C-2A-Axial

Ultra compact 240W

transphorm

Transphorm GaN FET Outperforms the Competition

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



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

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

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

transphorm
NASDAQ: TGAN

Customers Select Transphorm GaN – High Power

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

CORSAIR

"The Corsair AX1600i is the **best PSU** that money can buy today, period."

tom's HARDWARE

bel POWER SOLUTIONS & PROTECTION

"Transphorm's GaN in a totem-pole PFC configuration proved the **most reliable**, **highest performing** solution possible today,"

"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**,"

TDK

"We're expanding the reach of **medical care**, and Transphorm's GaN is helping us do it"

NEW

GaN benefit of low switching loss, 1st gaming psu with GaN in ASUS

NEW

transphorm
NASDAQ: TGAN

GaN Enables Future of Next-Gen Electric Vehicles: 2W/3W/4W

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
- Earlier penetration into 2W-3W EVs (CY2023)
- 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

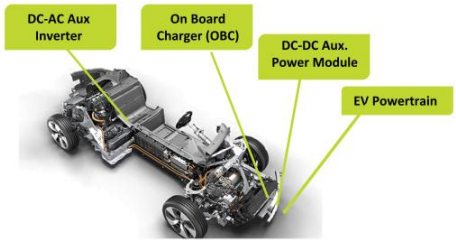
Future of EV with GaN-based solutions

GaN-enabled Power Solution Benefits[1]:
- 2x More Watts / Cubic Inch, Faster Charging
- Less Power Loss (~20%)
- Reduced Size (~50%)
- Increased Range

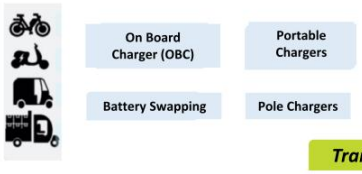
1) Program Management Update: January 2016, High efficiency high-density GaN-based 6.6kW bidirectional on-board charger for PEVs DOE Award number DE-EE0006834

Accelerating Opportunity for GaN Enabled Power in EV

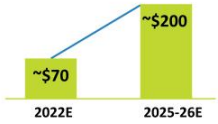
1. GaN Opportunities in EV, 4W



2. GaN Opportunities in EV, 2W, 3W



1. Addressable GaN $ Content/EV, 4W[2]



- Well-positioned for automotive opportunity with leading products, strategic partners
- EV Adoption increasing to 32 million (44 million -hyper adoption) vehicles by 2030[1]

2. EV 2W, 3W Market

- TGAN FET already proven in battery-swapping
- Potential to address 75 Million 2W/3W WW (Asia dominated)[3], $8-10/vehicle

Transphorm GaN AEC-Q101 (Auto) Qualified NOW

1 IHS and Goldman Sachs Global Investment Research
2 Transphorm company internal estimates, 2022 includes OBC/DCBC, 2025 includes inverter (100kw)
3 30m E-bikes in China, 30m motorcycles in Asian market potential to be EVs (Motocycledata.com, Statista)

Strong QoQ of Product Revenue Growth

- *Maintaining leadership in higher power markets / 1-5kW segment (1 large device ~ 8 smaller Adapter/charger devices): Across the board wins and continued supply in gaming, blockchain, energy, medical*
  - *>60% revenues from high power*
- *Gain share in Adapter/chargers with proven superior performance, strong solutions partners*

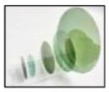
Key Business Focus – Scaling Product Revenue

Focus on 1) Expanding Capacity 2) Supply Chain and 3) Product Revenue Growth,

Key focus area	Achieved	Comments / Upcoming
1. Revenue/Products	✓ **$4.4M Products (Total $5.2M)**	• 10th sequentially higher Quarter • Record backlog in place
2. Adapters/Chargers: Design-ins, Production, Solutions (45W – 250W)	✓ **Design-Ins: 60 (several added)** ✓ **In Production: >20** ✓ **Solutions/Ref designs: >12 (7 new Ref Designs)**	• Phihong Win shows design, performance leadership • Easy to use, no added driver, Small die vs. e-mode • Continued POs at major Tier 1s (Laptop, E-retailer)
3. High power: Design-Ins, Production, Ref. Designs (300W-4kW)	✓ **Design-Ins: >35 (several added)** ✓ **In Production: >15** ✓ **Eval kits/Ref designs: >8 (1-4kW)**	• >60% of revenue High Power • Execution on >500K units PO for 3kW+ • Expand, Penetrate new segments, Lead
4. Product SKUs and Qualification	✓ **Total: 17 (AEC qualified: 3) – new D2 Pak SMD** ✓ **1200V R&D Demo – higher performance vs. SiC (ISPSD – IEEE conference, May 2023)**	• Broadest offering (650/900V), • Compact surface-mount & thermally robust TOs • Next: Gen5 AEC qualification
5. Capacity Proof Points	✓ **Packaging capacity in place (only in industry for PQFN through TO packages)** ✓ **Expanding and acquiring new epiwafer capacity**	• Continued emphasis on supply chain management • Epi Reactors – Bring existing capacity online and acquire additional reactors (and online in 2nd half of CY23) • Wafer Fab – Add capacity (at JV) in 2023

Key Business Update – Strategic Partnerships

Manufacturing Capacity Increase, Partnerships



- Acquired 2 additional reactors, online in second half CY-2023
- Global Wafers (Partner) – Agreement formally signed, additional $5m equity via recent Greenshoe.
  - Further epiwafer expansion
- AFSW Fab (Transphorm's JV) – Managing with GaNovation (Financial-Strategic partner) and investing for CY-2023 to be ready for increasing demand

Industrial and Automotive

- Yaskawa (Industrial) – Program aligned for cost effective innovative solutions for robotic applications
  - Pending $0.75m development funding completed (July'22)
- Nexperia (Automotive focus) – Continued epi and fab wafer supply, next milestone Gen5 AEC qual
- Japan Automotive: Continuing design-ins with other Japan EV, for CY 2024-25, dc-dc and obc opportunities
  - Started initiatives in EV 2-Wheeler/3-Wheeler (Asia) for faster EV (CY2023) revenue

Government Revenue and Epi Business

- Navy and Govt. Programs –Billing $0.6m in FQ1'23, current program wraps up in FQ2'23, and now targeting follow-on in FQ4'23. Complete 1200V ARPA-E effort.
- Manufacturing Funding – Position for CHIPS act funding to expand US Epiwafer manufacturing

Key Financial Highlights

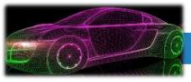
Record Product Revenue, Stable EPS, TGAN now on NASDAQ

	Q1 FY23	Q4 FY22	Commentary
Revenue	**$5.2m** (85% Product)	**$4.9m** (80% Product)	• 10 successive quarters of revenue growth • Total Revenue increased 5% from Q4, 60% from Q4 FY22 • Product revenue increased 10% from Q4, 101% from Q4 FY22
Gross Margin	**21.5%**	**23.1%**	• Impact of some cost increases, investment in COG's team • Reduced Government income
OPEX (non-GAAP)	**$5.4m**	**$4.7m**	• $0.7m increase in quarter • Increases in personnel, G&A (legal, K costs)
EPS (non-GAAP)	**($0.08)**	**($0.08)**	• Stable EPS Q to Q
Stockholders Equity	**$42m**		• $43.1m cash and cash equivalents • Greenshoe adding $16m to balance sheet before fees
Operational Notables	⬆		• Record quarterly product bookings • Backlog in place to support growth • Strong hiring continues across the company • Increased liquidity from trading volumes

Positioned to Grow Across Multiple Segments




5G Market Adoption



Electric Vehicle (EV) Market Adoption

Adoption / Growth	Execution and Expansion	Achieve Target Model
CY 2021-2022	CY 2023	CY 2024+
• 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	• Broad market inflection point • Ramping revenue across consumer, data centers and blockchain segments • Continue to scale capacity aggressively • Initial wins in EV 2W/3W/4W segments • Continued government contracts	• 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% Efficiency[1], 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 $6B[2] in 2026

Validation From Blue Chip Partners and Customers

Including KKR, SAS, Nexperia, Yaskawa, Marelli, 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 $200M[3]
Leader in Quality + Reliability, > 60 Billion Field hours, Silicon-like Reliability[4]
TGAN FET: Higher performance, easy to interface

Team Led by World-Renowned GaN Experts

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

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


TGAN
transphorm
Investor Relations Contact:
David Hanover or Jack Perkins
KCSA Strategic Communications
transphorm@kcsa.com

Appendices

Financials

Glossary of Terms and Abbreviations

AC – alternating current
AEC-Q101 – Automotive Electronic Council's electronic components stress qualification standard
AFSW – Aizu Fujitsu Semiconductor Wafer Solution Limited, our joint venture wafer fabrication facility located in Aizu Wakamatsu, Japan
BJT – bipolar junction transistor, a semiconductor device
Bus voltage – voltage into, out of or within connections of a power electronic system
CMOS – complementary MOS (metal oxide semiconductor), widely used semiconductor transistor architecture
D2Pak – a surface mountable version of the TO220 package
DC – direct current
Die/Chip – an individual semiconductor device on the wafer, prior to packaging
EAR – Export Administration Regulation
Epi/Epiwafer/Epimaterials – GaN device layers grown on a substrate, from which active GaN-based devices are subsequently manufactured in a wafer fabrication facility
Fab – fabrication, generally referring to a semiconductor wafer fabrication facility
FET – field effect transistor, a type of switching transistor
Figure of Merit - a quantity used to characterize the performance of a device, system or method, relative to its alternatives
FIT – failure in time, referring to the expected number of device failures per billion hours of operation
GaN – gallium nitride
HEMT – high electron mobility transistor, a type of switching transistor with superior electronic properties
IGBT – insulated-gate bipolar transistor, a three-terminal power semiconductor device primarily used as an electronic switch
JEDEC – Joint Electron Device Engineering Council, an independent semiconductor engineering trade organization and standardization body that represents all areas of the electronics industry
LIDAR – light detection and ranging, a remote sensing method that uses light in the form of a pulsed laser to measure distance
Lossy – in the context of switching devices, subject to loss of power due to switching inefficiencies and other factors
MOCVD – metal organic chemical vapor deposition, a technique for layering GaN layers onto substrates such as a silicon substrate and making the starting GaN semiconductor material (i.e., an epiwafer)
Moore's law – the observation that the number of transistors in a dense integrated circuit doubles about every two years
MOSFET – metal-oxide-semiconductor field-effect transistor, a type of transistor
Normally Off – default position is off
Power converters / Inverters – electronic systems used to convert electricity from AC to DC (such as a charger), DC-AC (such as an inverter) or in some cases AC-AC or DC-DC within the systems converting from one voltage level to another
PQFN – power quad flat no lead package, a compact surface mountable package used in power semiconductors
RF – radio frequency
SCR – silicon controlled rectifier, an early semiconductor switching device
Si – silicon
SiC – silicon carbide
TO – transistor outline leaded packages commonly used in power semiconductors (such as TO220, TO247)

Income Statement

Record Product Revenue, Stable NON-GAAP performance

	June 30, 2022	March 31, 2022	June 30, 2021
Revenue, net	$ 5,156	$ 4,927	$ 3,216
Cost of goods sold	4,050	3,789	2,567
Gross profit	1,106	1,138	649
Operating expenses:			
Research and development	1,740	1,632	1,823
Sales and marketing	1,083	1,047	687
General and administrative	3,317	2,917	2,743
Total operating expenses	6,140	5,596	5,253
Loss from operations	(5,034)	(4,458)	(4,604)
Interest expense	182	181	204
Loss in joint venture	582	677	1,490
Changes in fair value of promissory note	-	-	1,024
Other income, net	(445)	(317)	(270)
Loss before tax expense	(5,353)	(4,999)	(7,052)
Tax expense	-	-	-
Net loss	**$ (5,353)**	**$ (4,999)**	**$ (7,052)**
Net loss per share - basic and diluted	**$ (0.10)**	**$ (0.09)**	**$ (0.17)**
Weighted average common shares outstanding - basic and diluted	**54,404,830**	**53,343,862**	**40,637,213**

Revenue of $5.2m in Quarter

- 10th successive quarter of product revenue growth
- Product revenue now over $4.4m (10% q/q growth)

Gross Margins

- 22% in Q1
- Reduced government revenue in Q
- Impacted by higher cost of raw materials and continued investment in production team

Operating Expenses

- OPEX increased q/q
  - G&A increases driven by increased legal and audit fees together with recruitment costs
  - Reduced ONR as lower billings in quarter

Non-GAAP EPS ($0.08)

Balance Sheet

Strong long term cash stability

	June 30, 2022 (unaudited)	March 31, 2022 (audited)	June 30, 2021 (unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 42,613	$ 33,435	$ 1,962
Restricted cash	500	500	500
Accounts receivable	3,203	2,558	2,247
Inventory	6,963	6,330	2,924
Prepaid expenses and other current assets	2,575	1,971	2,160
Total current assets	55,854	44,794	9,793
Property and equipment, net	2,199	1,649	1,832
Operating lease right-of-use assets	3,448	-	-
Goodwill	1,056	1,180	1,303
Intangible assets, net	543	617	839
Investment in joint venture	339	143	-
Other assets	291	263	267
Total assets	**$ 63,730**	**$ 48,646**	**$ 14,034**
Liabilities and stockholders' equity (deficit)			
Current liabilities:			
Accounts payable and accrued expenses	$ 4,674	$ 3,588	$ 3,744
Deferred revenue	354	346	1,016
Accrued interest	182	180	166
Accrued payroll and benefits	1,120	1,171	1,582
Operating lease liabilities	521	-	-
Unfunded commitment in joint venture	-	-	1,339
Development loan	-	-	8,000
Revolving credit facility	12,000	-	-
Total current liabilities	18,851	5,285	15,847
Revolving credit facility, net of current portion	-	12,000	12,000
Promissory note	-	-	17,190
Operating lease liabilities, net of current portion	2,941	-	-
Total liabilities	**21,792**	**17,285**	**45,037**
Commitments and contingencies			
Stockholders' equity (deficit):			
Common stock	6	5	4
Additional paid-in capital	227,512	211,190	145,132
Accumulated deficit	(183,991)	(178,638)	(175,455)
Accumulated other comprehensive loss	(1,589)	(1,196)	(684)
Total Stockholders' equity (deficit)	**41,938**	**31,361**	**(31,003)**
Total liabilities and stockholders' equity (deficit)	**$ 63,730**	**$ 48,646**	**$ 14,034**

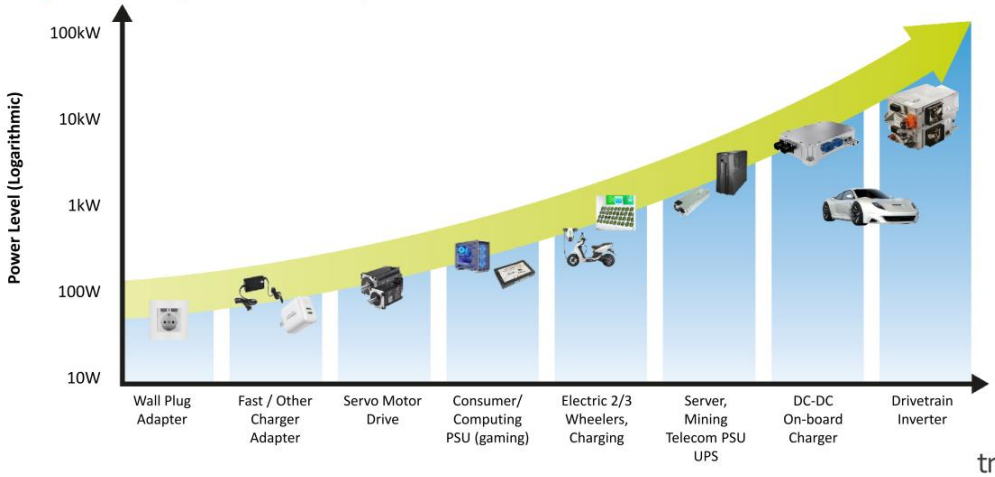
Notables

- Cash and cash equivalents of $43.1m
  - Greenshoe raised $16m before fees ($15.7m after fees)
  - Offset by ongoing operational burn - $6.1m before CAPEX (flat to Q4'FY22)
- Inventory increased to support backlog growth
- Yaskawa loan ($15m) converted to equity
- Development loan deliverables met
- Revolving credit facility ($12m) – due Q1FY24

Solid increase in trading volume

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



transphorm
NASDAQ: TGAN

TGAN: Si like ease of use Expands Partnership in 45-250W Solutions

Design Company, Topology, and Power Density														
45 W			65 W			90 to 110 W			120 to 150 W			200-250 W		
Design	Topology	W/in³	Design	Topology	W/in³	Design	Topology	W/in³	Design	Topology	W/in³	Design	Topology	W/in³
transphorm	QRF	24	transphorm	QRF	25	transphorm	PFC+QRF	18*	DIODES	PFC/LLC	16	transphorm	PFC/LLC	25 (PCB)
External and In-wall			Silanna	ACF	30	Silanna	ACF	20	New	PFC/LLC	15*	New	PFC/LLC	15*
Supported by partners			DIODES	ACF	30	DIODES	ACF	20	Supported by partners			Supported by partners		

New

100W

New

150W

New

New
240W

transphorm
NASDAQ: TGAN

* Including full casing

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 CO_2 emissions / TGAN Device[1])
  - Greater than 50,000 metric tons in 2022

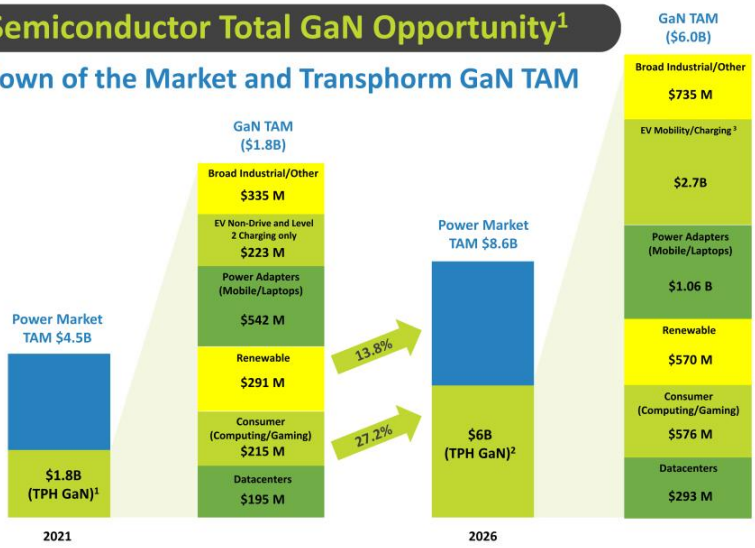
Data Center Server Power – We have enabled Titanium performance for > 4 years

- 5 MW Data center, $103K saved / year, 397 tons reduced carbon footprint[2]
- Regulations like EU Ecodesign[3] in 2023 expected to accelerate GaN adoption
  - Increased order from existing customer

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).

Power Semiconductor Total GaN Opportunity[1]

A Breakdown of the Market and Transphorm GaN TAM



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	• Field-proven best-in-class efficiency • Demonstrated and in volume over wide power levels
Quality & Reliability	• JEDEC + AEC-Q101, best-in-class robustness • < 0.2 FIT | > 60B hours
Volume Production Capability	• In-house GaN supply, vertically integrated value chain • Capacity to support higher unit volumes
Comprehensive Product Portfolio	• Products span low-to-high power, 45W to +10kW • Only company with 900V GaN, 1200V and short circuit in R&D
Ease of Drivability and Design-in	• Compatibility with standard Silicon packages w/ superior thermal heatsink capability • Growing number of reference designs and IC partners
Patent & IP Coverage	Industry's strongest GaN IP position with >1K patents • From material and process to design and application

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 E-mode/IC Performance

Fact:
GaN FET solution proven higher performance.

For example, in comparable adapter solutions.
Higher power: TGAN wins (e-mode not there today)

Drivers/ Integration

Fact:
Many modern controllers have drivers integrated (free)

TGAN FETs – Integrated Si

TGAN FETs – No extra driver or interfacing need, and where drivers needed, it is a Silicon-like interface.