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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

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

For the fiscal year ended December 31, 2024

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number: 001-36894

**SOLAREEDGE TECHNOLOGIES, INC.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

20-5338862  
(IRS Employer  
Identification No.)

1 HaMada Street  
Herziliya Pituach, Israel  
(Address of Principal Executive Offices)

4673335  
(Zip Code)

972 (9) 957-6620

Registrant's telephone number, including area code  
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	SEDG	Nasdaq (Global Select Market)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or “emerging growth company”. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act:

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

Yes  No

The aggregate market value of the registrant’s voting and non-voting common stock held by non-affiliates of the registrant on June 30, 2024, the last business day of the registrant’s most recently completed second fiscal quarter was approximately \$1.25 billion (assuming that the registrant’s only affiliates are its officers, directors and non-institutional 10% stockholders) based upon the closing market price on that date of \$25.26 per share as reported on the Nasdaq Global Select Market.

As of February 1, 2025, there were 58,782,519 shares of the registrant’s common stock, par value of \$0.0001 per share, outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

The information required by Part III of this report, to the extent not set forth herein, is incorporated herein by reference from our definitive proxy statement relating to the Annual Meeting of Stockholders to be held in 2025, which definitive proxy statement shall be filed with the Securities and Exchange Commission within 120 days after the end of the annual period to which this report relates.

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FISCAL YEAR FORM 10-K

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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K and the documents incorporated herein by reference contain forward-looking statements that are based on our management's expectations, estimates, projections, beliefs and assumptions and on information currently available to our management. The forward-looking statements are contained principally in "Item 1. Business," "Item 1A. Risk Factors" "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations." and "Item 7A. Quantitative and Qualitative Disclosures About Market Risk". This discussion contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, technology developments, new products and services, financing and investment plans, competitive position, industry and regulatory environment, effects of acquisitions, growth opportunities, and the effects of competition. Forward-looking statements include statements that are not historical facts and can be identified by terms such as "anticipate," "believe," "could," "seek," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would," or similar expressions and the negatives of those terms.

Forward-looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on forward-looking statements. Forward-looking and other statements regarding our sustainability efforts and aspirations are not an indication that these statements are necessarily material to investors or requiring disclosure in our filing with the Securities and Exchange Commission ("SEC"). In addition, historical, current and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future, including future rule-making. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this filing. Important factors that could cause actual results to differ materially from our expectations include those discussed in Item 1A, Risk Factors, as well as those discussed elsewhere in this Annual Report on Form 10-K, including:

- future demand for renewable energy including solar energy solutions;
- our ability to forecast demand for our products accurately and to match production to such demand as well as our customers' ability to forecast demand based on inventory levels;
- changes in tax laws, tax treaties, and regulations or the interpretation of them, including the Inflation Reduction Act;
- macroeconomic conditions in our domestic and international markets, as well as inflation concerns, rising interest rates and recessionary concerns;
- the retail price of electricity derived from the utility grid or alternative energy sources;
- interest rates and supply of capital in the global financial markets in general and in the solar market specifically;
- competition, including introductions of power optimizer, inverter and solar photovoltaic ("PV") system monitoring products by our competitors;
- developments in alternative technologies or improvements in distributed solar energy generation;
- historic cyclicity of the solar industry and periodic downturns;
- product quality or performance problems in our products;
- shortages, delays, price changes, or cessation of operations or production affecting our suppliers of key components;
- delays, disruptions, and quality control problems in manufacturing;
- our dependence upon a small number of outside contract manufacturers and limited or single source suppliers;
- capacity constraints, delivery schedules, manufacturing yields, and costs of our contract manufacturers and availability of components;
- disruption in our global supply chain and rising prices of oil and raw materials as a result of global unrest such as the conflict between Russia and Ukraine;
- performance of distributors and large installers in selling our products;
- consolidation in the solar industry among our customers and distributors;
- our ability to manage effectively the growth of our organization and expansion into new markets;
- our ability to recognize expected benefits from restructuring plans

- any unauthorized access to, disclosure, or theft of personal information or unauthorized access to our network or other similar cyber incidents;
- disruption to our business operations due to the evolving state of war in Israel and political conditions related to the Israeli government's plans to significantly reduce the Israeli Supreme Court's judicial oversight;
- our dependence on ocean transportation to timely deliver our products in a cost-effective manner;
- fluctuations in global currency exchange rates;
- the impact of evolving legal and regulatory requirements including emerging environmental, social and governance requirements;
- existing and future responses to and effects of pandemics, epidemics or other health crises;
- changes to net metering policies or the reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar energy applications;
- federal, state, and local regulations governing the electric utility industry with respect to solar energy;
- changes in the U.S. trade environment, including the imposition of import tariffs;
- business practices and regulatory compliance of our raw material suppliers;
- our ability to maintain our brand and to protect and defend our intellectual property;
- volatility of our stock price;
- our customers' financial stability, creditworthiness and debt leverage ratio;
- loss of key executives, and our ability to retain key personnel and attract additional qualified personnel;
- our ability to effectively design, launch, market, and sell new generations of our products and services;
- our ability to retain, and events affecting, our major customers;
- our ability to integrate acquired businesses;
- natural disasters, public health events and other disruptions;
- impairment of our goodwill or other long-lived and intangible assets;
- our liquidity and our ability to service our debt; and
- the other factors set forth under "Item 1A. Risk Factors."

The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

## PART I

### ITEM 1. Business

#### Introduction

We are a leading provider of an optimized inverter solution that changed the way power is harvested and managed in photovoltaic (also known as PV) systems. Our direct current ("DC"), optimized inverter system maximizes power generation while lowering the cost of energy produced by the PV system for improved return on investment, or ROI. Additional benefits of the DC optimized inverter system include: comprehensive and advanced safety features, improved design flexibility, efficient integration (DC coupled) with SolarEdge storage solutions, and improved operation and maintenance, or O&M, with remote monitoring at the module-level. The typical SolarEdge DC optimized inverter system consists of inverters, Power Optimizers, a communication device which enables access to a cloud-based Monitoring Platform and, in many cases, a battery and additional smart energy management solutions and devices, such as EV chargers and load controllers. As part of our hardware sales, we also provide the energy management software which controls, manages and optimizes the energy production, storage and use of energy generated by our systems. Our solutions address a broad range of solar market segments, from residential solar installations to commercial and small utility scale solar installations. Since we began commercial shipments in 2010, we have shipped approximately 56.2 gigawatts ("GW") of our DC optimized inverter systems and our products have been installed in solar PV systems in over 145 countries.

Since introducing the DC optimized inverter solution in 2010, SolarEdge has expanded its activity to other areas of smart energy technology, both through organic growth and through acquisitions. By leveraging world-class engineering capabilities and with a relentless focus on innovation, SolarEdge now offers energy solutions that include primarily the hardware technology used in residential, commercial, and small scale utility PV systems and also product offerings in the areas of energy storage systems, or ESS, including manufacturing of lithium-ion cells and batteries, smart trackers for solar panels, EV chargers, home and commercial energy management software, grid services and software platforms and applications that enable development of virtual power plants ("VPPs").

We primarily sell our products indirectly to thousands of solar installers through large distributors and electrical equipment wholesalers and directly to large solar installers and engineering, procurement, and construction firms, or EPCs. Our customers include leading providers of solar PV systems to residential and commercial end users, key solar distributors, and electrical equipment wholesalers.

As of December 31, 2024, we have shipped in the aggregate approximately 132.1 million Power Optimizers and 5.8 million inverters. More than 4.2 million PV installations, many of which may include multiple inverters, are currently connected to and monitored through our cloud-based Monitoring Platform.

**The SolarEdge Solution.** The key advantages of our solution over a traditional string inverter PV system include:

- **Maximized PV module power output.** Our Power Optimizers provide module-level, maximum power point ("MPP") tracking, i.e. real-time adjustments of current and voltage to the optimal working point of each individual PV module. This enables each PV module to continuously operate at its MPP, independent of other modules in the same string, thus minimizing power lost due to module mismatch (e.g. due to manufacturing differences, aging, etc.) and partial shading. By performing these adjustments at a very high rate, our Power Optimizers also reduce the dynamic MPP losses associated with traditional inverters.
- **Optimized architecture with economies of scale.** Our system shifts certain functions of the traditional inverter to our Power Optimizers while keeping the DC to AC function and grid interaction in our inverter. As a result, our inverter is smaller, more efficient and more reliable than inverters used in traditional string inverter systems. The cost saving that we have achieved with the inverter enables our system to be priced at a cost per watt that is comparable with traditional inverter systems of leading manufacturers. As a PV system grows in size, our inverter benefits from economies of scale. This enables our technology to be viable for both large commercial and small-scale utility applications.
- **Enhanced system design flexibility.** Unlike a traditional inverter system that requires each parallel connected string to be substantially the same length, use the same type of PV modules and be positioned at the same angle toward the sun, our system allows significant design flexibility by enabling the installer to place PV modules in uneven string lengths, on multiple roof facets, and in locations receiving different irradiance. This design flexibility increases the amount of the available roof that can be utilized for power production. As a result, our system is significantly less prone to wasted roof space resulting from rooftop asymmetries and obstructions.
- **Reduced balance of system (BoS) costs.** Our DC optimized inverter system allows significantly longer strings to be connected to the same inverter (as compared to a traditional inverter system). This reduces the cost of cabling, fuse boxes and other ancillary electric components. These factors result in easier installations with shorter design times and a lower initial cost per watt, while enabling larger installations per rooftop.
- **Continuous monitoring and control to reduce operation and maintenance costs.** Our cloud-based monitoring platform provides data visibility at the module level, string level, inverter level and system level. The data can be accessed remotely by any web-enabled device, allowing comprehensive analysis, immediate fault detection and alerts. These monitoring features reduce O&M costs for the system owner by identifying and locating faults, enabling remote testing and reducing field visits.

- **Enhanced safety.** We have incorporated module-level safety mechanisms in our system to protect installers, electricians and firefighters. Each Power Optimizer is configured to reduce output voltage to 1 volt unless the Power Optimizer receives a fail-safe signal from a functioning inverter that is paired to the optimizer. As a result, if the inverter is shut down (e.g., for system maintenance, grid shutdown, due to malfunction, in the event of a fire or otherwise), the DC voltage throughout the system is reduced to a safe level. Our DC optimized inverters comply with the applicable safety requirements of the regions in which they are sold, providing cost savings to installers by reducing the need for additional hardware such as DC breakers, switches or fire-proof ducts required by traditional inverter systems. In the U.S., the SolarEdge SafeDC feature is compliant with NEC 2020 & NEC 2023 Rapid Shutdown functionality, Section 690.12. SolarEdge inverters also have a built-in safety feature designed to mitigate the effects of some arcing faults that may pose a risk of fire, in compliance with the UL1699B arc detection standard. Most SolarEdge inverters comply with IEC 63027 arc detection standards. In addition, some of the SolarEdge Power Optimizers include the SolarEdge "Sense Connect" capability which is designed to monitor Power Optimizers' connectors, and identify improper connections and possible malfunctions for early detection and mitigation of arc risks.
- **High reliability.** Solar PV systems are typically expected to operate for at least 25 years under harsh outdoor conditions. High reliability is critical and is facilitated by our utilization of systems and components that have low heat generation, solid and stable materials, and the minimal use of moving parts in our products. We have designed our system to meet these stringent requirements. Our Power Optimizers' high switching frequency allows the use of ceramic capacitors with a low, fixed rate of aging and a proven life expectancy in excess of 25 years. Further, we use application-specific integrated circuits ("ASICs") that embed many of the required electronics. This reduces the number of components and consequently the potential points of failure.
- **DC Coupling with Energy Storage.** Our DC-optimized inverter system enables direct storage of solar energy in batteries without the need for DC-AC or AC-DC conversions, a process known as DC coupling. This approach eliminates energy loss that is typically associated with such conversions, allowing for more efficient energy management within the battery. As a result, users benefit from improved efficiency, increased savings, and a higher overall return on investment (ROI). Additionally, when paired with a DC-enabled EV charger, solar energy can directly charge electric vehicles, further enhancing energy retention by minimizing conversion losses.
- **Energy Management.** Our residential and commercial systems feature SolarEdge ONE, a single platform to manage, monitor and gain real-time, module-level insights on all site energy assets. SolarEdge ONE manages a site's entire energy portfolio, including PV, battery storage, EV, smart devices, and building assets, to ensure optimized performance of each component. It includes a wealth of innovative capabilities tailored to the specific needs of the varying residential and commercial system stakeholders and is fortified with advanced cyber capabilities designed to protect against current and future cyber threats.

For residential systems, SolarEdge ONE optimizes the way homeowners use, store, and sell their energy, in accordance with their personalized preferences. It enables users to store solar energy at cost-effective times. It also allows homeowners to control the timing of their PV energy consumption in order to increase their energy independence, take advantage of lower time-of-use rates, reduce electricity bills, and improve overall system return on investment.

Commercial installations benefit from SolarEdge ONE's ability to synchronize production, consumption, and storage to align with business goals, making data-driven decisions based on customer definitions and market conditions. SolarEdge ONE includes robust monitoring and reporting tools that enable PV professionals to enhance operational efficiencies and lower maintenance costs across their fleets.

The SolarEdge ONE for commercial and industrial (C&I) capabilities extend to optimization and management of sites featuring large quantities of EV chargers (e.g. workplaces, parking lots, apartment buildings, public charging stations, etc.) as well as support for enterprises seeking to take control of their energy usage with greater energy management and connectivity capabilities, enabling more efficient and sustainable energy management.

- **Distributed Energy Generation.** As an electric grid evolves from centralized power stations to a network of distributed, renewable energy sources, our inverter can serve as a local control system that manages the energy resources within such a distributed network. Our inverters facilitate the creation of a distributed and interactive grid, enhancing grid stability. One such example is inverter-enabled charging and discharging of batteries within a VPP, helping to manage grid load and support grid stability.

## Our Product Offering

Our primary segment is our solar business, which includes the following products:

**SolarEdge Power Optimizer.** Our Power Optimizer which forms an integral part of our DC optimized inverter system is a highly reliable and efficient DC-to-DC converter which is connected to each PV module. Our Power Optimizer increases energy output from the connected PV module by continuously tracking the MPP of the module and controlling its operating point. The Power Optimizer's ability to track the MPP of the connected PV module and its ability to adjust the optimizer output voltage enables the inverter's input voltage to remain fixed under a large variety of string configurations. This feature enhances the flexibility in PV system designs, enabling a single inverter to be connected to strings of different lengths to PV modules featuring multiple orientations, and using various PV module types. In addition, our Power Optimizers monitor the performance of each PV module and communicate performance data to our inverter using our proprietary power line communications ("PLC"). In turn, the inverter transmits this information to our monitoring server. Each Power Optimizer is equipped with our proprietary safety mechanism which automatically reduces the output voltage of each PV module to 1 volt unless the Power Optimizer receives a fail-safe signal from a paired functioning inverter. As a result, if the inverter is shut down (e.g., for system maintenance, due to malfunction, in the event of a fire or otherwise), the system is designed to reduce the DC voltage to a safe level. Some of our SolarEdge Power Optimizers include our "Sense-Connect" capability which is designed to monitor Power Optimizers' connectors to identify improper connections and possible malfunctions, enabling the early detection and mitigation of arc risks.

Our Power Optimizers are designed to withstand high temperatures and harsh environmental conditions and contain multiple bypass features that localize failures and enable continued system operation, even in cases of Power Optimizer failure, in the vast majority of cases. Our Power Optimizers are compatible with most modules on the market today and carry a 25-year product warranty. During the year ended December 31, 2024, the year ended December 31, 2023 and the year ended December 31, 2022, revenues derived from the sale of Power Optimizers represented 34.9%, 30.3% and 36.5% of total revenues, respectively.

**SolarEdge Inverters.** Our DC-to-AC inverters which form an integral part of our DC optimized inverter systems, contain sophisticated digital control technology with efficient power conversion architecture resulting in superior solar power harvesting and high reliability, and are designed to work exclusively with our DC Power Optimizers. A proprietary power line communication receiver is integrated into each inverter, receiving data from our Power Optimizers, storing this data and transmitting it to our monitoring server when an internet connection exists. Since each string that features our Power Optimizers provides fixed input voltage to our inverter, the inverter is able to operate at an optimized efficiency at all times and therefore is more cost effective, energy efficient and reliable.

Like our Power Optimizers, our inverters are designed to withstand harsh environmental conditions. We currently offer single-phase inverters designed to address the residential market (3 kilowatt ("kW") to 11.4 kW), and three-phase inverters designed to address the residential and commercial markets (4 kW to 120 kW). We also offer our three-phase SolarEdge Terramax™ inverters, which are designed to address the ground mount market (300kW to 330kW). Paired with our H-Series Power Optimizers, the SolarEdge Terramax™ supports distributed and centralized inverter configurations and is designed for small-scale utility installations, community solar, floating PV, and dual use Agri-PV sites that harvest crops.

The vast majority of our inverters are sold with a 12 year warranty that is extendable to 20 or 25 years for an additional cost. During the year ended December 31, 2024, the year ended December 31, 2023 and the year ended December 31, 2022 revenues derived from the sale of inverters, represented 27.5%, 46.2% and 36.6% of our total revenues, respectively.

### Storage Solutions.

*For the Residential Market:* The SolarEdge Home Battery 400V, our DC-coupled, 10kWh, single phase battery integrates with our single phase SolarEdge Home Hub and Wave family of inverters. We also offer the SolarEdge Home Battery 48V, our DC-coupled, 4.6kWh, battery that integrates with our three phase SolarEdge Home Hub Inverters. When connected with our SolarEdge Home Backup Interface (BUI), either our single and three phase inverters, the SolarEdge Home Battery provides homeowners the ability to power their homes even when the grid is off for anywhere from several hours to many days, depending on use of loads and available sunlight during the outage. The battery also works in tandem with the SolarEdge ONE energy optimization system to optimize the use of solar energy in locations with different types of import and export tariffs scenarios (such as time of use and dynamic rates).

With the SolarEdge backup solution, power is stored in a battery and can be used during a power outage to power essential devices such as refrigerators, communication devices, lighting, and AC outlets for anywhere from several hours to many days, depending on use of loads and available sunlight during the outage.

*For the Commercial market:* Released in 2024, the SolarEdge CSS-OD is a 102.4 kilowatt hour ("kWh") rated solution scalable up to megawatt hour ("MWh") size sites, suitable for indoor outdoor or indoor installations. It consists of a pre-assembled battery cabinet and battery inverter, featuring safety features and connects with the SolarEdge PV system. The CSS-OD is managed by the SolarEdge ONE for our C&I energy optimization platform, which controls the battery's functionality to support various use cases such as maximum self-consumption, peak shaving and more, for maximum electricity savings.

The CSS-OD solution also supports backup power by integrating with the CSS-OD back up unit, or BUI, which is available in some countries. It is designed to avoid downtime with uninterrupted power supply, ensuring continuous business operations during unplanned outages or challenging grid conditions such as load shedding.

For small-scale indoor/outdoor commercial sites, we also offer our modular SolarEdge 48V battery. Scaling up to 69kW per hour per site, this battery supports new and existing PV installations connected to three phase SolarEdge commercial inverters. This on-grid storage solution can enable system owners to reduce their electricity costs by storing excess solar production in the battery for maximizing self-consumption and by boosting their resilience to volatile electricity prices.

**EV Chargers and Software management of EV charging.** SolarEdge sells EV chargers for residential and commercial applications which allow the system owner to redirect excess PV energy to charge electric vehicles. This product enables consumers to increase their self-consumption of clean energy. The SolarEdge ONE smart energy optimization system can be programmed to automatically charge the EVs using energy generated at the most advantageous times and the optimal economically efficient rates.

In addition, in April 2024, we completed the acquisition of all outstanding shares in Weev Energy B.F. Ltd., ("Wevo"). Wevo is a software company specializing in EV charging optimization and management for sites with large quantities of EV chargers such as apartment buildings, workplace parking lots, and public charging locations. The Wevo solution is expected to become a part of the SolarEdge ONE energy optimization system for our C&I segment, designed to offer SolarEdge customers a single energy optimization solution that manages and integrates between on-site solar generation, battery storage and large-scale EV charging.

**Smart Energy Products.** As the solar energy industry evolves, SolarEdge has and continues to develop innovative solutions to further enhance smart energy technology, including inverters that include compatibility with batteries for increased self-consumption for backup, backup interfaces devices, smart meters, smart energy management devices (sockets, hot water controllers, wireless relay) and smart PV modules. This product expansion has enabled us to increase average revenue per installation, or ARPI.

**Smart Trackers.** Our SolarGik smart PV tracker is optimized for installations on constrained and sloped terrains, eliminating the need for costly grading and construction. Our trackers come with advanced software that is designed to optimize production, predict weather changes, maximize bifacial gains and respond to remote commands. The tracker solutions are light weight, which allows them to be installed not only in regular ground mount projects, but also on rooftops, greenhouses, carports and agricultural fields.

**Smart Energy Management.** We have developed smart energy management software and capabilities that integrate seamlessly with our hardware solutions. These innovations enable system owners to store solar energy at cost-effective times, and control the timing of their PV energy consumption. This approach increases their energy independence, take advantage of lower time-of-use rates, reduces electricity bills, and improves overall system ROI.

SolarEdge ONE is an energy optimization system, designed for a dynamic energy landscape. It deploys a personalized 24-hour home energy plan that adapts to real-time market and weather changes, optimizing how homeowners use, store & sell their PV power to maximize savings. ONE is based on AI algorithms that gather & process data from three sources: external data (weather forecasts, utility rates), internal data (homeowner usage patterns & PV system parameters), and homeowner preferences and schedules. SolarEdge ONE is designed to adapt to dynamic or peak rates tariffs, optimize negative rates, facilitate VPP participation, and maximize self-consumption & backup duration, while synchronizing with site data & correcting itself in real-time.

In April 2023, SolarEdge completed the acquisition of all outstanding shares of Hark Systems Ltd. ("Hark"), a UK-based energy IoT company for the C&I sector. Hark's platform is designed to enable commercial and industrial customers expanded capabilities in energy management and connectivity, including identification of potential energy savings, detection of anomalies in assets' energy consumption, and optimization of energy usage and carbon emissions through load orchestration and storage control.

**SolarEdge Software Solutions.** We offer a variety of professional software tools to support the complete PV system planning, installation, monitoring and maintenance processes of our DC optimized inverter solutions:

*Monitoring Platform.* The SolarEdge monitoring platform is a cloud-based monitoring platform which collects power, voltage, current temperature, and other data sent from SolarEdge inverters and Power Optimizers and allows users to view the data pertaining to their SolarEdge site/s at the module level, string level, inverter level and system level. The monitoring platform is accessible from most browsers and from most smart phones and tablets. The monitoring software continuously analyzes data and flags potential issues. The monitoring software includes features which are used routinely by integrators, installers, maintenance staff, and system owners to improve a solar PV system's performance.

*mySolarEdge app.* The mySolarEdge application enables system owners to track their real-time system production and household energy consumption, view their inverter and battery status for quick analysis, and control the battery's back-up configuration, all from their mobile phones.

*SolarEdge Go app.* The SolarEdgeGo app is a mobile application designed for SolarEdge installers, integrating installation, management, and service capabilities into a single platform. This comprehensive app allows installers to manage their fleets efficiently by providing real-time alerts, equipment management, and user administration. It also offers remote service and operation features, including diagnosis, troubleshooting, and configuration, which help minimize downtime and reduce the need for on-site visits. Additionally, SolarEdge Go simplifies the commissioning process with an intuitive step-by-step "wizard" and detailed reports, ensuring streamlined installations. This app enhances the overall installer experience by consolidating multiple functionalities into one tool, making it convenient for installers to monitor and manage their entire fleet.

*Designer platform.* Our designer platform is a proprietary web-based tool that helps solar professionals plan, build, simulate, and validate residential and commercial systems from inception to installation.

*Mapper application.* The mapper application provides SolarEdge installers with an efficient, streamlined process for registering the physical layout of new PV sites installed with SolarEdge DC optimized inverter systems in the SolarEdge Monitoring Platform. Installers can use the Mapper application to scan SolarEdge Power Optimizer and SolarEdge inverter barcodes, creating a virtual map of the PV site in the monitoring platform. The map may later help facilitate remote diagnostics thereby enabling enhanced customer support and reducing maintenance costs for installers and SolarEdge system owners.

*SetApp application.* The SetApp application is used to activate and configure SolarEdge inverters during commissioning directly through a smartphone. This application is designed to simplify and expedite installations.

**Grid Services.** As PV and storage continue to proliferate around the world, energy production is transitioning from a centralized system to a distributed network model, where energy is produced and stored close to the location in which it is consumed. This model creates an opportunity for new interconnected and decentralized energy networks offering improved grid reliability and stability, new energy service and reduction in grid infrastructure costs. SolarEdge grid services deliver near real-time aggregated control and data reporting, enabling the pooling of distributed energy resources - photovoltaic systems, battery storage and electric vehicle chargers, in the cloud for the creation of VPPs. The SolarEdge grid services and VPP solution provide management platforms to enable near real-time, aggregated control of available energy resources to meet ever-changing supply needs and demand. Our Virtual Power Plant program interfaces (APIs) are used by our partners for countering peak demand events and for participating in various electricity markets. In 2024, SolarEdge continued to sell grid services in the U.S., Europe and Australia, including services provided to independent system operators, energy retailers, national installers and others. In the last year, SolarEdge has introduced flexible grid services by partnering with Axle Energy in the United Kingdom and with Frank Energie in the Netherlands.

## **Product Roadmap**

Our solar segment products reflect our focus on innovation, the capacity of our technology departments as well as the emphasis that we put on creating value for our customers. Our core solar product roadmap is divided into five categories: Power Optimizers, inverters, software supporting our DC optimized inverter systems, batteries for PV applications, and smart energy management.

**Power Optimizers.** We currently sell our fourth and fifth generation of Power Optimizers, the S-Series, designed for fully automated assembly and based on our fourth and fifth generation ASICs, respectively. We have launched the H1300, a Gen 4 based power optimizer, as a part of the SolarEdge TerraMax™ inverter solution, and expect to add the H1500 Power Optimizer to the TerraMax™ offering. The H1500 will enable more power per string and support even higher power PV modules, leading to reduced BoS costs. The H-Series models are our first optimizer equipped with high frequency DC power line communications technology which allows communication with larger numbers of Power Optimizers for ground mount applications as well as improved remote software upgrade capabilities. A key element of our reliability strategy, and a significant differentiator relative to our competitors, is our use of proprietary ASICs to control our Power Optimizer's power conversion, safety features, and PV module monitoring. Instead of using large numbers of discrete components, our Power Optimizer uses a single proprietary ASIC, thus reducing the total number of components in an electrical circuit and improving reliability.

With each new ASIC generated, we have reduced the number of components required for any given functionality, thereby adding more functions to the Power Optimizer, and meaningfully improves its efficiency. This improvement in efficiency reduces energy loss, which in turn, decreases heat dissipation. This enables design of a more cost-effective and typically smaller enclosure and while keeping the electronics cooler, thereby improving the Power Optimizer's reliability. Our research and development teams continuously work on further improving our ASICs and releasing new generations of this advanced technology.

**Inverters.** Our inverter roadmap includes both new products as well as additional capabilities for existing inverters. Our inverter roadmap is intended to serve four main purposes: (i) expand addressable markets: develop new and larger inverters, designed specifically for larger commercial installations and utility-scale projects; (ii) improve electronic design: increase total power throughput while minimally changing the existing enclosure, thereby reducing cost per watt and increasing economies of scale; (iii) simplify and enhance ease of installation: integrate additional functionality required in certain installations to reduce costs of additional hardware and subcontractors' labor costs; and (iv) improve the residential inverter's functionality: serve as a hub for home energy management, integrating, controlling and optimizing the main home energy sources and loads.

**Software.** We continue to expand our software offering with the introduction of new tools and features. These include both professional web-based software and system owner applications such as fleet management, the site designer tool, the mySolarEdge consumer applications, all of which are offered to our install base as complimentary to the sales of our hardware solutions.

Our cloud-based Monitoring Platform is in the process of being phased out, as we continue to migrate users to the new SolarEdge One energy optimization platform, launched in 2024. We are continuously developing tools to accommodate our growth and further enhance our service offering. We continue developing algorithms that detect and pinpoint problems that can affect power production in field systems. We plan to add more capabilities through our public API to allow users to build and integrate our system into their own systems and build and share useful applications based on monitoring data gathered by our software.

Since our acquisition of Wevo, in April 2024, we continue to integrate Wevo's charging optimization and management software capabilities into our SolarEdge ONE for C&I platform. We are also working to provide partners with enhanced transparency and control over their energy usage and carbon emissions, by integrating new energy management and connectivity capabilities with SolarEdge

**Batteries for PV applications.** Our residential storage solution, launched in 2021, is designed to integrate with our single-phase and three-phase inverters to provide optimal energy management, maximum efficiency, longer backup times and increased ease of use for homeowners. We expect to continue to expand our residential storage solutions to cover more applications, improve battery management, efficiency and integration with energy management systems. In 2024 we accelerated the development of our next-generation residential battery for single-phase and three-phase systems, which is planned to be launched sometime in 2025.

**Smart Energy Management.** We are developing new features and capabilities for the smart energy management solutions, which are constantly evolving. For instance, our SolarEdge Home Local Controller, will enable the homeowner to run and manage their most energy-intensive devices on excess solar energy. We are also introducing smart energy management and fleet management to the commercial segment. We also plan on expanding the availability of our smart energy products, including smart energy management devices, to new geographies and use cases.

**New Products or Product Categories.** We continuously evaluate opportunities to expand our product offerings and services to our customers. We may from time to time develop new products or services that are a natural extension of our existing business, or may engage in acquisitions of businesses or product lines with the potential to strengthen our market position, enable us to enter attractive markets, expand our technological capabilities, or provide synergistic opportunities.

## **Sales and Marketing Strategy**

Our solar business strategy is to focus on penetrating new geographic regions and increasing our market share. More specifically, we focus on markets where electricity prices, irradiance and government policies make solar PV installations economically viable. Our solar products have been installed in over 145 countries.

We target our sales and marketing efforts to the largest distributors, electrical equipment wholesalers, EPC contractors and installers in each of the countries where we operate. Our products are carried and actively sold by most of the top solar PV distributors as well as the largest electrical distribution companies. As of December 31, 2024, based on the number of installer accounts on our monitoring portal, over 74,000 installers around the world have installed SolarEdge solar PV systems.

Additionally, as further detailed below, we have launched several programs focused on educating installers and other industry professionals about our technology, and we use a combination of road shows, webinars, and partner trainings to teach them how to best design, sell, and implement our technology in their projects.

## **Our Customers**

We derive a significant portion of our revenues from key solar distributors, electrical equipment wholesalers and large installers in the U.S. and worldwide. In 2024, one of our customers, CED group, represented 12.9% of our revenues. None of our other customers accounted for more than ten percent of our revenues in the year ended December 31, 2024.

## **Training and Customer Support**

We offer our installer base a comprehensive package of customer support and training services which include pre-sales support, ongoing trainings, and technical support before, during, and after installation. We also provide customized support programs to large installers and distributors to help prioritize and track support issues, thereby enabling short cycle times for issue resolution.

During 2024, our training portal (Edge Academy) hosted over 225,000 learners.

During 2024, over 14,000 installers completed our certification programs.

In addition to the above, we support our commercial system customers with design consulting throughout their sales process and installation.

Our technical support organization includes local expert teams, tech centers, an online service portal and live chat service. Our toll-free call and live chat centers are open Monday through Friday at least from 9:00 a.m. to 6:00 p.m. in every region in which we sell our products. In addition, customers can open and track support cases 24/7 utilizing our online portal. All support cases are monitored via a customer relationship management system in order to provide service, track closure of all customer issues and further improve our customer service. Our call centers have access to our cloud-based monitoring platform database, which enables real-time remote diagnostics.

Customer service and satisfaction continues to be a key component of our business offering and we consider it integral to our continued success. We maintain high levels of customer engagement through our call centers in California, Australia, Japan, Israel, India, Bulgaria, Brazil, Taiwan, Thailand, South Africa, Philippines and Poland. In addition to our call centers, we have field service engineers located in the geographies where we are active, and support our customers with commissioning of large projects, introduction of new technologies and features and on-the-job training of new installers. As of December 31, 2024, our customer support and training organization consisted of 662 employees worldwide.

## **Our Technology**

We have drawn on our expertise in the fields of power electronics, analog and digital electronics, magnetic design, mechanical and heat dissipation, control, and algorithms, power line communications and lithium-ion battery technology to design and develop what we believe to be the most advanced commercial solutions for harvesting power from solar PV, storage and energy management solutions for residential and commercial applications. These technologies are explained in greater detail below.

As part of our growth strategy, we have acquired companies that have technologies that can leverage our expertise in power electronics and power optimization. By combining acquired resources with our current research and development teams, we are expanding our activities into other areas such as energy IoT, EV charging optimization, and energy storage systems.

### ***Power Optimizers***

Our Power Optimizers are DC/DC step up/step down ("buck+boost") converters designed and developed to operate in harsh outdoor environments at very high conversion efficiency. Our Power Optimizers include proprietary power electronics and control loops customized to efficiently convert power from the PV module to the inverter.

A key factor in the performance of our Power Optimizer is determined by the digital control algorithms and closed-loop control mechanism. The Power Optimizer's control is built into our advanced ASIC which is responsible for all digital control functions of the power optimizer, including detailed power analysis, digital real-time control of the power conversion subsystem, power line communications and networking. Since each Power Optimizer handles the power and voltage of either a single module or two modules, we are able to reach a high degree of semiconductor integration by leveraging low-cost silicon in standard semiconductor packages. As a result, much of the Power Optimizer functionality can be integrated into a standard ASIC instead of requiring discrete electronic components, resulting in lower costs and higher reliability.

The ASIC performs the critical power analysis and power conversion control functions of the Power Optimizer. The power analysis functions process the state and working parameters at the Power Optimizer's input and output and, together with advanced digital control and state machine logic, control the power conversion function. In addition, our digital control system uses technology that allows the solar PV installation to anticipate and adapt to changing operating conditions, and to protect itself against system anomalies.

Each Power Optimizer in the array is connected to the inverter by a power line communications networking link. Our power line communications link uses a proprietary networking technology that we developed, utilizing the existing DC wiring between the Power Optimizers and the inverter to transmit and receive data between these devices using scalable technology supporting a wide range of installation sizes, from small residential to large commercial installations.

### ***Inverters***

Most of our inverters are designed for single-stage DC/AC conversion. Using our inverter in combination with the Power Optimizers allows the inverter control loop to maintain a regulated DC voltage level at its input, thereby enabling the inclusion of long, uneven, and multi-faceted strings of solar modules while also enabling custom, cost efficient, and reliable inverter design and component selection. All of the power components, as well as the main magnetic components for our inverters, can then be optimized for highly efficient DC/AC inversion.

Our inverters' digital control algorithms are implemented using programmable digital signal processors which allow for flexibility and the adaptation of control loops for various grids and for the requirements and standards of different grid operators across geographies. We have already implemented the control mechanisms necessary to support advanced grid codes and standards that are required to support high penetration of solar energy into utility grids. We continue to develop and manufacture our own DSP (ASIC) in our inverters which enables us to improve the performance of our control loops, increase our cost savings and reduce dependence on third party suppliers. The DSP (ASIC) performs the critical power analysis and power conversion control functions of the inverter. The power analysis functions process the state and working parameters at the power inverter's input and output, and together with advanced digital control and state machine logic controls the power conversion function. Additionally, our digital control system uses technology that is designed to allow the inverter to anticipate and adapt to changing operating conditions, and to protect itself against system anomalies as well as comply with applicable regulations in the different regions in which we operate.

Our DSP (ASIC) is also in charge of our PLC networking link between the inverter and the optimizers. Our PLC uses a proprietary networking technology that we developed, utilizing the existing DC wiring between the Power Optimizers and the inverter to transmit and receive data and commands between these devices.

We have developed and continue to develop in-house design and manufacturing capabilities for several major passive components, such as magnetic components, in order to decrease dependence on suppliers, improve component performance, reduce costs and have better control over our production processes.

### ***Batteries for PV applications***

#### Residential Market.

In 2021, we released our first lithium-ion residential batteries for sale in the U.S. and Europe through our solar distribution channels. Our batteries are composed of lithium cells, a Battery Management System (BMS), bi-directional DC/DC high efficiency converter that facilitates the charging and discharging of the battery, and a user interface. Our DC/DC converter uses digital control algorithms, which are implemented using a programmable digital signal processor. Our power products, inverter, Power Optimizers and battery are connected to the same DC bus, allowing the battery to be directly charged by the DC current generated by the Power Optimizers and bypassing the AC conversion, thereby reducing the round-trip efficiency of PV generated power provided from batteries the AC loads.

Our DC-coupled battery is designed to connect with our inverters, allowing up to three batteries per inverter. Our batteries can be connected to our cloud-based monitoring platform, reporting information on the battery status, solar production, and self-consumption data.

#### Commercial market.

Our 102.4kWh-rated CSS-OD battery solution was released in 2024 for commercial PV system owners. Designed for indoor and outdoor use, including operation in harsh environments, it is delivered in a pre-assembled enclosure, with an integrated 50kW inverter, to minimize onsite work and reduce installation faults. The CSS-OD is an AC-coupled battery, supporting connection of up to two CSS-OD batteries for each SolarEdge commercial inverter, scaling up to MWh-size sites.

The CSS-OD's, built-in safety technology, is designed to address potential risks at four distinct levels, creating a multi-layered safety net that safeguards both the system and the site. At the most granular level, the cell and energy module protection focus on preventing risks at the core of the battery. Each of the 20 energy modules comes with its own battery management unit (BMU) that continuously measures voltage and temperature for performance and safety optimization. At the cluster-level, the CSS-OD has multiple safety mechanisms including fire, smoke, and water sensors, to monitor and regulate the behavior of groups of energy modules. The cabinet layer provides physical and environmental protection for the battery system as a whole and software-driven safety measures are provided at the application level, including real-time alerts and diagnostics.

The CSS-OD is designed to protect internal components with a built-in battery enclosure HVAC system, module-level fire detection mechanism and multiple electrical safeguards such as Dual DC Relays and DC Breakers (MCCB) that work to isolate faults in connected energy modules. The CSS-OD is connected to our SolarEdge ONE for the C&I platform, for cloud-based O&M and monitoring. It presents operational status and alerts from cell to cabinet level and consolidates data and alerts for both the PV system and CSS-OD battery.

## **Manufacturing**

We have designed our manufacturing processes to produce high quality products at competitive costs. The strategy is threefold: outsource, automate, and localize. We currently contract to have our solar products manufactured by two of the world's leading global electronics manufacturing service providers, Jabil Circuit, Inc. ("Jabil") and Flex Ltd. ("Flex"). By using contract manufacturers, we are able to access advanced manufacturing equipment, processes, skills and capacity on a relatively "asset light" budget while remaining flexible in our manufacturing operations and are able to enjoy the CM's global reach and access to different manufacturing regions. Our contract manufacturers are responsible for funding some of the capital expenses incurred in connection with the manufacture of our products, except with regard to some of the automated optimizer assembly lines, our proprietary end-of-line testing equipment and other specific manufacturing equipment utilized in assembling our products or sub-components which are financed and owned by the Company. We expect to continue this funding arrangement in the future, with respect to any expansions to such existing lines save for circumstances where the direct purchase by us of non-specific manufacturing equipment will result in a substantial reduction in costs in which case we will consider financing such non-specific manufacturing equipment ourselves. In light of recent Inflation Reduction Act legislation in the United States which incentivizes the local manufacturing of renewable energy products by providing benefits to installers for the purchase and installation of US-manufactured products, as well as by incentivizing manufacturers of such products domestically, we are manufacturing single phase inverters in Texas, are currently increasing manufacturing of three phase inverters and optimizers in Florida, and are also ramping manufacturing of our residential batteries in Utah. With the ramp-up of these new sites and as part of an effort to centralize and improve operational activity, we have discontinued manufacturing in China, Mexico, and Hungary. We continue to maintain manufacturing capabilities in Vietnam with a third party manufacturer.

Our own manufacturing facility in the North of Israel, is called "Sella 1". The proximity of Sella 1 to our R&D team and labs enables us to accelerate new product development cycles as well as define equipment and manufacturing processes of newly developed products which can then be adopted by our contract manufacturers worldwide.

SolarEdge is mindful of the transformative impact of automation and AI in manufacturing efficiency and product innovation. We are continuously striving to enhance the capabilities of all of our products through cutting-edge advancements in production processes. One significant focus that we have taken on is automating the manufacture of our inverters, aiming to replicate the significant advantages achieved in the automated manufacturing line of our optimizers.

We have developed proprietary automated assembly lines for the manufacturing of our power optimizers. These assembly lines, currently operating in all of our manufacturing facilities, enable the manufacturing of more than 6,000 optimizers per manufacturing line per day. We invest resources in additional automated assembly lines as well as in automated machinery for subassembly and self-manufacturing of certain components used in our products, and we own and are responsible for funding all of the capital expenses related thereto. The current and expected capital expenses associated with these automated assembly lines and other machinery is funded out of our cash flows.

We source our raw materials through various component manufacturers and invest resources in continued cost-reduction efforts as well as verifying second and third sources so as to limit dependence on sole suppliers.

## **Reliability and Quality Control**

Our Power Optimizers are connected to each PV module by installers, designed to be as reliable as the PV module itself and capable of withstanding the same operating and environmental conditions.

Our reliability methodology includes a multi-level plan with design analysis, sub-system testing of critical components by Accelerated Life Testing, and integrative testing of design prototypes by Highly Accelerated Life Testing and large sample groups. As part of our reliability efforts, we subject components to industry standard conditions and tests including in accelerated life chambers that simulate burn-in, thermal cycling, damp-heat, and other stresses at large sample size groups. For validation purposes, finished products are tested by simulating accelerated aging through the use of Thermal Cycling, Damp Heat, and High Temperature Endurance. Specific additional tests have been developed to assess design changes' impact on reliability. We also conduct out of box audits (OBA) on our finished products. In addition, online reliability tests (ORT) are conducted on our optimizers and we test complete products in stress tests and in the field. Our rigorous testing processes have helped us to develop highly reliable products.

In order to verify the quality of each of our products when it leaves the manufacturing plant, each component, sub-assembly, and final product are tested multiple times during production. These tests include Automatic Optical Inspection, In-Circuit Testing, Board-Functional Testing, Safety Testing, and Integrative Stress Testing. We employ a serial number-driven manufacturing process auditing and traceability system that allows us to control production line activities, verify correct manufacturing processes and to achieve item-specific traceability.

As a part of our quality and reliability approach, failed products from the field are returned and subjected to root cause analysis, the results of which are used to improve our product and manufacturing processes and design and further reduce our field failure rate.

### **Certifications**

Our products and systems comply with the applicable regulatory requirements of the jurisdictions in which they are sold as well as all other major markets around the world. These include safety regulations, electromagnetic compatibility standards and grid compliance.

### **Research and Development**

We devote substantial resources to research and development with the objective of developing new products and systems, adding new features and reducing unit costs of our products and systems. Our development strategy is to identify software and hardware features, products, and systems that reduce the cost and improve the effectiveness of our solutions for our customers. We measure the effectiveness of our research and development by metrics including product unit cost, efficiency, reliability, power output, and ease of use.

We have a strong research and development team with wide ranging experience in power electronics, semiconductors, power line communications and networking, chemical, mechanical and software engineering. In addition, many members of our research and development team have expertise in solar technologies. As of December 31, 2024 our research and development organization had a headcount of 1,171 employees.

### **Intellectual Property**

The success of our business depends, in part, on our ability to maintain and protect our proprietary technologies, information, processes, and know-how. We rely primarily on patent, trademark, copyright and trade secrets laws in the U.S. and similar laws in other countries, confidentiality agreements and procedures and other contractual arrangements to protect our technology. As of December 31, 2024, SolarEdge had 595 issued patents worldwide and 393 patent applications pending for examination. A majority of our patents relate to DC power optimization and DC to AC conversion for alternative energy power systems, power system monitoring and control, battery technology and management systems. Our issued patents are scheduled to expire between 2025 and 2044.

We continually assess opportunities to seek patent protection for those aspects of our technology, designs, and methodologies and processes that we believe provide significant competitive advantages.

We rely on trade secret protection and confidentiality agreements to safeguard our interests with respect to proprietary know-how that is not patentable and processes for which patents are difficult to enforce. We believe that many elements of our manufacturing processes involve proprietary know-how, technology, or data that are not covered by patents or patent applications, including technical processes, test equipment designs, algorithms, and procedures.

All of our research and development personnel are required to enter into confidentiality and proprietary information agreements with us. These agreements address intellectual property protection issues and require our employees to assign to us all of the inventions, designs, and technologies they develop during the course of employment with us.

Our customers and business partners are required to enter into confidentiality agreements before we disclose any sensitive aspects of our technology or business plans.

## Competition

The markets for our solar products are competitive, and we compete with manufacturers of traditional inverters, as well as manufacturers of other MLPE systems. The principal areas in which we compete with other companies include:

- product and system performance and features;
- total cost of ownership (TCO);
- reliability and duration of product warranty;
- customer service and support;
- breadth of product line;
- technological expertise;
- brand recognition;
- local sales and distribution capabilities;
- compliance with applicable certifications and grid codes;
- product safety features;
- size and financial stability of operations; and
- size of installed base.

Recent market trends show an increased focus on safety features in rooftop installations, and the emergence of standards that are evolving to address such concerns. In particular, the arc fault detection and interruption (AFDI) and rapid shutdown (RSD) standards in the US market, have led to the introduction of module-level rapid-shutdown devices from our competitors. We believe the existence of rapid shutdown capabilities built into our Power Optimizers positions us well in this regard, and serves as a competitive advantage. Additionally, we have seen PV module manufacturers introduce larger PV modules with higher power levels reaching over 600W. This market trend, which comes as a result of PV cell manufacturers introducing larger cell sizes such as M10 and M12 as well as different module build configurations, leads to market interest in higher power rating Power Optimizers, micro inverters, and other MLPE devices. The increasing demand for storage and battery solutions is an additional noteworthy market trend which is expected to increase the attachment rate of storage to PV installations in the coming years.

Our DC optimized inverter system competes principally with products from traditional inverter manufacturers, such as SMA Solar Technology AG, Sungrow Power Supply Co., Ltd. and Huawei Technologies Co. Ltd. as well as from other Chinese inverter manufacturers. In the North American residential market, we compete with traditional string inverter manufacturers such as Tesla Inc., as well as microinverter manufacturers such as Enphase Energy, Inc. In addition, there are several new entrants to the MLPE market, including low-cost Asian manufacturers. We believe that our DC optimized inverter system offers significant technology and cost advantages that reflect a competitive differentiation over traditional inverter systems and microinverter technologies.

Our residential lithium-ion batteries for PV applications compete with global manufacturers of both lithium-ion and other residential battery storage solutions such as Tesla, LG Energy solutions Ltd., BYD Company Limited, and Enphase Energy.

## Government Incentives

U.S. federal, state, and local government laws, regulations, and bodies as well as non-U.S. government bodies, provide incentives to owners, end users, distributors, and manufacturers of solar PV and BESS systems to promote solar electricity in the form of rebates, tax credits, lower VAT rate and other financial incentives such as system performance payments, payments for renewable energy credits associated with renewable energy generation, and exclusion of solar PV systems from property tax assessments. The market for on grid applications, where solar power is used to supplement a customer's electricity purchased from the utility network or sold to a utility under tariff, often depends in large part on the availability and size of these government subsidies and economic incentives, which vary from time to time by geographic market.

In August 2022, the U.S. government enacted the Inflation Reduction Act of 2022 (the “IRA”), which contains several provisions intended to accelerate U.S. manufacturing and adoption of clean energy such as solar, wind, hydrogen and electric vehicles and therefore had positive impact on our business and operations and overall US solar market. Some of the applicable provisions in IRA that are positively impacting the market for renewable energy include the extension of 48E, the tech-neutral investment tax credit (“ITC”), and 45Y, the tech-neutral Production Tax Credit (“PTC”), through at least 2032. These credits are subject to a phase-out when annual greenhouse emissions from the production of electricity in the U.S. drop to 25% of their 2022 levels. The IRA includes incentives for residential and commercial solar customers and developers through the inclusion of ITCs for qualifying energy projects of up to 30% with a potential to gain further bonus credits such as through the utilization of Domestic Content. Because these provisions both extend existing law and create new law, guidance concerning their implementation continues to be published by the U.S. Treasury Department and the Internal Revenue Service. We continue to monitor the implementation process and are monetizing the benefits that are available to us. For example, Section 45X of the IRA offers advanced manufacturing production tax credits (“AMPTCs”), that incentivize the production of eligible components within the United States. To that end, we established manufacturing capabilities in the United States starting in 2023.

The new U.S. administration entered office on January 20, 2025, and to the extent that tax benefits or credits may be impacted through new regulation or by new law passed by Congress, our business could be adversely disadvantaged. We continue to monitor the benefits that may be available to us, such as the availability of tax credits for domestic manufacturers.

### **Trade Regulation and Import Tariffs**

Our business activities are subject to numerous laws and regulations in the jurisdictions in which we operate. Particularly, our exports and imports are subject to complex trade and customs laws, tax requirements and tariffs set by governments through mutual agreements or unilateral actions. Countries duties, tariffs or other restrictions on our imports could adversely impact our business. Changes in tax policies or trade regulations, the disallowance of tax deductions on imported merchandise, or the imposition of new tariffs on imported products, could have an adverse effect on our business and results of operations.

Escalating trade tensions between the United States and China have led to increased tariffs and trade restrictions, including tariffs applicable to some solar products. As of September 19, 2024, the U.S. trade representative (“USTR”) announced the final Section 301 import tariffs ranging from 25% to 50% on a long list of products imported from China, including solar cells, semiconductors, EVs, and Lithium-ion batteries.

The new U.S. administration has announced proposed tariffs on products manufactured abroad that are intended to be sold in the U.S. market. We continue to monitor how this situation could affect our global business operations and manufacturing in various jurisdictions. To the extent that our products or imported components could be subject to U.S. tariffs, our business could be adversely disadvantaged. The U.S. administration has proposed imposed tariffs on the import of certain goods from China which, if implemented could disadvantage some of our competitors.

### **Seasonality**

The solar energy market is subject to seasonal and quarterly fluctuations affected by weather. For example, during the winter months in Europe and the northeastern U.S. where the climate is particularly cold and snowy, it is typical to see a decline in PV installations and this decline can impact the timing of orders for our products.

## Sustainable, Responsible and Transparent Business Practices

During 2024, we continued making progress in our Environmental, Social and Governance ("ESG") performance and disclosure. Our ESG practices are guided by our mission of accelerating the move to a low-carbon world, powered by a decentralized, distributed, interconnected energy network, where electricity is generated, stored, managed and used in the most optimal manner. We have crafted a comprehensive sustainability strategy with qualitative and quantitative targets spanning various ESG matters. Our sixth annual Sustainability Report, published in 2024, was prepared in reference to leading global sustainability disclosure standards, GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board). Our sustainability strategy includes the following pillars:

- **Powering Clean Energy:** Accelerating the uptake of clean energy, delivering new smart energy, innovative solutions and improving the lifecycle impacts of our products. As a business founded upon the acceleration of clean energy, we strive to reduce our climate impact by minimizing GHG (greenhouse gas) emissions and increasing renewable electricity usage in our facilities.
- **Powering People:** Maintaining leading responsible employment practices, upholding human rights and investing in communities. In 2024, we continued to enhance our responsible employment practices, focusing on safety and on employee growth and development.
- **Powering Business:** Maintaining and reinforcing ethical conduct throughout our value chain, advancing climate resilience, improving the efficiency of our resource consumption and ethical sourcing of raw materials and components.

We believe that our sustainability strategy aligns directly with 10 United Nations Sustainable Development Goals (SDGs), and our products and activities are most critical to achievement of SDG #7, Affordable Clean Energy.

## Human Capital

We believe our success depends on our ability to attract and retain outstanding employees at all levels of our business. As of December 31, 2024, we had 3,961 employees (full time and part time). Of these employees, 1,171 were engaged in research and development, 539 in sales and marketing, 1,804 in operations, production, quality and reliability, and support, and 448 in general and administrative capacities. Of our employees, 2,052 were based in Israel, 600 were based in Europe, 475 were based in Korea, 336 were based in the U.S, 228 were based in India, and 270 were based in the remaining countries in which we operate, including China, Vietnam, Australia, and others.

Except for our SolarEdge e-Mobility employees, none of our employees are represented by a labor union. We have not experienced any employment-related work stoppages, and we consider relations with our employees to be good.

**Recruitment:** We rely on the success of our recruitment efforts to attract and retain technically skilled people who can support our ongoing innovation and global operations. We aim to be inclusive in our hiring practices, focusing on the best talent for the role, welcoming all genders, nationalities, ethnicities, abilities and other dimensions of diversity.

**Employee benefits:** We aim to provide our employees with competitive salary and benefits that enable them to achieve a good quality of life and plan for the future. Our benefits differ according to local norms and market preferences, but typically include all salary and social benefits required by local law (including retirement saving programs, paid vacation and sick leave) and many additional benefits that go beyond legal requirements in local markets.

**Leadership, Training and Development:** We aim to provide our employees with advanced professional and development skills, so that they can perform effectively in their roles and build their capabilities and career prospects for the future. We maintain a leadership program for managers and team leaders and deliver advanced professional training for sales, research and development and other functional teams as part of our extensive training program each year. Furthermore, we partner with local educational resources to offer formal learning programs on a variety of subjects for the personal development and advancement of our workforce.

**Corporate Social Responsibility:** We strive to increase opportunities for women in executive and management positions as part of our mission to promote gender parity and equal pay in accordance with equal opportunity laws.

**Workplace safety and health:** We believe that all accidents and injuries at work are preventable and we strive to achieve a zero-injury culture across our offices and operations. Our safety practices are designed to comply with applicable occupational health and safety regulations and are certified to Occupational Health and Safety Quality Management Standard ISO 45001:2018. Our safety practices include: nominated safety officers at each of our manufacturing or R&D sites, mandatory annual safety training for all employees, mandatory job-specific training for all employees in relevant roles (e.g., for those working in high-voltage labs), comprehensive safety, fire, and emergency drill programs so that our employees are well-versed with emergency procedures and root-cause assessments of incidents and corrective actions.

## Corporate Information

We were incorporated in Delaware in 2006. Our principal executive offices are located at 1 HaMada Street, Herziliya Pituach 4673335, Israel and our telephone number at this address is 972 (9) 957-6620. Our website is [www.solaredge.com](http://www.solaredge.com).

We file annual, quarterly and current reports, proxy statements and other documents with the Securities and Exchange Commission (the "SEC"), pursuant to the Securities Exchange Act of 1934 (the "Exchange Act"). Our reports, proxy statements and other documents filed electronically with the SEC are available at the website maintained by the SEC at [www.sec.gov](http://www.sec.gov).

We use the Investor Relations portion of our website at [www.solaredge.com](http://www.solaredge.com), as a routine channel of distribution of important information such as press releases, analyst presentations, corporate governance practices and corporate responsibility information, financial information including our annual, quarterly, and current reports, our proxy statements, and, if applicable, amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such reports with, or furnish them to, the SEC. All such postings and filings are available on our Investor Relations website free of charge.

Information contained on our website is not incorporated by reference into this Annual Report, and you should not consider information contained on our website as part of this Annual Report.

## ITEM 1A. Risk Factors

When evaluating our business, you should carefully consider the risks, events and uncertainties described below together with the other information set forth in this Annual Report on Form 10-K. The events and consequences discussed in these risk factors could materially affect our business, financial condition, results of operations and future growth prospects. The risks described below are not the only risks facing our company. Risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and operating results in the future. Additionally, while some of the factors, events and contingencies described herein may have occurred in the past, the disclosures herein are not representations as to whether or not they have occurred, and are instead provided because future occurrences of such factors, events, or contingencies could have a material adverse effect.

### Risk Factors Summary

The following summarizes the principal factors that make an investment in our company speculative or risky. This summary should be read in conjunction with the full risk factors discussed below and should not be relied upon as an exhaustive summary of the material risks facing our business. The order of presentation is not necessarily indicative of the level of risk that each factor poses to us.

#### We face risks related to our business and our industry, including those related to:

- Our ability to be profitable in the future.
- The rapidly evolving and competitive nature of the solar industry makes it difficult to evaluate our future prospects.
- Changes in tax law, tax treaties, and regulations or the interpretation of them, including the Inflation Reduction Act.
- The loss of key executives, and our ability to retain key personnel and attract additional qualified personnel.
- Our ability to successfully operate our global operations with a reduced work force.
- Fluctuations in demand for solar energy solutions, including if demand for solar energy solutions does not resume growth or grows at a slower rate than anticipated, and our ability to accurately forecast customer demand.
- Macroeconomic conditions in our domestic and international markets, as well as inflation concerns, instability of financial institutions, rising interest rates, and recessionary concerns.
- The impact of declines in the retail price of electricity derived from the utility grid or from alternative energy sources.
- The impact of increases in interest rates or tightening of the supply of capital on the ability of end-users to finance the cost of a solar PV system.
- The impact of increased competition as new and existing competitors introduce power optimizers, inverters, solar PV system monitoring, batteries and other smart energy products.
- Developments in alternative technologies or improvements in distributed solar energy generation.
- The cyclicality of the solar industry.
- Defects or performance problems in our products.
- Our dependence on a small number of outside contract manufacturers, including difficulties increasing production with new contract manufacturers.

- Any delays, disruptions, or quality control problems in our manufacturing operations.
- Our dependence on a limited number of suppliers for key components and raw materials in our products to adequately meet anticipated demand.
- Disruptions to our global supply chain and rising prices of oil and raw materials due to the conflict between Russia and Ukraine.
- Our reliance on distributors and large installers to assist in selling our products, and the failure of these customers to perform as expected.
- Mergers in the solar industry among our current or potential customers.
- Discontinuance of our e-Mobility business and Energy Storage Business, resulting in the write-off of tangible and intangible assets.
- We have discontinued our Energy Storage Business, resulting in the write-off of tangible and intangible assets
- Our ability to recognize expected benefits from cost reduction and restructuring.
- Any unauthorized access to, disclosure, or theft of personal information we gather, store, or use.
- Attempts by third parties, our employees, or our vendors to gain unauthorized access to our network or seek to compromise our products and services.
- Our entry into business engagements with South Korean military bodies as our customers in the lithium-ion battery and energy storage business embodies a risk for potentially large-scale and uncapped liability.
- Our entry into adjacent markets through recent acquisitions and risks associated with acquisitions, including our ability to be effective in integrating such acquisitions.
- Disruption to our business operations as a result of war and hostilities in Israel and other conditions in Israel that affect our operations may limit our ability to develop, produce and sell our products.
- The tax benefits that are available to us under Israeli law that require us to meet various conditions and may be terminated or reduced in the future, which could increase our costs and taxes.
- Difficulties in enforcing a judgment of a U.S. court against our officers and directors, to assert U.S. securities laws claims in Israel, or to serve process on our officers and directors.
- Our dependence on ocean transportation to deliver our products in a timely and cost-efficient manner.
- Fluctuations in currency exchange rates.
- Corporate social responsibility and sustainability, including the impact of evolving legal and regulatory requirements.
- Complications with the design or implementation of our new ERP system could adversely impact our business and operations.
- Natural disasters, public health events, significant disruptions of information technology systems, data security breaches, or other catastrophic events.

**We face risks related to legal, compliance and regulatory matters, including those related to:**

- Any reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar electricity applications.
- Changes to net metering policies.
- Existing electric utility industry regulations and changes to regulations, which may present technical regulatory, and economic barriers to the purchase and use of solar PV systems.

**We face risks related to intellectual property, including those related to:**

- Our ability to protect our intellectual property and other proprietary rights.
- Any claims by third parties that we are infringing upon their intellectual property rights.
- Any claims for remuneration or royalties for assigned service invention rights by our employees.
- The impairment of our goodwill or other intangible assets.

**We face risks related to our Notes and the ownership of our common stock, including those related to:**

- Volatility of our stock price.
- Provisions in our certificate of incorporation and by-laws that may have the effect of delaying or preventing a change of control or changes in our management.
- The forum selection clause contained in our certificate of incorporation.
- Our ability to raise the funds necessary to settle conversion of our convertible senior notes or Notes in cash or to repurchase the Notes upon a fundamental change.
- Our ability to raise additional capital to execute on our current or future business opportunities.
- Our lack of plans to pay any cash dividends on our common stock in the foreseeable future.
- Our share repurchase program.

## Risk Factors

### Risks related to Our Business and Our Industry

#### *Our ability to be profitable in the future.*

We achieved a net loss of \$1,806.4 million for the year ended December 31, 2024 and net profit of \$34.3 million for the year ended December 31, 2023. In 2021, we experienced an increase in revenues and profitability when compared to the same period in 2020. In 2022 our revenues grew when compared to the same period in 2021 while our net profit decreased due to reasons detailed in the Management's Discussion and Analysis Section of our Annual Report on Form 10-K for the year ended December 31, 2022. Conversely, in the third quarter of 2023, we experienced a slowdown in the demand for our products and during the second part of the third quarter of 2023, we experienced substantial unexpected cancellations and push outs of existing backlog from our European distributors. We continued to experience a slowdown in demand for our products throughout the year ending December 31, 2024. As a result, revenues in 2024 were significantly lower than the Company expected.

In the future, our revenues may not grow at the pace we anticipate, or may decline for a number of reasons, many of which are outside our control, including a decline in demand for our products, increased competition, a decrease in the growth of the solar industry, and business and industry trends including component shortages and supply chain disruptions due to ocean freight capacity, shipping times and port congestions as well as other macroeconomic conditions in our domestic and international markets, inflation concerns, rising interest rates and recessionary concerns, or our failure to continue to capitalize on growth opportunities. If we fail to maintain sufficient revenue to support our operations, we may not be able to sustain profitability.

In addition, we expect to incur additional costs and expenses related to the continued development and expansion of our business, including in connection with recent or future acquisitions as well as ongoing marketing and developing our products, development of our own manufacturing facilities, expanding into new product markets and geographies, maintaining and enhancing our research and development operations and hiring additional personnel. We do not know whether our revenues will grow rapidly enough to absorb these costs, or the extent of these expenses or their impact on the results of our operations.

#### *The rapidly evolving and competitive nature of the solar industry makes it difficult to evaluate our future prospects.*

The rapidly evolving and competitive nature of the solar industry makes it difficult to evaluate our current business and future prospects. In addition, we have limited insight into emerging trends that may adversely affect our business, financial condition, results of operations and prospects.

The viability and demand for our products and services may be affected by many factors beyond our control, including:

- cost competitiveness, reliability and performance of solar PV systems compared to conventional and non-solar renewable energy sources and products;
- competing new technologies at more competitive prices than those we offer for our products and services;
- policy change and the introduction of tariffs affecting the manufacture or sale of our products;
- availability and amount of government subsidies and incentives to support the development and deployment of solar energy solutions;
- the extent of deregulation in the electric power industry and broader energy industries to permit broader adoption of solar electricity generation;
- prices of traditional carbon-based energy sources;
- levels of investment by end-users of solar energy products, which tend to decrease when economic growth slows; and
- the emergence, continuance or success of, or increased government support for, other alternative energy generation technologies and products.

***A change in tax law, tax treaties, and regulations or the interpretation of them, including the Inflation Reduction Act.***

In August 2022, the IRA was signed into federal law. The IRA provides for, among other things, certain incentives, including certain tax credits, intended to promote clean energy. The Company has invested resources in establishing a manufacturing presence in the U.S. to benefit from the incentives available under the IRA, including benefits to installers for the purchase and installation of U.S. manufactured products and incentives for manufacturers of such products domestically. Moreover, we incorporated into our financial planning and agreements with our customers and suppliers certain assumptions regarding the future level of U.S. tax incentives. Any unfavorable regulatory treatment, or guidance, expiration of or changes to the benefits being made available, which we relied upon in structuring certain projects and investments, or any adverse impacts on our ability to ramp up production in the U.S. in a timely manner to benefit from the incentives available under the IRA, could adversely impact our business and financial condition.

As mentioned, the new U.S. Presidential administration entered office on January 20, 2025, and to the extent that tax benefits or credits available under the IRA may be changed through acts of congress by new regulation or new law, our business could be adversely disadvantaged. We continue to monitor the benefits available to us, such as the availability of tax credits for domestic manufacturers.

***The loss of key executives, and our ability to retain key personnel and attract additional qualified personnel***

On August 26, 2024, the Company's former CEO, Zvi Lando resigned, and the Board of Directors appointed its former CFO, Ronen Faier to the position of interim CEO. In conjunction with this transition, the Board of Directors also appointed Ariel Porat, formerly the Company's Senior Vice President of Finance, to serve as CFO. On December 31, 2024, Rachel Prishkolnik, our long time VP General Counsel and Corporate Secretary retired from her position and was replaced by our new Chief Legal Officer, Dalia Litay. Executive leadership and senior management transitions, reductions in workforce and employee turnover can be time consuming, difficult to manage, create instability, cause disruption to our business and result in the loss of institutional knowledge, and any of these outcomes could impede the execution of our day-to-day operations and our ability to fully implement our business strategy. These impacts could also make it more difficult to attract and retain talent. The failure to successfully hire and retain key executives and employees or the further loss of any key executives, senior management and employees could have a significant impact on our operations, including declining product identity and competitive differentiation, eroding employee morale and productivity or an inability to maintain internal controls, regulatory or other compliance related requirements, any and all of which could in turn adversely impact our business, financial condition, and results of operations.

***Our ability to successfully operate our global operations with a reduced work force***

The workforce reductions we are implementing as part of our Restructuring Plans may negatively impact our ability to attract, integrate, retain and motivate highly qualified employees, may harm our reputation with current or prospective employees, may cause disruption to our business and result in the loss of institutional knowledge and may impede the execution of our day-to-day operations and affect our ability to execute our business strategy. Under the Restructuring Plans, the Company reduced its workforce throughout the year ending December 31, 2024, through involuntary workforce reductions in order to better align the Company with current market conditions.

***Demand for solar energy solutions fluctuates, and if demand for solar energy solutions does not resume growth or grows at a slower rate than anticipated, or if we are unable to accurately forecast customer demand, our business and results of operations will suffer.***

Our revenues are primarily derived from products utilized in solar PV installations. Thus, our future success depends on continued demand for solar energy solutions and the ability of vendors to meet this demand. The solar industry is an evolving industry that has experienced substantial changes in recent years, and we cannot be certain that consumers, businesses, or utilities will adopt solar PV systems as an alternative energy source at levels sufficient to grow our business. If demand for solar energy solutions fails to continue to develop sufficiently, demand for our products and services will decrease, resulting in an adverse impact on our ability to increase our revenue and grow our business.

Additionally, there is fluctuating demand for solar energy solutions and we manufacture our products according to our estimate of future customer demand. We have experienced, and may in the future continue to experience, excess or shortages of product inventory as a result. This process requires us to make multiple forecasts and assumptions relating to the demand of our distributors, their end customers and general market conditions. Because we sell most of our products to distributors, who in turn sell to their end customers, we have limited visibility as to end-customer demand. We depend significantly on our distributors to provide us visibility into their end-customer demand, and we use these forecasts to make our own forecasts and planning decisions. If the information from our distributors turns out to be incorrect or incomplete, then our own forecasts may also be inaccurate. Furthermore, we do not have long-term purchase commitments with most of our distributors or end customers, and our sales are generally made by purchase orders that may be canceled, changed or deferred without notice to us or penalty. As a result, it is difficult to forecast future customer demand to plan our operations.

The cancellation or deferral of product orders, or overproduction due to a change in anticipated order volumes could result in us holding excess or obsolete inventory, which could result in inventory write-downs and, in turn, could have a material adverse effect on our financial condition. For example, in the second part of 2023, the solar industry began to experience a downturn, particularly in Europe, and we experienced substantial unexpected cancellations and push outs of existing backlog from our European distributors. This was a result of operational challenges in the later part of 2022, followed by record level shipments in the first half of 2023, slowing market demand in the third quarter of 2023, and which continued through the year ending December 31, 2024, as distributors began to experience financial challenges. We may have to make significant provisions for inventory write-downs based on events that are currently not known, and such provisions or any adjustments to such provisions could be material. We may also become involved in disputes with our suppliers who may claim that we failed to fulfill forecast or minimum purchase requirements.

Conversely, if we underestimate demand, we may not have sufficient inventory to meet end-customer demand, and we may incur excess costs related to expedited deliveries, lose market share, damage relationships with our distributors and end customers, harm our reputation and forego potential revenue opportunities. Obtaining additional supply in the face of product shortages may be costly or impossible, particularly in light of supply chain disruptions and our outsourced manufacturing processes, which could prevent us from fulfilling orders in a timely and cost-efficient manner or at all. In addition, if we overestimate our production requirements, our contract manufacturers may purchase excess components and build excess inventory. If our contract manufacturers, at our request, purchase excess components that are unique to our products and are unable to recoup the costs of such excess through resale or return or build excess products, we could be required to pay for these excess parts or products and recognize related inventory write-downs.

In addition, we plan our operating expenses, including research and development expenses, hiring needs and inventory investments, in part on our estimates of customer demand and future revenue. If customer demand or revenue for a particular period is lower than we expect, we may not be able to proportionately reduce our fixed operating expenses for that period, which would harm our operating results for that period.

***Macroeconomic conditions in our domestic and international markets, as well as inflation concerns, instability of financial institutions, rising interest rates, and recessionary concerns may adversely affect our industry, business and financial results.***

Our business depends on the overall demand for our solar energy products and on the economic health and willingness of our customers and potential customers to make capital commitments to purchase our products and services. As a result of macroeconomic or market uncertainty, including inflation concerns, rising interest rates, recessionary concerns, and geopolitical conflicts, customers may decide to delay purchasing our products and services or not purchase at all. In addition, a number of the risks associated with our business, which are disclosed in these risk factors, may increase in likelihood, magnitude or duration, and we may face new risks that we have not yet identified.

In the past, unfavorable macroeconomic and market conditions have resulted in sustained periods of decreased demand. Macroeconomic and market conditions could be adversely affected by a variety of political, economic or other factors in the U.S. and international markets, which could, in turn, adversely affect spending levels of installers and end users and could create volatility or deteriorating conditions in the markets in which we operate. Macroeconomic uncertainty or weakness could result in:

- reduced demand for our products as a result of constraints on capital spending for solar energy systems by our customers and/or a reduction in government subsidies for renewable energy investments;
- increased price competition for our products that may adversely affect revenue, gross margin and profitability;
- the introduction of any disadvantageous trade regulations and import tariffs;
- decreased ability to forecast operating results and make decisions about budgeting, planning and future investments;
- decrease in the popularity of solar energy as a green energy solution;
- business and financial difficulties faced by our suppliers or other partners, including impacts to material costs, sales, liquidity levels, ability to continue investing in their businesses, ability to import or export goods, ability to meet development commitments and manufacturing capability; and
- increased overhead and production costs as a percentage of revenue.

Reductions in customer spending in response to unfavorable or uncertain macroeconomic and market conditions, globally or in a particular region where we operate, would adversely affect our business, results of operations and financial condition.

***A drop in the retail price of electricity derived from the utility grid or from alternative energy sources may harm our business, financial condition, results of operations, and prospects.***

Decreases in the retail prices of electricity from the utility grid, or other renewable energy resources, would make the purchase of solar PV systems less economically attractive and would likely lower sales of our products. The price of electricity derived from the utility grid could decrease as a result of:

- construction of a significant number of new power generation plants, including plants utilizing natural gas, nuclear, coal, renewable energy, or other generation technologies;
- relief of transmission constraints that enable local centers to generate energy less expensively;
- reductions in the price of natural gas, or alternative energy resources other than solar;
- utility rate adjustment and customer class cost reallocation;
- energy conservation technologies and public initiatives to reduce electricity consumption;
- development of smart-grid technologies that lower the peak energy requirements of a utility generation facility;
- development of new or lower-cost energy storage technologies that have the ability to reduce a customer's average cost of electricity by shifting load to off-peak times; and
- development of new energy generation technologies that provide less expensive energy.

Moreover, technological developments in the solar components industry could allow our competitors and their customers to offer electricity at costs lower than those that can be offered by us to our customers, which could result in reduced demand for our products. If the cost of electricity generated by solar PV installations incorporating our systems is high relative to the cost of electricity from other sources, our business, financial condition, and results of operations may be harmed.

***An increase in interest rates or tightening of the supply of capital in the global financial markets could make it difficult for end-users to finance the cost of a solar PV system and could reduce the demand for smart energy products and thus the demand for our products.***

Many end-users depend on financing to fund the initial capital expenditure required to develop, build, or purchase a solar PV system. An increase in interest rates or a reduction in the supply of project debt financing or tax equity investments, could reduce the number of solar projects that receive financing or otherwise make it difficult for our customers or the end-users to secure the financing necessary to develop, build, purchase, or install a solar PV system on favorable terms, or at all, and thus lower demand for our products which could limit our growth or reduce our net sales. In addition, we believe that a significant percentage of end-users install solar PV systems as an investment, funding the initial capital expenditure through financing. An increase in interest rates could lower such end-user's return on investment on a solar PV system, increase equity return requirements or make alternative investments more attractive relative to solar PV systems, and, in each case, could cause such end-users to seek alternative investments. During 2022 and 2023, record levels of inflation have resulted in significant volatility and disruptions in the global economy. In response to rising inflation, central banks in the markets in which we operate, including the U.S. Federal Reserve and the European Central Bank, have tightened their monetary policies and raised interest rates. Such measures have adversely impacted the demand for our products which may continue if there is a period of sustained heightened inflation.

***The market for our products is highly competitive and we expect to face increased competition as new and existing competitors introduce power optimizers, inverters, solar PV system monitoring, batteries and other smart energy products, which could negatively affect our results of operations and market share.***

The market for solar PV solutions is highly competitive. We principally compete with traditional inverter manufacturers as well as microinverter manufacturers. Currently, our DC optimized inverter system competes with products from traditional inverter manufacturers, microinverter manufacturers, as well as emerging technology companies offering alternative MLPE products. Over the past few years, several new entrants to the inverter and MLPE market, including low-cost Asian manufacturers, have announced plans to ship or have already shipped products in markets in which we sell our products, including, with respect to sales in the U.S., Australia and in Europe. We expect competition to intensify as new and existing competitors enter the market. In addition, there are several new entrants that are proposing storage batteries as well as solutions to the rapid shutdown functionality which has become a regulatory requirement for PV rooftop solar systems in the U.S. If these new technologies are successful in offering a price competitive and technological attractive solution to the residential solar PV market, this could make it more difficult for us to maintain market share.

Several of our existing and potential competitors have the financial resources or have received certain subsidies in order to offer competitive products at aggressive or below-market pricing levels, which could cause us to lose sales or market share or require us to lower prices for our products in order to compete effectively. Specifically, competition from Chinese state owned or financed companies pose a threat. If we have to reduce our prices by more than we anticipated, or if we are unable to offset any future reductions in our average selling prices by increasing our sales volume, reducing our costs and expenses or introducing new products, our revenues and gross profit would suffer.

In addition, competitors may be able to develop new products more quickly than us, may partner with other competitors to provide combined technologies and competing solutions and may be able to develop products that are more reliable or that provide more functionality than ours.

***Developments in alternative technologies or improvements in distributed solar energy generation may have a material adverse effect on demand for our offerings.***

Significant developments in alternative technologies, such as advances in other forms of distributed solar PV power generation, storage solutions, such as batteries, the widespread use or adoption of fuel cells for residential or commercial properties or improvements in other forms of centralized power production, may have a material adverse effect on our business and prospects. Any failure by us to adopt new or enhanced technologies or processes, or to react to changes in existing technologies, could result in product obsolescence, the loss of competitiveness of our products, decreased revenue and a loss of market share to competitors.

*The solar industry has historically been cyclical and experienced periodic downturns.*

Our future success partly depends on continued demand for solar PV systems in the end-markets we serve, including the residential and commercial sectors in the U.S. and Europe. The solar industry has historically been cyclical and has experienced periodic downturns which have affected and may in the future affect demand for our products. The solar industry has undergone challenging business conditions in past years, including downward pricing pressure for PV modules, mainly as a result of overproduction, and reductions in applicable governmental subsidies, contributing to demand decreases. For example, since the second part of 2023 and throughout 2024, the solar industry experienced a downturn, which continues, particularly in Europe, which led to a large amount of requests to cancel or push out orders and the buildup of significant backlog for our products. This slowdown in the market in Europe continues in 2025 and it is not clear when demand for PV systems in Europe will increase and return to the levels that it was at in 2021 and 2022. Additionally, there is no assurance that the solar industry will not suffer additional significant downturns in the future, which will adversely affect demand for our solar products and our results of operations.

*Defects or performance problems in our products could result in loss of customers, reputational damage, and decreased revenue, and we may face warranty, indemnity, and product liability claims arising from defective products.*

Although our products meet our stringent quality requirements, they may contain undetected errors or defects, especially when first introduced or when new generations are released. Errors, defects, or poor performance can arise due to design flaws, defects in raw materials or components or manufacturing difficulties, which can affect both the quality and the yield of the product. Any actual or perceived errors, defects, or poor performance in our products could result in the replacement or recall of our products or components thereof, shipment delays, rejection of our products, damage to our reputation, lost revenue, diversion of our personnel from our product development efforts, and increases in customer service and support costs, all of which could have a material adverse effect on our business, financial condition, and results of operations.

Furthermore, defective components may give rise to warranty, indemnity, or product liability claims against us that exceed any revenue or profit we receive from the affected products. In most cases, we offer a minimum 12-year limited warranty for our inverters, extendable to twenty-five years for an additional cost, a 25-year limited warranty for our power optimizers and a 10-year limited warranty for our residential energy bank battery. Our limited warranties cover defects in materials and workmanship of our products under normal use and service conditions; therefore, we bear the risk of warranty claims long after we have sold products and recognized revenue. While we do have accrued reserves for warranty claims, our estimated warranty costs for previously sold products may change to the extent future products are not compatible with earlier generation products under warranty. Our warranty accruals are based on our assumptions and we do not have a long history of making such assumptions. As a result, these assumptions could prove to be materially different from the actual performance of our systems, causing us to incur substantial unanticipated expenses to repair or replace defective products in the future or to compensate customers for defective products. Our failure to accurately predict future claims could result in unexpected volatility in, and have a material adverse effect on, our financial condition. In particular, our commercial CSS-OD batteries are still relatively new on the market and we do not have the experience in servicing these products yet.

If one of our products were to cause injury to someone or cause property damage, or in the event that a claim is made alleging false or misleading advertisement, unfair competition or other consumer related claims, we could potentially be exposed to product liability claims and lawsuits which could result in significant costs and liabilities if damages are awarded against us. Further, any product liability claim we face could be expensive to defend and could divert management's attention. Even in litigation where we believe our liability is remote, there is a risk that a negative finding or decision in a matter involving multiple plaintiffs or a purported class action could have a material adverse effect on our competitive position, results of operations or financial condition.

The successful assertion of a product liability claim against us could result in potentially significant monetary damages, penalties or fines, subject us to adverse publicity, damage our reputation and competitive position, and adversely affect sales of our products. In addition, product liability claims, injuries, defects, or other problems experienced by other companies in the residential solar industry could lead to unfavorable market conditions for the industry as a whole.

***We depend upon a small number of outside contract manufacturers. Our operations could be disrupted if we encounter problems with these contract manufacturers, including difficulties ramping production with new contract manufacturers.***

While we manufacture a small portion of our products in Israel, we heavily rely upon our contract manufacturers to manufacture most of our products. We mainly rely on two contract manufacturers. Any change in our relationship or contractual terms with our contract manufacturers, or changes in our contract manufacturers' ability to comply with their contractual obligations could adversely affect our financial condition and results of operations. Our reliance on a small number of contract manufacturers makes us vulnerable to possible capacity constraints and reduced control over component availability, delivery schedules, manufacturing yields and costs. Even though we have commenced manufacturing in our facilities in Israel, the expected production volumes will not be sufficient to relieve our significant dependence on our contract manufacturers. In addition, we remain heavily dependent on suppliers of the components needed for our manufacturing.

The revenues that our contract manufacturers generate from our orders represent a relatively small percentage of their overall revenues. Therefore, fulfilling our orders may not be considered a priority in the event of constrained ability to fulfill all of their customer obligations in a timely manner.

If either of our contract manufacturers were unable or unwilling to manufacture our products in required volumes and at high quality levels or continue to supply under existing terms, we would have to identify, qualify, and select acceptable alternative contract manufacturers, which may not be available to us when needed or may be unable to satisfy our quality or production requirements on commercially reasonable terms. Any significant interruption in manufacturing would require us to reduce our supply of products to our customers or increase our shipping costs to make up for delays in manufacturing, which in turn could reduce our revenues, harm our relationships with our customers, subject us to liquidated damages for late deliveries, and damage our reputation with local installers and potential end-users, all of which will cause us to forego potential revenue opportunities.

Further, the ramping up of a new contract manufacturer is time consuming and draining on the resources of our operations team. For example, in light of the IRA, a law in the United States that incentivizes the local manufacturing of renewable energy products by providing benefits to installers for the purchase and installation of U.S.-manufactured products as well as by incentivizing manufacturers of such products domestically, we have engaged two contract manufacturers in the U.S. Our ability to ramp up production with these contract manufacturers in a timely manner, and to realize the benefits from the IRA as planned, is dependent upon supply times of equipment deliveries and readiness of the assembly lines, recruitment and training of the necessary work force, ramp up of the assembly lines and the quality of the initial production.

***We may experience delays, disruptions, or quality control problems in our manufacturing operations.***

Our product development, manufacturing, and testing processes are complex and require significant technological and production process expertise involving several precise steps from design to production. Any change in our processes could cause one or more production errors, requiring a temporary suspension or delay in our production line until the errors can be identified and properly rectified. This may occur particularly as we introduce new products, modify our engineering and production techniques, and/or expand our capacity. In addition, our failure to maintain appropriate quality assurance processes could result in increased product failures, loss of customers, increased warranty reserve, increased costs and delays, all of which could have a material adverse effect on our business, financial condition, and results of operations.

***We depend on a limited number of suppliers for key components and raw materials in our products to adequately meet anticipated demand. Due to the limited number of such suppliers, any changes or shortages in raw materials or key components we use could result in sales delays, higher costs associated with air shipments, cancellations, and loss of market share.***

We depend on limited or single source suppliers for certain key components and raw materials used to manufacture our products, making us susceptible to quality issues, shortages and price changes. Any of these limited or single source suppliers could stop supplying, or offering at commercially reasonable prices, our components or raw materials, cease operations or be acquired by, or enter into exclusive arrangements with our competitors. Moreover, we rely on suppliers in China for certain key components, and rising tensions between China and other countries could damage our relationships with these suppliers. Because there are few suppliers of raw materials used to manufacture our products, it may be difficult to timely identify and/or qualify alternate suppliers on commercially reasonable terms; therefore, our ability to satisfy customer demand may be adversely affected. Transitioning to a new supplier or redesigning a product to accommodate a new component manufacturer would result in additional costs and delays that could harm our business or financial performance.

In addition, given our dependence on suppliers in China, changes in international trade policies, tariffs, or trade disputes could significantly and adversely affect our business, revenues, margins, results of operations, and cash flows.

Managing our supplier and contractor relationships is particularly difficult when we are introducing new products. For example, as we began to ramp assembly and production of residential and commercial batteries we became heavily reliant on new third-party suppliers that needed to be approved through rigorous testing and validation processes for use in our supply chain. Once selected, it is time consuming and costly to replace such vendors. Any delay or shortage of supply or inability to deliver the components to our manufacturing facilities could harm our business or financial performance.

Any interruption in the supply of limited source components or raw materials for our products would adversely affect our ability to meet scheduled product deliveries to our customers and could result in lost revenue or higher expenses associated with increased air shipments required to meet customer demand in a timely manner and would harm our business. For example, in 2021 and 2022, we experienced raw material shortages due to increased lead time which affected our ability to timely receive certain components within the previously expected lead times. If this were to reoccur, such shortages could result in a delay in sales, higher costs associated with air shipments, cancellations of orders by customers, liquidated damages for late deliveries and loss of market share.

***Disruption in our global supply chain and rising prices of oil and raw materials as a result of the conflict between Russia and Ukraine may adversely affect our businesses and results of operations.***

The conflict that began between Russia and Ukraine in late February 2022 may lead to disruptions to our supply-chain and logistics. Specifically, the conflict may disrupt the transit of goods by train from China to Europe, resulting in an increase in prices of certain raw materials sourced in Russia (such as nickel and aluminum) that we use in the manufacture of our products as well as increase in oil prices that will in turn cause overall shipping costs to rise. In addition, the governments of the U.S., the European Union, Japan and other jurisdictions have announced sanctions on certain industry sectors and parties in Russia and the regions of Donetsk and Luhansk, as well as enhanced export controls on certain products and industries. These and any additional sanctions, as well as any counter responses by the governments of Russia or other jurisdictions, could adversely affect the global financial markets generally and levels of economic activity as well as increase financial markets volatility and any additional measures or sanctions, as well as the resulting rise in prices of oil and certain raw materials sourced in Russia may disrupt our business and results of operations and/or adversely affect the pricing of our products.

***We rely on distributors and large installers to assist in selling our products, and the failure of these customers to perform as expected could reduce our future revenues.***

Our customers' decisions to purchase our products are influenced by several factors outside of our control. The agreements we have with some of our largest customers do not have long-term purchase commitments and are generally cancellable by either party after a relatively short notice period. The loss of, or events affecting, one or more of these customers could have a material adverse effect on our business, financial condition, and results of operations (see Note 2.aa to our consolidated financial statements).

In addition, we do not have exclusive arrangements with our third-party distributors and large installers, many of which also market and sell products from our competitors. These distributors and large installers may terminate their relationships with us at any time and with little or no notice. Further, these distributors and large installers may fail to devote resources necessary to sell our products at the prices, in the volumes, and within the time frames that we expect, or may focus their marketing and sales efforts on products of our competitors. Termination of agreements with current distributors or large installers, failure by these distributors or large installers to perform as expected, or failure by us to cultivate new distributor or large installer relationships, could hinder our ability to expand our operations and could negatively impact our revenue and results of operations.

In the second half of 2023 and throughout 2024, with the downturn of the renewable energy demand, some players in the market have announced exiting the solar market and others have shown signs of financial distress. For example, in January 2024, ADT announced that it was exiting the residential solar business completely after having bought Sunpro Solar in 2021. ADT was not a customer of SolarEdge, but the trend could continue and SolarEdge customers could also decide to exit the solar business. Some of our customers and some installers who purchase our products from distributors have shown signs of financial distress and some have requested and received extended payment terms or loans from us. If these installers and distributors become insolvent or if some of their customers fail to pay our distributors for products sold by such distributors, we may need to write off some of their debt to us and we may suffer harm to our business, financial condition, and results of operations.

***Mergers in the solar industry among our current or potential customers may adversely affect our competitive position.***

There has been an increase in consolidation activities among distributors, large installers, and other strategic partners in the solar industry. For example, in October 2020, Sunrun, a leading provider of residential solar, battery storage and energy services, acquired Vivint Solar. In addition, in December 2021, Stem Inc., a storage software and services company acquired AlsoEnergy, a solar asset management software company. If this consolidation continues and impacts our customers, it will further increase our reliance on a small number of customers for a significant portion of our sales and may negatively impact our competitive position in the solar market.

***Our expansion into new geographic markets or new product lines or services could subject us to additional business, financial, and competitive risks.***

We have in the past, and may in the future, evaluate opportunities to expand into new geographic markets and introduce new product offerings and services. We also may from time to time engage in acquisitions of businesses or product lines with the potential to strengthen and expand our market position, technological capabilities, or provide synergy opportunities. For example, we intend to continue to introduce new products targeted at large commercial installations.

Our successful operation in any markets, or any acquired business, will depend on a number of factors, including our ability to develop solutions to address the requirements of the large commercial and utility-scale solar PV markets, timely certification of new products for large commercial and utility-scale solar PV installations, acceptance of power optimizers in solar PV markets in which they have not traditionally been used, and our ability to manage increased manufacturing capacity and production and to identify and integrate any acquired businesses.

Further, we expect these new solar PV markets and additional markets we have entered, or may enter into, to have different characteristics from the markets in which we currently sell our products. Our success will depend on our ability to properly adapt to these differences, which include differing regulatory requirements, such as tax laws, trade laws, labor regulations, tariffs, export quotas, customs duties, or other trade restrictions, limited or unfavorable intellectual property protection, international, political or economic conditions, restrictions on the repatriation of earnings, longer sales cycles, warranty expectations, product return policies and cost, and performance and compatibility requirements. In addition, expanding into new geographic markets will increase our exposure to existing risks, such as fluctuations in the value of foreign currencies and increased expenses in complying with U.S. and foreign laws, regulations and trade standards, including the Foreign Corrupt Practices Act of 1977, as amended (the "FCPA").

Failure to successfully develop and introduce these new products, successfully integrate acquired businesses, or to otherwise manage the risks and challenges associated with our potential expansion into new product and geographic markets, could adversely affect our revenues and our ability to sustain profitability.

***We have discontinued our e-Mobility business and energy storage business, resulting in the write-off of tangible and intangible assets.***

In October 2023, the Company decided to discontinue its LCV e-Mobility activity related to the supply of products to its sole customer, Stellantis. Our e-Mobility business currently does not have additional substantial projects in the pipeline, and we do not plan to engage additional customers or generate revenues from the e-Mobility business. We have therefore discontinued this business. In the year ended December 31, 2022, we impaired goodwill and intangible assets related to our e-Mobility business and in the year ended December 31, 2023, we impaired tangible assets including machinery and inventory write-off. Such impairment charges have had a negative impact on our operating results and related financial statements.

In November 2024, the Company announced that it intends to discontinue its Energy Storage business related to the manufacture of batteries, mainly at our Sella2 location in South Korea in order to focus on the Company's core solar business.

***We may not realize expected benefits from our cost reduction and restructuring efforts, and our profitability or our business otherwise might be adversely affected.***

In order to operate more efficiently and cost effectively, we have, and we may from time to time, adjust employment levels, optimize our footprint and/or implement other restructuring activities. For example, in January, July, and November 2024, as well as January 2025, we announced adoption of a restructuring plan in response to challenging industry conditions, including a reduction in workforce. These activities are complex and may involve or require significant changes to our operations. If we do not successfully manage these activities, expected efficiencies and benefits might be delayed or not realized. Risks associated with these actions and other workforce management issues include: unfavorable political responses and reputational harm; unforeseen delays in the implementation of the restructuring activities; additional costs; adverse effects on employee morale; the failure to meet operational targets due to the loss of employees or work stoppages; and difficulty managing our operations during or after facility consolidations, any of which may impair our ability to achieve anticipated cost reductions, harm our business or reputation, or have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

***Any unauthorized access to, disclosure, or theft of personal information we gather, store, or use could harm our reputation and subject us to claims or litigation.***

Our business and operations may be impacted by cybersecurity incidents data security breaches and cybersecurity attacks, including attempts to gain unauthorized access to confidential data. We receive, store, and use certain personal information of our employees, customers, and the end-users of our customers' solar PV systems. We may also share information with contractors and third-party providers to conduct our business. Although such contractors and third-party providers typically implement encryption and authentication technologies to secure the transmission and storage of data, those third-party providers may experience a significant data security breach, which may also detrimentally affect our business, results of operations, and financial condition.

As detailed in Item 106 - Cybersecurity, we take steps to protect the security, integrity, and confidentiality of the personal information we process; however, we have been subject to cybersecurity attacks and other information technology system disruptions in the past and there is no guarantee that inadvertent or unauthorized access, use or disclosure will not occur despite our efforts. As such, while we have not experienced a material cybersecurity incident to date, a material cybersecurity incident could materially affect our operations and production, including our ability to produce goods or provide services and our ability to timely and accurately produce financial reports. In addition, because techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until after they are launched against a target, we and our suppliers or vendors may be unable to anticipate these techniques or to implement adequate preventative or mitigatory measures.

Unauthorized use or disclosure of, or access to, any personal information maintained by us or on our behalf, whether through breach of our systems, breach of the systems of our suppliers or vendors by an unauthorized third party, or through employee or contractor error, theft or misuse, or otherwise, could harm our business, particularly in light of the European General Data Protection Regulation, the California Consumer Privacy Act, and China Personal Information Protection Law (PIP), and other state and federal laws in the U.S., which are already in effect or are coming into effect between 2024 and 2026. If any such unauthorized use manipulation, corruption, loss, or disclosure of, or access to, such personal information were to occur, our operations could be seriously disrupted, including the inability to render services due to system outages, and we could be subject to demands, claims and litigation by private parties, and investigations, related actions, and penalties by regulatory authorities. In addition, we could incur significant costs in notifying affected persons and entities and otherwise complying with the multitude of foreign, federal, state, and local laws and regulations relating to the unauthorized access to, or use or disclosure of, personal information. Any perceived or actual unauthorized access to, or use or disclosure of, such information could harm our reputation, substantially impair our ability to attract and retain customers, and have an adverse impact on our business, financial condition and results of operations. Any of the foregoing may be exacerbated by a delay or failure to detect a cybersecurity incident or the full extent of such incident. We may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future. In addition, our liability insurance, which includes cyber insurance, might not be sufficient in type or amount to cover us against claims related to security incidents, cyberattacks and other related incidents.

***Attempts by third parties, our employees, or our vendors might gain unauthorized access to our network or seek to compromise our products and services.***

Occasionally, we face attempts by others, including our own employees or vendors, to access our networks, to gain unauthorized access through the Internet, introduce malicious software to our information technology (IT) systems, or corrupt the processes of hardware and software products that we manufacture and services we provide. We or our products may be a target of computer hackers, organizations or malicious attackers who attempt to gain access to our network or data centers or those of our customers or end users; steal proprietary information related to our business, products, employees, and customers; or interrupt our systems or those of our customers or others. Occasionally, we encounter intrusions or attempts at gaining unauthorized access to our network. To date, none of these incidents have resulted in any material adverse impact to our business or operations, although there can be no guarantee that such impacts will not be material in the future. While we seek to detect and investigate all unauthorized attempts and attacks against our network and products, and to prevent their recurrence where practicable, we remain potentially vulnerable to additional known or unknown threats. In addition to intentional third-party cybersecurity breaches, the integrity and confidentiality of Company and customer data may be compromised as a result of human error, product defects, or technological failures. Cybersecurity breaches, whether successful or unsuccessful, and other IT system interruptions, including those resulting from human error and technological failures, could subject us to significant costs arising from, among others, rebuilding internal systems, reduced inventory value, providing modifications to our products and services, defending against litigation, responding to official inquiries or actions, paying damages, or taking other remedial steps with respect to third parties.

***Our entry into business engagements with South Korean military bodies as our customers in the lithium-ion battery and energy storage business embodies a risk for potentially large-scale and uncapped liability.***

As a result of the acquisition of our Korean subsidiary (formerly Kokam), we sell a small portion of our products to customers who integrate our storage systems or cells and then sell these products to military customers. Our sales to military customers often involve standard form contracts, which may not be subject to negotiation. In particular, certain of these contracts involve unlimited damages provisions that could result in large-scale liabilities.

***Our entry into adjacent markets through acquisitions is highly competitive and it is difficult to evaluate our future in these new markets. Our business could be materially adversely affected as a result of the risks associated with acquisitions and investments including our ability to effectively integrate such acquisitions.***

Our non-solar businesses in adjacent markets, such as energy storage, are highly competitive markets in which we will need to compete. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, including unpredictable and volatile revenues and increased expenses, with respect to the ability or failure to integrate such acquisitions. For example, in October 2023, we decided to discontinue our light commercial vehicle e-Mobility ("LCV") activity related to the supply of products to the sole customer and do not plan to be active in the e-Mobility business in the future. Also in November 2024, we decided to discontinue our Energy Storage activity in South Korea. The viability and demand for our products and services may be affected by many factors beyond our control, including:

- cost competitiveness, reliability and performance of storage solutions, including the price of raw materials for battery cells and the manufacturing costs of battery cells, packs and containers;
- popularity of solar energy as a green energy solution;
- competing new technologies at more competitive prices than those we offer for our products and services;
- prices of traditional carbon-based energy sources; and
- the emergence, continuance or success of, or increased government support for, other alternative energy generation and storage technologies and products.

As part of our growth strategy, we made a number of acquisitions, and may, in the future continue to make acquisitions and investments in the future. Discontinuing businesses may also create liabilities and expenses that may adversely affect our business. We evaluate the tactical or strategic opportunities available related to complementary businesses, products or technologies. There can be no assurance that we will be successful in making additional acquisitions. Even if we are successful in making additional acquisitions, integrating an acquired company's business into ours or investing in new technologies may result in unforeseen operating difficulties and large expenditures and absorb significant management attention that would otherwise be available for the ongoing development of our business, both of which may result in the loss of key customers or personnel and expose us to unanticipated liabilities. Further, we may not be able to retain the key employees that may be necessary to operate the businesses we acquire and we may not be able to attract, in a timely manner, new skilled employees and management to replace them.

We may not be able to consummate acquisitions or investments that we have identified as crucial to the implementation of our strategy for other commercial or economic reasons. Further, we may not be able to obtain the necessary regulatory approvals, including those of competition authorities and foreign investment authorities, in countries where we seek to consummate acquisitions or make investments. For those and other reasons, we may ultimately fail to consummate an acquisition, even if we announce the intended acquisition.

***Disruption to our business operations as a result of war and hostilities in Israel and other conditions in Israel that affect our operations may limit our ability to develop, produce and sell our products.***

Our headquarters and research and development center are located in Israel. Accordingly, political, economic, and military conditions in Israel directly affect us. Israel has been and is currently involved in a number of armed conflicts and is the target of terrorist activity, including threats from Gaza, Iran, the Houthi militants in Yemen, Hezbollah militants in Lebanon, Iranian militia in Syria, and others. The state of hostility disrupts day-to-day civilian activity and negatively affects our business conditions.

Violence between Hamas and Israel intensified on October 7th, 2023 when the terrorist group launched an unprecedented attack on Israel. On October 8, 2023 the Israeli Government declared that the Security Cabinet of the State of Israel approved a war situation in Israel. Since our headquarters and most of our employees operate from Israel, the state of war has disrupted and is continuing to disrupt our business operations. This situation has impacted the availability of our workforce, as part of our workforce in Israel, where we are headquartered, have been called into active reserve duty. Since November 2023, the Houthis, a rebel Shi'a group in Yemen have been attacking international shipping lanes in the red sea forcing commercial ships to redirect commercial freight traffic away from the Bab al Mandab Strait and the Suez Canal, and find alternative longer and safer travel routes. If this situation continues or intensifies shipment costs and energy prices may increase which in turn may have an impact on the Company as well as on the global economy. While our offices and facilities are open worldwide, including in Israel, and, to date, we have not had disruptions to our ability to manufacture and deliver products and services to customers, a prolonged war or an escalation of the current conditions in Israel could materially adversely affect our business, financial condition, and results of operations.

In addition, any future armed conflict, political instability or violence in the region may impede our ability to manage our business effectively, operate our manufacturing plant in northern Israel, engage in research and development, or otherwise adversely affect our business or operations. In the event of escalation of the current war situation or others, we may be forced to cease operations, which may cause delays in the distribution and sale of our products. Some of our directors, executive officers, and employees in Israel are obligated to perform reserve duty in the Israeli military and are subject to being called for additional active duty under emergency circumstances. In the event that our principal executive office is damaged as a result of hostile action, or hostilities otherwise disrupt the ongoing operation of our offices, our ability to operate could be materially adversely affected.

Additionally, several countries principally in the Middle East, restrict doing business with Israeli companies, and additional countries and groups may impose similar restrictions if hostilities in Israel or political instability in the region continue or increase. If instability in neighboring states results in the establishment of fundamentalist Islamic regimes or governments more hostile to Israel, or if Egypt or Jordan abrogates its respective peace treaty with Israel, Israel could be subject to additional political, economic, and military confines, and our operations and ability to sell our products to countries in the region could be materially adversely affected.

Any current or future hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners, or significant downturn in the economic or financial condition of Israel, could have a material adverse effect on our business, financial condition, and results of operations.

In that regard, since the start of the war on Hamas, we have become aware of pressure being placed on our customers not to engage in business with us due to our affiliation with Israel. In addition, foreign policy could be negatively impacted with regard to Israel. If these pressures intensify or continue to occur, they could impact our business with suppliers and customers which could in turn adversely impact our reputation, results of operations or financial condition.

Additionally, in 2023, the Israeli government announced plans to significantly reduce the Israeli Supreme Court's judicial oversight, including reducing its ability to strike down legislation that it deems unreasonable, and plans to increase political influence over the selection of judges. Although the Israeli Supreme Court partially struck down these plans, the current government has vowed to make other changes to law that limit the powers of the Supreme Court. If such government plans are eventually enacted, they may cause operational challenges for us since we are headquartered in Israel and many of our employees are located in Israel.

***The tax benefits that are available to us under Israeli law require us to meet various conditions and may be terminated or reduced in the future, which could increase our costs and taxes.***

SolarEdge Technologies, Ltd., our Israeli subsidiary ("Israeli Subsidiary") was eligible for certain tax benefits provided to "Benefited Enterprises" under the Israeli Law for the Encouragement of Capital Investments, 1959 (the "Investments Law"). Beginning in January 2019, and with respect to its taxable results from 2019 onwards, our Israeli Subsidiary further elected to apply the terms of the Investments Law as per "Preferred Enterprise" ("PE") or "Preferred Technological Enterprise" ("PTE"). In order to remain eligible for the tax benefits for "Benefited Enterprises" with respect to our Israeli Subsidiary's taxable results until 2018 and with respect to its taxable results from 2019 for PE or PTE, we must continue to meet certain conditions stipulated in the Investments Law and its regulations, as amended. If these tax benefits are reduced, cancelled, or discontinued, or if we are held to have violated the conditions stipulated in the Law, our Israeli taxable income would be subject, in whole or in part, to regular Israeli corporate tax rates and we may be required to refund any tax benefits that we have already received, plus interest and penalties thereon. The statutory corporate tax rate for Israeli companies is 23% as of January 1, 2018 and onward. Additionally, if we increase our activities outside of Israel through acquisitions or otherwise through our Israeli Subsidiary, our existing or expanded activities might not be eligible for inclusion in existing or future Israeli tax benefit programs. The Israeli government may furthermore independently determine to reduce, phase out or eliminate entirely the benefit programs under the Investments Law, regardless of whether we then qualify for benefits under those programs at the time, which would also adversely affect our global tax rate and our results of operations.

***It may be difficult to enforce a judgment of a U.S. court against our officers and directors, to assert U.S. securities laws claims in Israel, or to serve process on our officers and directors.***

Many of our directors and executive officers, their assets, and most of our assets are located outside of the U.S. Consequently, a judgment obtained against any of these persons, including a judgment based on the civil liability provisions of the U.S. federal securities laws, may not be collectible in the U.S. It also may be difficult to effect service of process on these persons in the U.S. or to assert U.S. securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of U.S. securities laws on the grounds of *forum non conveniens*. In addition, even if an Israeli court hears a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proven as a fact by expert witnesses, which can be a lengthy and costly process. Further, an Israeli court may not enforce a judgment awarded by a U.S. or other non-Israeli court. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel that addresses these matters. As a result of the difficulty associated with enforcing a judgment against any of these persons in Israel, judgment against many of our directors and executive officers may be unachievable or unenforceable.

***We are dependent on ocean transportation to deliver our products in a timely and cost efficient manner. If we are unable to use ocean transportation to deliver our products, our business and financial condition could be materially and adversely impacted. Additionally, we are impacted by storage prices that have increased in the past year.***

We rely on ocean transportation for the delivery of most of our products to our customers, and when unavailable, incompatible with customer delivery time requirements, or when we are unable to accommodate accelerated delivery times due to growing customer volume demands or shipment constraints, we rely on alternative, more expensive air transportation. Our ability to deliver our products via ocean transportation could be adversely impacted by shortages in available cargo capacity, changes by carriers and transportation companies in policies and practices, such as scheduling, pricing, payment terms and frequency of service or increases in the cost of fuel, taxes and labor, disruptions to ports and other shipping facilities as a result of the Covid-19 or other epidemics and other factors not within our control. If we are unable to use ocean transportation and are required to substitute more expensive air transportation, our financial condition and results of operations could be materially and adversely impacted.

Throughout the year ended December 31, 2023 and until the middle of the year ending December 31, 2024, we experienced an increase in the cost of revenues sold due to an increase in shipping rates that resulted from a reduction in ocean freight capacity and the reduction in the availability of air freight that increased the demand for ocean freight. Shipping rates have significantly decreased in the second half of 2024. Due to a decrease in the sale of our products, the mentioned costs have had marginal effects on our business.

***Fluctuations in currency exchange rates may negatively impact our financial condition and results of operations.***

Although our financial results are reported in U.S. dollars, 42.6% of our revenues in the year ended December 31, 2024 were generated in currencies other than the U.S. Dollar. In addition, a significant portion of our operating expenses are accrued in New Israeli Shekels (primarily related to payroll), the Euro and, to a lesser extent, the South Korean Won (“KRW”) and other currencies. As detailed in the Foreign Currency Exchange Risk under Item 7A - Quantitative and Qualitative Disclosures About Market Risk, our profitability is affected by movements of the U.S. dollar against the Euro, and, to a lesser extent, the New Israeli Shekel, KRW and other currencies in which we generate revenues, incur expenses and maintain cash balances. Foreign currency fluctuations may also affect the prices of our products which are denominated primarily in U.S. dollars. If there is a devaluation of a particular currency, the prices of our products will increase relative to the local currency and may be less competitive. Despite our efforts to minimize foreign currency risks, primarily by maintaining cash balances in New Israeli Shekels, significant long-term fluctuations in relative currency values, in particular a significant change in the relative values of the Euro and, New Israeli Shekel, KRW and other currencies, against the U.S. dollar could have an adverse effect on our profitability and financial condition.

Occasionally, we enter into derivative financial instruments to hedge the exchange rates impacts on our assets, liabilities and certain transactions denominated in Israeli Shekels, Euro, KRW and other currencies.

Our hedging activities may also contribute to increased losses as a result of volatility in foreign currency markets. If foreign exchange currency markets continue to be volatile, such fluctuations in foreign currency exchange rates could materially and adversely affect our profit margins and results of operations in future periods, and may make it difficult to hedge our foreign currency exposures effectively.

***We are subject to risks related to corporate social responsibility and sustainability, including the impact of evolving legal and regulatory requirements.***

We may face scrutiny related to our corporate social responsibility practices and requested disclosures by institutional and individual investors who may be using corporate social responsibility screening criteria in making investment decisions. Our disclosures on these matters or a failure to satisfy evolving stakeholder expectations for corporate social responsibility practices and reporting may potentially harm our reputation and impact relationships with investors, customers, and /or regulators. Certain market participants including major institutional investors use third-party benchmarks or scores to measure our corporate social responsibility practices in making investment decisions. Similarly, some of our customers and suppliers may evaluate our corporate social responsibility practices. At the same time, stakeholders and regulators have increasingly expressed or pursued opposing views, legislation, and investment expectations with respect to sustainability initiatives. In addition, our failure or perceived failure to pursue or fulfill our goals, targets and objectives or to satisfy various reporting standards within the timelines we announce, or at all, could expose us to government enforced actions and/or private litigation.

As sustainability-related, reporting standards and disclosure requirements continue to develop, we may incur increasing costs related to sustainability monitoring and reporting. For example, in January 2023, the EU enacted the Corporate Sustainability Reporting Directive, which will require sustainability reporting across a broad range of environmental, social and governance topics for both EU and non-EU companies, and in October 2023, California enacted legislation addressing the disclosure of greenhouse gas emissions, climate-related risks, environmental claims and the use or sale of voluntary carbon offsets. Numerous countries have also begun proposing climate-reporting frameworks aligned with the International Sustainability Standards Board standards. These proposed regulatory changes related to climate change and reporting could increase the complexity of and costs associated with compliance with such regulations that could have a material adverse effect on our business, results of operations and financial condition.

***Complications with the design or implementation of our new ERP system could adversely impact our business and operations.***

We rely extensively on information systems and technology to manage our business and summarize operating results. We are in the process of a multi-year implementation of a new global enterprise resource planning (“ERP”) system. This ERP system will replace our existing operating and financial systems. The ERP system is designed to accurately maintain the Company’s financial records, enhance operational functionality and provide timely information to the Company’s management team related to the operation of the business. The ERP system implementation process has required, and will continue to require, the investment of significant personnel and financial resources. We may not be able to successfully implement the ERP system without experiencing delays, increased costs and other difficulties. If we are unable to successfully design and implement the new ERP system as planned, our financial positions, results of operations and cash flows could be negatively impacted. Additionally, if we do not effectively implement the ERP system as planned or the ERP system does not operate as intended, the effectiveness of our internal control over financial reporting could be adversely affected or our ability to assess those controls adequately could be delayed.

***Natural disasters, public health events, significant disruptions of information technology systems, data security breaches, or other catastrophic events could adversely affect our operations.***

Our worldwide operations could be subject to natural disasters (including as a result of climate change), public health events, significant disruptions of information technology systems, data security breaches and other catastrophic business disruptions, which could harm our future revenue and financial condition and increase our costs and expenses. We own manufacturing facilities in Israel, Italy and South Korea and rely on third-party manufacturing facilities, including for all product assembly and final testing of our products, which are performed at third-party manufacturing facilities, in the United States, and to a lesser extent, Vietnam. There may be conflict or uncertainty in the countries in which we operate, including public health issues (for example, a pandemic or an outbreak of contagious diseases or health epidemics), safety issues, natural disasters, fire, disruptions of service from utilities, nuclear power plant accidents, regional wars, or general economic or political factors. Such risks could result in an increase in the cost of components, production delays, general business interruptions, delays from difficulties in obtaining export licenses for certain technology, tariffs and other barriers and restrictions, longer payment cycles, increased taxes, restrictions on the repatriation of funds and the burdens of complying with a variety of foreign laws, any of which could ultimately have a material adverse effect on our business.

In the event that natural disasters (including as a result of climate change), public health epidemics or technical catastrophes were to damage or destroy any part of our facilities or those of our contract manufacturers, destroy or disrupt vital infrastructure systems or interrupt our operations or services for any extended period of time, our business, financial condition and results of operations would be materially and adversely affected.

**Risks Related to Legal, Compliance and Regulations**

***The reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar electricity applications could reduce demand for solar PV systems and harm our business.***

Federal, state, local and foreign government bodies provide incentives to promote solar electricity in the form of rebates, tax credits or exemptions and other financial incentives. The market for on-grid applications, where solar power is used to supplement a customer’s electricity purchased from the utility network or sold to a utility under tariff, often depends in large part on the availability and size of government and economic incentives. As our customers’ sales are typically to the on-grid market, the reduction, elimination or expiration of government subsidies and incentives for on-grid solar electricity may negatively affect the desirability of solar electricity and could harm or halt the growth of the solar electricity industry and our business. For example, in 2015 the U.S. congress passed a multi-year extension to the solar Investment Tax Credit (ITC), and such extension helped grow the U.S. solar market. The IRA extended the term of the ITC through 2034. However, future reduction in the ITC could reduce the demand for solar energy solutions in the U.S. which would have an adverse effect on our business, financial condition, and results of operations.

In general, subsidies and incentives may expire on a particular date, end when the allocated funding is reduced or terminated due to *jnter alia*, legal challenges, adoption of new statutes or regulations or the passage of time, they often occur without warning.

In addition, several jurisdictions have adopted renewable portfolio standards, mandating that a certain portion of electricity delivered by utilities to customers come from a set of eligible renewable energy resources, such as solar, by a certain compliance date. Under some programs, a utility can receive a “credit” for renewable energy produced by a third party by either purchasing the electricity directly from the producer or paying a fee to obtain the right to renewable energy generated but used or sold by the generator. A renewable energy credit allows the utility to add this electricity to its renewable portfolio requirement without actually expending the capital for generating facilities. However, there can be no assurances that such policies will continue. Reduction or elimination of renewable portfolio standards or successful efforts to meet current standards could harm or halt the growth of the solar PV industry and our business.

In 2023, we began to move manufacturing to the U.S. in order to benefit further from the clean energy tax credits provided under the IRA. Recent executive orders issued by the newly elected administration may lead to uncertainty regarding future projects and manufacturing costs of U.S.-made products. We are actively monitoring the situation and evaluating potential impacts on our financial condition and operational strategy.

***Changes to net metering policies may reduce demand for electricity from solar PV systems and harm our business.***

Our business benefits from favorable net metering policies in most U.S. states and some European countries, that allow a solar PV system owner to pay his or her electric utility only for power usage net of production from the solar PV system. System owners receive credit for the energy that the solar installation generates to offset energy usage at times when the solar installation is not generating energy. Under a net metering program, the customer typically pays for the net energy used or receives a credit against future bills if more energy is produced than consumed.

Most U.S. states have adopted some form of net metering. Yet, net metering programs have recently come under regulatory scrutiny in some U.S. states due to allegations that net metering policies inequitably shift costs onto non-solar ratepayers, by allowing solar ratepayers to sell electricity at rates that are too high for utilities to recoup their fixed costs. For example, in 2019, Louisiana Public Service Commissions adopted net metering policies aimed at lowering the solar customers' savings. In December 2022, the California Public Utilities Commission voted to approve lowering current net energy metering tariffs, in addition to imposing a new grid-connection fee, on new rooftop solar users. The tariff cuts became effective in April of 2023. This new rate plan, known as NEM 3.0, has significantly reduced how much money California solar homeowners receive for a PV system resulting in a reduced rate of installations in the second half of 2023. We cannot be certain that similar programs will not be adopted in other states or that existing programs will not be further modified going forward.

If the value of the credit that customers receive for net metering is reduced, it could impact the current level of cost savings associated with net metering. The absence of favorable net metering policies or of net metering entirely, or the imposition of new charges that only or disproportionately affect end-users that use net metering would significantly limit demand for our products and could have a material adverse effect on our business, financial condition, results of operations and future growth.

***Existing electric utility industry regulations and changes to regulations, may present technical, regulatory, and economic barriers to the purchase and use of solar PV systems, that may significantly reduce demand for our products or harm our ability to compete. In addition, determinations of various regulatory bodies regarding lack of compliance with certifications or other regulatory requirements, could harm our ability to sell our products in certain countries.***

Federal, state, local and foreign government regulations and policies concerning the electric utility industry, and internal policies and regulations promulgated by electric utilities, heavily influence the market for electricity generation products and services, and could deter purchases of solar PV systems sold by our customers, significantly reducing the potential demand for our products. For example, utilities commonly charge fees to larger, industrial customers for disconnecting from the electric grid or for having the capacity to use power from the electric grid for back-up purposes. These fees could increase the cost to use solar PV systems sold by our customers and make them less desirable, thereby harming our business, prospects, financial condition and results of operations. In addition, depending on the region, electricity generated by solar PV systems competes most effectively with expensive peak-hour electricity from the electric grid, rather than the less expensive average price of electricity. Modifications to the utilities' peak hour pricing policies or rate design, such as to a flat rate, could require the price of solar PV systems and their component parts to be lower in order to compete with the price of electricity from the electric grid.

Changes in current laws or regulations applicable to us or the imposition of new laws and regulations in the U.S., Europe, or other jurisdictions in which we do business could have a material adverse effect on our business, financial condition and results of operations. Any changes to government or internal utility regulations and policies that favor electric utilities could reduce the competitiveness of solar PV systems sold by our customers, causing a significant reduction in demand for our products and services. In addition, changes in our products or changes in export and import laws and implementing regulations may delay the introduction of new products in international markets, prevent our customers from deploying our products internationally or, in some cases, prevent the export or import of our products to certain countries altogether, resulting in a material adverse effect on our business, financial condition, and results of operations.

Compliance with various regulatory requirements and standards is a prerequisite for placing our products on the market in most countries in which we do business. We have all such certifications but there are at times, challenges by local administrative telecommunications, consumer board or other authorities that can place sales bans on products.

### **Risks Related to Intellectual Property**

***If we fail to protect, or incur significant costs in defending our intellectual property and other proprietary rights, our business and results of operations could be materially harmed.***

Our success depends to a significant degree on our ability to protect our intellectual property and other proprietary rights. We rely on a combination of patents, trademarks, copyrights, trade secrets, and unfair competition laws, as well as confidentiality and license agreements and other contractual provisions with our customers, suppliers, employees, and others, to establish and protect our intellectual property (IP) and other proprietary rights. Our ability to enforce these rights is subject to litigation risks, as well as uncertainty as to the enforceability of our IP rights in various countries, specifically claims that our IP rights are invalid or unenforceable. Our assertion of IP rights may result in another party seeking to assert claims against us, which could harm our business. Our inability to enforce our IP rights under any of these circumstances can harm our competitive position and business.

We have applied for patents in the U.S., Europe, and other jurisdictions, some of which have been issued. We cannot guarantee that any of our pending applications will be approved or that our existing and future intellectual property rights will be sufficiently broad to protect our proprietary technology. Any failure to obtain such approvals or finding that our intellectual property rights are invalid or unenforceable could force us to, among other things, rebrand or re-design our affected products. In countries where we have not applied for patent protection or where effective intellectual property protection is not available to the same extent as in the U.S., we may be at greater risk that our proprietary rights will be misappropriated, infringed, or otherwise violated.

Our intellectual property may be stolen or infringed upon. We were in the past and may in the future engage in legal proceedings related to intellectual property. Litigation proceedings are inherently uncertain, and adverse rulings may occur, including monetary damages, injunction stopping us from manufacturing or selling certain products, or requiring other remedies. Lawsuits are intended to protect our significant investment in our intellectual property, but they also may consume management and financial resources for long periods of time and may not result in favorable outcome for us, which may adversely affect our business, results of operations or financial condition.

***Third parties may assert that we are infringing upon their intellectual property rights, which could divert management's attention, cause us to incur significant costs, and prevent us from selling or using the technology to which such rights relate.***

Our competitors and other third parties hold numerous patents related to technology used in our industry. Occasionally, we may also be subject to claims of intellectual property right infringement and related litigation, and, as we gain greater recognition in the market, we face a higher risk of being the subject to claims of violation of others' intellectual property rights. For example, in July 2022, we were served with a complaint by Ampt LLC filed with the International Trade Commission pursuant to Section 337 of the Tariff Act of 1930, as amended and the District Court for the District of Delaware alleging patent infringement against the Company and its subsidiary SolarEdge Technologies Ltd. In May 2023, we entered into a settlement agreement under which the parties agreed to dismiss all proceedings related to the complaints and the parties have granted each other 10-year cross-licenses for certain intellectual property.

Responding to such claims can be time consuming, divert management's attention and resources and may cause us to incur significant expenses in litigation or settlement. While we believe that our products and technology do not infringe in any material respect upon any valid third-party IP rights, we cannot be certain of successfully defending against any such claims. If we do not successfully defend or settle an IP claim, we could be liable for significant monetary damages and could be prohibited from continuing to use certain technology, business methods, content, or brands. To avoid a prohibition, we could seek a license from the applicable third party, which could require us to pay significant royalties, increasing our operating expenses. If a license is unavailable at all or unavailable on reasonable terms, we may be required to develop or license a non-violating alternative, either of which could require significant effort and expense. If we cannot license or develop a non-violating alternative, we could be forced to modify, limit or, in extreme cases, stop manufacturing and sales of our affected products in the relevant country and may be unable to effectively compete. Any of these results could adversely affect our business, financial condition, and results of operations.

***We may become subject to claims for remuneration or royalties for assigned service invention rights by our employees, which could result in litigation and adversely affect our business.***

We enter into agreements with our employees pursuant to which they agree that any inventions created in the scope of their employment or engagement are assigned to us or owned exclusively by us, depending on the jurisdiction, without the employee retaining any rights. A significant portion of our intellectual property has been developed by our employees in the course of their employment for us. Under the Israeli Patent Law, 5727-1967 (the "Patent Law"), inventions conceived by an employee during the scope of his or her employment with a company are regarded as "service inventions," which belong to the employer, absent a specific agreement between the employee and employer giving the employee service invention rights. The Patent Law also provides that if there is no such agreement between an employer and an employee, the Israeli Compensation and Royalties Committee (the "Committee"), a body constituted under the Patent Law, shall determine whether the employee is entitled to remuneration for his or her inventions. Case law clarifies that the right to receive consideration for "service inventions" can be waived by the employee and that in certain circumstances, such waiver does not necessarily have to be explicit. The Committee will examine, on a case-by-case basis, the general contractual framework between the parties, using interpretation rules of the general Israeli contract laws. Further, the Committee has not yet determined the method for calculating this Committee-enforced remuneration, but rather uses the criteria specified in the Patent Law. Although our employees have agreed that any rights related to their inventions are owned exclusively by us, we may face claims demanding remuneration in consideration for such acknowledgement. As a consequence of such claims, we could be required to pay additional remuneration or royalties to our current and/or former employees, or be forced to litigate such claims, which could negatively affect our business.

***If our goodwill or other intangible assets become impaired, our financial condition and results of operations could be negatively affected.***

Due to our acquisitions and following the latest impairment recorded during 2024, goodwill and other intangible assets totaled approximately \$58.0 million, or approximately 2.2% of our total assets, as of December 31, 2024. We test our goodwill for impairment at least annually, or more frequently if an event occurs indicating the potential for impairment, and we assess on an as-needed basis whether there have been impairments in our other intangible assets, which include complex, and often subjective, assumptions and estimates. These assumptions and estimates can be affected by a variety of external factors such as industry and economic trends, and internal factors such as changes in our business strategy or our internal forecasts. To the extent that the factors described above change, we could be required to record additional non-cash impairment charges in the future, which could negatively affect our financial condition and results of operations (see Notes 10 and 11 of the financial statements for additional information).

#### **Risks Related to our Notes and the Ownership of Our Common Stock**

***Our stock price has been, and may continue to be, subject to significant volatility.***

Our common stock price during the year ended December 31, 2024, ranged from \$10.24 to \$97.27 per share. As further detailed in the Performance Graph in Item 5 below, the price of our Common Stock in 2024 was highly volatile and may fluctuate in response to our results of operations in future periods or due to other factors, including factors specific to companies in our industry, many of which are beyond our control. As a result, our share price may experience significant volatility and may not necessarily reflect the value of our expected performance. We have been subject to securities class action litigation as a result of our stock price volatility, which could result in substantial cost and diversion of our management's attention from other business concerns, which could seriously harm our business.

Among other factors that could affect our stock price are:

- the addition or loss of significant customers;
- changes in laws or regulations applicable to our industry, products or services;

- changes in the popularity of solar energy or renewable energy in general;
- speculation about our business in the press or the investment community;
- price and volume fluctuations including due to general macro-economic and geopolitical changes and developments in the overall stock market;
- volatility in the market price and trading volume of companies in our industry or companies that investors consider comparable;
- share price and volume fluctuations attributable to inconsistent trading levels of our shares;
- our ability to protect our intellectual property and other proprietary rights;
- sales of our common stock by us or our significant stockholders, officers and directors;
- the expiration of contractual lock-up agreements;
- success of competitive products or services;
- the public's response to press releases or other public announcements by us or others, including our filings with the Securities and Exchange Commission (the "SEC"), announcements relating to litigation or significant changes to our key personnel;
- the effectiveness of our internal controls over financial reporting;
- changes in our capital structure, such as future issuances of debt or equity securities;
- our entry into new markets;
- tax developments in the U.S., Europe, or other markets;
- the inclusion, exclusion, or deletion of our stock from any trading indices;
- conversion of all or portion of the Convertible Senior Notes;
- strategic actions by us or our competitors, such as acquisitions or restructurings; and
- changes in accounting principles.

Further, the stock markets have experienced extreme price and volume fluctuations unrelated or disproportionate to the operating performance of affected companies. In addition, the stock prices of many renewable energy companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political, and market conditions such as recessions, changes in U.S. regulations and policies with respect to renewable energy, interest rate changes, or international currency fluctuations, may cause the market price of our common stock to decline.

***Provisions in our certificate of incorporation and by-laws may have the effect of delaying or preventing a change of control or changes in our management.***

Our certificate of incorporation and by-laws contain provisions that could depress the trading price of our common stock by discouraging, delaying, or preventing a change of control of our Company or changes in our management that the stockholders of our Company may believe advantageous. These provisions include:

- authorizing "blank check" preferred stock that our board of directors could issue to increase the number of outstanding shares to discourage a takeover attempt;
- providing for a classified board of directors with staggered, three-year terms until the 2026 annual meeting of stockholders at which time all of the board members will be subject to annual elections, which, until then, could delay the ability of stockholders to change the membership of a majority of our board of directors;
- not providing for cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- limiting the ability of stockholders to call a special stockholder meeting;
- prohibiting stockholders from acting by written consent;
- establishing advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and
- the removal of directors only for cause and only upon the affirmative vote of the holders of at least a majority in voting power of all the then-outstanding shares of common stock of the Company entitled to vote thereon, voting together as a single class until the 2026 annual meeting of stockholders;
- providing that our board of directors is expressly authorized to amend, alter, rescind or repeal our by-laws.

In addition, we are governed by the provisions of Section 203 of the Delaware General Corporation Law ("DGCL"), which generally prohibits a Delaware corporation from engaging in a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder becomes an "interested" stockholder.

***Our certificate of incorporation includes a forum selection clause, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.***

Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for any stockholder (including any beneficial owner) to bring (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or employees to us or to our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL or our certificate of incorporation or by-laws, or (iv) any action asserting a claim governed by the internal affairs doctrine, will be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware). In addition, unless the Corporation, in writing, selects or consents to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for any complainant asserting a cause of action arising under the Securities Act of 1933, to the fullest extent permitted by law, shall be the federal district courts of the United States of America. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the foregoing provisions. This forum selection provision may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. It is also possible that, notwithstanding the forum selection clause that is included in our certificate of incorporation, a court outside of Delaware could rule that such a provision is inapplicable or unenforceable.

***We may not have the ability to raise the funds necessary to settle conversion of our Convertible Senior Notes or Notes in cash or to repurchase the Notes upon a fundamental change, and our future debt may contain limitations on our ability to pay cash upon conversion of the Notes or to repurchase the Notes.***

Holders of the Notes 2025 or Notes 2029 (together, the "Notes") have the right to require us to repurchase all or a portion of their notes upon the occurrence of a fundamental change (as defined in the Indentures governing their respective *Convertible Senior Notes*) at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid special interest, if any. In addition, upon conversion of the Notes, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the Notes being converted. We may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of Notes surrendered or Notes being converted. In addition, our ability to repurchase the Notes or to pay cash upon conversions of the Notes may be limited by law, regulatory authority or agreements governing our future indebtedness. Our failure to repurchase Notes at a time when the repurchase is required by the indenture governing such Notes or to pay cash upon conversion of the Notes as required by such indenture would constitute a default under such indenture. A default under the indenture governing the Notes or the fundamental change itself could also lead to a default under agreements governing our future indebtedness. If the payment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Notes or make cash payments upon conversion of the Notes.

***We may not be able to raise additional capital to execute on our current or future business opportunities on favorable terms, if at all, or without dilution to our stockholders.***

We believe that our existing cash and cash equivalents, restricted cash and cash flows from our operating activities will be sufficient to meet our anticipated cash needs for at least the next 12 months. However, we may need to raise additional capital or debt financing to execute on our current or future business strategies, including to:

- provide additional cash reserves to support our operations;
- invest in our research and development efforts;
- expand our operations into new product markets and new geographies;
- acquire complementary businesses, products, services or technologies; or
- otherwise pursue our strategic plans and respond to competitive pressures, including adjustments to our business to mitigate the effects of any tariffs that might apply to us or our industry.

We do not know what forms of financing, if any, will be available to us. If financing is not available on acceptable terms, if and when needed, our ability to fund our operations, enhance our research and development and sales and marketing functions, develop and enhance our products, respond to unanticipated events and opportunities, or otherwise respond to competitive pressures would be significantly limited. In any such event, our business, financial condition and results of operations could be materially harmed, and we may be unable to continue our operations. Moreover, if we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership of our stockholders could be significantly diluted, and these newly issued securities may have rights, preferences or privileges senior to those of existing stockholders.

*We do not intend to pay any cash dividends on our common stock in the foreseeable future.*

We have never declared or paid any dividends on our common stock and currently do not expect to pay any dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws and organizational documents. As a result, capital appreciation in the price of our common stock, if any, may be your only source of gain on an investment in our common stock.

*Our share repurchase program may be subject to certain risks.*

Although the board of directors has authorized the share repurchase program, any determination to execute the share repurchase program will be subject to, among other things, the Company's financial position and results of operations, available cash and cash flow, capital requirements and other factors, as well as the board of director's continuing determination that the repurchase program is in the best interests of its stockholders and is in compliance with all laws and agreements applicable to the repurchase program. Our share repurchase program does not obligate us to acquire any common stock. If we fail to meet any expectations related to share repurchases, this could have a material adverse impact on investor confidence and the market price of our common stock could decline. Additionally, price volatility of our common stock over a given period may cause the average price at which we repurchase our common stock to exceed the stock's market price at a given point in time. Our share repurchase program expired on December 31, 2024.

We may further increase or decrease the amount of repurchases of our common stock in the future. Any reduction or discontinuance of repurchases of our common stock pursuant to our current share repurchase program could cause the market price of our common stock to decline. Moreover, in the event repurchases of our common stock are reduced or discontinued, our failure or inability to resume repurchasing common stock at historical levels could result in a lower market valuation of our common stock.

#### **ITEM 1B. Unresolved Staff Comments.**

Not applicable.

#### **ITEM 1C. Cybersecurity**

Cyber security risk is an area of increasing focus for our Board, particularly as an increasingly significant part of our operations rely on digital technologies. As a result, we have implemented a cyber security program to assess, identify, and manage risks from cyber security threats that may result in material adverse effects on the confidentiality, integrity, and availability of our information systems. This program has been integrated into the Company's overall risk management process.

We design and assess our cybersecurity program based on the CIS Controls and NIST Cybersecurity Framework (CSF). These frameworks provide us with a common language and structure for identifying, assessing, and managing cybersecurity risks across our organization. We do not claim to comply with any technical standards, specifications, or requirements by using these frameworks. They are guides that help us to deal with the cybersecurity risks that are relevant to our business.

Our cybersecurity program is integrated into our overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational, and financial risk areas. To this end, we have implemented a cybersecurity program that includes the following elements:

- A Cybersecurity Manager responsible for developing and maintaining our administrative, technical, and physical cybersecurity controls.
- Risk assessments designed to identify material cybersecurity risks to our critical systems and information.
- A Security Operations Center (SOC) to monitor our critical infrastructure and execute immediate, human-led responses to confirmed threats.

- External technology and security providers, where appropriate, to assess, test or otherwise assist with aspects of our cybersecurity program.
- Cybersecurity awareness training for employees and supplemental training for senior management and other personnel who access highly sensitive information
- A third-party risk management process and questionnaire for service providers and vendors who access sensitive information.
- A trained incident response team and written procedures to navigate the incident response lifecycle.

Based on the information that we have to date, we have not identified risks from known cybersecurity threats, including any prior cybersecurity incidents, that have materially affected, including our operations, business strategy, results of operations, or financial condition. and, as of the date of this Annual Report on Form 10-K, the Company is not aware of any material risks from cybersecurity threats that are reasonably likely to do so. However, we cannot eliminate all risks from cybersecurity threats or provide assurances that the Company will not be materially affected by such risks in the future. There can be no guarantee that our policies, programs and controls, and those of our third-party vendors, including those described in this section, will be sufficient to protect our information, information systems or other property. Additional information on cybersecurity risks we face is discussed in Item 1A of Part I, "Risk Factors," which should be read in conjunction with the foregoing information.

### **Risk Management and Strategy**

While we follow IoT cybersecurity standards and regulations, our products and information systems are potentially subject to cyber risks of data leakage and operational damages. To protect our products and information systems from cybersecurity threats, we use various security tools that help prevent, identify, escalate, investigate, resolve and recover from identified vulnerabilities and security incidents in a timely manner. These include, but are not limited to, annual cyber testing, internal auditing, monitoring and detection tools, and a bug bounty program to allow security researchers to assist us in identifying vulnerabilities in our products before they are exploited by malicious threat actors. Any reported vulnerability is analyzed and reported to our Chief Information Security Officer ("CISO").

As part of our program to mitigate risk from cyber security threats, the Company actively evaluates and refines its cyber security tools and processes with the intention of reducing cyber security risks and aligning with the National Institute of Standards and Technology Cyber-security Framework for risk management. Features of our cybersecurity program include:

- Processes designed to comply with information security standards and privacy regulations, including the European Union's General Data Protection Regulation.
- Maintenance of an ISO 27001 Information Security Management Standard certification.
- Implementation of a variety of security controls, such as firewalls, and intrusion detection systems.
- Protection against Denial-of-Service attacks which prevent legitimate use of our services.
- Security events monitoring in our security operations center.
- Development of incident response policies and procedures designed to initiate remediation and compliance activities in a timely manner.
- Implementation of data loss prevention tools.
- Implementing an ID management system to enforce granular role-based access controls.
- Performing penetration testing on cloud and app platform.
- Administration of a comprehensive cyber security awareness program to educate employees about cyber security risks and best practices.
- Retention of a third-party, independent cyber security firm to conduct cyber security assessments of our systems and procedures.
- Employment of a responsible disclosure policy, which includes a Bug Bounty Program designed to help identify and fix any potential flaws in the company's services or products.

### **Third Party Cybersecurity Oversight**

We have implemented governance processes designed to monitor, evaluate, and mitigate security risks that may arise from a relationship with a third party vendor, partner, or customer. These security measures include:

- Vendor security assessments - Evaluating the cybersecurity protection that key vendors employ, prior to and during engagement.
- Insurance risk assessments - conducted by our insurance providers in order to evaluate cybersecurity related exposure.

- Operational Technology Security - Implementing security measures within some of our manufacturing facilities to enhance our cybersecurity protection.
- Secure customer data management - Solutions designed to safeguard customer data and critical systems.

We engaged a well-known external firm to audit our compliance with the European Union's NIS 2.0 Directive (the Directive on Security of Network and Information Systems). This audit is being conducted to confirm that our cybersecurity practices align with the latest regulatory requirements and best practices for managing the security of critical infrastructure and services. The Technology Committee receives periodic reports from management on our cybersecurity program and risks. In addition, management updates the Technology Committee, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential. The Technology Committee reports to our Board regarding its risk management functions, including those related to cybersecurity.

### **Governance & Oversight**

The Board has delegated primary oversight of the Company's risks from cybersecurity threats to the Technology Committee. Our management team, including our CISO, provides quarterly updates to our Technology Committee and annually to the full Board regarding our cyber security activities and other developments impacting our digital security. We have protocols by which certain cyber security incidents are escalated within the Company and, where appropriate, reported to the Board and Technology Committee in a timely manner.

At the management level, our CISO, who reports to our Chief Information Officer, is responsible for overseeing the assessment and management of our material risks from cyber security threats. Our CISO has extensive experience and knowledge in cyber security as a result of 27 years of experience in leading security teams, developing security strategies, and managing risk across various industries. The CISO is informed about and monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents through reports from a number of experienced information security officers responsible for various parts of the business and regularly reviewing risk management measures implemented by the Company to identify and mitigate cyber security risks.

### **ITEM 2. Properties**

Our corporate headquarters are located in Herzliya Pituach, Israel.

#### *Leased Offices and R&D Laboratories*

As of December 31, 2024, we lease office, testing, and product design facilities in Israel. In May 2021, we signed a long-term lease agreement for the development of a 38,000 square meter campus, to be built on 16,500 square meters of land, in the central area of Israel. The campus, which is scheduled to be completed in by the end of 2025, will replace our current headquarters in Herzliya, Israel.

In addition to our leased properties in Israel, we lease offices and lab facilities in California, Nevada, Germany, Netherlands, Italy, France, Australia, UK, Japan, India, Bulgaria, Belgium, Taiwan, Korea, Brazil, Spain, Sweden, Vietnam and Poland.

#### *Manufacturing*

We outsource most of our manufacturing to our manufacturing partners. We have our own manufacturing facility, Sella 1 (which property is leased), in the North of Israel, which is used in our solar segment. We also have our own manufacturing facility, Sella 2 in South Korea and own an additional smaller facility in South Korea, both of which are used in our Energy Storage segment. In November 2024, the Company announced that it is closing its Energy Storage segment. As such, Sella 2 is no longer operational. We also own manufacturing facilities in Umbria, Italy which currently are leased out in part and also used for support for remaining commitments of e-Mobility parts.

We believe that our existing properties are in good condition and are sufficient and suitable for the conduct of our business for the foreseeable future. To the extent our needs change as our business grows, we expect that additional space and facilities will be available on commercially reasonable terms.

### ITEM 3. Legal Proceedings

On November 3, 2023, Daphne Shen, a purported stockholder of the Company, filed a proposed class action complaint for violation of federal securities laws, individually and putatively on behalf of all others similarly situated, in the U.S District Court of the Southern District of New York against the Company, the Company's CEO and the Company's CFO. The complaint alleges violations of Section 10(b) and Rule 10b-5 of the Exchange Act, as well as violations of Section 20(a) of the Exchange Act against the individual defendants. The complaint seeks class certification, damages, interest, attorneys' fees, and other relief. On December 13, 2023, Javier Cascallar filed a similar proposed class action. On January 2, 2024, six purported lead plaintiffs filed motions in the Shen litigation seeking to consolidate the Cascallar and Shen litigations and appoint lead plaintiffs and lead counsel pursuant to the procedures of the Private Securities Litigation Reform Act of 1995.

On February 7, 2024, the Court consolidated the two actions (the "Consolidated Securities Litigation"), and appointed co-lead plaintiffs (the "Plaintiffs") and lead counsel. On April 22, 2024, the co-lead Plaintiffs filed an amended complaint adding two additional officers. The amended complaint made substantially similar allegations and claims. Defendants moved to dismiss the amended complaint on July 15, 2024 (the "Motion"), and the motion was fully briefed as of September 17, 2024. On December 4, 2024, the Court issued an order granting in part the Motion, dismissing all allegations except those relating to two purported misstatements, characterizing inventory levels as low. The Court allowed the Plaintiffs to again amend their complaint, and they filed a Second Amended Complaint on January 3, 2025. On February 10, 2025, Defendants moved to dismiss the Second Amended Complaint insofar as it attempts to resurrect any of the allegations dismissed in the Court's December 4 order. Discovery remains stayed pending the Court's ultimate decision on the motion to dismiss the Second Amended Complaint.

On March 15, 2024, Abdul Hirani filed a purported derivative complaint in the United States District Court for the Southern District of New York against certain current and former SolarEdge executive officers and board members, including Zvi Lando, Ronen Faier, Nadav Zafrir, Betsy Atkins, Marcel Gani, Dana Gross, Dirk Hoke, Avery More, and Tal Payne. The Hirani complaint makes largely the same allegations as those in the abovementioned securities litigation, namely, that the Company failed to disclose information about SolarEdge's inventory in Europe and cancellation rates from European distributors, which allegedly resulted in material misstatements about the Company's business and prospects in its quarterly filings. The Hirani complaint contends that defendants' role in allowing those alleged misstatements to be made constitutes (i) breach of fiduciary duty, (ii) aiding and abetting breach of fiduciary duty, (iii) unjust enrichment, (iv) waste of corporate assets, and (v) securities fraud under Section 10(b) of the Exchange Act. The complaint seeks compensatory and punitive damages, interest, attorneys' fees, and other relief.

On June 10, 2024, Jonathan Blaufarb filed a second purported derivative complaint in the United States District Court for the Southern District of New York against the same defendants as those named in the Hirani complaint as well as Lior Danziger and J.B. Lowe. The Blaufarb complaint makes largely the same allegations as those in the complaint in the abovementioned securities litigation and seeks declaratory relief, corporate governance reforms, damages, restitution, attorneys' fees, and other relief. It also pleads the same counts as those in the Hirani complaint, as well as additional counts for abuse of control and gross mismanagement. Defendants accepted service of the Hirani and Blaufarb complaints via stipulation that was so-ordered on July 12, 2024, and the two cases were consolidated with the Hirani matter designated as the lead case. September 9, 2024 the parties agreed to stay the Hirani and Blaufarb actions pending a decision on the motion to dismiss in the Consolidated Securities Litigation. The parties have agreed to keep the stay in place pending a decision on the motion to dismiss the plaintiffs' Second Amended Complaint in the Consolidated Securities Litigation.

On August 7, 2024, Edwin Isaac filed a purported derivative complaint in the United States District Court for the District of Delaware against the same defendants as those named in the Consolidated Derivative Actions. The Isaac complaint makes largely the same allegations as those in the Daphne Shen and Javier Cascallar cases. It also pleads the similar counts to those in the aforementioned securities claims, including (i) breach of fiduciary duty, (ii) contribution, (iii) violation of Section 14(a) of the Exchange Act and SEC Rule 14a-9, (iv) unjust enrichment, (v) waste of corporate assets, and (vi) aiding and abetting breach of fiduciary duty. The complaint seeks declaratory relief, damages, interest, unspecified equitable relief, attorneys' fees, and other relief. The parties are conferring on service of process and a possible stay of proceedings pending resolution of the motion to dismiss in the consolidated securities litigation.

Due to the early stage of these proceedings, we cannot reasonably estimate the potential range of loss, if any, or the likelihood of a potential adverse outcome. The Company disputes the allegations of wrongdoing and intends to vigorously defend against them.

In August 2019, the Company was served with a lawsuit filed in the Tribunal of Milan, Italy against our Italian subsidiary SolarEdge e-Mobility S.r.l (previously SMRE S.p.A) that purchased the shares of SolarEdge e-Mobility s.r.l in the tender offer that followed the SolarEdge e-Mobility Acquisition by certain former shareholders of SolarEdge e-Mobility who tendered their shares. The lawsuit asked for damages of approximately \$3 million, representing the difference between the amount for which they tendered their shares (6 Euro per share) and 6.7 Euros per share. On December 6, 2023, the courts of Milan rendered a decision ordering SolarEdge to pay, in favor of each plaintiff, the difference between the price paid (6 Euro per share) and 6.44 Euro per share, i.e. 0.44 euros per share for a total payment of approximately \$1.6 million Euros. The Company has paid the amount due under the judgement and appealed this decision to a court of appeal. The first hearing was held on November 27, 2024, and the case was adjourned to January 14, 2026.

On January 13, 2025, Stellantis Europe s.p.a. ("Stellantis") submitted an application for injunctive relief, to the Court of Turin, Italy, claiming that SolarEdge e-Mobility was allegedly in breach of contract. The application for injunctive relief is aimed at obtaining the following interim measures: i) order the Company to resume supply of spare parts and technical assistance activities in favor of Stellantis; and ii) to order the Company to pay a penalty of 100,000 Euro for each day of delay in fulfilling the order above. The Company disputes the allegations of wrongdoing and intends to vigorously defend against them.

**ITEM 4. Mine Safety Disclosures.**

Not applicable.

## PART II

### ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity

#### Market Information

Our common stock, par value \$0.0001 per share, trades on the Nasdaq Global Select Market, where prices are quoted under the symbol "SEDG".

#### Holders of Record

As of December 31, 2024, there were 11 holders of record of our common stock. Because many of our shares of common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

#### Dividends

We have never declared or paid any dividends on our common stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to pay any dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws and organizational documents.

#### Recent Sales of Unregistered Securities

None.

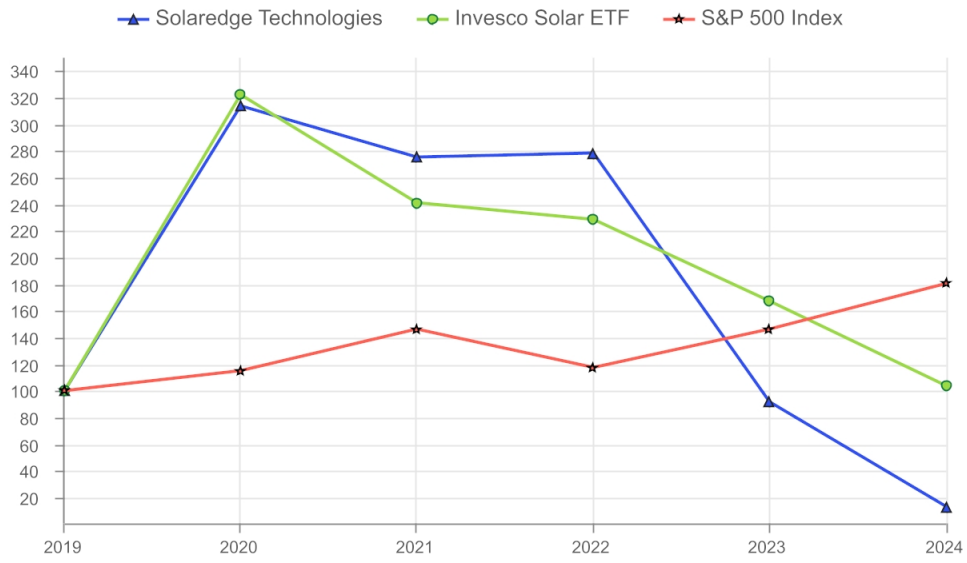
#### Issuer Purchases of Equity Securities

We did not purchase any shares of the Company's common stock during the three months ended December 31, 2024.

On November 1, 2023, we announced the approval by the Board of Directors of a share repurchase program which authorizes the repurchase of up to \$300 million of the Company's common stock. Under the share repurchase program, which expired on December 31, 2024, repurchases can be made using a variety of methods, which may include open market purchases, block trades, privately negotiated transactions, accelerated share repurchase programs and/or a non-discretionary trading plan or other means, including through 10b5-1 trading plans, all in compliance with the rules of the SEC and other applicable legal requirements. The timing, manner, price and amount of any common share repurchases under the share repurchase program are determined by the Company in its discretion and depend on a variety of factors, including legal requirements, price and economic and market conditions. The program does not obligate the Company to acquire any amount of common stock, it may be suspended, extended, modified, discontinued or terminated at any time at the Company's discretion without prior notice, and expired on December 31, 2024. During the year ended December 31, 2024, the Company repurchased 753,364 shares of common stock from the open market at an average cost of \$66.63 per share for a total of \$50.2 million.

#### Performance Graph

The following graph compares the cumulative total shareholder return on our common stock for each year from December 31, 2019 to December 31, 2024 to that of the total return of the S&P 500 Index and the Invesco Solar ETF. This graph is furnished and not "filed" with the Securities and Exchange Commission or "soliciting material" under the Securities Exchange Act of 1934 and shall not be incorporated by reference into any such filings, irrespective of any general incorporation contained in such filing.



\* The stock performance graph assumes for comparison that the value of the Company's common stock and of each index was \$100 on December 31, 2019 and that all dividends were reinvested.

**ITEM 6. Reserved**

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the section of this Annual Report on Form 10-K captioned "Business" and our consolidated financial statements and the related notes to those statements included elsewhere in this Form 10-K. In addition to historical financial information, the following discussion and analysis contains forward looking statements that involve risks, uncertainties, and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward looking statements as a result of many factors, including those discussed under the sections of this Annual Report captioned "Special Note Regarding Forward Looking Statements" and "Risk Factors". For discussion related to changes in financial condition and the results of operations for the year ended December 31, 2023 (including as compared to 2022), refer to Item 7- Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 26, 2024.

### Overview

We develop, manufacture, and sell products that address a broad range of energy market segments through our diversified product offering, including residential, commercial and large scale photovoltaic or PV, energy storage and backup solutions, electric vehicle or EV charging capabilities, home energy management, grid services and virtual power plants, as well as products in our non-solar businesses including lithium-ion cells, batteries and energy storage systems, prior to October 2024, automation machines ("Automation Machines") and in prior years we also had product offerings for the e-mobility market. In October 2023, we decided to discontinue our LCV activity and the remaining e-mobility activity. Starting January 1, 2024, all e-mobility activity, which includes PV solutions are included under our solar segment. In October 2024, the Company completed the sale of Automation Machines. Additionally, in November 2024, the Company announced the closure of its Energy Storage Division, as part of its focus on its core solar activities

In the fourth quarter 2024 the Company identified one reportable segment: the Solar segment.

Further information regarding our business is provided in "Part I, Item 1. Business" of this Annual Report.

For the year ended December 31, 2024, one customer accounted for 12.9% of our revenues and our top three customers (all distributors) together represented 31.3% of our revenues.

Our revenues were \$901.5 million and \$2,976.5 million for the year ended December 31, 2024 and 2023, respectively. For the year ended December 31, 2024 our gross loss was 97.3% as compared to gross profit of 23.6% for the year ended December 31, 2023. For the year ended December 31, 2024, our net loss was \$1,806.4 million as compared to our net income of \$34.3 million for the year ended December 31, 2023.

### Performance Measures

In managing our business and assessing financial performance, we supplement the information provided by the financial statements with other operating metrics. These operating metrics are utilized by our management to evaluate our business, measure our performance, identify trends affecting our business and formulate projections. We use metrics relating to shipments of inverters, power optimizers and megawatts to evaluate our sales performance and to track market acceptance of our products. We use metrics relating to monitoring (systems monitored) to evaluate market acceptance of our products and usage of our solution.

We provide the "megawatts shipped" and "megawatt hours shipped" metrics, which are calculated based on inverter or battery nameplate capacity shipped respectively, to show adoption of our system on a nameplate capacity basis. Nameplate capacity shipped is the maximum rated power output capacity of an inverter or battery, and corresponds to our financial results in that higher total nameplate capacities shipped are generally associated with higher total revenues. However, revenues may increase in a non-correlated manner to the "megawatt shipped" metric since other products such as Power Optimizers, are not accounted for in this metric.

	Year ended December 31,	
	2024	2023
Inverters shipped	257,808	1,011,890
Power optimizers shipped	6,975,739	17,430,082
Megawatts shipped <sup>1</sup>	3,563	12,629
Megawatt hours shipped - batteries for PV applications	576	744

<sup>1</sup>Excluding batteries for PV applications, based on the aggregate nameplate capacity of inverters shipped during the applicable period.

## **Global Circumstances Influencing our Business and Operations**

### **Demand for Products**

We have seen a slowdown in demand for our products in our Solar segment from our direct customers since the second part of the third quarter of 2023 and throughout 2024. This was a result of slowed market demand in the third quarter of 2023 and throughout 2024 as distributors began to take actions to reduce inventory levels. In particular, beginning in the second part of the third quarter of 2023, we experienced substantial unexpected cancellations and push outs of existing backlog from our European distributors. We attribute these cancellations and pushouts to high inventory in the channels and slower than expected installation rates both in the United States and to a greater extent in Europe. This trend continued in the subsequent quarters, throughout 2024. Additionally, the Company anticipates that this trend will continue in the first quarter of 2025, as our inventory destocking process continues.

### **Disruptions due to the war in Israel**

Due to the war that began on October 7, 2023, some of our employees in Israel were called to active reserve duty and additional employees may be called in the future, if needed. In the year ended December 31, 2024 approximately 319 or 13% of our employees in Israel have been called to active reserve duty for varying periods. While our offices and facilities are open worldwide, including in Israel, and, to date, we have not had disruptions to our ability to manufacture and deliver products and services to customers. Although the situation is somewhat stabilized due to ceasefires between Israel and Hamas, as well as Israel and Hezbollah, an escalation of the current conflicts in Israel could materially adversely affect our business, financial condition, and results of operations. Due to the ongoing and evolving nature of the conflict in Israel, and the extent of these events, the adverse effect on our business operations is still unknown.

The majority of our key employees and officers are residents of Israel. If any of our facilities in Israel were to be damaged, destroyed or otherwise rendered unable to operate, whether due to war, acts of hostility, earthquakes, fire, floods, storms, other natural disasters, employee malfeasance, terrorist acts, power outages or otherwise, or if performance of our research and development is disrupted for any other reason, such an event could delay commercialization of our products, and if we choose to manufacture all or any part of them internally, jeopardize our ability to manufacture our products as promptly as our prospective customers will likely expect, or possibly at all. If we experience delays in achieving our development objectives within a timeframe that meets our prospective customers' expectations, our business, prospects, financial results and reputation could be harmed.

## **Impact of Ukraine's Conflict on the Energy Landscape**

The conflict between Ukraine and Russia, which started in early 2022, and the sanctions and other measures imposed in response to this conflict, have increased the level of economic and political uncertainty. While we do not have any meaningful business in Russia or Ukraine and we do not have physical assets in these countries, this conflict has, and is likely to continue to have, a multidimensional impact on the global economy, the energy landscape in general and the global supply chain. While the impact of this conflict continued to decrease in 2024, an escalation of this ongoing conflict could lead to an adverse effect on our business and results of operations.

## **Inflation Reduction Act**

In August 2022, the U.S. government enacted the Inflation Reduction Act of 2022 (the "IRA"), which includes several provisions intended to accelerate U.S. manufacturing and adoption of clean energy, battery and energy storage, electrical vehicles, and other solar products and is expected to impact our business and operations. As part of such incentives, the IRA, among other things, extends the investment tax credit and production tax credit through 2034 and is therefore expected to increase the demand for solar products. The IRA also further incentivizes residential and commercial solar customers and developers through the inclusion of a tax credit for qualifying energy projects of up to 30%. Section 45X of the IRA offers advanced manufacturing production tax credits ("AMPTC") that incentivize the production of eligible components within the U.S. To that end, we established manufacturing capabilities in the U.S. in 2023. These provisions of the law are new and regulations and guidance concerning their implementation are gradually being published by the U.S. Treasury Department. On October 24, 2024, final regulations concerning the application of IRC §45X were published. The regulations contain detailed rules concerning the eligibility, qualifying and accounting for AMPTCs. Of particular relevance to the Company are the rules concerning the qualification and measurement of AMPTCs to Residential Inverters, Commercial Inverters and DC-Optimized Inverter Systems, that are included in the definition of Microinverters. In 2024 we sold a significant part of the AMPTCs we generated from our U.S. production of eligible components.

In January 2025, the new U.S. administration issued executive orders aimed at pausing grants and other government funding that have not already been dispersed to under the IRA, creating uncertainty regarding the ability to secure government awards and grants. This potential loss of financial support could adversely impact our business, and potentially the overall financial performance of the Company.

## Key Components of Our Results of Operations

The following discussion describes certain line items in our Consolidated Statements of Operations.

### *Revenues*

We generate revenues from the sale of DC optimized inverter systems for solar PV installations, which include power optimizers, inverters, storage and backup solutions, EV chargers, smart energy devices, our cloud-based monitoring platform, extended warranty for our products and grid services. Our customer base mainly includes distributors, large solar installers, wholesalers, and EPCs. In addition, we also generated revenues from the sale of lithium-ion cells, batteries and energy storage solutions and automation machines.

Our revenues from the sale of solar-related products are affected by changes in the volume and average selling prices of our DC optimized inverter systems. The volume and average selling price of our systems is driven by the supply and demand for our products, changes in the product mix between our residential and commercial products, the customer mix between large and small customers, the geographical mix of our sales, sales incentives, end user government incentives, seasonality, and competitive product offerings. Revenues from the sale of lithium-ion cells, batteries, energy storage system or ESS products, are affected by the type of product sold (cell, battery or system) and the type of battery that is sold.

Our revenue growth is dependent on our ability to expand our market share in each of the geographies in which we compete, expand and retain our global footprint to new evolving markets, manage our production capabilities to meet demand, continue to develop and introduce new and innovative products that address the changing technology and performance requirements of our customers and expand of the new businesses we acquired.

In the year ended December 31, 2024, 42.1% of our revenues were generated from the United States, 35.8% of our revenues were generated from Europe, and 22.1% of our revenues were generated from the rest of the world ("ROW"). In the year ended December 31, 2023, 64.0% of our revenues were generated from Europe, 25.5% of our revenues were generated from the United States and 10.5% of our revenues were generated from ROW.

### *Cost of Revenues and Gross Profit*

Cost of revenues consists primarily of product costs, including purchases from our contract manufacturers and other suppliers, as well as costs related to shipping, customer support, product warranty, personnel, depreciation of testing and manufacturing equipment, amortization of intangible assets and other fixed costs, provision for losses related to slow moving and dead inventory, hosting services for our cloud based monitoring platform, variable utility costs, operational costs related to the manufacturing factories, other logistics services, and contract termination costs, partially offset by AMPTCs we are entitled to under IRA. Our product costs are affected by technological innovations, such as advances in semiconductor integration and new product introductions, economies of scale resulting in lower component costs, improvements in production processes and automation, the volume of products subject to import tariffs (for example, for imports from China to the U.S.) and the volume of products for which manufacturing credits are available (for example, for products made in the U.S.). Some of these costs, primarily personnel, amortization of intangible assets and depreciation of testing and manufacturing equipment, are not directly affected by sales volume.

In November 2024, the Company announced its decision to cease all activities in its Energy Storage Division. As such, SolarEdge is currently in the process of closing down its operations in South Korea, including at Sella 2.

Cost of revenues also includes our operations, production and support departments' costs. The operations and production departments are responsible for production management such as planning, procurement, supply chain, production methodologies and machinery planning, logistics management and manufacturing support to our contract manufacturers, as well as the quality assurance of our products. Our support department provides customer and technical support at various levels through our call centers around the world as well as second and third-level support services, which are provided by support personnel located in our headquarters. Our employees headcount in our operations, production and support departments has reduced to 1,804 as of December 31, 2024 from 2,857 as of December 31, 2023.

In October of 2023, the Company made an announcement regarding its restructuring plans to adjust its manufacturing capacity and increase operating efficiency, including, terminating the manufacturing process in Mexico, reducing manufacturing capacity in China, and discontinuing the Company's LCV e-Mobility activity, and on January 21, 2024, the Company announced adoption of additional measures in response to challenging industry conditions, including reducing its headcount by approximately 900 over the first half of 2024 through involuntary workforce reduction plans, followed by an additional involuntary workforce reduction in July 2024 resulting in the layoff of approximately 400 employees (together, the "Restructuring Plans"). These decisions were made in order to better align the Company with current market conditions.

On November 27, 2024, the Company announced the closure of its Energy Storage Division. Under the closure, the Company expects to reduce its headcount by approximately 500 employees, primarily employees working in manufacturing positions in South Korea. In connection with this closure and associated headcount reduction, almost all of the employee population will be dismissed over the first half of 2025.

Gross profit (loss) may vary from quarter to quarter and is primarily affected by our average selling prices, product costs, manufacturing ramp-up costs, restructuring costs, product mix, customer mix, geographical mix, location of manufacturing, shipping method, warranty costs, inventory write-offs, exchange rates and seasonality.

### ***Operating Expenses***

Operating expenses consist of research and development, sales and marketing, general and administrative, goodwill impairment and other operating expenses, net. Personnel-related costs are a significant component of the operating expenses and include salaries, benefits, payroll taxes, commissions, severance and stock-based compensation. Our employees headcount in our research and development, sales and marketing and general and administrative departments, has reduced to 2,157 as of December 31, 2024 from 2,776 as of December 31, 2023. Under the 2024 and 2025 Restructuring Plans described above, our headcount will be further reduced over the first half of 2025.

#### *Research and development expenses*

Research and development expenses include personnel-related expenses such as salaries, severance, benefits, stock-based compensation and payroll taxes. Our research and development employees are engaged in the design and development of power electronics, semiconductors, software, power-line communications, networking and chemistry. Our research and development expenses also include third-party design and consulting costs, materials for testing and evaluation, ASIC development and licensing costs, depreciation and amortization expenses, and other indirect costs. We devote substantial resources to ongoing research and development programs that focus on enhancements to, and cost efficiencies in, our existing products and timely development of new products that utilize technological innovation, thereby maintaining our competitive position.

#### *Sales and marketing expenses*

Sales and marketing expenses consist primarily of personnel-related expenses such as salaries, severance, sales commissions, benefits, payroll taxes, and stock-based compensation. These expenses also include travel, fees of independent consultants, trade shows, marketing, costs associated with the operation of our sales offices and other indirect costs. We currently have a sales presence in many countries worldwide. We may either continue to expand our sales presence to additional regions or reduce our presence in certain regions, globally.

#### *General and administrative expenses*

General and administrative expenses consist primarily of salaries, severance, employee benefits and stock-based compensation related to our executives, finance, human resources, information technology, and legal organizations, travel expenses, facilities costs, fees for professional services, and registration fees related to being a publicly-traded company. Professional services consist of audit and legal costs, remuneration to board members, insurance, information technology and other costs. General and administrative expenses also include expenses related to certain legal claims and provision for expected credit losses in the event of uncollectible account receivables balances.

### *Other operating expenses, net*

Other operating expenses, net, consist primarily of impairment and abandonment of long-lived assets, as well as goodwill impairment assigned to our reporting units and tested for impairment at least on an annual basis and certain other nonrecurring items.

### **Non Operating Expenses**

#### *Financial income (expense), net*

Financial income (expense), net, consists primarily of interest income, interest expense, gains or losses from foreign currency fluctuations, credit loss related to loans receivable and hedging transactions.

Interest income consists of interest from our investment in available for sale marketable securities, deposits, loans to third parties and accretion of discounts related to our investment in available for sale marketable securities.

Interest expense consists of interest related to bank loans, advance payments received for performance obligations that extend for a period greater than one year, related to Accounting Standard Codification 606, "Revenue from Contracts with Customers" (ASC 606), interest related to Accounting Standard Codification 842, "Leases" (ASC 842), amortization of premium related to our investment in available for sale marketable securities, the amortization of debt issuance cost associated with our Notes due 2025 and 2029 as well as the contractual interest expenses from our Notes due 2029.

Our functional currency is the U.S. dollar. With respect to certain of our subsidiaries, the functional currency is the applicable local currency. Financial income (expenses), net, also consists of gains or losses from foreign currency fluctuations, the fair value remeasurement of hedging contracts not designated as cash flow hedge and bank charges. Foreign currency fluctuations primarily consist of the effect of foreign exchange differences between the U.S. dollar and the New Israeli Shekel, the Euro, and other currencies related to our monetary assets and liabilities.

#### *Other income (loss)*

Other income (loss) consists primarily of realized and unrealized gains and losses on investments in privately-held companies and realized gains and losses on investment in available for sale marketable securities.

#### *Income taxes*

We are subject to income taxes in the countries where we operate.

In the year ended December 31, 2024, we recorded a net income tax expense of \$96.2 million, which consists of a \$79.2 million of deferred tax expense and \$16.9 million current income tax expense. In the year ended December 31, 2023, we recorded a net income tax expense of \$46.4 million, which consists of a \$89.5 million current income tax expense and a \$43.1 million deferred tax income. Our tax rate for 2024 is a negative 6% compared with 57% in 2023. The change in effective tax rate for the year ended December 31, 2024 compared to the year ended December 31, 2023, is mainly due our transition to a significant loss position in 2024 and the valuation allowance recorded against the tax benefit of such loss, as well as the valuation allowance booked against deferred tax assets of the company and its subsidiaries from previous years.

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act") was signed into law, making significant changes to U.S. income tax law. These changes include, but are not limited to, a corporate tax rate decrease from 35% to 21% effective for tax years 2018 onwards and created new taxes on certain foreign-sourced earnings (including tax on Global Intangible Low Taxed Income ("GILTI") and certain related-party payments. The Tax Act also amended Section 174 of the U.S. Internal Revenue Code, effective from January 1, 2022, eliminating the option to deduct research and development expenditures currently and requiring taxpayers to amortize them over five years (if incurred in the U.S.) or fifteen years (if incurred outside the U.S.).

Furthermore, the Tax Act required the Company to pay U.S. income taxes on accumulated foreign subsidiaries earnings not previously subject to U.S. income tax at a rate of 15.5% to the extent of foreign cash and certain other net current assets, and 8% on the remaining earnings. The total tax liability will be paid over the eight-year period provided in the Tax Act (ending 2025).

The new U.S. administration has identified potential changes to U.S. tax policy, which could include lowering the corporate tax rate, modifying other corporate tax adjustments, or eliminating other deductions, tax credits, or other tax preferences. We continue to monitor how any changes could affect our business.

SolarEdge Technologies Ltd., our Israeli Subsidiary, is taxed under Israeli law. Income not eligible for benefits under the Investments Law is taxed at the corporate tax rate. The Israeli corporate tax rate is 23%.

Our Israeli Subsidiary elected tax year 2012 as a "Year of Election" for "Benefited Enterprise" under the Israeli Investments Law, which provides certain benefits, including tax exemptions and reduced tax rates. Upon meeting the requirements under the Israeli Investments Law, the two-year tax exemption has ended on December 31, 2018.

The Investment Law was amended in 2005 and was further amended as of January 1, 2011 and in August 2013 (the "2011 Amendment"). The 2011 Amendment canceled the availability of the benefits granted in accordance with the provisions of the Investments Law prior to 2011 and, instead, introduced new benefits for income generated by a "Preferred Company" through its "Preferred Enterprise" (both as defined in the 2011 Amendment). Under the 2011 Amendment, income derived by Preferred Companies from Preferred Enterprise would be subject to a uniform rate of corporate tax. The tax rate applicable to such income, referred to as "Preferred Income", would be 7.5% in areas in Israel that are designated as Development Zone A and 16% elsewhere in Israel starting in the year 2017 and thereafter. Our Israeli Subsidiary has established its own manufacturing facility in Israel, located in a Development Zone A, therefore income from manufacturing attributed to that facility is subject to a 7.5% tax rate.

In December 2016, Amendment 73 to the Investments Law (the "2017 Amendment") was published. According to the 2017 Amendment, special tax tracks for technological enterprises have been introduced, which are subject to rules that were issued by the Israeli Ministry of Finance. A Preferred Technological Enterprise (PTE), as defined in the 2017 Amendment, that is located in the central region of Israel, will be subject to a tax at a rate of 12% on profits deriving from intellectual property, or 6% if its annual revenues exceed New Israeli Shekel 10 billion.

On June 14, 2017, the Encouragement of Capital Investments Regulations (Preferred Technological Income and Capital Gain for Technological Enterprise), 2017 (the "Regulations") were published. The Regulations describe, inter alia, the mechanism used to determine the calculation of the benefits under the PTE regime. A company that complies with the terms under the PTE regime, may be entitled to certain tax benefits with respect to certain income generated during the company's regular course of business and derived from the preferred intangible asset.

As of January 2019, our Israeli Subsidiary elected to implement the 2011 and 2017 Amendments starting as of tax year 2019 and as a result, under the PTE regime with respect to our business activities in Israel. Our PTE income was subject to a 12% tax rate in Israel in the years 2019-2021, and in 2022-2023 to a 6% tax rate as we surpassed 10 billion New Israeli Shekel revenues threshold. In 2024, the Company incurred losses for tax purposes.

The Law for the Encouragement of Industry (Taxes), 1969, (the "Industry Encouragement Law"), provides certain tax benefits for an 'Industrial Company' as such term is defined in the Industry Encouragement Law. An Industrial Company is entitled to certain tax benefits including, inter alia, amortization over an eight-year period of the cost of purchased know-how, patents and accelerated depreciation rates on equipment and buildings. We qualify as an Industrial Company under the Law and benefit from its provisions as applicable.

#### *Loss from equity method investments*

Loss from equity method investments consists of our proportionate share of the net income or loss of equity method investments.

## Results of Operations

The following tables set forth our consolidated statements of income for the years ended December 31, 2024 and 2023. We have derived this data from our consolidated financial statements included elsewhere in this Annual Report. This information should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Annual Report. The results of historical periods are not necessarily indicative of the results of operations for any future period.

### Comparison of year ended December 31, 2024 and year ended December 31, 2023

	Year ended December 31,		2023 to 2024	
	2024	2023	Change	
	(In thousands)			
Revenues	\$ 901,456	\$ 2,976,528	\$ (2,075,072)	(69.7)%
Cost of revenues	1,778,660	2,272,705	(494,045)	(21.7)%
Gross profit (loss)	(877,204)	703,823	(1,581,027)	(224.6)%
Operating expenses:				
Research and development	277,237	321,482	(44,245)	(13.8)%
Sales and marketing	146,865	164,318	(17,453)	(10.6)%
General and administrative	147,455	146,504	951	0.6%
Other operating expenses, net	259,527	31,314	228,213	728.8%
Total operating expenses	831,084	663,618	167,466	25.2%
Operating income (loss)	(1,708,288)	40,205	(1,748,493)	(4,348.9)%
Financial income (expense), net	(14,570)	41,212	(55,782)	(135.4)%
Other income (loss), net	14,547	(318)	14,865	(4,674.5)%
Income (loss) before income taxes	(1,708,311)	81,099	(1,789,410)	(2,206.5)%
Income taxes	(96,150)	(46,420)	(49,730)	107.1%
Net loss from equity method investments	(1,896)	(350)	(1,546)	441.7%
Net income (loss)	\$ (1,806,357)	\$ 34,329	\$ (1,840,686)	(5,361.9)%

#### Revenues

	Year ended December 31,		2023 to 2024	
	2024	2023	Change	
	(In thousands)			
Revenues	\$ 901,456	\$ 2,976,528	\$ (2,075,072)	(69.7)%

Revenues decreased by \$2,075.1 million, or 69.7%, in the year ended December 31, 2024, as compared to the year ended December 31, 2023, primarily due to (i) a decrease of \$1,713.9 million related to a decrease in the number of inverters and power optimizers sold; (ii) a decrease of \$187.8 million related to the number of batteries for PV applications sold, mainly in Europe; (iii) a decrease of \$81.8 million in the amount of ancillary solar products sold; and (iv) a decrease of \$66.0 million in revenues generated from e-mobility components, related to the discontinuation of the Company's LCV e-Mobility activity. The overall decrease in revenues was due to a decline in demand that began in the second part of the third quarter of 2023. This decline was the result of high inventory in the channels and slower than expected installation rates, leading to substantial unexpected cancellations and push outs of existing backlog, from our distributors.

Revenues from outside of the U.S. comprised 57.9% of our revenues in the year ended December 31, 2024 as compared to 74.5% in the year ended December 31, 2023.

The number of power optimizers recognized as revenues decreased by approximately 10.8 million units, or 62.0%, from approximately 17.5 million units in the year ended December 31, 2023, to approximately 6.6 million units in the year ended December 31, 2024. The number of inverters recognized as revenues, decreased by approximately 770.1 thousand units, or 75.8%, from approximately 1,015.8 thousand units in the year ended December 31, 2023 to approximately 245.7 thousand units in the year ended December 31, 2024. The megawatt hours of batteries for PV applications recognized as revenues decreased by approximately 181.2 megawatts hour, or 24.6% from approximately 737.4 megawatts in the year ended December 31, 2023 to approximately 556.2 megawatts in the year ended December 31, 2024, as a result of lower demand.

Our blended Average Selling Price ("ASP") per watt for solar products excluding batteries for PV applications is calculated by dividing solar revenues, excluding revenues from the sale of batteries for PV applications, by the nameplate capacity of inverters shipped. Our blended ASP per watt, for solar products shipped increased by 0.005, or 2.6%, in the year ended December 31, 2024 as compared to the year ended December 31, 2023. The increase in blended ASP per watt is mainly attributed to a higher number of power optimizers and other solar products shipped compared to the number of inverters shipped. This increase in blended ASP per watt was partially offset by price reduction as well as an increase in the sale of commercial products that are characterized by lower ASP per watt, out of our total solar product mix.

Our blended ASP per hour watt for batteries for PV applications is calculated by dividing batteries for PV applications revenues, by the nameplate capacity of batteries for PV applications shipped. Our blended ASP per watt/hour for batteries for PV applications decreased by 0.133 or 28.6%, for the year ended December 31, 2024 as compared to the year ended December 31, 2023. The decrease in blended ASP per watt/hour is mainly attributed to price reduction of our batteries for PV applications.

*Cost of Revenues and Gross Profit (loss)*

	Year ended December 31,		2023 to 2024	
	2024	2023	Change	
	(In thousands)			
Cost of revenues	\$ 1,778,660	\$ 2,272,705	\$ (494,045)	(21.7)%
Gross profit (loss)	\$ (877,204)	\$ 703,823	\$ (1,581,027)	(224.6)%

Cost of revenues decreased by \$494.0 million, or 21.7%, in the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to:

- a decrease of \$810.4 million, in the direct cost of revenues sold, associated primarily with a decrease in the volume of products sold and an increase of \$82.6 million, in AMPTC recognized;
- a decrease of \$241.7 million in warranty expenses and warranty accruals, associated primarily with a decrease in revenues;
- a decrease in shipment and logistic costs in an aggregate amount of \$140.4 million associated primarily with a decrease in revenues;
- a decrease in personnel-related costs of \$6.2 million, resulting from our workforce reduction plan designed to reduce operating expenses and align our cost structure to current market dynamics.

These were partially offset by an increase of \$723.8 million in inventory costs, which is mainly attributed to inventory write-down.

Gross profit as a percentage of revenue decreased from 23.6% for the year ended December 31, 2023 to a gross loss of 97.3% in the year ended December 31, 2024 primarily due to:

- inventory write-down accruals resulting in lower gross margin of approximately 85%;
- lower absolute fixed and other production related costs, which were divided this year by a significantly lower revenue, resulting in a lower gross margin, of approximately 25%; and
- price reduction that was partially offset by AMPTC recognized, resulting in lower gross margin of approximately 14%.

Operating Expenses:

Research and Development

	Year ended December 31,		2023 to 2024	
	2024	2023	Change	
	(In thousands)			
Research and development	\$ 277,237	\$ 321,482	\$ (44,245)	(13.8)%

Research and development costs decreased by \$44.2 million or 13.8%, in the year ended December 31, 2024 compared to the year ended December 31, 2023, primarily due to:

- a decrease of \$27.8 million in personnel-related costs, resulting from our workforce reduction plan designed to reduce operating expenses and align our cost structure to current market dynamics; and
- a decrease in expenses related to consultants and sub-contractors in the amount of \$11.6 million:

Sales and Marketing

	Year ended December 31,		2023 to 2024	
	2024	2023	Change	
	(In thousands)			
Sales and marketing	\$ 146,865	\$ 164,318	\$ (17,453)	(10.6)%

Sales and marketing expenses decreased by \$17.5 million, or 10.6%, for the year ended December 31, 2024 compared to the year ended December 31, 2023, primarily due to:

- a decrease of \$10.9 million in personnel-related costs, resulting from our workforce reduction plan designed to reduce operating expenses and align our cost structure to current market dynamics;
- a decrease of \$3.8 million in other marketing expenses; and
- a decrease of \$2.5 million in expenses related to consultants and sub-contractors in the amount.

General and Administrative

	Year ended December 31,		2023 to 2024	
	2024	2023	Change	
	(In thousands)			
General and administrative	\$ 147,455	\$ 146,504	\$ 951	0.6%

General and administrative expenses increased by \$1.0 million, or 0.6%, in the year ended December 31, 2024 compared to the year ended December 31, 2023, primarily due to an increase in expenses related to provision for expected credit losses in the amount of \$13.4 million which was partially offset by:

- a decrease of \$5.8 million in personnel-related costs, resulting from our workforce reduction plan designed to reduce operating expenses and align our cost structure to current market dynamics; and
- a decrease in expenses related to consultants and sub-contractors in the amount of \$5.2 million.

Other operating expenses, net

	Year ended December 31,		2023 to 2024	
	2024	2023	Change	
	(In thousands)			
Other operating expenses, net	259,527	31,314	228,213	728.8%

Other operating expenses, net, increased by \$228.2 million, or 728.8% in the year ended December 31, 2024 compared to the year ended December 31, 2023, primarily due to:

- an increase of \$199.6 million in losses related to the impairment and abandonment of property, plant and equipment;
- an increase of \$19.1 million in losses related to the impairment of goodwill and intangible assets; and
- an increase of \$11.7 million as a result of loss from the sale of automation machines and decrease in gain from sale and impairment of other assets.

Financial income (expense), net

	Year ended December 31,		2023 to 2024	
	2024	2023	Change	
	(In thousands)			
Financial income (expense), net	\$ (14,570)	\$ 41,212	\$ (55,782)	(135.4)%

Financial expenses for the year ended December 31, 2024 was \$14.6 million compared to \$41.2 million financial income for the year ended December 31, 2023, primarily due to:

- a loss of \$13.5 million in the year ended December 31, 2024, compared to a gain of \$24.2 million in the year ended December 31, 2023, as a result of fluctuations in foreign exchange rates, primarily between the Euro and NIS against the U.S dollar; and
- an increase of \$17.4 million due to credit loss related to loans receivable.

Other income (loss)

	Year ended December 31,		2023 to 2024	
	2024	2023	Change	
	(In thousands)			
Other income (loss), net	\$ 14,547	\$ (318)	\$ 14,865	(4,674.5)%

Other income was \$14.5 million for the year ended December 31, 2024 compared to other loss of \$0.3 million in the year ended December 31, 2023, primarily due to:

- an increase of \$15.5 million due to a gain from the partial repurchase of the Notes 2025;
- an increase of \$3.1 million in realized gain from marketable securities; and
- an increase of \$1.1 million due to a gain from the revaluation of equity investment as a result of business combination.

These were partially offset by an increase in loss of \$5.0 million as a result of an impairment of an investment in a privately held company.

Income taxes

	Year ended December 31,		2023 to 2024	
	2024	2023	Change	
	(In thousands)			
Income taxes	\$ (96,150)	\$ (46,420)	\$ (49,730)	107.1%

Income taxes increased by \$49.7 million, or 107.1%, for the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to a valuation allowance we booked against the tax benefit of loss we incurred in 2024, as well against deferred tax assets of prior years, partially offset by the tax benefits we generated from the inflation Reduction Act of 2022.

Loss from equity method investments

	Year ended December 31,		2023 to 2024	
	2024	2023	Change	
	(In thousands)			
Net loss from equity method investments	\$ (1,896)	\$ (350)	\$ (1,546)	441.7%

Net loss from equity method investments increased by \$1.5 million, or 441.7% for the year ended December 31, 2024 as compared to the year ended December 31, 2023.

Net Income (loss)

	Year ended December 31,		2023 to 2024	
	2024	2023	Change	
	(In thousands)			
Net income (loss)	\$ (1,806,357)	\$ 34,329	\$ (1,840,686)	(5,361.9)%

As a result of the factors discussed above, net loss for the year ended December 31, 2024 was \$1,806.4 million compared to net income of \$34.3 million for the year ended December 31, 2023.

## Liquidity and Capital Resources

The following table shows our cash flows from operating activities, investing activities, and financing activities for the stated periods:

	Year ended December 31,	
	2024	2023
	(In thousands)	
Net cash used in operating activities	\$ (313,319)	\$ (180,113)
Net cash provided by (used in) investing activities	416,286	(268,894)
Net cash used in financing activities	(20,129)	(11,956)
Increase (decrease) in cash, cash equivalents and restricted cash	<u>\$ 82,838</u>	<u>\$ (460,963)</u>

As of December 31, 2024, our cash and cash equivalents were \$274.6 million. This amount does not include \$353.9 million invested in available for sale marketable securities, \$135.3 million restricted cash, and \$3.6 million invested in restricted deposits. Our principal uses of cash are for funding our operations, capital expenditures, other working capital requirements, other investments, and the repayment of our remaining Notes 2025. As of December 31, 2024, we have open commitments for capital expenditures in the amount of approximately \$35.0 million. These commitments reflect purchases of automated assembly lines and other machinery related to our manufacturing operations. We also have purchase obligations in the amount of \$390.3 million related to raw materials and commitments for the future manufacturing of our products.

Beginning on the fourth quarter of 2024, we entered into a tax credit agreement under which we agreed to sell advanced manufacturing production tax credits. We may enter into additional tax credit agreements in the future.

We believe our cash and cash equivalents and available for sale marketable securities, will be sufficient to meet our anticipated cash needs for at least the next 12 months as well as in the longer term, including the self-funding of our capital expenditure, operational commitments and the redemption of our debt.

### Operating Activities

Cash used in operating activities consists of net income (loss) adjusted for certain non-cash items and changes in assets and liabilities. Cash used in operating activities increased by \$133.2 million for the year ended December 31, 2024 as compared to the year ended December 31, 2023, mainly due to net loss for the year ended December 31, 2024 compared to net income in the year ended December 31, 2023 adjusted for certain non-cash items, partially offset by lower operating working capital requirements.

### Investing Activities

Investing cash flows consist primarily of capital expenditures, investment in, sales and maturities of available for sale marketable securities, investment and withdrawal of bank deposits and restricted bank deposits, cash used for acquisitions and disbursements and receipts from collections of loans made by the Company. Cash provided by investing activities was \$416.3 million for the year ended December 31, 2024 as compared to cash used in investing activities of \$268.9 million for the year ended December 31, 2023, primarily driven by an increase of \$553.8 million in proceeds from sales and the maturities of available-for-sale debt investments, a decrease of \$62.4 million which led to less cash used in the purchase of property plant and equipment, a decrease of \$43.0 million in purchases of available-for-sale debt investments, an increase of \$32.2 million in proceeds from loans receivable and a decrease of \$20.5 million in disbursements of loans made by the Company. These were partially offset by an increase of \$17.7 million in cash used in the purchase of privately-held companies.

### Financing Activities

Financing cash flows consisted primarily due to the repurchases of our common stock, under our share repurchase program, which expired on December 31, 2024, the issuance and partial repurchase of the convertible senior Notes, and our employee equity incentive plans. Cash used in financing activities for the year ended December 31, 2024 increased by \$8.2 million, compared to cash used in financing activities in the year ended December 31, 2023, primarily due to a \$267.9 million increase in cash used for the partial repurchase of the 2025 Note, an increase of \$50.2 million in cash, used in share repurchases, an increase of \$28.3 million in cash, used to purchase the capped call transactions, and \$13.7 million decrease in proceeds provided by the exercise of stock-based awards. These were partially offset by a \$329.2 million increase in cash provided by the issuance of convertible notes and a decrease of \$22.7 million in withholding taxes remitted to the tax authorities related to the exercise of stock-based awards.

### ***Convertible Senior Notes***

On September 25, 2020, we issued \$632.5 million aggregate principal amount of our convertible senior notes ("Notes 2025") in a transaction exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. Net proceeds from the offering, after underwriters' discount and commissions and offering expenses, was \$617.9 million.

On June 28, 2024, we sold an aggregate principal amount of \$300 million of 2.25% convertible senior notes due 2029 in a transaction exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. The net proceeds from the offering of the Notes 2029 were approximately \$293.2 million, after deducting fees and estimated expenses. Separately, we have entered into capped call transactions. We used approximately \$25.2 million of the net proceeds from this offering to pay the cost of the capped call transactions and approximately \$267.9 million of the net proceeds from this offering to repurchase \$285.0 million principal amount of its outstanding 0.000% Notes 2025. As a result of the partial repurchase of the Notes 2025, we recognized a gain of \$15.5 million which was recorded under other income. We intend to use the remainder of the net proceeds from the offering for general corporate purposes.

On July 8, 2024, we sold an aggregate principal amount of \$37 million of our convertible senior notes ("Notes 2029"). The Notes 2029 were sold pursuant to the Initial Purchasers' (as defined in Note 18) exercise of the option granted by the Company to the Initial Purchasers to purchase additional Notes 2029, as described in Note 18, "Convertible Senior Notes."

### ***Share Repurchases***

On November 1, 2023, we announced the approval by the Board of Directors of a share repurchase program which authorizes the repurchase of up to \$300 million of the Company's common stock. Under the share repurchase program, repurchases can be made using a variety of methods, which may include open market purchases, block trades, privately negotiated transactions, accelerated share repurchase programs and/or a non-discretionary trading plan or other means, including through 10b5-1 trading plans, all in compliance with the rules of the SEC and other applicable legal requirements. The timing, manner, price and amount of any common share repurchases under the share repurchase program are determined by the Company in its discretion and depend on a variety of factors, including legal requirements, price and economic and market conditions. The program does not obligate SolarEdge to acquire any amount of common stock. The share repurchase program expired on December 31, 2024.

During the year ended December 31, 2024, the Company repurchased 753,364 shares of common stock from the open market, at an average cost of \$66.63 per share for a total of \$50.2 million.

### **Critical Accounting Policies and Significant Management Estimates**

We prepare our consolidated financial statements in accordance with generally accepted accounting principles in the U.S. ("GAAP"). The preparation of consolidated financial statements also requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from the estimates made by our management. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations, and cash flows will be affected. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates. Critical accounting policies and estimates are those that we consider the most important to the portrayal of our financial condition and results of operations because they require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain (see Note 2 to our annual financial statements for more information).

### ***Revenue Recognition***

We generate revenues from the sale of DC optimized inverter systems for solar PV installations which include our power optimizers, inverters, and cloud-based monitoring platform as well as other solar related ancillary products, Lithium-ion cells, batteries, energy storage solutions, and EV chargers. Our worldwide customer base includes large solar installers, distributors, EPCs, utility companies and other customers. Our products are fully functional at the time of shipment to the customer and do not require production, modification, or customization with the exception of some ESS systems that require installation and commissioning. We recognize revenue under the core principle that transfer of control to the customers should be depicted in an amount reflecting the consideration we expect to receive in revenue. In order to achieve that core principle, we apply the following five-step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied. Provisions for rebates, sales incentives and discounts to customers are accounted for as reductions in revenue in the same period that the related sales are recorded.

We generally sell our products to our customers pursuant to a customer's standard purchase order and our customary terms and conditions. We do not offer rights to return our products other than for normal warranty conditions, and as such, revenue is recognized based on the transfer of control, which includes but is not limited to, the agreed International Commercial terms. We evaluate the creditworthiness of our customers to determine that appropriate credit limits are established prior to the acceptance and shipment of an order.

We provide our full web-based monitoring platform for our solar products free of charge and revenues associated with the service since that date are being recognized ratably over 25 years. In the absence of third party comparable pricing for such service, management determines the revenue levels of this service based on the costs associated with providing the service plus appropriate margins that reflect management's best estimate of the selling price. These revenues are minimal and we do not expect this to become a significant source of revenue in the near future.

We recognize financing component expenses in our consolidated statement of income (loss) in relation to advance payments for performance obligations that extend for a period greater than one year. These financing component expenses are reflected in our deferred revenues balance. Such performance obligations are those that include a financing component, specifically: (i) warranty extension services, (ii) cloud-based monitoring, and (iii) communication services.

See Notes 2v and 16 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to revenue recognition.

### ***Product Warranty***

We provide a standard limited product warranty for our solar products against defects in materials and workmanship under normal use and service conditions. Our standard warranty period is 25 years for our power optimizers, 12 years for our inverters, 10 years for our storage interface and a 10-year limited warranty for our batteries for PV applications. Other products are sold with standard limited warranties that typically range in duration from one to ten years, and in some cases for a longer period. In certain cases, customers can purchase an extended warranty for our battery storage products and for our batteries for PV applications that extend the standard warranty period. In addition, customers can purchase extended warranties for inverters that extend the warranty period to up to 25 years.

Our products are designed to meet the warranty periods and our reliability procedures cover component selection, design, accelerated life cycle tests, and end-of-manufacturing line testing. However, since our history in selling power optimizers and inverters is shorter than the warranty period, the calculation of warranty provisions is inherently uncertain.

We accrue for estimated warranty costs at the time of sale based on anticipated warranty claims and actual historical warranty claims experience. Warranty provisions, computed on a per-unit sold basis, are based on our best estimate of such costs and are included in our cost of revenues. The warranty obligation is determined based on actual and predicted failure rates of the products, cost of replacement and service and delivery costs incurred to correct a product failure. Our warranty obligation requires management to make assumptions regarding estimated failure rates and replacement costs.

In order to predict the failure rate of each of our products, we have established a reliability model based on the estimated mean time between failures ("MTBF"). The MTBF represents the average elapsed time predicted for each product unit between failures during operation. Applying the MTBF failure rate over our install base for each product type and generation allows us to predict the number of failed units over the warranty period and estimates the costs associated with the product warranty. Predicted failure rates are updated periodically based on data returned from the field and new product versions, as are replacement costs which are updated to reflect changes in our actual production costs for our products, subcontractors' labor costs, and actual logistics costs.

Since the MTBF model does not take into account additional non-systematic failures, such as failures caused by workmanship or manufacturing or design-related issues, and since warranty claims are at times opened for cases in which the error has been triggered by an improper installation, we have developed a supplemental model to predict such cases and recognize the associated expenses ratably over the expected claim period. This model, which is based on actual root cause analysis of returned products, identification of the causes of claims and time until each identified problem is revealed, allows us to better predict actual warranty expenses and is updated periodically based on our experience, taking into account the installed base of approximately 132.1 million power optimizers and approximately 5.8 million inverters as of December 31, 2024.

If actual warranty costs differ significantly from these estimates, adjustments may be required in the future, which could adversely affect our gross profit and results of operations. Warranty obligations are classified as short-term and long-term warranty obligations, based on the period in which the warranty is expected to be claimed. The warranty provision (short and long-term) was \$432.4 million and \$518.2 million, for the years ended December 31, 2024 and 2023, respectively.

See Notes 2x and 15 "Warranty obligations" to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to product warranty.

#### ***Inventory Valuation***

Our inventories comprise sellable finished goods, raw materials bought for our own manufacturing facilities or on behalf of our contract manufacturers, and faulty units returned under our warranty policy.

Sellable finished goods and raw material inventories are valued at the lower of cost or net realizable value, based on the moving average cost method. Certain factors could affect the realizable value of our inventories, including market and economic conditions, technological changes, existing product changes (mainly due to cost reduction activities) and new product introductions. We consider historic usage, expected demand, anticipated sales price, the effect of new product introductions, product obsolescence, product merchantability, and other factors when evaluating the net realizable value of inventories. Inventory write-downs are equal to the difference between the cost of inventories and their estimated net realizable value. Inventory write-downs are recorded as cost of revenues in the accompanying statements of income and were \$698.3 million and \$46.4 million, for the years ended December 31, 2024 and 2023, respectively.

Faulty products returned under our warranty policy are often refurbished and used as replacement units. Such products are written off upon receipt.

We do not believe that there is a reasonable likelihood that there will be a material change in future estimates or assumptions that we use to record inventory at the lower of cost or net realizable value. However, if estimates regarding customer demand are inaccurate or changes in technology affect demand for certain products in an unforeseen manner, we may be exposed to losses that could be material.

See Notes 2k and Note 6 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to inventory valuation.

#### ***Business Combination***

We allocate the fair value of purchase consideration to the tangible assets acquired, liabilities assumed and intangible assets acquired based on their estimated fair value. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require our management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired technology and other intangible assets, their useful lives and discount rates. Our management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which is not to exceed one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

See Note 2o and Note 3 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to business combination.

### ***Intangible and other long-lived assets***

We evaluate the recoverability of finite-lived intangible assets for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. The evaluation is performed at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If such review indicates that the carrying amount of intangible assets is not recoverable, the carrying amount of such assets is reduced to fair value.

The more significant estimates and assumptions inherent in the estimate of the fair value of finite-lived intangible assets include (i) assumptions associated with forecasting product profitability, including sales and cost to sell projections, (ii) tax rates which seek to incorporate the geographic diversity of the projected cash flows, (iii) expected impact of competitive, legal and/or regulatory forces on the projections and the impact of technological risk, R&D expenditure for ongoing support of product rights, and (iv) estimated useful lives.

During the year ended December 31, 2024, we recorded an impairment charge of \$247.2 million, related to tangible and intangible assets within both the Solar and Energy Storage asset groups.

Acquired identifiable finite-lived intangible assets are amortized on a straight-line basis or accelerated method over the estimated useful lives of the assets. We believe the basis of amortization approximates the pattern in which the assets are utilized, over their estimated useful lives. We routinely review the remaining estimated useful lives of finite-lived intangible assets. In case we reduce the estimated useful life assumption for any asset, the remaining unamortized balance is amortized or depreciated over the revised estimated useful life.

See Notes 2.p and 10 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to intangible assets.

### ***Goodwill***

Goodwill reflects the excess of the consideration transferred, including the fair value of any contingent consideration and any non-controlling interest in the acquiree, over the assigned fair values of the identifiable net assets acquired. Goodwill is not amortized, and is assigned to reporting units and tested for impairment at least on an annual basis.

The goodwill impairment test is performed according to the following principles:

- (1) An initial qualitative assessment may be performed to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount.
- (2) If the Company concludes it is more likely than not that the fair value of the reporting unit is less than its carrying amount, a quantitative fair value test is performed. An impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value is recognized.

We estimate the fair values of all reporting units using a discounted cash flow model which utilizes Level 3 unobservable inputs. Key estimates include the revenue growth rates taking into consideration industry and market conditions, terminal growth rate and the discount rate. The discount rate used is based on the WACC, adjusted for the relevant risk associated with country-specific and business-specific characteristics. The carrying value of each reporting unit is determined by assigning the assets and liabilities, including the existing goodwill, to those reporting units.

We complete the required annual testing of goodwill impairment for the reporting units at least on an annual basis and determine whether goodwill should be impaired. During the year ended December 31, 2024, we recorded an impairment charge of \$2.2 million related to the Energy Storage asset group.

See Notes 2.r and 11 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to goodwill.

### ***Government grants***

Government grants are recognized when there is reasonable assurance that: (1) we will comply with the relevant conditions and (2) the grant disbursement will be received.

In August 2022, the U.S. government enacted the Inflation Reduction Act of 2022 (the "IRA"), which includes several incentives intended to promote clean energy, battery and energy storage, electrical vehicles, and other solar products, and is impacting our business and operations. As part of such incentives, the IRA, among other things, extends the investment tax credit ("ITC") through 2034 and is therefore expected to increase the demand for solar products. The IRA further incentivizes residential and commercial solar customers and developers by providing significant tax credits for qualifying energy projects. The IRA further provides Advanced Manufacturing Production Tax Credits ("AMPTCs") for U.S. manufacturing of eligible components (under IRC §45X), including PV inverters and DC-optimized systems. The Company has been manufacturing eligible products in the U.S. since the fourth quarter of 2023. In addition to using the tax credits to offset tax due to the U.S. government, the IRA allows taxpayers to elect to have AMPTCs refunded in cash ("Direct Pay") or sell these credits to a third party. The Direct Pay option is available as a one-time election, in any taxable year after December 31, 2022, for a facility in which eligible components are produced, and is applicable for five years. In 2024 the Company sold a significant part of the AMPTCs it generated from the US production of eligible components.

Refundable and transferable tax credits are similar in essence to government grants. This is because the taxpayer can realize the benefit regardless of whether they owe income tax or not in the relevant years. Therefore, these amounts are not considered income taxes and fall outside the scope of Topic 740. Instead, they are treated as government grants.

The Company recognizes AMPTCs as a reduction in the cost of revenues in the statement of income (loss). The Company does this systematically over time as it recognizes the related expenses. The AMPTCs are also reflected in the consolidated balance sheet, according to the way the Company expects to utilize them: as a reduction of income tax payable within accrued expenses and other liabilities, as a tax prepayment, or, if AMPTCs are to be sold, within prepayment and other assets.

As of December 31, 2024 and 2023, AMPTCs of \$80,516 and \$6,020, were recorded as a tax prepayment within prepayment and other current assets, respectively.

### ***Income taxes***

We account for income taxes in accordance with ASC 740, "Income Taxes." ASC 740, which prescribes the use of the liability method, whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax basis of assets and liabilities, and are measured using the enacted tax rates that will be in effect when the differences are expected to reverse.

We account for uncertain tax positions in accordance with ASC 740-10 two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that it is more likely than not that, on an evaluation of the technical merits, the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% (cumulative probability) likely to be realized upon ultimate settlement.

See Note 2.af and 26 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to income taxes.

## **ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk**

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in foreign currency exchange rates, customer concentrations, and commodity price risk. We do not hold or issue financial instruments for trading purposes.

### **Foreign Currency Exchange Risk**

Approximately 43.8%, 68.1% and 60.1% of our revenues for the years ended December 31, 2024, 2023 and 2022, respectively, were earned in non-U.S. dollar denominated currencies, principally the Euro. Our expenses are generally denominated in the currencies in which our operations are located, primarily the U.S. dollar and New Israeli Shekel ("NIS") and Euro. Our NIS denominated expenses consist primarily of personnel and overhead costs. Our consolidated results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. A hypothetical 10% change in foreign currency exchange rates between the Euro and the U.S. dollar would increase or decrease our net income by \$14.9 million for the year ended December 31, 2024. A hypothetical 10% change in foreign currency exchange rates between the NIS and the U.S. dollar would increase or decrease our net income by \$62.9 million for the year ended December 31, 2024.

For purposes of our consolidated financial statements, local currency assets and liabilities are translated at the rate of exchange to the U.S. dollar on the balance sheet date and local currency revenues and expenses are translated at the exchange rate as of the date of the transaction or at the average exchange rate to the U.S. dollar during the reporting period.

To date, we have used derivative financial instruments, specifically foreign currency forward contracts and put and call options, to manage exposure to foreign currency risks by hedging portions of the anticipated payroll payments denominated in NIS. Our foreign currency forward contracts are expected to mitigate exchange rate changes related to the hedged assets. Those hedging contracts are designated as cash flow hedges.

In addition, from time to time we enter into derivative financial instruments to hedge the Company's exposure to currencies other than the U.S. dollar, mainly forward contracts or put and call options to sell Euro for U.S. dollars. These derivative instruments are not designated as cash flow hedges.

We had cash, cash equivalents and restricted cash of \$409.9 million and \$338.5 million as of December 31, 2024 and 2023, respectively, which was held for working capital purposes. We had available-for-sale marketable securities with an estimated fair value of \$353.9 million and \$929.4 million as of December 31, 2024 and 2023, respectively. In addition, we had restricted deposits of 3.4 million and \$0.3 million as of December 31, 2024 and 2023, respectively.

Additionally, our hedging activities may also contribute to increased losses as a result of volatility in foreign currency markets. If foreign exchange currency markets continue to be volatile, such fluctuations in foreign currency exchange rates could materially and adversely affect our profit margins and results of operations in future periods. Also, the volatility in the foreign currency markets may make it difficult to hedge our foreign currency exposures effectively.

### **Concentrations of Major Customers**

Our trade accounts receivables potentially expose us to a concentration of credit risk with our major customers. For the year ended December 31, 2024, one major customer accounted for 12.9% of our total revenues, and as of December 31, 2024, three major customers accounted for approximately 43.4% of our consolidated trade receivables balance. For the year ended December 31, 2023, two major customers accounted for 24.0% of total revenues, and as of December 31, 2023, two major customers accounted for approximately 47.1% of our consolidated trade receivables balance. We currently do not foresee a credit risk associated with these receivables.

### **Commodity Price Risk**

We are subject to risk from fluctuating market prices of certain commodity raw materials which are used in our products, including Copper, Lithium, Nickel and Cobalt. Prices of these raw materials may be affected by supply restrictions or other market factors from time to time, and we do not enter into hedging arrangements to mitigate commodity risk. Significant price changes for these raw materials could reduce our operating margins if we are unable to recover such increases from our customers, and could harm our business, financial condition, and results of operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

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**Report of Independent Registered Public Accounting Firm**  
To the Shareholders and the Board of Directors of SolarEdge Technologies Inc.

***Opinion on the financial statements***

We have audited the accompanying consolidated balance sheets of SolarEdge Technologies Inc. (the Company) as of December 31, 2024 and 2023, the related consolidated statements of income (loss), comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 25, 2025 expressed an unqualified opinion thereon.

***Basis for opinion***

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the account or disclosures to which they relate.

**Warranty obligation**

Description of the Matter As described in Notes 2x and 15 to the consolidated financial statements, as of December 31, 2024, the warranty obligation was \$432,365 thousand.

Substantially all of the Company's warranty obligations are related to the solar business. The Company's products include a warranty of up to 12 years for inverters, up to 25 years for its power optimizers and 10 years for batteries for PV applications. In order to predict the failure rate of each product, the Company established a reliability model based on the estimated mean time between failures ("MTBF") and an additional model to capture non-systematic failures. Predicted failure rates are updated periodically based on new product versions and analysis of the root cause of actual failures, as are warranty related replacement costs.

Auditing the management's warranty obligations valuation of the solar business was complex and subject to judgment due to the significant estimations required in evaluation its amount. In particular, the warranty obligations are subject to significant assumptions such as product failure rates, the average cost of products replacements and other warranty related costs.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls over the valuation of for the warranty obligations of the solar business, including controls over management's review of the significant assumptions and data underlying the warranty obligations valuation.

To test the management's warranty obligations valuation, our substantive audit procedures included, among others, look back analysis and testing the accuracy and completeness of the underlying data used in management's warranty obligations valuation assessment. We assessed the accuracy of historical data used in estimating forecasted failure rates, repair replacement ratios and other warranty related costs and compared them to actual warranty claims. In addition, we involved a specialist to assess the assumptions and the precision of the inputs underlying the MTBF model, including, evaluating the appropriateness of the MTBF model and its consistency with data obtained from external sources.

**Valuation of Inventories - Provisions for slow moving, excess and obsolete inventory items**

Description of the Matter As of December 31, 2024, the Company's consolidated inventories balance was \$645,897 thousand, and recorded inventory impairment charges of \$738,757 thousand.

As described in Notes 2k, 6 to the consolidated financial statements, the Company values its inventories at the lower of cost or net realizable value. Reserves for slow moving, excess and obsolete inventory items are recorded based on management's analysis of inventory levels, future sales forecasts, and market conditions.

Auditing the valuation of inventory reserves for the slow moving, excess and obsolete inventory items were complex and subject to judgment due to the significant estimates and assumptions required by management to estimate the reserves, especially, the future salability of the inventories. These assumptions include the assessment by inventory category of future demand and market conditions for the Company's products.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design, and tested the operating effectiveness of internal controls over the Company's reserve for slow moving, excess and obsolete inventory items, process including management's assessment of the underlying assumptions and data.

To test the valuation of inventory reserve for the slow moving, excess and obsolete inventory items, our substantive audit procedures included, among others, evaluating the reasonableness of the significant assumptions used by management including those related to forecasted inventory usage, future demand, and market conditions. We examined the completeness, accuracy, and relevance of the underlying data used in management's estimations. We held discussions with appropriate non-financial personnel including sales, R&D and operating management, regarding strategic or operational changes in the business would impact expected demand or related carrying value of inventories, introduction of new products and other factors to corroborate management's assertions regarding the inventory reserves. We performed procedures to compare recent sales transactions or market data to cost of inventories to assess that the carrying value of inventories was the lower of cost or net realizable value. We performed an examination of the assumptions by comparing those assumptions to historical data as well as reviewing such assumptions for management bias. We considered macroeconomic trends within the industry, including trends that could impact the movement of the products provided by the Company.

/s/ Kost Forer Gabbay & Kasierer  
A Member of EY Global

We have served as the Company's auditor since 2007.  
Tel-Aviv, Israel  
February 25, 2025



**Report of Independent Registered Public Accounting Firm**  
To the Shareholders and the Board of Directors of SolarEdge Technologies Inc.

**Opinion on Internal Control Over Financial Reporting**

We have audited SolarEdge Technologies Inc.'s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, SolarEdge Technologies Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of income (loss), comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and our report dated February 25, 2025 expressed an unqualified opinion thereon.

**Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

**Definition and Limitations of Internal Control Over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Kost Forer Gabbay & Kasierer  
A Member of EY Global

Tel-Aviv, Israel  
February 25, 2025

**SOLAREEDGE TECHNOLOGIES INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except per share data)

	December 31,	
	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 274,611	\$ 338,468
Restricted cash	135,328	-
Marketable securities	311,279	521,570
Trade receivables, net of allowances of \$43,038 and \$16,400, respectively	160,423	622,425
Inventories, net	645,897	1,443,449
Prepaid expenses and other current assets	506,769	378,394
<b>Total current assets</b>	<b>2,034,307</b>	<b>3,304,306</b>
<b>LONG-TERM ASSETS:</b>		
Marketable securities	42,597	407,825
Deferred tax assets, net	-	80,912
Property, plant and equipment, net	343,438	614,579
Operating lease right-of-use assets, net	41,393	64,167
Goodwill and intangible assets, net	58,046	78,341
Loan receivables, net	45,678	2,438
Other long-term assets	64,736	35,163
<b>Total long-term assets</b>	<b>595,888</b>	<b>1,283,425</b>
<b>Total assets</b>	<b>\$ 2,630,195</b>	<b>\$ 4,587,731</b>

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

**SOLAREEDGE TECHNOLOGIES INC.**  
**CONSOLIDATED BALANCE SHEETS (Cont.)**  
(in thousands, except per share data)

	December 31,	
	2024	2023
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Trade payables, net	\$ 93,491	\$ 386,471
Employees and payroll accruals	76,292	76,966
Warranty obligations	140,249	183,047
Deferred revenues and customers advances	140,870	40,836
Accrued expenses and other current liabilities	243,872	205,911
Convertible senior notes, net	346,305	-
<b>Total current liabilities</b>	<b>1,041,079</b>	<b>893,231</b>
<b>LONG-TERM LIABILITIES:</b>		
Convertible senior notes, net	330,006	627,381
Warranty obligations	292,116	335,197
Deferred revenues	231,049	214,607
Finance lease liabilities	39,159	41,892
Operating lease liabilities	30,018	45,070
Other long-term liabilities	8,426	18,444
<b>Total long-term liabilities</b>	<b>930,774</b>	<b>1,282,591</b>
<b>COMMITMENTS AND CONTINGENT LIABILITIES</b>		
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock of \$0.0001 par value - Authorized: 125,000,000 shares; issued: 58,780,490 shares at December 31, 2024 and 57,123,437 shares at December 31, 2023; outstanding: 58,027,126 shares at December 31, 2024 and 57,123,437 shares at December 31, 2023.	6	6
Additional paid-in capital	1,813,198	1,680,622
Treasury stock, at cost; 753,364 shares held	(50,194)	-
Accumulated other comprehensive loss	(76,477)	(46,885)
Retained earnings (Accumulated deficit)	(1,028,191)	778,166
<b>Total stockholders' equity</b>	<b>658,342</b>	<b>2,411,909</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,630,195</b>	<b>\$ 4,587,731</b>

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

**SOLAREEDGE TECHNOLOGIES INC.**  
**CONSOLIDATED STATEMENTS OF INCOME (LOSS)**  
(in thousands, except per share data)

	Year ended December 31,		
	2024	2023	2022
Revenues	\$ 901,456	\$ 2,976,528	\$ 3,110,279
Cost of revenues	1,778,660	2,272,705	2,265,631
Gross profit (loss)	<u>(877,204)</u>	<u>703,823</u>	<u>844,648</u>
Operating expenses:			
Research and development	277,237	321,482	289,814
Sales and marketing	146,865	164,318	159,680
General and administrative	147,455	146,504	112,496
Other operating expenses, net	259,527	31,314	116,538
Total operating expenses	<u>831,084</u>	<u>663,618</u>	<u>678,528</u>
Operating income (loss)	(1,708,288)	40,205	166,120
Financial income (expense), net	(14,570)	41,212	3,750
Other income (loss), net	14,547	(318)	7,285
Income (loss) before income taxes	(1,708,311)	81,099	177,155
Income taxes	(96,150)	(46,420)	(83,376)
Net loss from equity method investments	(1,896)	(350)	-
Net income (loss)	<u>\$ (1,806,357)</u>	<u>\$ 34,329</u>	<u>\$ 93,779</u>
Net basic earnings (loss) per share of common stock	<u>\$ (31.64)</u>	<u>\$ 0.61</u>	<u>\$ 1.70</u>
Net diluted earnings (loss) per share of common stock	<u>\$ (31.64)</u>	<u>\$ 0.60</u>	<u>\$ 1.65</u>
Weighted average number of shares used in computing net basic earnings (loss) per share of common stock	<u>57,082,182</u>	<u>56,557,106</u>	<u>55,087,770</u>
Weighted average number of shares used in computing net diluted earnings (loss) per share of common stock	<u>57,082,182</u>	<u>57,237,518</u>	<u>58,100,649</u>

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

**SOLAREEDGE TECHNOLOGIES INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(in thousands, except per share data)**

	<b>Year ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Net income (loss)	\$ (1,806,357)	\$ 34,329	\$ 93,779
Other comprehensive income (loss), net of tax:			
Available-for-sale marketable securities	4,575	20,489	(20,740)
Cash flow hedges	(2,678)	5,701	(2,635)
Foreign currency translation adjustments on intra-entity transactions that are of a long-term investment nature	(35,379)	(5,375)	(20,540)
Foreign currency translation adjustments	3,890	5,409	(1,875)
Total other comprehensive income (loss)	<u>(29,592)</u>	<u>26,224</u>	<u>(45,790)</u>
Comprehensive income (loss)	<u>\$ (1,835,949)</u>	<u>\$ 60,553</u>	<u>\$ 47,989</u>

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

**SOLAREEDGE TECHNOLOGIES INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(in thousands, except per share data)

	SolarEdge Technologies, Inc. Stockholders' Equity						
	Common stock		Additional paid in Capital	Treasury stock	Accumulated other comprehensive Income (loss)	Retained earnings	Total
	Number	Amount					
Balance as of December 31, 2021	52,815,395	\$ 5	\$ 687,295	\$ -	\$ (27,319)	\$ 650,058	\$ 1,310,039
Issuance of common stock in a secondary public offering, net of underwriters' discounts and commissions of \$27,140 and \$834 of offering costs	2,300,000	1	650,525	-	-	-	650,526
Issuance of common stock upon exercise of stock-based awards	940,880	*-	4,030	-	-	-	4,030
Issuance of Common stock under employee stock purchase plan	77,129	*-	17,863	-	-	-	17,863
Stock based compensation	-	-	145,919	-	-	-	145,919
Other comprehensive loss adjustments, net	-	-	-	-	(45,790)	-	(45,790)
Net income	-	-	-	-	-	93,779	93,779
Balance as of December 31, 2022	56,133,404	\$ 6	\$ 1,505,632	\$ -	\$ (73,109)	\$ 743,837	\$ 2,176,366
Issuance of common stock upon exercise of stock-based awards	790,745	*-	226	-	-	-	226
Issuance of Common stock under employee stock purchase plan	199,288	*-	20,693	-	-	-	20,693
Stock based compensation	-	-	154,071	-	-	-	154,071
Other comprehensive income adjustments, net	-	-	-	-	26,224	-	26,224
Net income	-	-	-	-	-	34,329	34,329
Balance as of December 31, 2023	57,123,437	\$ 6	\$ 1,680,622	\$ -	\$ (46,885)	\$ 778,166	\$ 2,411,909
Issuance of common stock upon exercise of stock-based awards	796,905	*-	173	-	-	-	173
Issuance of Common stock under employee stock purchase plan	860,148	*-	18,468	-	-	-	18,468
Stock based compensation	-	-	142,277	-	-	-	142,277
Repurchase of common stock	(753,364)	-	-	(50,194)	-	-	(50,194)
Capped call transactions related to the Notes 2029	-	-	(28,342)	-	-	-	(28,342)
Other comprehensive loss adjustments, net	-	-	-	-	(29,592)	-	(29,592)
Net loss	-	-	-	-	-	(1,806,357)	(1,806,357)
Balance as of December 31, 2024	58,027,126	\$ 6	\$ 1,813,198	\$ (50,194)	\$ (76,477)	\$ (1,028,191)	\$ 658,342

\* Represents an amount less than \$1.

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

**SOLAREEDGE TECHNOLOGIES INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands, except per share data)

	Year ended December 31,		
	2024	2023	2022
<b>Cash flows from operating activities:</b>			
Net income (loss)	\$ (1,806,357)	\$ 34,329	\$ 93,779
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	59,865	57,196	49,676
Provision to write down inventories to net realizable value	738,757	46,369	10,170
Loss on impairment and disposal of property, plant and equipment	224,772	25,168	649
Stock-based compensation expenses	137,251	149,945	145,539
Impairment of goodwill and intangible assets	24,674	5,622	118,492
Deferred income taxes, net	79,209	(43,071)	(11,055)
Gain from repurchasing of convertible notes	(15,456)	-	-
Loss (gain) from exchange rate fluctuations	11,918	(26,878)	9,527
Other items	8,030	8,164	4,382
Changes in assets and liabilities:			
Trade receivables, net	451,707	296,429	(457,610)
Inventories, net	67,799	(737,223)	(351,255)
Prepaid expenses and other assets	(122,484)	(92,067)	(64,991)
Operating lease right-of-use assets, net	15,805	16,525	14,878
Trade payables, net	(285,505)	(67,795)	194,524
Warranty obligations	(85,541)	133,090	120,169
Deferred revenues and customers advances	119,519	39,632	44,376
Operating lease liabilities	(15,829)	(15,981)	(14,976)
Accrued expenses and other liabilities	78,547	(9,567)	125,010
Net cash provided by (used in) operating activities	<u>(313,319)</u>	<u>(180,113)</u>	<u>31,284</u>
<b>Cash flows from investing activities:</b>			
Investment in available-for-sale marketable securities	(253,431)	(296,396)	(507,171)
Proceeds from maturities of available-for-sale marketable securities	719,454	277,382	201,974
Proceeds from sales of available-for-sale marketable securities	114,564	2,807	29,236
Purchase of property, plant and equipment	(108,163)	(170,523)	(169,341)
Business combinations, net of cash acquired	(10,417)	(16,653)	-
Purchase of intangible assets	(10,000)	(10,600)	-
Disbursements for loans receivables	(37,500)	(58,000)	-
Investment in privately-held companies	(25,664)	(8,000)	-
Proceeds from loans receivables	32,150	-	-
Proceeds from governmental grant	-	6,794	4,479
Other investing activities	(4,707)	4,295	23,779
Net cash provided by (used in) investing activities	<u>\$ 416,286</u>	<u>\$ (268,894)</u>	<u>\$ (417,044)</u>

**SOLAREEDGE TECHNOLOGIES INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (Cont.)**  
(in thousands, except per share data)

	Year ended December 31,		
	2024	2023	2022
<b>Cash flows from financing activities:</b>			
Repurchase of common stock	\$ (50,194)	\$ -	\$ -
Partial repurchase of Notes 2025	(267,900)	-	-
Proceeds from issuance of Notes 2029, net of issuance costs	329,214	-	-
Capped call transactions related to Notes 2029	(28,342)	-	-
Tax withholding in connection with stock-based awards, net	(281)	(9,259)	3,023
Proceeds from secondary public offering, net of issuance costs	-	-	650,526
Other financing activities	(2,626)	(2,697)	1,058
Net cash provided by (used in) financing activities	<u>(20,129)</u>	<u>(11,956)</u>	<u>654,607</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>(11,367)</u>	<u>16,319</u>	<u>(15,824)</u>
Increase (decrease) in cash, cash equivalents and restricted cash	71,471	(444,644)	253,023
Cash and cash equivalents at the beginning of the period	338,468	783,112	530,089
Cash, cash equivalents and restricted cash, end of period	<u>\$ 409,939</u>	<u>\$ 338,468</u>	<u>\$ 783,112</u>
<b>Supplemental disclosure of non-cash activities:</b>			
Purchase of intangible assets and business combinations	\$ -	\$ 11,307	\$ -
Right-of-use asset recognized with corresponding lease liability	\$ 2,931	\$ 18,077	\$ 46,004
Purchase of property, plant and equipment	<u>\$ 5,783</u>	<u>\$ 6,323</u>	<u>\$ 16,106</u>
<b>Supplemental disclosure of cash flow information:</b>			
Cash paid for income taxes	<u>\$ 17,004</u>	<u>\$ 137,981</u>	<u>\$ 74,689</u>

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

The following table reconciles cash, cash equivalents and restricted cash per the statement of cash flows to the balance sheet:

	Year ended December 31,		
	2024	2023	2022
Cash and cash equivalents	\$ 274,611	\$ 338,468	\$ 783,112
Restricted cash	135,328	-	-
Cash, cash equivalents and restricted cash, end of period	<u>\$ 409,939</u>	<u>\$ 338,468</u>	<u>\$ 783,112</u>

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(in thousands, except per share data)

**NOTE 1: GENERAL**

SolarEdge Technologies, Inc. (the "Company") and its subsidiaries design, develop, and sell an intelligent inverter solution designed to maximize power generation at the individual photovoltaic ("PV") module level while lowering the cost of energy produced by the solar PV system and providing comprehensive and advanced safety features. The Company's products consist mainly of (i) power optimizers designed to maximize energy throughput from each and every module through constant tracking of MPP individually per module, (ii) inverters which invert direct current (DC) from the PV module to alternating current (AC) including the Company's future ready energy hub inverter which supports, among other things, connection to a DC-coupled battery for full or partial home backup capabilities, and optional connection to the Company's smart EV charger, (iii) a remote cloud-based monitoring platform, that collects and processes information from the power optimizers and inverters to enable customers and system owners, to monitor and manage the solar PV system (iv) batteries for PV applications that are used to increase energy independence and maximize self-consumption for PV system's owners including a battery ,and (v) additional smart energy management solutions.

The Company and its subsidiaries sell products worldwide through large distributors, electrical equipment wholesalers, as well as directly to large solar installers and engineering, procurement and construction firms.

The Company expanded its activity to other areas of smart energy technology organically and through acquisitions. The Company offers a variety of energy solutions, which include lithium-ion cells, batteries, a cloud-based monitoring platform, EV chargers, as well as cloud-based energy management solutions.

On April 6, 2023, the Company completed the acquisition of all outstanding shares of Hark Systems Ltd. ("Hark"), a UK-based energy IoT company for the C&I sector.

In October 2023, the Company decided to discontinue its light commercial vehicle e-Mobility ("LCV") activity (see Note 25).

On April 1, 2024, the Company completed the acquisition of all outstanding shares of Wevo, an Israel-based software startup, specializing in EV charging optimization and management (see Note 3)

In November 2024, the Company decided to discontinue its Energy Storage activity (see Note 25).

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements are prepared according to United States generally accepted accounting principles ("U.S. GAAP").

a. Principles of consolidation:

The consolidated financial statements include the accounts of the Company and its subsidiaries. Intercompany transactions and balances including profit from intercompany sales not yet realized outside the Company have been eliminated upon consolidation.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

b. Use of estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses, government grants, income taxes and related disclosures in the accompanying notes. Actual results could differ from those estimates.

In preparing the Company's consolidated financial statements, management also considered the economic implications of inflation on key accounting estimates. In addition, the duration, scope and effects of the war in Israel and the conflict in Ukraine, government and other third-party responses to it, and the related macroeconomic effects, including to the Company's business and the business of the Company's suppliers and customers are uncertain, rapidly changing and difficult to predict. As a result, the Company's accounting estimates and assumptions may change over time in response to these evolving situations. Such changes could result in future impairments of goodwill and long-lived assets, inventories write-offs, incremental credit losses on receivables and available-for-sale marketable debt securities and changes in warranty obligations as of the time of a relevant measurement event.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

c. Financial statements in U.S. dollars:

A major part of the Company's operations is carried out in the United States, Israel and certain other countries. The functional currency of these entities is the U.S. dollar. Financing activities, including cash investments are primarily made in U.S. dollars.

Accordingly, monetary accounts maintained in currencies other than the U.S. dollar are translated into U.S. dollars in accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") No. 830 "Foreign Currency Matters". All transaction gains and losses of the re-measurement of monetary balance sheet items are reflected in the statements of income (loss) as financial income or expenses, as appropriate.

The financial statements of other Company's subsidiaries whose functional currency is other than the U.S. dollar have been translated into U.S. dollars. Assets and liabilities have been translated using the exchange rates in effect as of the balance sheet date. Statements of income (loss) amounts have been translated using the date of the transaction or at the average exchange rate for the relevant period.

The resulting translation adjustments are reported as a component of stockholders' equity in accumulated other comprehensive income (loss). Gains and losses arising from intercompany foreign currency transactions that are of a long-term investment in nature are reported in the same manner as translation adjustments.

d. Cash and cash equivalents:

Cash equivalents are short-term, highly liquid investments that are readily convertible to cash, with original maturities of three months or less at the date acquired.

e. Restricted cash

Restricted cash represents cash, held as certificates of deposit that are collateralized under a letter of credit, issued to customer and vendors. The letters of credit are required as a performance security, with a face amount equal to the aggregate purchase price of an executed sales agreement. The letters of credit were issued per the terms of the executed sales and purchasing agreements and the Company has collateralized certificates of deposit under these letters of credit in an aggregated amount of \$135,328, which is reflected as restricted cash on the Company's consolidated balance sheet as of December 31, 2024.

f. Restricted bank deposits:

Short-term restricted bank deposits possess an original maturity of more than three months and less than a year from the date of investment. Long-term restricted bank deposits possess an original maturity of more than one year from the date of investment. Restricted bank deposits are primarily used as collateral for the Company's office leases and credit cards.

g. Marketable Securities:

Marketable securities consist of corporate and governmental bonds. The Company determines the appropriate classification of marketable securities at the time of purchase and re-evaluates such designation at each balance sheet date. In accordance with FASB ASC No. 320 "Investments - Debt and Equity Securities", the Company classifies marketable securities as available-for-sale.

Available-for-sale ("AFS") securities are stated at fair value, with unrealized gains and losses reported in accumulated other comprehensive income (loss), a separate component of stockholders' equity, net of taxes. Realized gains and losses on sales of marketable securities, as determined on a specific identification basis, are included in other income (loss), net, on the consolidated statements of income (loss). The amortized cost of marketable securities is adjusted for amortization of premium and accretion of discount to maturity, both of which, together with interest, are included in financial income (expenses), net.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

The Company classifies its marketable securities as either short-term or long-term based on each instrument's underlying contractual maturity date. Marketable securities with maturities of 12 months or less are classified as short-term and marketable securities with maturities greater than 12 months are classified as long-term.

On each reporting period, the Company evaluates whether declines in fair value below carrying value are due to expected credit losses, as well as the ability and intent to hold the investment until a forecasted recovery occurs, in accordance with ASC 326. Allowance for credit losses on AFS debt securities are recognized as a charge in financial income (expenses), net, on the consolidated statements of income (loss), and any remaining unrealized losses, net of taxes, are included in accumulated other comprehensive income (loss) in stockholders' equity.

The Company has not recorded credit losses on AFS debt securities for the years ended December 31, 2024, 2023 and 2022.

h. Investment in privately-held companies:

The Company's equity investments are investments in equity securities of privately-held companies, that are not traded and therefore not supported with observable market prices. The Company elected to account for its equity investments without readily determinable market values that either (i) do not meet the definition of in-substance common stock or (ii) do not provide the Company with control or significant influence using Accounting Standards Update ("ASU") 2016-01.

The Company accounts for equity investments through which it exercise significant influence but do not have control over the investee under the equity method. Under this method, the investment, which was initially recorded at cost, is adjusted to recognize the Company's share of net earnings or losses of the investee as they occur, rather than when dividends or other distributions are received.

The Company adjusts the carrying value of its investments to fair value upon observable transactions for identical or similar investments of the same issuer.

The Company periodically evaluates the carrying value of the investments in privately-held companies when events and circumstances indicate that the carrying amount of the investment may not be recovered. The maximum loss the Company can incur for its investments is their carrying value.

The Company may determine the fair value by reviewing equity valuation reports, current financial results, long-term plans of the privately-held companies, the amount of cash that the privately-held companies have on-hand, the ability to obtain additional financing and overall market conditions in which the privately-held companies operate or based on the price observed from the most recent completed financing.

All gains and losses, whether due to an impairment or revaluation, on investments in privately-held companies, realized and unrealized, are recognized in other income (loss), net.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

i. Trade receivables:

Trade receivables are stated net of credit losses allowance. The Company is exposed to credit losses primarily through sales of products. The allowance against gross trade receivables reflects the current expected credit loss inherent in the receivables portfolio determined based on the Company's methodology. The Company's methodology is based on historical collection experience, customer creditworthiness, current and future economic condition and market condition. Additionally, specific allowance amounts are established to record the appropriate provision for customers that have a higher probability of default. Trade receivables are written off after all reasonable means to collect the full amount have been exhausted.

The following table provides a roll-forward of the allowance for credit losses that is deducted from the amortized cost basis of trade receivables to present the net amount expected to be collected:

Balance as of January 1, 2024	\$	16,400
Increase in provision for expected credit losses		33,799
Recoveries collected		(5,809)
Amounts written off charged against the allowance		(66)
Foreign currency translation		(1,286)
Balance as of December 31, 2024	<u>\$</u>	<u>43,038</u>

j. Loan receivables:

Loan receivables are carried at the outstanding principal amount. An allowance for credit loss on loan receivables is established when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. The Company determines this by considering several factors, including the credit risk and current financial condition of the borrower, the borrower's ability to pay current obligations, historical trends, and economic and market conditions. The Company performs a credit quality assessment on the loan receivable on a quarterly basis and reviews the need for an allowance in accordance with ASC 326. The Company evaluates the extent and impact of any credit deterioration that could affect the performance and the value of the secured property, as well as the financial and operating capability of the borrower.

The loan repayments are expected on a monthly or annual basis as per the contractual terms of each loan agreement. The loan is measured at its amortized cost and is subjected to the Company's credit risk policy. The loans bear interest that represents market interest rate.

As of December 31, 2024 and 2023, the Company's provision for credit loss was \$17,672 and \$144, respectively, which was recorded under Financial income (expense), net.

As of December 31, 2024, the loans are presented under long-term assets on the consolidated balance sheets. As of December 31, 2023, the loans were presented under prepaid expenses and other current assets and other long-term assets on the consolidated balance sheets.

The Company granted a loan to a single customer. Considering the significant loan amount, the customer's balance would potentially expose the Company to a concentration of credit risk.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

Interest income is recorded on an accrual basis at the stated interest rate and is recorded in financial income (expense), net, in the accompanying consolidated statements of income (loss). The amortized cost of the loan receivable approximates its fair value as of December 31, 2024.

k. Inventories:

Inventories are stated at the lower of cost or net realizable value. Cost includes depreciation, labor, material, shipment and overhead costs. Inventory reserves are provided to cover risks arising from slow-moving, excess inventory items and technological obsolescence. The Company periodically evaluates the quantities on hand relative to historical, current and projected sales volume. Based on this evaluation, an impairment charge is recorded when required to write-down inventory to its net realizable value. Cost of finished goods and raw materials is determined using the moving average cost method (see Note 6).

l. Property, plant and equipment:

Property, plant, and equipment are stated at cost, net of accumulated depreciation and government grants. Assets under construction represent the construction or development stage of property and equipment that have not yet been placed in service for the Company's intended use. Depreciation is calculated by the straight-line method over the estimated useful life of the assets, at the following rates:

	%
Buildings and plants	3-5.7 (mainly 5.7)
Computers and peripheral equipment	14.3-33.3 (mainly 14.3)
Office furniture and equipment	7-20 (mainly 7)
Machinery and equipment	10-20 (mainly 10)
Laboratory and testing equipment	10-20 (mainly 15)
Leasehold improvements	over the shorter of the lease term or useful economic life

m. Government assistance

Advanced manufacturing production tax credits

In August 2022, the U.S. government enacted the Inflation Reduction Act of 2022 (the "IRA"), which includes several incentives intended to promote clean energy, battery and energy storage, electrical vehicles, and other solar products, and is impacting our business and operations. As part of such incentives, the IRA, among other things, extends the investment tax credit ("ITC") through 2034 and is therefore expected to increase the demand for solar products. The IRA further incentivizes residential and commercial solar customers and developers by providing significant tax credits for qualifying energy projects. The IRA further provides Advanced Manufacturing Production Tax Credits ("AMPTCs") for U.S. manufacturing of eligible components (under IRC §45X), including PV inverters and DC-optimized systems. The Company has been manufacturing eligible products in the U.S. since the fourth quarter of 2023. In addition to using the tax credits to offset tax due to the U.S. government, the IRA allows taxpayers to elect to have AMPTCs refunded in cash ("Direct Pay") or sell these credits to a third party. The Direct Pay option is available as a one-time election, in any taxable year after December 31, 2022, for a facility in which eligible components are produced, and is applicable for five years. In 2024 the Company sold a significant part of the AMPTCs it generated from the U.S. production of eligible components.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

Refundable and transferable tax credits are similar in essence to government grants. This is because the taxpayer can realize the benefit regardless of whether they owe income tax or not in the relevant years. Therefore, these amounts are not considered income taxes and fall outside the scope of Topic 740. Instead, they are treated as government grants.

Government grants are recognized when there is reasonable assurance that: (1) the Company will comply with the relevant conditions and (2) the grant disbursement will be received. The Company recognizes its AMPTCs as a reduction in the cost of revenues in the statement of income (loss). The Company does this systematically over time as it recognizes the related expenses. The AMPTCs are also reflected in the consolidated balance sheet, according to the way the Company expects to utilize them: as a reduction of income tax payable within accrued expenses and other liabilities, as a tax prepayment, or, if AMPTCs are to be sold, within prepayment and other assets.

As of December 31, 2024 and 2023, AMPTCs of \$80,516 and \$6,020, were recorded as a tax prepayment within prepayment and other current assets, respectively.

Property, plant and equipment

In 2020, SolarEdge Korea (formerly Kokam), a wholly owned subsidiary of the Company, entered into an agreement with Chungcheongbuk-do province of South Korea to partially subsidize the construction of Sella 2, a factory for production of lithium-ion cells and batteries, in the amount of approximately \$12,000.

The assistance is in the form of a cash subsidy, which the government will pay as a grant upon the satisfaction of predetermined construction completion milestones. When the defined milestones are reached and the right to receive a subsidy amount becomes virtually certain, the amount of the grant is recorded as a reduction of the related asset's value under "Property, plant and equipment, net".

In November 2024, following the announced discontinuation of SolarEdge Korea, the Company is required to return approximately \$10,000 in subsidies granted to date. The Company recorded an accrual under accrued expenses and other current liabilities in the consolidated balance sheets.

The Company did not record reduction of property, plant and equipment related to grants for the years ended December 31, 2024 and 2023.

n. Leases:

The Company determines if an arrangement is a lease at inception. Contracts containing a lease are further evaluated for classification as an operating or finance lease. In determining the leases classification the Company assesses among other criteria: (i) The lease term is for a major part of the remaining economic life of the underlying asset (ii) The present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already included in the lease payments equals or exceeds substantially all of the fair value of the underlying asset. Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities and long-term operating lease liabilities in the Company's consolidated balance sheets. Finance leases are included in property, plant and equipment, net, other current liabilities, and long-term finance lease liabilities in the Company's consolidated balance sheets. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. For leases with terms greater than 12 months, the Company records the ROU asset and liability at commencement date based on the present value of lease payments according to their term. Certain lease agreements include rental payments that are adjusted periodically for the consumer price index ("CPI"). The ROU and lease liability were calculated using the CPI as of the adoption date and will not be subsequently adjusted, unless the liability is reassessed for other reasons.

The Company uses incremental borrowing rates based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at commencement date. The ROU asset also includes any lease payments made and net of lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expenses are recognized on a straight-line basis over the lease term or the useful life of the leased asset.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

In addition, the carrying amount of the ROU and lease liabilities are remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

o. Business Combination:

The Company allocates the fair value of the purchase price to the tangible assets acquired, liabilities assumed and intangible assets acquired based on their estimated fair value. The excess of the fair value of the purchase price over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets.

Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired technology and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which does not exceed one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the finalization of the measurement period, any subsequent adjustments are recorded to earnings.

p. Intangible Assets:

Acquired identifiable finite-lived intangible assets are amortized on a straight-line basis or accelerated method over the estimated useful lives of the assets. The basis of amortization approximates the pattern in which the assets are utilized, over their estimated useful lives. The Company routinely reviews the remaining estimated useful lives of finite-lived intangible assets. In case the Company reduces the estimated useful life for any asset, the remaining unamortized balance is amortized over the revised estimated useful life (see Note 10).

Depreciation is calculated by the straight-line method over the estimated useful life of the assets, at the following rates:

	%
Current technology	14.3-20 (mainly 20)
Customer relationships	100
Trade names	20-50 (mainly 50)
Patents	9.5-10 (mainly 9.5)

q. Impairment of long-lived assets:

The Company's long-lived assets to be held and used, including property, plants and equipment, ROU assets and identifiable intangible assets that are subject to amortization, other than goodwill, are reviewed for impairment in accordance with ASC 360 "Property, Plants and Equipment", whenever events or changes in circumstances indicate that the carrying amount of an asset (or asset group) may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset (or asset group) to the future undiscounted cash flows expected to be generated by the assets (or asset group). If such evaluation indicates that the carrying amount of the asset (or asset group) is not recoverable, the assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds their fair value (see Note 10).

For the years ended December 31, 2024, 2023 and 2022, the Company recorded impairment charges of long-lived assets in the amount of \$249,588, \$30,790 and \$29,037, respectively, presented under Other operating expenses, net.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

r. Goodwill:

Goodwill reflects the excess of the consideration transferred, including the fair value of any contingent consideration and any non-controlling interest in the acquiree, over the assigned fair values of the identifiable net assets acquired. Goodwill is not amortized, and is assigned to reporting units and tested for impairment at least on an annual basis, in the fourth quarter of the fiscal year.

The goodwill impairment test is performed according to the following principles:

- (1) An initial qualitative assessment may be performed to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount.
- (2) If the Company concludes it is more likely than not that the fair value of the reporting unit is less than its carrying amount, a quantitative impairment test is performed. An impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value is recognized (see Note 11).

For the year ended December 31, 2024, the Company recorded impairment charges of goodwill in the amount of \$2,251.

For the year ended December 31, 2023, the Company did not record any impairment charges.

For the year ended December 31, 2022, the Company recorded impairment charges of goodwill in the amount of \$90,104.

s. Cloud computing arrangements:

In 2021, due to the growing size and complexity of the Company, the Company decided to implement a new global enterprise resource planning ("ERP") system, which will replace the Company's existing operating and financial systems. During 2022, the Company began implementing a cloud-based ERP system. The Company's implementation of this system is expected to be completed in 2025.

The Company incurs costs to implement cloud computing arrangements ("CCA") that are hosted by third party vendors. Implementation costs associated with CCA are capitalized when incurred during the application development phase until the software is ready for its intended use. The costs are then amortized on a straight-line basis over the contractual term of the cloud computing arrangement and are recognized as an operating expense within the consolidated statements of income (loss). Capitalized amounts related to such arrangements are recorded within other long-term assets in the consolidated balance sheets. Cash payments for CCA implementation costs are classified as cash used in operating activities.

As of December 31, 2024, and 2023 the Company had capitalized implementation costs related to its upcoming ERP conversion in the amounts of \$29,366 and \$13,666, respectively presented under other long-term assets in the consolidated balance sheet.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

t. Severance pay:

The employees of the Company's Israeli Subsidiary are included under Section 14 of the Severance Pay Law, 1963, under which these employees are entitled only to monthly deposits made in their name with insurance companies, at a rate of 8.33% of their monthly salary. These payments cause the Company to be released from any future obligation under the Israeli Severance Pay Law to make severance payments in respect of those employees; therefore, related assets and liabilities are not presented in the consolidated balance sheets.

If applicable, severance costs are recorded in each entity in accordance with local laws and regulations.

For the years ended December 31, 2024, 2023 and 2022, the Company recorded \$21,959, \$23,643 and \$17,202 in severance expenses related to its employees, respectively.

u. Derivatives and Hedging:

The Company accounts for derivatives and hedging based on ASC 815 ("Derivatives and Hedging"). ASC 815 requires the Company to recognize all derivatives on the balance sheet at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship.

To protect against the increase in value of forecasted foreign currency cash flows resulting from salary denominated in the Israeli currency, NIS, during the year ended December 31, 2024, the Company instituted a foreign currency cash flow hedging program whereby portions of the anticipated payroll denominated in NIS for a period of one to nine months with hedging contracts.

Accordingly, when the dollar strengthens against the NIS, the decline in present value of future foreign currency expenses is offset by losses in the fair value of the hedging contracts. Conversely, when the dollar weakens, the increase in the present value of future foreign currency cash flows is offset by gains in the fair value of the hedging contracts. These hedging contracts are designated as cash flow hedges, as defined by ASC 815 and are all effective hedges.

The Company also entered into derivative instrument arrangements to hedge the Company's exposure to currencies other than the U.S. dollar. These derivative instruments are not designated as cash flow hedges, as defined by ASC 815, and therefore all gains and losses, resulting from fair value remeasurement, were recorded immediately in the statement of income (loss), as a financial income (expense), net.

The Company classifies cash flows related to its hedging as operating activities in its consolidated statement of cash flows.

v. Revenue recognition:

Revenues are recognized in accordance with ASC 606; revenue from contracts with customers is recognized when control of the promised goods or services is transferred to the customers, in an amount that the Company expects in exchange for those goods or services.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

The Company's products and services consist mainly of (i) power optimizers, (ii) inverters, (iii) batteries for PV applications, (iv) a related cloud-based monitoring platform, (v) communication services, and (vi) warranty extension services.

The Company recognizes revenue under the core principle that transfer of control to the Company's customers should be depicted in an amount reflecting the consideration the Company expects to receive in revenue.

In order to achieve that core principle, the Company applies the following five-step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when the performance obligation is satisfied.

(1) Identify the contract with a customer

A contract is an agreement or purchase order between two or more parties that creates enforceable rights and obligations. In evaluating the contract, the Company analyzes the customer's intent and ability to pay the amount of promised consideration (credit risk) and considers the probability of collecting substantially all of the consideration.

The Company determines whether collectability is reasonably assured on a customer-by-customer basis pursuant to its credit review policy. The Company typically sells to customers with whom it has a long-term business relationship and a history of successful collection. For a new customer, or when an existing customer substantially expands its commitments, the Company evaluates the customer's financial position, the number of years the customer has been in business, the history of collection with the customer, and the customer's ability to pay, and typically assigns a credit limit based on that review.

(2) Identify the performance obligations in the contract

At a contract's inception, the Company assesses the goods or services promised in a contract with a customer and identifies the performance obligations. The main performance obligations are the provisions of the following: providing of the Company's products; cloud based monitoring services; extended warranty services and communication services. Depending on the shipping terms agreed with the customer, the Company may perform shipping and handling activities after the customer obtains control of the goods and revenue is recognized. The Company has elected to account for shipping and handling costs as activities to fulfill the promise to transfer the goods. As a result of this accounting policy election, the Company does not consider shipping and handling activities after the customer obtains control of the goods as promised services to its customers.

(3) Determine the transaction price

The transaction price is the amount of consideration to which the Company is entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Generally, the Company does not provide price protection, stock rotation, and/or right of return. The Company determines the transaction price for all satisfied and unsatisfied performance obligations identified in the contract from contract inception to the beginning of the earliest period presented.

The Company has elected to apply the practical expedient to not evaluate payment terms of one year or less for the existence of a significant financing component.

Revenue is recognized net of any taxes collected from customers which are subsequently remitted to governmental entities (e.g., sales tax and other indirect taxes).

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

Rebates or discounts on goods or services are accounted for as variable consideration. The rebate or discount program is applied retrospectively for future purchases. Provisions for rebates, sales incentives and discounts to customers are accounted for as reductions in revenue in the same period the related sales are recorded.

Accrual for rebates for direct customers is presented net of receivables. Accrual for sale incentives related to non-direct customers is presented under accrued expenses and other current liabilities. The Company accrued \$53,026 and \$74,096 for rebates and sales incentives as of December 31, 2024 and 2023, respectively.

When a contract provides a customer with payment terms of more than a year, the Company considers whether those terms create variability in the transaction price and whether a significant financing component exists.

As of December 31, 2024, the Company has not provided payment terms of more than a year.

The performance obligations that extend for a period greater than one year are those that include a financial component: (i) warranty extension services, (ii) cloud-based monitoring, and (iii) communication services. The Company recognizes financing component expenses in its consolidated statement of income (loss) in relation to advance payments for performance obligations that extend for a period greater than one year. These financing component expenses are reflected in the Company's deferred revenues balance.

(4) Allocate the transaction price to the performance obligations in the contract

The Company performs an allocation of the transaction price to each separate performance obligation, in proportion to their relative standalone selling prices.

(5) Recognize revenue when a performance obligation is satisfied

Revenue is recognized when or as performance obligations are satisfied by transferring control of a promised good or service to a customer. Control either transfers over time or at a point in time, which affects when revenue is recorded.

Revenues from sales of products are recognized based on the transfer of control, which includes but is not limited to, the agreed International Commercial terms, or "INCOTERMS". Revenues related to warranty extension services, cloud-based monitoring, communication services and other services are recognized over time on a straight-line basis since these services have a consistent continuous pattern of transfer to a customer during the contract period.

Billed accounts receivables include all outstanding invoices to customers, as well as amounts allowed to be billed according to contractual billing terms with customers.

Deferred revenues consist of deferred cloud-based monitoring services, communication services, warranty extension services, other services and advance payments received from customers for the Company's products. Deferred revenues are classified as short-term and long-term deferred revenues based on the period in which revenues are expected to be recognized (see Note 16).

w. Cost of revenues:

Cost of revenues includes the following: product costs consisting of purchases from contract manufacturers and other suppliers, direct and indirect manufacturing costs, shipping and handling, support, warranty expenses, provision for losses related to slow moving and dead inventory, personnel and government grants related to the AMPTCs.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

Shipping, handling and warehouse costs, which amounted to \$79,534, \$214,349 and \$257,753, for the years ended December 31, 2024, 2023 and 2022, respectively, are included in the cost of revenues in the consolidated statements of income. Shipping, handling and warehouse costs include custom tariff charges and all other costs associated with the distribution of finished goods from the Company's point of sale directly to its customers.

In the years that ended December 31, 2024 and 2023, the Company recognized AMPTCs worth \$88,655 and \$6,020, as a reduction in the cost of revenues for the inverters produced in the United States and sold to customers.

x. Warranty obligations:

The Company provides a product warranty for its solar segment related products as follows: a standard 10-year limited warranty for its batteries for PV applications, a standard 12-year limited warranty for the majority of its inverters, that is extendable up to 25 years for an additional cost and a 25-year limited warranty for power optimizers.

The Company maintains reserves to cover the expected costs that could result from the standard warranty. The warranty liability is in the form of product replacement and associated costs. Warranty reserves are based on the Company's best estimate of such costs and are included in cost of revenues. The reserve for the related warranty expenses is based on various factors including assumptions about the frequency of warranty claims on product failures, derived from results of accelerated lab testing, field monitoring, analysis of the history of product field failures, and the Company's reliability estimates.

The Company has established a reliability measurement system based on the units' estimated mean time between failure, or MTBF, a metric that equates to a steady-state failure rate per year for each product generation. The MTBF predicts the expected failure rate of each product within the Company's products installed base during the expected product warranted lifetime.

The Company performs accelerated life cycle testing, which simulates the service life of the product in a short period of time.

The accelerated life cycle tests incorporate test methodologies derived from standard tests used by solar module vendors to evaluate the period over which solar modules wear out. Corresponding replacement costs are updated periodically to reflect changes in the Company's actual and estimated production costs for its products, rate of usage of refurbished units as a replacement of faulty units, and other costs related to logistic and subcontractors' services associated with the replacement products.

In addition, through the collection of actual field failure statistics, the Company has identified several additional failure causes that are not included in the MTBF model. Such causes, which mostly consist of design errors, workmanship errors caused during the manufacturing process and, to a lesser extent, replacement of non-faulty units by installers, result in generating additional replacement costs to the replacement costs projected under the MTBF model.

For other products, the Company accrues for warranty costs based on the Company's best estimate of product and associated costs. The Company's other products are sold with a standard limited warranty that typically range in duration from one to ten years.

Warranty obligations are classified as short-term and long-term obligations based on the period in which the warranty is expected to be claimed.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

y. Advertising costs

Advertising costs are expensed when incurred and are included in sales and marketing expenses in the consolidated statements of income (loss). The Company incurred advertising expenses of \$12,015, \$13,476, and \$11,090 for the years ended December 31, 2024, 2023, and 2022, respectively.

z. Research and development costs:

Research and development costs, are charged to the consolidated statement of income (loss) as incurred.

aa. Concentrations of credit risks:

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, restricted cash, restricted bank deposits, marketable securities, trade receivables, loan receivables, derivative instruments and other accounts receivable.

Cash and cash equivalents, restricted cash and restricted bank deposits are mainly invested in major banks in the U.S., Israel, Germany, Italy and Korea. Management believes that the financial institutions that hold the Company's investments are financially sound and, accordingly, minimal credit risk exists with respect to these investments.

The Company's debt marketable securities include investments in high-rated corporate debentures (located mainly in the U.S., Canada, France, UK, Australia, Cayman Islands and other countries) and governmental bonds. The financial institutions that hold the Company's debt marketable securities are major financial institutions located in the United States. The Company believes its debt marketable securities portfolio is a diverse portfolio of highly-rated securities and the Company's investment policy limits the amount the Company may invest in an issuer (see Note 2g.).

The trade receivables of the Company derive from sales to customers located primarily in the United States and Europe.

The Company performs ongoing credit evaluations of its customers for the purpose of determining the appropriate allowance for credit losses (see Note 2i.). The Company generally does not require collaterals, however, in certain circumstances, the Company may require letters of credit, other collateral, or additional guarantees. From time to time, the Company may purchase trade credit insurance.

The Company had one major customer (customers with attributable revenues that represent more than 10% of the Company's total revenues) for the year ended December 31, 2024, two major customers for the year ended December 31, 2023, and one major customer for the year ended December 31, 2022 that accounted for approximately 12.9%, 24.0% and 18.5% of the Company's consolidated revenues, respectively. All of the revenues from these customers were generated in the solar segment.

The Company had three major customers (customer with a balance that represents more than 10% of total trade receivables, net) as of December 31, 2024 and as of December 31, 2023 that accounted in the aggregate for approximately 43.4% and 47.1%, of the Company's consolidated trade receivables, net, respectively.

ab. Concentrations of supply risks:

The Company depends on certain contract manufacturers and several limited or single source component suppliers. Reliance on these vendors makes the Company vulnerable to possible capacity constraints and reduced control over component availability, delivery schedules, manufacturing yields, and costs.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

As of December 31, 2024 one contract manufacturer accounted for 26.2% of the Company's total trade payables, net.

As of December 31, 2023 two contract manufacturers collectively accounted for 58.5% of the Company's total trade payables, net.

The Company's own manufacturing facility, Sella 1, located in the North of Israel, is used in the Company's Solar segment operations.

ac. Fair value of financial instruments:

The following methods and assumptions were used by the Company in estimating the fair value of its financial instruments:

The carrying value of cash and cash equivalents, restricted cash, short-term bank deposits, restricted bank deposits, trade receivables, net, bank loans, prepaid expenses, loan receivables and other current assets, trade payables, net, employee and payroll accruals and accrued expenses and other current liabilities approximate their fair values due to the short-term maturities of such instruments.

Assets measured at fair value on a recurring basis as of December 31, 2024 and 2023 are comprised of money market funds, derivative instruments and marketable securities (see Note 14).

The Company applies ASC 820 "Fair Value Measurements and Disclosures", with respect to fair value measurements of all financial assets and liabilities. Fair value is an exit price, representing the amount that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability.

A three-tiered fair value hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value:

- Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 - Include other inputs that are directly or indirectly observable in the marketplace.
- Level 3 - Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

ad. Stock-based compensation:

The Company uses the closing trading price of its common stock on the day of the grant date as the fair value of awards of restricted stock units ("RSUs"), and performance stock units that are based on the Company's financial performance targets ("PSUs"). The compensation expense for RSUs is recognized using a straight-line attribution method over the requisite employee service period while compensation expense for PSUs is recognized using an accelerated amortization model. The Company estimates the forfeitures at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Estimated forfeitures are based on actual historical pre-vesting forfeitures.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

The Company granted under its 2015 Plan, PSU awards to certain employees and officers which vest upon the achievement of certain performance or market conditions subject to their continued employment with the Company.

The Company granted PSUs based on the Company's total shareholder return ("TSR") compared to the TSR of companies listed in the S&P 500 index over a one to three year performance period. In addition, the Company granted PSUs based on the 30-day successive average trading price of the Company's common stock (the "30-Day Price") over a three year performance period, which are expected to vest if certain 30-Day Price levels are met. For market conditions awards, the Company uses a Monte-Carlo simulation to determine the grant date fair value for these awards, which takes into consideration the market price of a share of the Company's common stock on the date of grant less the present value of dividends expected during the requisite service period, as well as the possible outcomes pertaining to the TSR market condition. The Company recognizes such compensation expenses on an accelerated vesting method.

The Company selected the Black-Scholes-Merton option-pricing model as the most appropriate fair value method for its stock-option awards and Employee Stock Purchase Plan ("ESPP"). The option-pricing model requires a number of assumptions, of which the most significant are the fair market value of the underlying common stock, expected stock price volatility, and the expected option term. Expected volatility for stock-option awards and ESPP was calculated based upon the Company's stock prices. The expected term of options granted is based upon historical experience and represents the period between the options' grant date and the expected exercise or expiration date. The risk-free interest rate is based on the yield from U.S. treasury bonds with an equivalent term. The Company does not use dividend yield rate since the Company has not declared or paid any dividends on its common stock and does not expect to pay any dividends in the foreseeable future.

A modification of the terms of a stock-based award is treated as an exchange of the original award for a new award with total compensation cost equal to the grant-date fair value of the original award plus the incremental value of the modification to the award.

The fair value for PSU and ESPP granted to employees is estimated at the date of grant using the following assumptions:

	<b>Year ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>ESPP</b>			
Risk-free interest	4.42% - 5.42%	5.38% - 5.46%	1.64% - 4.70%
Dividend yields	0%	0%	0%
Volatility	70.94% - 104.93%	56.44% - 66.78%	71.28% - 71.97%
Expected term	6 months	6 months	6 months
<b>PSU</b>			
Risk-free interest	3.9%-4.2%	4.09%	1.77%
Dividend yields	0%	0%	0%
Volatility	65.18%-76.7%	71.60%	67.42%
Expected term	2 - 3 years	3 years	1 - 3 years

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

ae. Earnings (loss) per share

Basic net EPS is computed by dividing the net earnings (losses) attributable to SolarEdge Technologies, Inc. by the weighted-average number of shares of common stock outstanding during the period.

Diluted net EPS is computed by giving effect to all potential shares of common stock, to the extent dilutive, including stock options, RSUs, PSUs, shares to be purchased under the Company's ESPP, the Notes 2025, and Notes 2029, all in accordance with ASC No. 260, "Earnings Per Share."

The Company's convertible senior notes are included in the calculation of diluted Earnings Per Share ("EPS") if the assumed conversion into common shares is dilutive, using the "if-converted" method. This involves adding back the periodic cash and non-cash interest expense net of tax associated with the Notes to the numerator and by adding the shares that would be issued in an assumed conversion (regardless of whether the conversion option is in or out of the money) to the denominator for the purposes of calculating diluted EPS, unless the Notes are antidilutive (see Note 23).

af. Income taxes:

The Company and its subsidiaries account for income taxes in accordance with ASC 740, "Income Taxes". ASC 740 prescribes the use of the liability method, whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates that will be in effect when the differences are expected to reverse.

Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases and are stated at enacted tax rates expected to be in effect when taxes are actually paid or recovered. Deferred tax assets are evaluated for future realization and reduced by a valuation allowance to the extent the Company believes they will not be realized. The Company considers all available evidence, including historical information, long range forecast of future taxable income and evaluation of tax planning strategies. Amounts recorded for valuation allowance can result from a complex series of judgments about future events and can rely on estimates and assumptions.

Tax has not been recorded for (a) taxes that would apply in the event of disposal of investments in subsidiaries, as it is generally the Company's intention to hold these investments, not to realize them; and (b) taxes that would apply on the distribution of unremitted earnings from foreign subsidiaries, as these are retained for reinvestment in the Group.

The Company accounts for uncertain tax positions in accordance with ASC 740-10 two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that it is more likely than not that, on an evaluation of the technical merits, the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% (cumulative probability) likely to be realized upon ultimate settlement.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

ag. New accounting pronouncements not yet effective:

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"). ASU 2023-09 requires additional categories of information about federal, state and foreign income taxes to be included in effective tax rate reconciliation disclosure. Additionally, the newly added categories also apply to the income taxes paid disclosure. Implementation of said additions are subject to quantitative thresholds. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. Since ASU 2023-09 addresses only disclosures, the adoption of ASU 2023-09 is not expected to have a significant impact on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, "Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income (loss) Statement Expenses" ("ASU 2024-03"). ASU 2024-03 requires disaggregation of certain costs and expenses included in each relevant expense caption on the Company's consolidated income (loss) statements in a separate note to the financial statements at each interim and annual reporting period, including amounts of purchases of inventory, employee compensation, depreciation, and intangible asset amortization. ASU 2024-04 is effective fiscal years beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2024-03.

ah. Recently issued and adopted pronouncements:

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" ("ASU 2023-07"). Additional segment reporting information required by ASU 2023-07 includes: disclosing the title and position of the individual or the name of the group or committee identified as the CODM, provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually, and additional disclosures regarding significant segment expenses. Effective December 31, 2024, the Company has adopted this standard retroactively. The adoption of this ASU affects only disclosures, with no impacts to the Company's financial condition and results of operations (see Note 28).

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

**NOTE 3: BUSINESS COMBINATIONS**

In January 2023, the Company completed an investment of \$5,500 in the common stock of Wevo, an Israel-based software startup, specializing in EV charging optimization and management for sites with large quantities of EV chargers, which represented 34.8% of Wevo's outstanding shares.

On April 1, 2024, the Company completed its acquisition of all of Wevo's remaining outstanding shares for approximately \$13,331 in cash.

Pursuant to ASC 805, "Business Combination", the Company accounted for the Wevo acquisition as a business combination, using the acquisition method of accounting. Identifiable assets and liabilities of Wevo, including identifiable intangible assets, were recorded based on their estimated fair values as of the date of the closing of the acquisition. The excess of the purchase price over the fair value of the net assets acquired was recorded as goodwill. The Company recorded preliminary estimates for the fair value of assets acquired and liabilities assumed as of the acquisition date. Such preliminary valuation required estimates and assumptions including, but not limited to, estimating future cash flows and direct costs in addition to developing the appropriate discount rates and current market profit margins. The Company's management believes that the fair values recognized for the assets acquired and the liabilities assumed were based on reasonable estimates and assumptions.

From the initial investment, through to the purchase of all remaining shares, the Company's share of net losses were \$646.

The fair value of the original investment was determined by multiplying the total fair value of Wevo, as outlined below, by the Company's initial 34.8% ownership stake, and applying a discount to account for lack of control.

The Company determined that the acquisition date fair value of the original investment, on April 1, 2024, was \$5,979, resulting in a gain of \$1,125.

The following table summarizes the preliminary fair values estimation of assets acquired and liabilities assumed as of the date of the acquisition:

	<u>Amount</u>	<u>Weighted Average Useful Life (In years)</u>
Cash	\$ 2,914	
Net liabilities assumed	(903)	
Identified intangible assets:		
Technology	4,049	7
Customer relationships	1,241	1
Trade name	665	2
Goodwill	11,344	
Total	<u>\$ 19,310</u>	

Acquisition costs were immaterial and are included in general and administrative expenses in the consolidated statements of income (loss).

Goodwill generated from this acquisition was primarily attributable to expected post-acquisition synergies from combining Wevo's platform with the Company's product offering to its commercial and industrial customers. All of the Goodwill was assigned to the Solar segment (see Note 28). Goodwill is not deductible for tax purposes. The fair values of technology, customer relationships and trade name were derived by applying the multi-period excess earnings method, with-and-without method, and the relief-from-royalty method, respectively, all of which are under the income approach whose underlying inputs are considered Level 3. The fair values assigned to assets acquired and liabilities assumed were based on management's estimates and assumptions.

The results of Wevo operations have been included in the Company's consolidated statements of income (loss) since its acquisition date and are not material. Pro forma financial information has not been presented because the impact of the acquisition was not material to the Company's statements of income (loss).

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

**NOTE 4: INVESTMENT IN PRIVATELY-HELD COMPANY**

In January 2024, the Company completed an investment of \$6,075 in the preferred stock of Ivy Energy, Inc. ("Ivy"), a privately-held U.S. company. The Company accounted for the Ivy investment as an equity investment that does not have readily determinable fair values. As such, the Company's non-marketable equity securities had a carrying value of \$6,075 as of December 31, 2024.

In March 2024, the Company completed an investment of \$5,000 in the preferred stock of Stardust Solution, Inc. ("Stardust"), a privately-held U.S. company. The Company accounted for the Stardust investment as an equity investment, under ASC 321, Equity Securities, that does not have a readily determinable fair market value.

In April 2024, the Company completed an investment of approximately \$17,000 in the preferred stock of Ampeers Energy GmbH ("Ampeers"), a privately-held German company, which represented 28.23% of Ampeers' outstanding shares.

The Company accounted for its investment in Ampeers using the equity method of accounting in accordance with ASC 323, Investments — Equity Method and Joint Ventures. Under this method, the investment, which was initially recorded at cost, is adjusted to recognize the Company's share of net earnings or losses of the investee as they occur, rather than when dividends or other distributions are received. Investments in privately-held companies are included within other long-term assets in the consolidated balance sheets. As of December 31, 2024 and December 31, 2023 the carrying value of investments in privately-held companies was \$9,185 and \$9,241, respectively.

In September 2024, the Company impaired its investment in Stardust in the amount of \$5,000. This impairment was recorded under Other income (loss), net in the consolidated statements of income (loss).

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

**NOTE 5: MARKETABLE SECURITIES**

The following is a summary of available-for-sale marketable securities at December 31, 2024:

	<u>Amortized cost</u>	<u>Gross unrealized gains</u>	<u>Gross unrealized losses</u>	<u>Fair value</u>
<b>Matures within one year:</b>				
Corporate bonds	\$ 290,570	\$ 97	\$ (811)	\$ 289,856
U.S. Treasury securities	12,596	-	(2)	12,594
U.S. Government agency securities	8,810	19	-	8,829
	<u>311,976</u>	<u>116</u>	<u>(813)</u>	<u>311,279</u>
<b>Matures after one year:</b>				
Corporate bonds	36,006	252	(17)	36,241
U.S. Government agency securities	6,309	47	-	6,356
	<u>42,315</u>	<u>299</u>	<u>(17)</u>	<u>42,597</u>
<b>Total</b>	<u>\$ 354,291</u>	<u>\$ 415</u>	<u>\$ (830)</u>	<u>\$ 353,876</u>

The following is a summary of available-for-sale marketable securities at December 31, 2023:

	<u>Amortized cost</u>	<u>Gross unrealized gains</u>	<u>Gross unrealized losses</u>	<u>Fair value</u>
<b>Matures within one year:</b>				
Corporate bonds	\$ 487,083	\$ 679	\$ (5,942)	\$ 481,820
U.S. Treasury securities	15,324	-	(63)	15,261
U.S. Government agency securities	8,787	11	(3)	8,795
Non-U.S. Government securities	15,161	673	(140)	15,694
	<u>526,355</u>	<u>1,363</u>	<u>(6,148)</u>	<u>521,570</u>
<b>Matures after one year:</b>				
Corporate bonds	342,223	1,902	(4,444)	339,681
U.S. Treasury securities	2,430	-	(22)	2,408
U.S. Government agency securities	44,100	107	(121)	44,086
Non-U.S. Government securities	20,488	1,162	-	21,650
	<u>409,241</u>	<u>3,171</u>	<u>(4,587)</u>	<u>407,825</u>
<b>Total</b>	<u>\$ 935,596</u>	<u>\$ 4,534</u>	<u>\$ (10,735)</u>	<u>\$ 929,395</u>

Proceeds from maturity of available-for-sale marketable securities during the years ended December 31, 2024, 2023 and 2022, were \$719,454, \$277,382 and \$201,974, respectively.

Proceeds from sales of available-for-sale marketable securities during the year ended December 31, 2024 were \$114,564, which led to realized gains of \$2,966.

Proceeds from sales of available-for-sale marketable securities during the year ended December 31, 2023 were \$2,807, which led to realized losses of \$125.

Proceeds from sales of available-for-sale marketable securities during the year ended December 31, 2022 were \$29,236, which led to realized losses of \$434

**SOLAREGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

**NOTE 6: INVENTORIES, NET**

	As of December 31,	
	2024	2023
Raw materials	\$ 209,259	\$ 340,604
Work in process	3,113	20,885
Finished goods	433,525	1,081,960
	<u>\$ 645,897</u>	<u>\$ 1,443,449</u>

The Company records inventory write-downs for excess or obsolete inventory or when it believes that the net realizable value of inventory is less than its carrying value. During the year ended December 31, 2024, the Company examined its current inventory balances, analyzed inventory in its channels, and evaluated future installation rates. The Company concluded that significant write-downs were necessary, primarily due to a slowdown in the demand for the Company's products, excess inventory in the channels, repeated price reductions and the introduction of a new generation of products. The Company records write-downs under Cost of revenues, in the consolidated statements of income (loss).

The Company recorded inventory write-downs of \$738,757, \$46,369 and \$10,170 for the years ended December 31, 2024, 2023 and 2022, respectively.

**NOTE 7: PREPAID EXPENSES AND OTHER CURRENT ASSETS**

	As of December 31,	
	2024	2023
Vendor non-trade receivables <sup>1</sup>	\$ 181,953	\$ 102,991
Government authorities	213,290	167,221
Prepayments	25,291	29,578
Loan receivables, net	-	55,418
Assets held for sale	60,500	-
Other	25,735	23,186
Total prepaid expenses and other current assets	<u>\$ 506,769</u>	<u>\$ 378,394</u>

<sup>1</sup> Vendor non-trade receivables derived from the sale of components to manufacturing vendors who manufacture products, components and other testing equipment for the Company. The Company purchases these components directly from other suppliers. The Company does not reflect the sale of these components to the contract manufacturers in its revenues.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT, NET**

	As of December 31,	
	2024	2023
Cost:		
Land	\$ 1,087	\$ 12,823
Buildings and plants	60,498	153,813
Computers and peripheral equipment	47,279	57,527
Office furniture and equipment	8,955	10,992
Laboratory and testing equipment	60,638	67,248
Machinery and equipment	209,906	362,363
Leasehold improvements	110,380	96,730
Assets under construction and payments on account	34,949	88,077
Gross property, plant and equipment	533,692	849,573
Less - accumulated depreciation	190,254	234,994
Total property, plant and equipment, net	<u>\$ 343,438</u>	<u>\$ 614,579</u>

During the year ended 2024, the Company identified certain conditions in which, events or changes in circumstances indicated that the carrying value of certain long-lived assets may not be recoverable and as a result conducted impairment assessments.

In September 2024, an impairment test for the Solar and Energy Storage asset group's long-lived assets was performed. The test included comparing the sum of the estimated undiscounted future cash flow attributable to the identified assets group and its carrying amounts, and recognizing an impairment for the amount to which the carrying amount exceeds the fair value of the assets groups.

Upon completion of such assessments, the Company disposed by abandonment and impaired certain property, plants and equipment, including but not limited to, machinery, buildings, plants, and assets under construction in the Solar and Energy Storage asset groups.

For the years ended December 31, 2024, 2023 and 2022, the Company recorded impairment and abandonment by disposal of property, plant, and equipment in the amount of \$224,772, \$25,168, and \$649, respectively, under Other operating expense (income), net in the consolidated statements of income (loss) section.

Depreciation expenses for the years ended December 31, 2024, 2023 and 2022, were \$51,966, \$49,544 and \$40,580, respectively.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

**NOTE 9: LEASES**

The following table summarizes the Company's lease-related assets and liabilities recorded in the consolidated balance sheets:

Description	Classification on the consolidated Balance Sheet	As of December 31,	
		2024	2023
<b>Assets:</b>			
Operating lease assets, net of lease incentive obligation	Operating lease right-of use assets, net	\$ 41,393	\$ 64,167
Finance lease assets	Property, plant and equipment, net	46,610	49,926
Total lease assets		\$ 88,003	\$ 114,093
<b>Liabilities:</b>			
Operating leases short term	Accrued expenses and other current liabilities	\$ 11,861	\$ 17,704
Finance leases short term	Accrued expenses and other current liabilities	3,382	3,253
Operating leases long term	Operating lease liabilities	30,018	45,070
Finance leases long term	Finance lease liabilities	39,159	41,892
Total lease liabilities		\$ 84,420	\$ 107,919

The following table presents certain information related to the operating and finance leases:

	Year ended December 31,	
	2024	2023
<b>Finance leases:</b>		
Finance lease cost	\$ 4,100	\$ 4,154
Weighted average remaining lease term in years	14.38	14.99
Weighted average annual discount rate	2.30%	2.30%
<b>Operating leases:</b>		
Operating lease cost	\$ 17,503	\$ 18,479
Weighted average remaining lease term in years	10.67	9.50
Weighted average annual discount rate	4.76%	3.68%

The following table presents supplemental cash flows information related to the lease costs for operating and finance leases:

	Year ended December 31,	
	2024	2023
<b>Cash paid for amounts included in measurement of lease liabilities:</b>		
Operating cash flows for operating leases	\$ 17,685	\$ 17,930
Operating cash flows for finance leases	\$ 350	\$ 373
Financing cash flows for finance leases	\$ 2,877	\$ 2,794

The following table reconciles the undiscounted cash flows for each of the first five years and the total of the remaining years of the operating and finance lease liabilities recorded in the consolidated balance sheets:

	Operating Leases	Finance Leases
2025	\$ 12,148	\$ 3,418
2026	6,602	3,418
2027	4,050	3,949
2028	3,237	3,138
2029	2,403	3,212
Thereafter	23,492	32,676
Total lease payments	\$ 51,932	\$ 49,811
Less amount of lease payments representing interest	(10,053)	(7,270)
Present value of future lease payments	\$ 41,879	\$ 42,541
Less current lease liabilities	(11,861)	(3,382)
Long-term lease liabilities	\$ 30,018	\$ 39,159

As of December 31, 2024, the Company has a lease commitment for the initial term of the lease of approximately \$255,500 for new offices in Israel, which has not yet commenced. The lease commitment is expected to commence during 2026. The initial term of the lease agreement is 15 years commencing on the transfer of possession, and with an option to extend the lease for additional periods of up to 10 years, subject to the conditions of the lease agreement.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

**NOTE 10: INTANGIBLE ASSETS, NET**

During the year ended December 31, 2024, an impairment test for the Solar and Energy Storage asset group's long-lived assets was performed. The test included comparing the sum of the estimated undiscounted future cash flow attributable to the identified assets group and its carrying amounts, and recognizing an impairment for the amount to which the carrying amount exceeds the fair value of the assets groups.

The Company's impaired and disposed intangible assets in the amount of \$22,438, which mainly relates to patents and licenses under the Solar asset group that are no longer relevant for the Company's continued and future operations, and technology related to the Energy Storage asset group.

Acquired intangible assets consisted of the following as of December 31, 2024, and 2023:

	<b>As of December 31, 2024</b>			<b>As of December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Accumulated amortization</b>	<b>Net carrying amount</b>	<b>Gross carrying amount</b>	<b>Accumulated amortization</b>	<b>Net carrying amount</b>
Current technology	\$ 10,675	\$ (2,753)	\$ 7,922	\$ 26,990	\$ (14,096)	\$ 12,894
Customer relationships	1,526	(1,216)	310	3,193	(1,781)	1,412
Trade names	1,279	(464)	815	624	(94)	530
Assembled workforce	3,575	(3,575)	-	3,575	(2,582)	993
Patents	2,000	(1,381)	619	22,000	(2,484)	19,516
<b>Total</b>	<b>\$ 19,055</b>	<b>\$ (9,389)</b>	<b>\$ 9,666</b>	<b>\$ 56,382</b>	<b>\$ (21,037)</b>	<b>\$ 35,345</b>

Amortization expenses for the years ended December 31, 2024, 2023 and 2022, were \$7,899, \$7,652 and \$9,096, respectively.

Expected future amortization expenses of intangible assets as of December 31, 2024 are as follows:

2025	\$ 2,786
2026	2,211
2027	2,084
2028	998
2029	636
2030 and thereafter	951
	<u>\$ 9,666</u>

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

**NOTE 11: GOODWILL**

Goodwill is assessed annually for impairment in the fourth quarter of each year and is examined between annual tests if events or circumstances arise that indicate that the carrying amount may be impaired.

In light of impairment indicators which include, among other factors, a sustained decline in the Company's stock price and, as a result, the Company's market capitalization, the Company decided to conduct an impairment test as of September 30, 2024.

The fair value of the reporting units was estimated using a discounted cash flow analysis.

The Company performed a qualitative assessment of its Energy Storage reporting unit in order to determine whether it was necessary to conduct the quantitative goodwill impairment test. Based on the results of this assessment, the Company acknowledged that it was more likely than not, that the fair value of said reporting unit was lower than its carrying value, and as such a quantitative goodwill impairment test was performed. Based on the results of the quantitative test, the Energy Storage reporting unit's goodwill was impaired in its entirety. This goodwill impairment was recorded under Other operating expense (income), net in the consolidated statements of income (loss) section.

As of December 31, 2024 the Company did not identify any additional indicators of impairment.

The Solar reporting unit was also examined. As a result of such quantitative testing, the Company determined that its fair value exceeds its carrying amount, and therefore no impairment was recorded.

The following summarizes the goodwill activity for the years ended December 31, 2024, and 2023:

	<b>Solar</b>	<b>Energy Storage</b>	<b>Total</b>
Goodwill at December 31, 2022	\$ 28,768	\$ 2,421	\$ 31,189
Changes during the year:			
Acquisitions	12,266	-	12,266
Foreign currency adjustments	(402)	(57)	(459)
Goodwill at December 31, 2023	<u>40,632</u>	<u>2,364</u>	<u>42,996</u>
Changes during the year:			
Acquisitions	11,344	-	11,344
Impairment losses	-	(2,251)	(2,251)
Foreign currency adjustments	(3,596)	(113)	(3,709)
Goodwill at December 31, 2024	<u>\$ 48,380</u>	<u>\$ -</u>	<u>\$ 48,380</u>

As of December 31, 2024 and December 31, 2023 there were \$92,355 and \$90,104 accumulated goodwill impairment losses, respectively.

**SOLAREGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

**NOTE 12: OTHER LONG TERM ASSETS**

	<b>As of December 31,</b>	
	<b>2024</b>	<b>2023</b>
Cloud computing arrangements	29,366	13,666
Investments in privately held companies	20,976	7,650
Severance pay fund	9,185	9,241
Prepaid expenses and other	5,209	4,606
<b>Total other long term assets</b>	<b>\$ 64,736</b>	<b>\$ 35,163</b>

**SOLAREGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

**NOTE 13: DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES**

As of December 31, 2024, the Company entered into forward contracts and put and call options to sell USD both, in the amount of NIS 100 million.

The fair values of outstanding derivative instruments were as follows:

	<b>Balance sheet location</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Derivative assets of options and forward contracts:</b>			
Designated cash flow hedges	Prepaid expenses and other current assets	\$ 1,262	\$ 4,477
Non-designated hedges	Prepaid expenses and other current assets	-	410
<b>Total derivative assets</b>		<b>\$ 1,262</b>	<b>\$ 4,887</b>

Gains (losses) on derivative instruments are summarized below:

	<b>Affected line item</b>	<b>Year ended December 31,</b>		
		<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Foreign exchange contracts</b>				
Non Designated Hedging Instruments	Consolidated Statements of Income - Financial income (expense), net	\$ 802	\$ 2,337	\$ 4,716
Designated Hedging Instruments	Consolidated Statements of Comprehensive Income - Cash flow hedges	\$ (445)	\$ (1,990)	\$ (8,965)

See Note 22 for information regarding gains (losses) from designated hedging instruments reclassified from accumulated other comprehensive loss.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

**NOTE 14: FAIR VALUE MEASUREMENTS**

In accordance with ASC 820, the Company measures its cash equivalents and marketable securities, at fair value using the market approach valuation technique. Cash and cash equivalents and restricted cash are classified within Level 1 because these assets are valued using quoted market prices. Marketable securities and foreign currency derivative contracts are classified within level 2 due to these assets being valued by alternative pricing sources and models utilizing market observable inputs.

The following table sets forth the Company's assets that were measured at fair value as of December 31, 2024 and 2023 by level within the fair value hierarchy:

Description	Fair Value Hierarchy	Fair value measurements as of	
		December 31, 2024	December 31, 2023
<b>Assets:</b>			
Cash, cash equivalents and restricted cash:			
Cash	Level 1	\$ 239,020	\$ 309,521
Money market mutual funds	Level 1	\$ 21,075	\$ 22,311
Deposits	Level 1	\$ 14,516	\$ 6,636
Restricted cash	Level 1	\$ 135,328	\$ -
Derivative instruments	Level 2	\$ 1,262	\$ 4,887
Short-term marketable securities:			
Corporate bonds	Level 2	\$ 289,856	\$ 481,820
U.S. Treasury securities	Level 2	\$ 12,594	\$ 15,261
U.S. Government agency securities	Level 2	\$ 8,829	\$ 8,795
Non-U.S. Government securities	Level 2	\$ -	\$ 15,694
Long-term marketable securities:			
Corporate bonds	Level 2	\$ 36,241	\$ 339,681
U.S. Treasury securities	Level 2	\$ -	\$ 2,408
U.S. Government agency securities	Level 2	\$ 6,356	\$ 44,086
Non-U.S. Government securities	Level 2	\$ -	\$ 21,650

In addition to assets and liabilities that are recorded at fair value on a recurring basis, impairment indicators may subject goodwill and long-lived assets to nonrecurring fair value measurements. The implied fair values of the Solar and Energy Storage reporting units were estimated using the discounted cash flow approach (see Notes 10 and 11). The inputs to these models are considered Level 3.

**SOLAREdge TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

**NOTE 15: WARRANTY OBLIGATIONS**

Changes in the Company's product warranty obligations for the years ended December 31, 2024, 2023 and 2022 were as follows:

	Year ended December 31,		
	2024	2023	2022
Balance, at the beginning of the period	\$ 518,244	\$ 385,057	\$ 265,160
Accruals for warranty during the period	60,137	250,266	211,202
Changes in estimates	(5,345)	20,017	1,914
Settlements	(140,671)	(137,096)	(93,219)
Balance, at end of the period	432,365	518,244	385,057
Less current portion	(140,249)	(183,047)	(103,975)
Long term portion	<u>\$ 292,116</u>	<u>\$ 335,197</u>	<u>\$ 281,082</u>

**NOTE 16: DEFERRED REVENUES**

Deferred revenues consist of deferred cloud-based monitoring services, communication services, warranty extension services and advance payments received from customers for the Company's products and other services. Deferred revenues are classified as short-term and long-term deferred revenues based on the period in which revenues are expected to be recognized.

Significant changes in the balances of deferred revenues during the period are as follows:

	Year ended December 31,		
	2024	2023	2022
Balance, at the beginning of the period	\$ 255,443	\$ 213,577	\$ 169,345
Revenue recognized	(41,035)	(29,650)	(23,017)
Increase in deferred revenues and customer advances	157,511	71,516	67,249
Balance, at the end of the period	371,919	255,443	213,577
Less current portion	(140,870)	(40,836)	(26,641)
Long term portion	<u>\$ 231,049</u>	<u>\$ 214,607</u>	<u>\$ 186,936</u>

The following table includes estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2024:

2025	\$ 140,870
2026	14,019
2027	11,947
2028	11,008
2029	10,668
Thereafter	183,407
Total deferred revenues	<u>\$ 371,919</u>

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

**NOTE 17: ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	As of December 31,	
	2024	2023
Accrued expenses	\$ 164,493	\$ 142,130
Government authorities	51,705	34,309
Operating lease liabilities	11,861	17,704
Accrual for sales incentives	11,671	5,862
Other	4,142	5,906
Total accrued expenses and other current liabilities	\$ 243,872	\$ 205,911

**NOTE 18: CONVERTIBLE SENIOR NOTES**

On September 25, 2020, the Company sold an aggregate principal amount of \$632,500 of its 0.00% convertible senior notes, due 2025 (the "Notes 2025"). The Notes 2025 were sold pursuant to an indenture, dated September 25, 2020 (the "Indenture"), between the Company and U.S. Bank National Association, as trustee. The Notes 2025 do not bear regular interest and mature on September 15, 2025, unless earlier repurchased or converted in accordance with their terms. The Notes 2025 are general senior unsecured obligations of the Company. Holders may convert their Notes 2025 prior to the close of business on the business day immediately preceding June 15, 2025 in multiples of \$1,000 principal amount, only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on December 31, 2020 (and only during such calendar quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five-business-day period after any five consecutive trading day period in which the trading price per \$1,000 principal amount of the Notes 2025 for each trading day of that five consecutive trading day period was less than 98% of the product of the last reported sale price of the common stock and the conversion rate on each such trading day; or (3) upon the occurrence of specified corporate events as described in the Indenture. In addition, holders may convert their Notes 2025, in multiples of \$1,000 principal amount, at their option at any time beginning on or after June 15, 2025, and prior to the close of business on the second scheduled trading day immediately preceding the stated maturity date of the Notes 2025, without regard to the foregoing circumstances. The initial conversion rate for the Notes 2025 was 3.5997 shares of common stock per \$1,000 principal amount of Notes 2025, which is equivalent to an initial conversion price of approximately \$277.80 per share of common stock, subject to adjustment upon the occurrence of certain specified events as set forth in the Indenture.

Upon conversion, the Company may choose to pay or deliver, as the case may be, cash, shares of common stock, or a combination of cash and shares of common stock.

In addition, upon the occurrence of a fundamental change (as defined in the Indenture), holders of the Notes 2025 may require the Company to repurchase all or a portion of their Notes 2025, in multiples of \$1,000 principal amounts, at a repurchase price of 100% of the principal amount of the Notes 2025, plus any accrued and unpaid special interest to, but excluding the fundamental change repurchase date. If certain fundamental changes referred to as make-whole fundamental changes occur, the conversion rate for the Notes 2025 may be increased.

On June 28, 2024, the Company sold an aggregate principal amount of \$300,000 of its 2.25% convertible senior notes, due in 2029 (the "Notes 2029"). The Notes 2029 were sold pursuant to an indenture, dated June 28, 2024 (the "Indenture 2029"), between the Company and U.S. Bank National Association, as trustee. The Notes 2029 will bear interest at a rate of 2.25% per year, payable semiannually in arrears on January 1 and July 1 of each year, beginning on January 1, 2025. The Notes 2029 mature on July 1, 2029, unless repurchased, redeemed or converted in accordance with their terms prior to such date. The Notes 2029 are general senior unsecured obligations of the Company. Holders may convert their Notes 2029 at any time prior to the close of business on the business day immediately preceding April 1, 2029 in multiples of \$1,000 principal amount, only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on September 30, 2024 (and only during such calendar quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period in which the trading price per \$1,000 principal amount of the Notes 2029 for each trading day of that five consecutive trading day period was less than 98% of the product of the last reported sale price of the common stock and the conversion rate on each such trading day; or (3) upon the occurrence of specified corporate events or if the Company provides a notice of redemption as described in the Indenture 2029. In addition, holders may convert their Notes 2029, in multiples of \$1,000 principal amount, at their option at any time beginning on or after April 1, 2029, and prior to the close of business on the second scheduled trading day immediately preceding the stated maturity date of the Notes 2029, without regard to the foregoing circumstances. The initial conversion rate for the Notes 2029 is 29.1375 shares of common stock per \$1,000 principal amount of Notes 2029, which is equivalent to an initial conversion price of approximately \$34.32 per share of common stock, subject to adjustment upon the occurrence of certain specified events as set forth in the Indenture 2029.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
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Upon conversion, the Company may choose to pay or deliver, as the case may be, cash, shares of common stock or a combination of cash and shares of common stock.

In addition, upon the occurrence of a fundamental change (as defined in the Indenture 2029), holders of the Notes 2029 may require the Company to repurchase all or a portion of their Notes 2029, in multiples of \$1,000 principal amounts, at a repurchase price of 100% of the principal amount of the Notes 2029, plus any accrued and unpaid interest, if any, up to, but not including, the repurchase date. If certain fundamental changes referred to as make-whole fundamental changes occur, the conversion rate for the Notes 2029 may be increased.

The Notes 2029 are not redeemable prior to July 6, 2027. On or after July 6, 2027, the Company may redeem the Notes 2029 at its option if the last reported sale price of the common stock has been at least 130% of the conversion price, then in effect, for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on and including the trading day immediately preceding the date on which the Company provides notice of redemption, at a redemption price equal to 100% of the principal amount of the Notes 2029 to be redeemed, plus accrued and unpaid interest, if any, up to, but excluding, the redemption date.

The net proceeds from the offering of the Notes 2029 were approximately \$293,200, after deducting fees and estimated expenses. Congruently, the Company has entered into capped call transactions (as detailed below). The Company used approximately \$25,230 of the net proceeds from this offering to pay the cost of the capped call transactions. The Company also used approximately \$267,900 of the net proceeds from this offering to repurchase \$285,000 principal amount of its Notes 2025. The Company recorded under other income a gain of \$15,456 from the partial repurchase of Notes 2025.

The Company accounts for the Notes 2029 at amortized cost, as a single unit of account on the balance sheet. The carrying value of the liability is represented by the face amount of the Notes 2029, less debt issuance costs, adjusted for any amortization of issuance costs. Issuance costs are being amortized as interest expense over the term of the Notes 2029, using the effective interest rate method.

The capped call transactions are expected generally to reduce the potential dilution to the common stock upon any conversion of the Notes 2029 and/or offset any cash payments the Company is required to make in excess of the principal amount of converted Notes 2029, as the case may be, in the event that the market price per share of common stock, as measured under the terms of the capped call transactions, is greater than the strike price of the capped call transactions. The strike price initially corresponds to the conversion price of the Notes and is subject to customary anti-dilution adjustments. If, however, the market price per share of common stock exceeds \$48.84, the initial cap price of the capped call transactions, there would nevertheless be unmitigated dilution and/or no offset of any cash payments, in each case, attributable to the amount by which the market price of the common stock exceeds the cap price. The cap price is subject to certain customary adjustments under the terms of the capped call transactions.

The capped call transactions are considered a freestanding instrument as they were entered into separately and apart from Notes 2029. In addition, the conversion or redemption of the Notes 2029 would not automatically result in the exercise of the capped call.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
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As the capped call transactions are indexed to the Company's common stock, they were recorded as a reduction of additional paid-in capital in the consolidated balance sheets.

On July 8, 2024 the Company sold to Goldman Sachs & Co. LLC, as representative of the several initial purchasers (the "Initial Purchasers"), and the Initial Purchasers purchased from the Company, \$37,000 aggregate principal amount of additional Notes 2029. The additional Notes 2029 were sold pursuant to the Initial Purchasers' exercise of the option granted by the Company to the Initial Purchasers to purchase additional Notes 2029, solely to cover over-allotments, under the purchase agreement.

The net proceeds from the exercise of the option granted by the Company to the Initial Purchasers of the Notes 2029 were approximately \$36,237, after deducting fees and estimated expenses. Congruently, the Company has entered into additional capped call transactions. The Company used approximately \$3,111 of the net proceeds from this offering to pay the cost of the additional capped call transactions. The Company intends to use the remainder of the net proceeds from the offering for general corporate purposes.

The Convertible Senior Notes consisted of the following as of December 31, 2024 and 2023:

	<b>As of December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Notes 2025</b>		
Principal	\$ 347,500	\$ 632,500
Unamortized issuance costs	(1,195)	(5,119)
Net carrying amount Notes 2025	\$ 346,305	\$ 627,381
<b>Notes 2029</b>		
Principal	337,000	-
Unamortized issuance costs	(6,994)	-
Net carrying amount Notes 2029	330,006	-
Total notes carrying amount	<u>\$ 676,311</u>	<u>\$ 627,381</u>

Costs related to the Notes 2025 and the Notes 2029 were as follows:

	<b>Year ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Notes 2025</b>			
Debt issuance cost	\$ 2,280	\$ 2,930	\$ 2,916
<b>Notes 2029</b>			
Debt issuance cost	\$ 792	\$ -	\$ -
Contractual interest expense	\$ 3,854	\$ -	\$ -

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
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As of December 31, 2024, the unamortized issuance costs of the Notes 2025 and Notes 2029 will be amortized over the remaining term of approximately 8 months and 4.5 years, respectively.

The annual effective interest rate of Notes 2025 and Notes 2029 is 0.47% and 2.75%, respectively.

As of December 31, 2024, the estimated fair value of Notes 2025 and Notes 2029, which the Company has classified as Level 2 financial instruments, is \$324,913 and \$241,363, respectively. The estimated fair value was determined based on the quoted bid price of the Convertible Senior Notes in an over-the-counter market on the last trading day of the reporting period.

As of December 31, 2024, the if-converted value of the Notes 2025 and Notes 2029 did not exceed the principal amount.

**NOTE 19: OTHER LONG TERM LIABILITIES**

	<b>As of December 31,</b>	
	<b>2024</b>	<b>2023</b>
Tax liabilities	\$ 1,111	\$ 3,577
Accrued severance pay	6,079	12,967
Other	1,236	1,900
	<u>\$ 8,426</u>	<u>\$ 18,444</u>

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
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**NOTE 20: STOCK CAPITAL**

a. Common stock rights:

Common stock confers upon its holders the right to receive notice of, and to participate in, all general meetings of the Company, where each share of common stock shall have one vote for all purposes, to share equally, on a per share basis, in bonuses, profits, or distributions out of fund legally available therefor, and to participate in the distribution of the surplus assets of the Company in the event of liquidation of the Company.

b. Secondary public offering:

On March 17, 2022, the Company offered and sold 2,300,000 shares of the Company's common stock, at a public offering price of \$295.00 per share. The shares of Common Stock were issued and sold in a registered offering pursuant to the underwriting agreement dated March 17, 2022, among the Company, Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, and Morgan Stanley & Co. LLC (the "Underwriting Agreement"). All of the offered shares were issued at closing, including 300,000 shares of Common Stock that were issued and sold pursuant to the underwriters' option to purchase additional shares under the Underwriting Agreement, which was exercised in full on March 18, 2022.

The net proceeds to the Company were \$650,526 after deducting underwriters' discounts of \$27,140 and commissions of \$834.

c. Equity Incentive Plans:

The Company's 2007 Global Incentive Plan (the "2007 Plan") was adopted by the board of directors on August 30, 2007. The 2007 Plan terminated upon the Company's IPO on March 31, 2015 and no further awards may be granted thereunder. All outstanding awards will continue to be governed by their existing terms and 379,358 available options for future grants were transferred to the Company's 2015 Global Incentive Plan (the "2015 Plan") and are reserved for future issuances under the 2015 plan. The 2015 Plan became effective upon the consummation of the IPO. The 2015 Plan provides for the grant of options, restricted stock units ("RSU"), performance stock units ("PSU"), and other share-based awards to directors, employees, officers, and non-employees of the Company and its subsidiaries. As of December 31, 2024, a total of 23,709,926 shares of common stock were reserved for issuance pursuant to stock awards under the 2015 Plan (the "Share Reserve"), an aggregate of 11,340,502 shares are still available for future grants.

The Share Reserve will automatically increase on January 1<sup>st</sup> of each year during the term of the 2015 Plan, commencing on January 1<sup>st</sup> of the year following the year in which the 2015 Plan becomes effective, in an amount equal to 5% of the total number of shares of capital stock outstanding on December 31<sup>st</sup> of the preceding calendar year; provided, however, that the Company's board of directors may determine that there will not be a January 1<sup>st</sup> increase in the Share Reserve in a given year or that the increase will be less than 5% of the shares of capital stock outstanding on the preceding December 31<sup>st</sup>.

The Company granted under its 2015 Plan, PSU awards to certain employees and officers which vest upon the achievement of certain performance or market conditions subject to their continued employment with the Company.

In 2021, the Company has also committed to issuing additional shares, which are subject to resale registration rights and which carry certain performance conditions (including business performance targets and a continued service relationship with the Company) and are treated as PSUs for accounting purposes.

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The market condition for the PSUs is based on the Company's total shareholder return ("TSR") compared to the TSR of companies listed in the S&P 500 index over a one to three year performance period. Additionally, the Company granted PSUs, based on the average trading price of the Company's common stock based on the 30-Day Price, over a three year performance period, which are expected to vest if certain 30-Day Price levels are met. The Company uses a Monte-Carlo simulation to determine the grant date fair value for these awards, which takes into consideration the market price of a share of the Company's common stock on the date of grant less the present value of dividends expected during the requisite service period, as well as the possible outcomes pertaining to the TSR market condition. The Company recognizes such compensation expenses on an accelerated vesting method.

The aggregate maximum number of shares of common stock that may be issued on the exercise of incentive stock options is 10,000,000. As of December 31, 2024, an aggregate of 8,617,974 options are still available for future grants under the 2015 Plan.

A summary of the activity in stock options and related information is as follows:

	Number of options	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic Value
Outstanding as of December 31, 2021	474,280	\$ 44.68	5.22	\$ 112,479
Exercised	(135,008)	29.77	-	-
Forfeited or expired	(243)	5.01	-	-
Outstanding as of December 31, 2022	339,029	\$ 50.64	4.86	\$ 79,414
Vested and expected to vest as of December 31, 2022	338,345	\$ 50.45	4.85	\$ 79,315
Exercisable as of December 31, 2022	300,865	\$ 38.52	4.58	\$ 73,875
Outstanding as of December 31, 2022	339,029	\$ 50.64	4.86	\$ 79,414
Exercised	(21,613)	10.48	-	3,572
Outstanding as of December 31, 2023	317,416	\$ 53.38	4.05	\$ 17,366
Vested and expected to vest as of December 31, 2023	317,166	\$ 53.24	4.05	\$ 17,366
Exercisable as of December 31, 2023	307,719	\$ 47.70	3.97	\$ 17,366
Outstanding as of December 31, 2023	317,416	\$ 53.38	4.05	\$ 17,366
Exercised	(33,331)	5.18	-	750
Forfeited or expired	(666)	3.96	-	-
Outstanding as of December 31, 2024	283,419	\$ 59.16	3.42	\$ 17
Vested and expected to vest as of December 31, 2024	283,382	\$ 59.13	3.44	\$ 17
Exercisable as of December 31, 2024	282,196	\$ 58.07	3.43	\$ 17

The intrinsic value is the amount by which the closing price of the Company's common stock on December 31, 2024 or the price on the day of exercise exceeds the exercise price of the stock options multiplied by the number of in-the-money options.

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The total intrinsic value of options exercised during the years ended December 31, 2024, 2023 and 2022 was \$750, \$3,572, and \$37,948, respectively.

A summary of the activity in the RSUs and PSUs and related information is as follows:

	RSU		PSU	
	Number of Shares Outstanding	Weighted average grant date fair value	Number of Shares Outstanding	Weighted average grant date fair value
Unvested as of January 1, 2022	1,759,972	\$ 189.25	108,595	\$ 296.40
Granted	683,548	266.06	40,637	294.48
Vested	(805,872)	131.79	-	-
Forfeited	(149,133)	214.65	-	-
Unvested as of December 31, 2022	1,488,515	232.05	149,232	295.88
Granted	1,138,764	134.44	32,348	314.22
Vested	(661,967)	198.16	(107,165)	296.76
Forfeited	(105,026)	253.80	-	-
Unvested as of December 31, 2023	1,860,286	182.52	74,415	302.58
Granted	2,737,530	34.62	292,932	31.46
Vested	(749,031)	173.07	(14,543)	298.92
Forfeited	(453,438)	143.44	(18,550)	259.59
Unvested as of December 31, 2024	3,395,347	\$ 70.62	334,254	\$ 67.52

d. Employee Stock Purchase Plan:

The Company adopted an ESPP effective upon the consummation of the IPO. As of December 31, 2024, a total of 4,638,023 shares were reserved for issuance under this plan. The number of shares of common stock reserved for issuance under the ESPP will increase automatically on January 1st of each year, for ten years, by the lesser of 1% of the total number of shares of the Company's common stock outstanding on December 31st of the preceding calendar year or 487,643 shares. However, the Company's board of directors may reduce the amount of the increase in any particular year at their discretion, including a reduction to zero.

The ESPP is implemented through an offering every six months. According to the ESPP, eligible employees may use up to 15% of their salaries to purchase common stock up to an aggregate limit of \$15 per participant for every six months plan. The price of an ordinary share purchased under the ESPP is equal to 85% of the lower of the fair market value of the ordinary share on the subscription date of each offering period or on the purchase date.

As of December 31, 2024, 1,798,312 shares of common stock had been purchased under the ESPP.

As of December 31, 2024, 2,839,711 shares of common stock were available for future issuance under the ESPP.

In accordance with ASC No. 718, the ESPP is compensatory and, as such, results in recognition of compensation cost.

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e. Stock-based compensation expenses:

The Company recognized stock-based compensation expenses related to all stock-based awards in the consolidated statement of income (loss) for the years ended December 31, 2024, 2023 and 2022, as follows:

	Year ended December 31,		
	2024	2023	2022
Stock-based compensation expenses:			
Cost of revenues	\$ 21,952	\$ 23,200	\$ 21,818
Research and development	62,546	66,944	63,211
Sales and marketing	27,328	30,987	31,017
General and administrative	25,425	28,814	29,493
Total stock-based compensation expenses	<u>\$ 137,251</u>	<u>\$ 149,945</u>	<u>\$ 145,539</u>
Stock-based compensation capitalized:			
Inventory	\$ 3,100	\$ 2,460	\$ -
Other long-term assets	1,926	1,666	380
Total stock-based compensation capitalized	<u>\$ 5,026</u>	<u>\$ 4,126</u>	<u>\$ 380</u>

For the year ended December 31, 2024, no amounts were recorded in regard to tax benefits associated with share-based compensation.

The total tax benefits associated with share-based compensation for the years ended December 31, 2023 and 2022 were \$27,551 and \$7,747, respectively. The tax benefit realized from share-based compensation for the years ended December 31, 2023 and 2022 was \$8,866 and \$10,171, respectively.

As of December 31, 2024, there were total unrecognized compensation expenses in the amount of \$234,913 related to non-vested equity-based compensation arrangements granted. These expenses are expected to be recognized during the period from January 1, 2025 through February 28, 2029.

f. Repurchase of Common Stock:

On November 1, 2023, the Company announced that the Company's Board of Directors approved a share repurchase program which authorizes the repurchase of up to \$300,000 of the Company's common stock. Under the share repurchase program, repurchases can be made using a variety of methods, which may include open market purchases, block trades, privately negotiated transactions, accelerated share repurchase programs and/or a non-discretionary trading plan or other means, including through 10b5-1 trading plans, all in compliance with the rules of the SEC and other applicable legal requirements. The timing, manner, price and amount of any common share repurchases under the share repurchase program are determined by the Company in its discretion and depend on a variety of factors, including legal requirements, price and economic and market conditions. The share repurchase program expired on December 31, 2024.

During year ended December 31, 2024, the Company repurchased 753,364 shares of common stock from the open market at an average cost of \$66.63 per share for a total of \$50,194.

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**NOTE 21: COMMITMENTS AND CONTINGENT LIABILITIES**

a. Guarantees:

As of December 31, 2024, contingent liabilities exist regarding guarantees in the amounts of \$133,907, \$11,071 and \$1,558 in respect of securing projects with customers, office rent lease agreements and other transactions, respectively.

b. Contractual purchase obligations:

The Company has contractual obligations to purchase goods and raw materials. These contractual purchase obligations relate to inventories and other purchase orders, which cannot be canceled without penalty. In addition, the Company acquires raw materials or other goods and services, including product components, by issuing authorizations to its suppliers to purchase materials based on its projected demand and manufacturing needs.

As of December 31, 2024, the Company had non-cancelable purchase obligations totaling approximately \$390,270, out of which the Company recorded a provision for loss in the amount of \$37,404.

As of December 31, 2024, the Company had contractual obligations for capital expenditures totaling approximately \$35,021. These commitments reflect purchases of automated assembly lines and other machinery related to the Company's manufacturing process.

c. Legal claims:

From time to time, the Company may be involved in various claims and legal proceedings. The Company reviews the status of each matter and assesses its potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, the Company accrues a liability for the estimated loss. These accruals are reviewed at least quarterly and adjusted to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular matter.

On November 3, 2023, Daphne Shen, a purported stockholder of the Company, filed a proposed class action complaint for violation of federal securities laws, individually and putatively on behalf of all others similarly situated, in the U.S District Court of the Southern District of New York against the Company, the Company's CEO and the Company's CFO. The complaint alleges violations of Section 10(b) and Rule 10b-5 of the Exchange Act, as well as violations of Section 20(a) of the Exchange Act against the individual defendants. The complaint seeks class certification, damages, interest, attorneys' fees, and other relief. On December 13, 2023, Javier Cascallar filed a similar proposed class action. On January 2, 2024, six purported lead plaintiffs filed motions in the Shen litigation seeking to consolidate the Cascallar and Shen litigations and appoint lead plaintiffs and lead counsel pursuant to the procedures of the Private Securities Litigation Reform Act of 1995.

On February 7, 2024, the Court consolidated the two actions (the "Consolidated Securities Litigation"), and appointed co-lead plaintiffs (the "Plaintiffs") and lead counsel. On April 22, 2024, the co-lead Plaintiffs filed an amended complaint adding two additional officers. The amended complaint made substantially similar allegations and claims. Defendants moved to dismiss the amended complaint on July 15, 2024 (the "Motion"), and the motion was fully briefed as of September 17, 2024. On December 4, 2024, the Court issued an order granting in part the Motion, dismissing all allegations except those relating to two purported misstatements, characterizing inventory levels as low. The Court allowed the Plaintiffs to again amend their complaint, and they filed a Second Amended Complaint on January 3, 2025. On February 10, 2025, Defendants moved to dismiss the Second Amended Complaint insofar as it attempts to resurrect any of the allegations dismissed in the Court's December 4 order. Discovery remains stayed pending the Court's ultimate decision on the motion to dismiss the Second Amended Complaint.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
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On March 15, 2024, Abdul Hirani filed a purported derivative complaint in the United States District Court for the Southern District of New York against certain current and former SolarEdge executive officers and board members, including Zvi Lando, Ronen Faier, Nadav Zafir, Betsy Atkins, Marcel Gani, Dana Gross, Dirk Hoke, Avery More, and Tal Payne. The Hirani complaint makes largely the same allegations as those in the abovementioned securities litigation, namely, that the Company failed to disclose information about SolarEdge's inventory in Europe and cancellation rates from European distributors, which allegedly resulted in material misstatements about the Company's business and prospects in its quarterly filings. The Hirani complaint contends that defendants' role in allowing those alleged misstatements to be made constitutes (i) breach of fiduciary duty, (ii) aiding and abetting breach of fiduciary duty, (iii) unjust enrichment, (iv) waste of corporate assets, and (v) securities fraud under Section 10(b) of the Exchange Act. The complaint seeks compensatory and punitive damages, interest, attorneys' fees, and other relief.

On June 10, 2024, Jonathan Blaufarb filed a second purported derivative complaint in the United States District Court for the Southern District of New York against the same defendants as those named in the Hirani complaint as well as Lior Danziger and J.B. Lowe. The Blaufarb complaint makes largely the same allegations as those in the complaint in the abovementioned securities litigation and seeks declaratory relief, corporate governance reforms, damages, restitution, attorneys' fees, and other relief. It also pleads the same counts as those in the Hirani complaint, as well as additional counts for abuse of control and gross mismanagement. Defendants accepted service of the Hirani and Blaufarb complaints via stipulation that was so-ordered on July 12, 2024, and the two cases were consolidated with the Hirani matter designated as the lead case. September 9, 2024 the parties agreed to stay the Hirani and Blaufarb actions pending a decision on the motion to dismiss in the Consolidated Securities Litigation. The parties have agreed to keep the stay in place pending a decision on the motion to dismiss the plaintiffs' Second Amended Complaint in the Consolidated Securities Litigation.

On August 7, 2024, Edwin Isaac filed a purported derivative complaint in the United States District Court for the District of Delaware against the same defendants as those named in the Consolidated Derivative Actions. The Isaac complaint makes largely the same allegations as those in the Daphne Shen and Javier Cascallar cases. It also pleads the similar counts to those in the aforementioned securities claims, including (i) breach of fiduciary duty, (ii) contribution, (iii) violation of Section 14(a) of the Exchange Act and SEC Rule 14a-9, (iv) unjust enrichment, (v) waste of corporate assets, and (vi) aiding and abetting breach of fiduciary duty. The complaint seeks declaratory relief, damages, interest, unspecified equitable relief, attorneys' fees, and other relief. The parties are conferring on service of process and a possible stay of proceedings pending resolution of the motion to dismiss in the consolidated securities litigation.

Due to the early stage of these proceedings, we cannot reasonably estimate the potential range of loss, if any, or the likelihood of a potential adverse outcome. The Company disputes the allegations of wrongdoing and intends to vigorously defend against them.

In August 2019, the Company was served with a lawsuit filed in the civil courts of Milan, Italy against the Italian subsidiary of SolarEdge e-Mobility S.r.l (previously SMRE S.p.A) that purchased the shares of SolarEdge e-Mobility in the tender offer that followed the SolarEdge e-Mobility Acquisition by certain former shareholders of SolarEdge e-Mobility who tendered their shares. The lawsuit asked for damages of approximately \$3,000, representing the difference between the amount for which they tendered their shares (6 Euro per share) and 6.7 Euros per share. On December 6, 2023, the courts of Milan rendered a decision ordering SolarEdge to pay, in favor of each plaintiff, the difference between the price paid (6 Euro per share) and 6.44 Euro per share, i.e. 0.44 euros per share for a total payment of approximately \$1.6 million Euros. The Company has paid the amount due under the judgement and appealed this decision. The first hearing was held on November 27, 2024, and the case was adjourned to January 14, 2026.

On January 13, 2025, Stellantis Europe s.p.a. ("Stellantis") submitted an application for injunctive relief, to the Court of Turin, Italy, claiming that SolarEdge e-Mobility was allegedly in breach of contract. The application for injunctive relief is aimed at obtaining the following interim measures: i) order the Company to resume supply of spare parts and technical assistance activities in favor of Stellantis; and ii) to order the Company to pay a penalty of 100,000 Euro for each day of delay in fulfilling the order above. The Company disputes the allegations of wrongdoing and intends to vigorously defend against them.

As of December 31, 2024, the Company recorded an accrual of \$350 for legal claims which was recorded under accrued expenses and other current liabilities.

**SOLAREEDGE TECHNOLOGIES INC.**  
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**NOTE 22: ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**

	Unrealized gains (losses) on available-for- sale marketable securities	Unrealized gains (losses) on cash flow hedges	Foreign currency translation adjustments on intra-entity transactions that are of a long-term investment in nature	Unrealized gains (losses) on foreign currency translation	Total
Beginning balance as of January 1, 2022	\$ (4,709)	\$ 874	\$ (17,420)	\$ (6,064)	\$ (27,319)
Revaluation	(26,944)	(9,890)	(20,540)	(1,875)	(59,249)
Tax on revaluation	5,583	925	-	-	6,508
Other comprehensive loss before reclassifications	(21,361)	(8,965)	(20,540)	(1,875)	(52,741)
Reclassification	736	7,024	-	-	7,760
Tax on reclassification	(115)	(694)	-	-	(809)
Losses reclassified from accumulated other comprehensive income	621	6,330	-	-	6,951
Net current period other comprehensive loss	(20,740)	(2,635)	(20,540)	(1,875)	(45,790)
Ending balance as of December 31, 2022	<u>\$ (25,449)</u>	<u>\$ (1,761)</u>	<u>\$ (37,960)</u>	<u>\$ (7,939)</u>	<u>\$ (73,109)</u>
Revaluation	25,898	(1,973)	(5,375)	5,409	23,959
Tax on revaluation	(5,487)	(17)	-	-	(5,504)
Other comprehensive income (loss) before reclassifications	20,411	(1,990)	(5,375)	5,409	18,455
Reclassification	107	8,325	-	-	8,432
Tax on reclassification	(29)	(634)	-	-	(663)
Losses reclassified from accumulated other comprehensive income	78	7,691	-	-	7,769
Net current period other comprehensive (income) loss	20,489	5,701	(5,375)	5,409	26,224
Ending balance as of December 31, 2023	<u>\$ (4,960)</u>	<u>\$ 3,940</u>	<u>\$ (43,335)</u>	<u>\$ (2,530)</u>	<u>\$ (46,885)</u>
Revaluation	8,782	(678)	(35,379)	3,890	(23,385)
Tax on revaluation	(1,995)	233	-	-	(1,762)
Other comprehensive income (loss) before reclassifications	6,787	(445)	(35,379)	3,890	(25,147)
Reclassification	(2,966)	(2,538)	-	-	(5,504)
Tax on reclassification	754	305	-	-	1,059
Losses reclassified from accumulated other comprehensive income	(2,212)	(2,233)	-	-	(4,445)
Net current period other comprehensive income (loss)	4,575	(2,678)	(35,379)	3,890	(29,592)
Ending balance as of December 31, 2024	<u>\$ (385)</u>	<u>\$ 1,262</u>	<u>\$ (78,714)</u>	<u>\$ 1,360</u>	<u>\$ (76,477)</u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
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The following table provides details about reclassifications out of accumulated other comprehensive income (loss) for the years ended December 31, 2024, 2023 and 2022:

<b>Details about Accumulated Other Comprehensive Income (Loss) Components</b>	<b>Amount Reclassified from Accumulated Other Comprehensive Income (Loss)</b>			<b>Affected Line Item in the Statement of Income (loss)</b>
	<b>2024</b>	<b>2023</b>	<b>2022</b>	
Unrealized gains (losses) on available-for-sale marketable securities	\$ 2,966	\$ (107)	\$ (736)	Financial income (expenses), net
	(754)	29	115	Income taxes
	<u>\$ 2,212</u>	<u>\$ (78)</u>	<u>\$ (621)</u>	Total, net of income taxes
Unrealized gains (losses) on cash flow hedges	296	(964)	(801)	Cost of revenues
	1,487	(4,981)	(4,142)	Research and development
	327	(1,057)	(959)	Sales and marketing
	428	(1,323)	(1,122)	General and administrative
	<u>\$ 2,538</u>	<u>\$ (8,325)</u>	<u>\$ (7,024)</u>	Total, before income taxes
	(305)	634	694	Income taxes
	<u>2,233</u>	<u>(7,691)</u>	<u>(6,330)</u>	Total, net of income taxes
<b>Total reclassifications for the period</b>	<u><u>\$ 4,445</u></u>	<u><u>\$ (7,769)</u></u>	<u><u>\$ (6,951)</u></u>	

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**NOTE 23: EARNINGS (LOSS) PER SHARE**

The following table presents the computation of basic and diluted earnings (loss) per share ("EPS"):

	<b>Year ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Basic EPS:</b>			
Numerator:			
Net income (loss)	\$ (1,806,357)	\$ 34,329	\$ 93,779
Denominator:			
Shares used in computing net earnings (loss) per share of common stock, basic	<u>57,082,182</u>	<u>56,557,106</u>	<u>55,087,770</u>
<b>Diluted EPS:</b>			
Numerator:			
Net income (loss) attributable to common stock, basic	\$ (1,806,357)	\$ 34,329	\$ 93,779
Notes due 2025	-	-	2,203
Net income (loss) attributable to common stock, diluted	<u>\$ (1,806,357)</u>	<u>\$ 34,329</u>	<u>\$ 95,982</u>
Denominator:			
Shares used in computing net earnings (loss) per share of common stock, basic	57,082,182	56,557,106	55,087,770
Notes due 2025	-	-	2,276,818
Effect of stock-based awards	-	680,412	736,061
Shares used in computing net earnings (loss) per share of common stock, diluted	<u>57,082,182</u>	<u>57,237,518</u>	<u>58,100,649</u>
<b>Earnings (loss) per share:</b>			
Basic	<u>\$ (31.64)</u>	<u>\$ 0.61</u>	<u>\$ 1.70</u>
Diluted	<u>\$ (31.64)</u>	<u>\$ 0.60</u>	<u>\$ 1.65</u>

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The following outstanding shares of common stock equivalents were excluded from the calculation due to their antidilutive nature:

	<b>Year ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Stock-based awards	2,203,364	666,217	773,853
Notes 2025	2,056,978	2,276,818	-
Notes 2029 <sup>1</sup>	2,521,310	-	-
Total shares excluded	<u>6,781,652</u>	<u>2,943,035</u>	<u>773,853</u>

<sup>1</sup> In conjunction with the issuance of the Notes 2029 in June 2024, the Company used approximately \$25,230 of the net proceeds from this offering to pay the cost of the capped call transactions. In July 2024, following a subsequent issuance of the Notes 2029, \$3,111 of net proceeds were used to pay the cost of capped call transactions. In accordance with FASB ASC 260, antidilutive contracts, such as purchased call options are excluded from the computation of diluted net income (loss) per share. Accordingly, any potential impact resulting from capped call transaction is excluded from the Company's computation of diluted net income (loss) per share.

**NOTE 24: OTHER OPERATING EXPENSES, NET**

	<b>Year ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Impairment of intangible assets and goodwill	\$ 24,674	\$ 5,622	\$ 118,492
Impairment and disposal by abandonment of property, plant and equipment	224,772	25,168	649
Other	10,081	524	(2,603)
Total other operating expense, net	<u>\$ 259,527</u>	<u>\$ 31,314</u>	<u>\$ 116,538</u>

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**NOTE 25: RESTRUCTURING AND OTHER EXIT ACTIVITIES**

On January 21, 2024, the Company announced the adoption of a restructuring plan in response to challenging industry conditions (the “Restructuring Plan”). Under the Restructuring Plan, the Company reduced its headcount by approximately 900 over the first half of 2024 in an involuntary workforce reduction. The adoption of the Restructuring Plan follows the Company’s previous measures taken to align with current market conditions, including termination of manufacturing in Mexico, reduction of manufacturing capacity in China, and discontinuation of the Company’s light commercial vehicle e-mobility activity. On July 15, 2024, the Company announced additional workforce reductions, resulting in the layoff of 400 employees.

On November 27, 2024, the Company announced the closure of its Energy Storage Division. Under the closure, the Company expects to reduce its headcount by approximately 500 employees, primarily employees working in manufacturing positions in South Korea. This closure and associated headcount reduction represented approximately 12% of the Company’s overall employee population, at the time, almost all of whom will be dismissed over the first half of 2025. The Company determined that the discontinuation of its Energy Storage activity does not represent a strategic shift that will have a major effect on the Company’s operations and financial results and therefore it did not meet the criteria for discontinued operations classification.

Restructuring and other exit charges for the year ended December 31, 2024 by segments and type of cost were as follows:

	Solar		All other			Total
	Employee termination costs	Contract termination and other	Employee termination costs	Inventory write-down	Contract termination and other	
Cost of revenues	\$ 1,939	\$ 13,388	\$ 82	\$ 6,918	\$ 17,921	\$ 40,248
Research and development	3,560	248	560	-	-	4,368
Sales and marketing	1,113	-	115	-	-	1,228
General and administrative	568	118	262	-	-	948
Other operating expenses	-	-	-	-	2,356	2,356
<b>Total</b>	<b>\$ 7,180</b>	<b>\$ 13,754</b>	<b>\$ 1,019</b>	<b>\$ 6,918</b>	<b>\$ 20,277</b>	<b>\$ 49,148</b>

Restructuring and other exit charges for the year ended December 31, 2023 by segments and type of cost were as follows:

	Solar		All other			Total
	Employee termination costs	Contract termination and other	Employee termination costs	Inventory write-down	Contract termination and other	
Cost of revenues	\$ 2,561	\$ 20,593	\$ -	\$ 27,159	\$ 9,489	\$ 59,802
Sales and marketing	-	-	4	-	-	4
General and administrative	-	-	297	-	87	384
<b>Total</b>	<b>\$ 2,561</b>	<b>\$ 20,593</b>	<b>\$ 301</b>	<b>\$ 27,159</b>	<b>\$ 9,576</b>	<b>\$ 60,190</b>

For the year ended December 31, 2022, the Company recorded \$4,314 of inventory write-downs in cost of revenues as a result of Critical Power’s discontinuation.

The Company’s liability balance for the restructuring and other exit charges is as follows:

	Employee termination costs	Inventory write-down <sup>1</sup>	Contract termination and other
Balance as of January 1, 2024	\$ 2,373	\$ 27,774	\$ 30,393
Charges	8,199	6,918	34,031
Cash payments	(9,499)	-	(40,491)
Non-cash utilization and other	-	(34,692)	-
<b>Balance as of December 31, 2024</b>	<b>\$ 1,073</b>	<b>\$ -</b>	<b>\$ 23,933</b>

<sup>1</sup> Inventory write-down is included under Inventories, net on the balance sheet.

The total amount expected to be incurred for restructuring and other exit charges, which primarily consists of contract and employee terminations related to the all other segment, is \$6,765.

**SOLAREGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

**NOTE 26: INCOME TAXES**

a. Tax rates in the U.S.:

The Company is subject to U.S. federal tax at the rate of 21%.

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act") was signed into law making significant changes to U.S. income tax law. These changes include, but are not limited to, a corporate tax rate decrease from 35% to 21% effective for tax years 2018 onwards and created new taxes on certain foreign-sourced earnings and certain related-party payments - the Global Intangible Low Taxed Income ("GILTI"). Furthermore, changes introduced by the Tax Act to Section 174 of the Internal Revenue Code, that came into effect on January 1, 2022, require taxpayers to amortize research and development expenditures over five years (if incurred in the U.S.) or fifteen years (if incurred outside the U.S.), thereby increasing taxable income and payable tax.

The Tax Act required the Company to pay U.S. income taxes on accumulated foreign subsidiaries earnings not previously subject to U.S. income tax at a rate of 15.5% to the extent of foreign cash and certain other net current assets and 8% on the remaining earnings. The total tax liability was calculated to approximately \$8,500, which are paid over the eight-year period provided in the Tax Act (ending 2025).

b. Corporate tax in Israel:

The taxable income of Israeli companies is subject to corporate tax at the rate of 23%. The Israeli Subsidiary is also eligible for tax benefits as further described in note 26j.

c. Carryforward tax losses:

As of December 31, 2024, the foreign subsidiaries have carryforward tax losses of \$1,292 which do not have an expiration date.

d. Deferred taxes:

Deferred taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

Significant components of the Company's deferred tax liabilities and assets are as follows:

	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
Deferred tax assets, net:		
Research and Development carryforward expenses	\$ 15,857	\$ 25,527
Carryforward tax losses <sup>(1)</sup>	219,341	44,294
Stock based compensation expenses	38,499	28,715
Deferred revenue	12,999	13,244
Lease liabilities	10,634	12,872
Inventory Impairment	10,833	11,136
Foreign currency translation	13,672	4,985
Property, plant and equipment	11,662	-
Allowance and other reserves	20,549	17,367
Total Gross deferred tax assets, net	<u>354,046</u>	<u>158,140</u>
Less, Valuation Allowance	(331,816)	(51,245)
Total deferred tax assets, net	<u>22,230</u>	<u>106,895</u>
Deferred tax liabilities, net:		
Intercompany transactions	(4,200)	(4,470)
Right-of-use assets	(11,066)	(13,353)
Purchase price allocation	(3,149)	(4,129)
Property, plant and equipment	(4,377)	(5,481)
Other	(549)	-
Total deferred tax liabilities, net	<u>\$ (23,341)</u>	<u>\$ (27,433)</u>
Recorded as:		
Deferred tax assets, net	\$ -	\$ 80,912
Deferred tax liabilities, net	(1,111)	(1,450)
Net deferred tax assets (liabilities)	<u>\$ (1,111)</u>	<u>\$ 79,462</u>

<sup>(1)</sup> Related to deferred tax assets that would only be realizable upon the generation of net income in certain foreign jurisdictions.

The Company's Israeli Subsidiary's tax-exempt profit from Benefited Enterprises (as defined in note 26j) is permanently reinvested. Therefore, deferred taxes have not been provided for such tax-exempt income.

The Company may incur additional tax liability in the event of intercompany dividend distributions by some of its subsidiaries. Such additional tax liability in respect of these subsidiaries has not been provided for in the Financial Statements as the Company's management and the Board of Directors has determined that the Company intends to reinvest earnings of its subsidiaries indefinitely.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

e. Uncertain tax positions are comprised as follows:

	<b>December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Balance, at the beginning of the period	\$ 15,908	\$ 2,756	\$ 2,192
Increases related to current year tax positions	-	1,502	564
Increase for tax positions related to prior years	16,418	11,778	-
Decreases related to prior year tax positions	-	(128)	-
Balance, at end of the period	<u>\$ 32,326</u>	<u>\$ 15,908</u>	<u>\$ 2,756</u>

The total amount of gross unrecognized tax benefits above would affect the Company's effective tax rate, if recognized.

The Company accrues interest and penalties related to unrecognized tax benefits in its provision for income taxes. As of December 31, 2024 and 2023, the Company accrued \$9,165 and \$2,927, respectively. The total amount of penalties and interest were not material as of December 31, 2022.

It is reasonably possible that the Company's gross unrecognized tax benefits will decrease by an insignificant amount in the next 12 months, primarily due to the lapse of the statute of limitations.

f. Income (loss) before income taxes are comprised as follows:

	<b>Year ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Domestic	\$ (4,169)	\$ 49,758	\$ 47,324
Foreign	(1,704,142)	31,341	129,831
Income (loss) before income taxes	<u>\$ (1,708,311)</u>	<u>\$ 81,099</u>	<u>\$ 177,155</u>

g. Income taxes (tax benefit) are comprised as follows:

	<b>Year ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Current taxes:</b>			
Domestic	\$ 4,036	\$ 42,960	\$ 56,958
Foreign	12,905	46,531	37,473
Total current taxes	16,941	89,491	94,431
<b>Deferred taxes:</b>			
Domestic	18,163	(2,244)	(8,955)
Foreign	61,046	(40,827)	(2,100)
Total deferred taxes	79,209	(43,071)	(11,055)
Income taxes, net	<u>\$ 96,150</u>	<u>\$ 46,420</u>	<u>\$ 83,376</u>

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

h. Reconciliation of theoretical tax expense to actual tax expense:

The differences between the statutory tax rate of the Company and the effective tax rate are result of a variety of factors, including different effective tax rates applicable to non-US subsidiaries that have tax rates different than the Company tax rate; valuation allowance on deferred tax assets related to losses and other deferred tax assets, where the Company does not foresee the realization of the same; and tax-exempt IRA credits.

A reconciliation between the theoretical tax expense and the actual tax expense as reported in the consolidated statements of income (loss) is as follows:

	<b>Year ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Statutory tax rate	21%	21%	21%
Effect of:			
Income tax at rate other than the U.S. statutory tax rate	(0.64)%	(37.3)%	(10.8)%
Losses and timing differences for which valuation allowance was provided	(26.09)%	27.7%	5.2%
Prior year income taxes (benefit)	(0.03)%	(1.0)%	2.9%
R&D Capitalization and other effects of TCJA	-%	42.5%	18.9%
Non-deductible expenses	(2.85)%	4.5%	13.2%
IRA tax benefits	2.85%	-%	-%
Other individually immaterial income tax items, net	0.13%	(0.2)%	(3.3)%
Effective tax rate	(5.63)%	57.2%	47.1%

The change in effective tax rate for the year ended December 31, 2024 compared to the year ended December 31, 2023, is mainly due to the Company transitioning to a significant loss position in 2024 and the valuation allowance recorded against the tax benefit of such loss, as well as the valuation allowance booked against deferred tax assets of the Company and its subsidiaries from previous years. These, together with expenses that are not deductible for tax purposes, decreased the tax benefit of said loss, and were partially offset by the tax benefit of AMPTCs the Company generated during the year from its U.S manufacturing of eligible products and ITCs the Company purchased during 2024 from third parties.

i. Tax assessments:

The Israeli tax authorities issued tax orders for tax years 2016-2018 against the Company's Israeli Subsidiary, challenging the subsidiary's positions on several issues. The Israeli Subsidiary has protested the orders before the Central District Court in Israel. The Company believes it has adequately provided for these items, however adverse results could have a material impact on the Company's financial statements.

As of December 31, 2024, the Company and certain of its subsidiaries filed U.S. federal and various state and foreign income tax returns. The statute of limitations relating to the consolidated U.S. federal income tax return is closed for all tax years up to and including 2020.

The statute of limitations related to tax returns of the Company's Israeli Subsidiary for all tax years up to and including 2015 has lapsed.

The statute of limitations related to tax returns of the Company's other subsidiaries has lapsed for part of the tax years, which differs between the different subsidiaries.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

j. Tax benefits for Israeli companies under the Law for the Encouragement of Capital Investments, 1959 (the "Investments Law"):

The Israeli Subsidiary elected tax year 2012 as a "Year of Election" for "Benefited Enterprise" status under the Investments Law. According to the Investments Law, the Israeli Subsidiary elected to participate in the alternative benefits program which provides certain benefits, including tax exemptions and reduced tax rates (which depend on, inter alia, the geographic location in Israel). Income not eligible for Benefited Enterprise benefits is taxed at a regular corporate tax rate.

Upon meeting the requirements under the Investments Law, undistributed income derived from Benefited Enterprise from productive activity will be exempt from tax for two years from the year in which the Israeli Subsidiary first has taxable income ("exempt period"), provided that 12 years have not passed from the beginning of the year of election.

On October 24, 2018, the Company's Israeli Subsidiary received an approval from the Israeli Tax Authorities confirming the applicability of the two-year tax exemption as provided in the Investments Law until December 31, 2018. As of December 31, 2018, approximately \$289,900 was derived from tax exempt profits earned by the Israeli Subsidiary "Benefited Enterprises" in the two tax years exempt period, tax years 2017 - 2018. The Company has determined that such tax-exempt income will not be distributed as dividends and intends to reinvest the amount of its tax-exempt income earned by the Israeli Subsidiary. Accordingly, no provision for deferred income taxes has been provided on income attributable to the Israeli Subsidiary "Benefited Enterprises" as such income is essentially permanently reinvested.

If the Israeli Subsidiary's retained tax-exempt income is distributed, the income would be taxed at the applicable corporate tax rate which depends on the foreign ownership in each tax year.

Pursuant to amendment 73 to the Investments Law ("2017 Amendment"), a preferred enterprise located in development area A will be subject to a tax rate of 7.5% instead of 9% effective from January 1, 2017 and thereafter (the tax rate applicable to preferred enterprises located in other areas remains at 16%).

The 2017 Amendment also prescribes special tax tracks for preferred technological enterprises ("PTE"), which are subject to rules that were issued by the Ministry of Finance.

On June 14, 2017, the Encouragement of Capital Investments Regulations (Preferred Technological Income and Capital Gain for Technological Enterprise), 2017 ("Regulations") were published.

The Regulations describe, inter alia, the mechanism used to determine the calculation of the benefits under the PTE regime. According to these regulations, a company that complies with the terms under the PTE regime may be entitled to certain tax benefits with respect to income generated during the company's regular course of business and derived from the preferred intangible asset, excluding income derived from intangible assets used for marketing and income attributed to production activity.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

A PTE, which is located in the center of Israel will be subject to tax at a rate of 12% on profits deriving from intellectual property, or 6% if its annual revenues exceed NIS 10 billion ("Threshold"). The Israeli Subsidiary notified the ITA of its election to implement the PTE with effect from January 1, 2019, and its PTE income was subject to a 12% tax rate for the years 2019-2021, and in 2022-2023 to a 6% tax rate as the group surpassed the Threshold. In 2024, the Company incurred losses for tax purposes.

**Tax Benefits for Research and Development:**

Israeli tax law (section 20A to the Israeli Tax Ordinance (New Version), 1961) allows a tax deduction for research and development expenses, including capital expenses, in the year in which they are paid. Such expenses must relate to scientific research in industry, agriculture, transportation or energy, and must be approved by the relevant Israeli government ministry, determined by the field of research. Expenses incurred in scientific research that are not approved by the relevant government ministry are amortized over a three-year period starting from the tax year in which they are paid. The Company's Israeli Subsidiary submitted a formal request to the relevant government ministry in order to obtain such approval for tax years 2019-2021 and intends to submit a similar request with respect to tax year 2023.

k. **Tax benefits under the Law for the Encouragement of Industry (Taxes), 1969:**

Some of the Company's Israeli Subsidiaries claim tax benefits as 'industrial companies' under the Law for the Encouragement of Industry (Taxes), 1969. Such benefits consist mainly of accelerated depreciation and amortization of patents and certain other intangible property and the ability to file consolidated tax returns.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

**NOTE 27: FINANCIAL INCOME (EXPENSE), NET**

	<b>Year ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Exchange rate (loss) gain, net	\$ (13,513)	\$ 24,181	\$ (1,547)
Interest income on marketable securities	17,893	25,668	10,551
Allowance for credit losses allocated to loan receivables	(17,528)	(144)	-
Convertible note	(6,926)	(2,930)	(2,916)
Hedging	802	2,337	4,716
Financing component expenses related to ASC 606	(11,805)	(9,773)	(7,038)
Bank charges	(1,242)	(1,418)	(1,584)
Interest income	16,427	7,494	2,932
Interest expense	(1,156)	(1,269)	(1,530)
Other	2,478	(2,934)	166
<b>Total financial income (expenses), net</b>	<b>\$ (14,570)</b>	<b>\$ 41,212</b>	<b>\$ 3,750</b>

**NOTE 28: SEGMENT, GEOGRAPHIC AND PRODUCT INFORMATION**

a. Segment Information:

The Company identified one operating segments as reportable – the Solar segment. The other operating segments are insignificant individually and therefore their results are presented together under “All other”.

The Company's Chief Executive Officer, who is the chief operating decision maker (“CODM”), makes resource allocation decisions and assesses performance based on financial information presented on a consolidated basis, accompanied by disaggregated information about revenues and contributed profit by the operating segments.

The Company does not allocate to its operating segments revenue recognized due to advance payments received for performance obligations that extend for a period greater than one year (“financing component”), related to Accounting Standard Codification 606, “Revenue from Contracts with Customers” (ASC 606).

Segment profit (loss) is comprised of gross profit (loss) for the segment less operating expenses that do not include amortization and impairment of purchased intangible assets, stock based compensation expenses, restructuring charges, discontinued activity charges and certain other items.

The Company manages its assets on a group basis, not by segments, as many of its assets are shared or co-mingled. The Company’s CODM does not regularly review asset information by segments and, therefore, the Company does not report asset information by segment.

The Solar segment includes the design, development, manufacturing, and sales of an intelligent inverter solution designed to maximize power generation at the individual PV module level and batteries for PV applications. The Solar segment solution consists mainly of the Company’s power optimizers, inverters, batteries and cloud-based monitoring platform.

The “All other” category includes automated machines, energy storage and e-Mobility (in prior periods).

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

The following tables presents information on reportable segments profit (loss) for the period presented:

	<b>Year ended</b>	
	<b>December 31, 2024</b>	
	<b>Solar</b>	<b>All other</b>
Revenues	\$ 842,440	\$ 58,032
Less:		
Direct costs of goods	480,001	50,746
Salaries	349,889	16,792
Inventory costs	683,543	73,568
Shipment and logistics	69,968	760
Warranty	70,031	(1,589)
Depreciation	46,180	1,577
Other directly related overhead costs	50,077	4,175
Other <sup>1</sup>	226,148	33,145
Segments profit (loss)	<u>\$ (1,133,397)</u>	<u>\$ (121,142)</u>

	<b>Year ended</b>	
	<b>December 31, 2023</b>	
	<b>Solar</b>	<b>All other</b>
Revenues	\$ 2,815,539	\$ 160,155
Less:		
Direct costs of goods	1,188,078	154,774
Salaries	378,051	31,190
Inventory costs	22,545	10,397
Shipment and logistics	205,122	5,002
Warranty	313,173	(2,987)
Depreciation	43,179	1,972
Other directly related overhead costs	45,939	4,851
Other <sup>1</sup>	254,935	29,449
Segments profit (loss)	<u>\$ 364,517</u>	<u>\$ (74,493)</u>

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

	Year ended December 31, 2022	
	Solar	All other
Revenues	\$ 2,921,175	\$ 188,490
Less:		
Direct costs of goods	1,282,650	156,927
Salaries	338,062	40,163
Inventory costs	9,301	256
Shipment and logistics	249,159	8,593
Warranty	235,214	4,458
Depreciation	34,255	2,004
Other directly related overhead costs	37,653	4,587
Other <sup>1</sup>	248,019	16,639
Segments profit (loss)	<u>\$ 486,862</u>	<u>\$ (45,137)</u>

<sup>1</sup> Represents marketing, bad debt and other production related costs.

The following table presents information on reportable segments reconciliation to consolidated revenues for the periods presented:

	Year ended December 31,		
	2024	2023	2022
Solar segment revenues	\$ 842,440	\$ 2,815,539	\$ 2,921,175
All other segment revenues	58,032	160,155	188,490
Revenues from financing component	984	834	614
Consolidated revenues	<u>\$ 901,456</u>	<u>\$ 2,976,528</u>	<u>\$ 3,110,279</u>

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

The following table presents information on reportable segments reconciliation to consolidated operating income for the periods presented:

	Year ended December 31,		
	2024	2023	2022
Solar segment profit	\$ (1,133,397)	\$ 364,517	\$ 486,862
All other segment loss	(121,142)	(74,493)	(45,137)
Segments operating profit	<u>(1,254,539)</u>	<u>290,024</u>	<u>441,725</u>
Amounts not allocated to segments:			
Stock based compensation expenses	(137,251)	(149,945)	(145,539)
Amortization and depreciation of acquired assets	(8,017)	(7,969)	(9,478)
Impairment and disposal by abandonment of long-lived assets	(251,823)	(30,790)	(119,141)
Restructuring and other exit activities	(49,148)	(60,190)	(4,314)
Other unallocated income (expenses), net	(7,510)	(925)	2,867
Consolidated operating income (loss)	(1,708,288)	40,205	166,120
Financial income (expense), net	(14,570)	41,212	3,750
Other income (loss), net	14,547	(318)	7,285
Income (loss) before income taxes	<u>\$ (1,708,311)</u>	<u>\$ 81,099</u>	<u>\$ 177,155</u>

b. Revenues by geographic, based on customers' location:

	Year ended December 31,		
	2024	2023	2022
United States	\$ 379,617	\$ 759,611	\$ 1,133,798
Europe(*)	163,561	661,542	528,197
Germany	83,217	692,047	449,160
Netherlands	13,586	326,314	382,226
Italy	62,276	223,943	330,565
Rest of the world	199,199	313,071	286,333
Total revenues	<u>\$ 901,456</u>	<u>\$ 2,976,528</u>	<u>\$ 3,110,279</u>

(\*) Except for Germany, Netherlands and Italy

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

c. Revenues by type:

	<b>Year ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Inverters	\$ 247,634	\$ 1,374,026	\$ 1,137,142
Optimizers	314,916	902,411	1,135,040
Batteries for PV applications	190,460	378,275	429,119
Energy storage systems	49,913	83,717	76,325
e-Mobility components and telematics	2,398	68,425	94,446
Communication	5,423	32,945	72,812
Others	90,712	136,729	165,395
<b>Total revenues</b>	<b>\$ 901,456</b>	<b>\$ 2,976,528</b>	<b>\$ 3,110,279</b>

d. Long-lived assets by geographic location:

	<b>As of December 31,</b>	
	<b>2024</b>	<b>2023</b>
Israel	\$ 266,254	\$ 364,438
Korea	-	199,422
United States	87,715	47,083
China	6,898	38,037
Europe	19,741	23,478
Other	4,223	6,288
<b>Total long-lived assets(*)</b>	<b>\$ 384,831</b>	<b>\$ 678,746</b>

(\*) Long-lived assets are comprised of property and equipment, net and Operating lease right-of-use assets, net.

**SOLAREEDGE TECHNOLOGIES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**  
(in thousands, except per share data)

**NOTE 29: SUBSEQUENT EVENTS**

On January 6, 2025, the Company announced its adoption of additional measures in order to achieve the financial stability necessary to drive its turnaround, and executing organizational goals to support growth, which includes reducing its headcount by approximately 400 employees. These decisions were made in order to better align the Company with current market conditions.

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## **ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

Not applicable.

### **Item 9A. Controls and Procedures.**

#### **Disclosure Controls and Procedures**

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of December 31, 2024. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on that evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective and operating to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and to provide reasonable assurance that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

#### **Management’s Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Management assessed our internal control over financial reporting as of December 31, 2024. Management based its assessment on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Management’s assessment included evaluation of elements such as the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, and our overall control environment.

Based on this assessment, management has concluded that our internal control over financial reporting was effective as of the end of the year to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles. We reviewed the results of management’s assessment with the Audit Committee of our Board of Directors.

Our independent registered public accounting firm, Kost Forer Gabbay & Kasierer, a member of EY Global, independently assessed the effectiveness of the company’s internal control over financial reporting, as stated in Part II, Item 8 of this Form 10-K.

Our management, including our chief executive officer and chief financial officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well-designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of the effectiveness of controls to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

**Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during the fourth fiscal quarter of 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 9B. Other Information**

(a) Not applicable.

(b) None.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

Not applicable.

## PART III

### **ITEM 10. Directors, Executive Officers and Corporate Governance.**

The information required by Item 10 will be included under the captions “Directors and Corporate Governance”, “Board Committees”, “Code of Conduct and Ethical Business Conduct”, “Compensation Committee Report”, and “Delinquent Section 16(a) Reports” in our definitive Proxy Statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the year ending December 31, 2024 (the “2025 Proxy Statement”) and is incorporated herein by reference.

### **ITEM 11. Executive Compensation**

The information required by Item 11 will be included under the captions “Board Committees”, “Director Compensation”, “Executive Compensation”, and “Compensation Risk” in our 2025 Proxy Statement and is incorporated herein by reference.

### **ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by Item 12 will be included under the captions “Security Ownership of Certain Beneficial Owners and Management” in our 2025 Proxy Statement and is incorporated herein by reference.

### **Compensation Plan Information**

The information required regarding securities authorized for issuance under our equity compensation plans is incorporated by reference from the information contained in the section entitled “Equity Compensation Plan Information” in our 2025 Proxy Statement.

### **ITEM 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by Item 13 will be included under the captions “Transactions with Related Persons” and “Directors and Corporate Governance” in our 2025 Proxy Statement and is incorporated herein by reference.

### **ITEM 14. Principal Accountant Fees and Services**

The information required by Item 13 will be included under the captions “Proposal No. 2 Ratification of Appointment of Independent Registered Public Accounting Firm for 2025” in our 2024 Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 15. Exhibits, Financial Statement Schedules

Our Consolidated Financial Statements and Notes thereto are included in Item 8 of this Annual Report on Form 10-K. See Index to Item 8 for more detail.

All financial schedules have been omitted either because they are not applicable or because the required information is provided in our Consolidated Financial Statements and Notes thereto, included in Item 8 of this Annual Report on Form 10-K.

Index to Exhibits

Exhibit No.	Description	Incorporation by Reference
<a href="#">3.1</a>	<a href="#">Restated Certificate of Incorporation</a>	Incorporated by reference to Exhibit 3.2 to Form 8-K filed with the SEC on June 2, 2023
<a href="#">3.2</a>	<a href="#">Amended and Restated By-Laws</a>	Incorporated by reference to Exhibit 3.1 to Form 8-K filed with the SEC on December 1, 2022
<a href="#">4.1</a>	<a href="#">Description of Common Stock</a>	Filed with this report
<a href="#">4.2</a>	<a href="#">Specimen Common Stock Certificate of the Registrant</a>	Incorporated by reference to Exhibit 4.1 of Amendment No. 1 to Form S-1 (Registration No. 333-202159) filed with the SEC on March 11, 2015
<a href="#">4.3</a>	<a href="#">Indenture, dated September 25, 2020, between the Company and U.S. Bank National Association, as trustee</a>	Incorporated by reference to Exhibit 4.1 to Form 8-K filed with the SEC on September 25, 2020
<a href="#">4.4</a>	<a href="#">Form of 0.000% Convertible Senior Note due 2025 (included in Exhibit 4.3)</a>	Incorporated by reference to Exhibit 4.2 to Form 8-K filed with the SEC on September 25, 2020
<a href="#">4.5</a>	<a href="#">Indenture, dated June 28, 2024, between the Company and U.S. Bank Trust Company, National Association, as trustee</a>	Incorporated by reference to Exhibit 4.1 to Form 8-K filed with the SEC on June 28, 2024
<a href="#">4.6</a>	<a href="#">Form of 2.250% Convertible Senior Note due 2029 (included in Exhibit 4.1)</a>	Incorporated by reference to Exhibit 4.2 to Form 8-K filed with the SEC on June 28, 2024
<a href="#">4.7</a>	<a href="#">Form of Capped Call Confirmation</a>	Incorporated by reference to Exhibit 10.1 to Form 8-K filed with the SEC on June 28, 2024
<a href="#">10.1†</a>	<a href="#">Employment Agreement, dated December 1, 2010, between SolarEdge Technologies, Inc. and Ronen Faier</a>	Incorporated by reference to Exhibit 10.3 of Amendment No. 1 to Form S-1 (Registration No. 333-202159) filed with the SEC on March 11, 2015
<a href="#">10.2†</a>	<a href="#">Employment Agreement, dated May 17, 2009, between SolarEdge Technologies, Inc. and Zvi Lando</a>	Incorporated by reference to Exhibit 10.4 of Amendment No. 1 to Form S-1 (Registration No. 333-202159) filed with the SEC on March 11, 2015
<a href="#">10.3†</a>	<a href="#">Employment Agreement, dated August 20, 2019 between SolarEdge Technologies Ltd. and Uri Bechor</a>	Incorporated by reference to Exhibit 10.1 to Form 8-K filed with the SEC on August 21, 2019
<a href="#">10.4†</a>	<a href="#">Employment Agreement, dated June 13, 2024, between SolarEdge Technologies, Ltd. and Ariel Porat</a>	Filed with this report.
<a href="#">10.5†</a>	<a href="#">Employment Agreement, dated December 4, 2024, between SolarEdge Technologies, Ltd. and Shuki Nir</a>	Filed with this report.
<a href="#">10.6†</a>	<a href="#">SolarEdge Technologies, Inc. 2007 Global Incentive Plan.</a>	Incorporated by reference to Exhibit 99.3 to Form S-8 (Registration No. 333-203193) filed with the SEC on April 2, 2015
<a href="#">10.7†</a>	<a href="#">SolarEdge Technologies, Inc. Amended and Restated 2015 Global Incentive Plan</a>	Incorporated by reference to Exhibit 10.1 to Form 10-Q filed with the SEC on May 10, 2017
<a href="#">10.8†</a>	<a href="#">SolarEdge Technologies, Inc. 2015 Employee Stock Purchase Plan</a>	Incorporated by reference to Exhibit 99.2 to Form S-8 (Registration No. 333-203193) filed with the SEC on April 2, 2015
<a href="#">10.9 †</a>	<a href="#">Form of Non-Employee Director RSU Award Agreement</a>	Incorporated by reference to Exhibit 10.11 to Form 10-K filed with the SEC on August 20, 2015
<a href="#">10.10 †</a>	<a href="#">Form of Non-Employee Director Stock Option Award Agreement</a>	Incorporated by reference to Exhibit 10.12 to Form 10-K filed with the SEC on August 20, 2015
<a href="#">10.11 †</a>	<a href="#">Form of Employee RSU Award Agreement</a>	Incorporated by reference to Exhibit 10.13 to Form 10-K filed with the SEC on August 20, 2015

<a href="#"><u>10.12</u></a> †	<a href="#"><u>Form of Employee Stock Option Award Agreement</u></a>	Incorporated by reference to Exhibit 10.14 to Form 10-K filed with the SEC on August 20, 2015
<a href="#"><u>10.13</u></a>	<a href="#"><u>Form of Performance Award Agreement</u></a>	Filed with this report.
<a href="#"><u>10.14</u></a>	<a href="#"><u>Form of Indemnification Agreement for Directors and Officers</u></a>	Incorporated by reference to Exhibit 10.1 to form 8-K filed with the SEC on July 7, 2023
<a href="#"><u>10.15</u></a>	<a href="#"><u>Tax Credit Purchase and Sale Agreement between SolarEdge Manufacturing Inc. and Genworth Financial, Inc. dated November 4, 2024.</u></a>	Filed with this report.
<a href="#"><u>10.16</u></a>	<a href="#"><u>Guaranty Dated November 4, 2024, between SolarEdge Technologies, Inc. and Genworth Financial, Inc.</u></a>	Filed with this report.
<a href="#"><u>19</u></a>	<a href="#"><u>SolarEdge Technologies, Inc. Insider Trading Policy, adopted in March 2015, and amended and restated on March 14, 2023</u></a>	Filed with this report.
<a href="#"><u>21.1</u></a>	<a href="#"><u>List of Subsidiaries of the Registrant</u></a>	Filed with this report.
<a href="#"><u>23.1</u></a>	<a href="#"><u>Consent of Kost Forer Gabbay &amp; Kasierer, independent registered public accounting firm</u></a>	Filed with this report.
<a href="#"><u>24.1</u></a>	<a href="#"><u>Power of Attorney (included in signature page)</u></a>	Filed with this report.
<a href="#"><u>31.1</u></a>	<a href="#"><u>Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended</u></a>	Filed with this report.
<a href="#"><u>31.2</u></a>	<a href="#"><u>Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended</u></a>	Filed with this report.
<a href="#"><u>32.1</u></a>	<a href="#"><u>Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>	Filed with this report.
<a href="#"><u>32.2</u></a>	<a href="#"><u>Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>	Filed with this report.
<a href="#"><u>97.1</u></a>	<a href="#"><u>Rule 10D-1 - Clawback Policy</u></a>	Filed with this report.
101.INS	XBRL Instance Document - - embedded within the Inline XBRL document	Filed with this report.
101.SCH	XBRL Taxonomy Extension Schema Document	Filed with this report.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	Filed with this report.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	Filed with this report.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	Filed with this report.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	Filed with this report.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.	Filed with this report.

† Management contract or compensatory plan or arrangement.

#### ITEM 16. Form 10-K Summary

None.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /s/ Shuki Nir  
Name: Shuki Nir  
Title: Chief Executive Officer  
Date: 2/25/2025

## POWER OF ATTORNEY

Know all persons by these presents, that each person whose signature appears below constitutes and appoints Shuki Nir, Ariel Porat, and Dalia Litay, or any of them, as such person's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for such person and in such person's name, place, and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or any of them or their or such person's substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated below.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
/s/Shuki Nir	Chief Executive Officer and Director ( <i>Principal Executive Officer</i> )	2/25/2025
/s/Ariel Porat	Chief Financial Officer ( <i>Principal Financial and Accounting Officer</i> )	2/25/2025
/s/Avery More	Chairman of the Board	2/25/2025
/s/Dirk Carsten Hoke	Director	2/25/2025
/s/Marcel Gani	Director	2/25/2025
/s/Nadav Zafrir	Director	2/25/2025
/s/Guy Gecht	Director	2/25/2025
/s/Betsy Atkins	Director	2/25/2025
/s/ Dana Gross	Director	2/25/2025
/s/Yoram Tietz	Director	2/25/2025
/s/Gilad Almogy	Director	2/25/2025

**DESCRIPTION OF THE REGISTRANT'S SECURITIES  
REGISTERED PURSUANT TO SECTION 12 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

SolarEdge Technologies, Inc. ("SolarEdge" or the "Company") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): our common stock, par value \$0.0001 per share (the "common stock").

**DESCRIPTION OF COMMON STOCK**

The following sets forth a summary of the material terms of SolarEdge's common stock, including certain provisions of the Delaware General Corporation Law (as the same exists or may hereafter be amended (the "DGCL")), the Restated Certificate of Incorporation of SolarEdge (the "certificate of incorporation") and the Amended and Restated Bylaws of SolarEdge (the "bylaws"). This summary is not intended to be a complete summary of the rights and preferences of such securities and is qualified entirely by reference to the certificate of incorporation and bylaws. You should refer to the certificate of incorporation and bylaws, which are incorporated by reference to our Annual Report on Form 10-K, for a complete description of the rights and preferences of our common stock. The summary below is also qualified by reference to the provisions of the DGCL, as applicable.

**General**

Under the certificate of incorporation, SolarEdge is authorized to issue up to 220,000,000 shares, of which 125,000,000 shares shall be designated as common stock, and 95,000,000 shall be designated as preferred stock, par value \$.0001 per share (the "preferred stock"). The shares of common stock currently outstanding are fully paid and non-assessable.

The certificate of incorporation provides that shares of preferred stock may be issued from time to time in one or more series. The board of directors of SolarEdge (the "board") is authorized to fix the voting rights, if any, designations, powers, preferences and relative participating, optional, special and other rights, if any, and any qualifications, limitations and restrictions thereof, applicable to the shares of each series of preferred stock. The board is able, without stockholder approval, to issue preferred stock with voting and other rights that could adversely affect the voting power and other rights of the holders of shares of our common stock and could have anti-takeover effects. The ability of the board to issue preferred stock without stockholder approval could have the effect of delaying, deferring or preventing a change of control of SolarEdge or the removal of existing management. SolarEdge has no preferred stock outstanding as of the date hereof.

**Voting Rights**

Holders of shares of common stock have one vote per share in all elections of directors and on all other matters submitted to a vote of stockholders of SolarEdge. Holders of shares of common stock do not have cumulative voting rights.

**Dividend Rights**

Holders of shares of common stock are entitled to receive dividends, if, as and when declared by our board of directors, out of our legally available assets, in cash, property, shares of our common stock or other securities, after payments of dividends required to be paid on outstanding preferred stock, if any.

**Distributions in Connection with Mergers or Other Business Combinations**

Upon a merger, consolidation or substantially similar transaction, holders of each class of common stock are entitled to receive equal per share payments or distributions.

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**Liquidation, Dissolution or Similar Rights**

Upon our liquidation, dissolution or winding up, any business combination or a sale or disposition of all or substantially all of our assets, the assets legally available for distribution to our stockholders will be distributable ratably among the holders of the common stock, subject to prior satisfaction of all outstanding debts and other liabilities and the payment of liquidation preferences, if any, on any outstanding preferred stock.

**Preemptive or Other Rights**

The certificate of incorporation does not provide for any preemptive rights. The rights of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that our board of directors may designate and issue in the future.

**Forum Selection Provisions**

Under our certificate of incorporation, unless SolarEdge, in writing, selects or consents to the selection of an alternative forum, the sole and exclusive forum for making certain types of claims shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware). This provision applies to (a) any derivative action or proceeding brought on behalf of SolarEdge, (b) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee or agent of SolarEdge to SolarEdge or our stockholders, (c) any action asserting a claim arising pursuant to any provision of the DGCL or SolarEdge's certificate of incorporation or bylaws, or (d) any action asserting a claim governed by the internal affairs doctrine. In addition, our certificate of incorporation further provides, unless SolarEdge, in writing, selects or consents to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for any complainant asserting a cause of action arising under the Securities Act of 1933, to the fullest extent permitted by law, shall be the federal district courts of the United States of America. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of stock of the Corporation shall be deemed to have notice of and consented to the provisions of our forum selection provisions.

**Certain Anti-Takeover Provisions of the DGCL, Our certificate of incorporation and Our Bylaws**

Certain additional provisions of the DGCL, our certificate of incorporation and our bylaws could make the acquisition of the Company more difficult and could delay, defer or prevent a tender offer or other takeover attempt that a stockholder might consider to be in its best interest, including takeover attempts that might result in the payment of a premium to stockholders over the market price for their shares. These provisions also may promote the continuity of our management by making it more difficult for a person to remove or change the incumbent members of our board of directors.

They include, among others, the following:

*Board Classification.* Our certificate of incorporation provides that our board of directors is divided into three classes of directors, with the directors serving three-year terms; provided that such division of directors into classes shall terminate upon the election of directors at SolarEdge's 2026 annual meeting of stockholders. As a result, each director elected by the stockholders at SolarEdge's 2024 annual meeting of stockholders and thereafter shall serve for a term expiring at the next succeeding annual meeting of stockholders. Until such time as our board is fully declassified, the classification of directors has the effect of making it more difficult for stockholders to change the composition of our board of directors. Our certificate of incorporation and bylaws provides that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors may be fixed from time to time exclusively pursuant to a resolution adopted by our board of directors.

*No Cumulative Voting.* Our certificate of incorporation provides that stockholders are not permitted to cumulate votes in the election of directors.

*Special Meetings of Stockholders.* Our bylaws provide that special meetings of our stockholders may be called only by our board of directors.

*Stockholder Action by Written Consent.* Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of our stock entitled to vote thereon were present and voted, unless our certificate of incorporation provides otherwise. Our certificate of incorporation precludes stockholder action by written consent.

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*Advance Notice Requirements for Stockholder Proposals and Nomination of Directors.* Our bylaws require stockholders seeking to bring business before an annual meeting of stockholders, or to nominate individuals for election as directors at an annual or special meeting of stockholders, to provide timely notice in writing. To be timely, a stockholder's notice needs to be sent to and received at our principal executive offices no later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the anniversary of the immediately preceding annual meeting of stockholders. However, in the event that the annual meeting is called for a date that is not within 30 days before or 70 days after the anniversary of the immediately preceding annual meeting of stockholders, such notice will be timely only if received no earlier than the close of business on the 120th day prior to the annual meeting and no later than the close of business on the later of the 90th day prior to such annual meeting and the tenth day following the date on which a public announcement of the date of the annual meeting was made by us. Our bylaws also specify requirements as to the form and content of a stockholder's notice. These provisions may preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our meetings of stockholders. These provisions may also discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the potential acquiror's own slate of directors or otherwise attempting to obtain control of the Company.

*Removal of Directors; Vacancies.* Under the DGCL, unless otherwise provided in our certificate of incorporation, directors serving on a classified board may be removed by the stockholders only for cause. Our certificate of incorporation provides that, except for such additional directors, if any, as are elected by the holders of any series of preferred stock, any director may be removed by the affirmative vote of the holders of at least a majority of the voting power of the stock outstanding and entitled to vote thereon (i) until the election of directors at SolarEdge's 2026 annual meeting of stockholders, only for cause and (ii) from and after the election of directors at SolarEdge's 2026 annual meeting of stockholders, with or without cause.

*Vacancies.* Our certificate of incorporation also provides that any newly created directorship on our board of directors that result from an increase in the number of directors and any vacancy occurring in our board of directors shall only be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director (and not by the stockholders).

*Section 203 of the Delaware General Corporation Law.* We are subject to Section 203 of the DGCL, which provides that, subject to certain stated exceptions, a corporation may not engage in a business combination with any "interested stockholder" (as defined below) for a period of three years following the time that such stockholder became an interested stockholder, unless:

- prior to such time the board of directors of the corporation approved either the business combination or transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding shares owned by persons who are directors and also officers and employee stock plans in which participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to such time the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

An "interested stockholder" is any person (other than the corporation and any direct or indirect majority-owned subsidiary) who owns 15% or more of the outstanding voting stock of the corporation or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within the three-year period immediately prior to the date of determination, and the affiliates and associates of such person.

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EMPLOYMENT AGREEMENT

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THIS AGREEMENT is entered into as of 13.6.24 by and between SolarEdge Technologies Ltd. (the "Company") having an address at 1 HaMada Street, Herzliya, Israel and Ariel Porat, Israeli ID No. [REDACTED] of Tel Aviv (the "Employee").

**WHEREAS:** The Company desires to employ the Employee in the position Senior Vice President, Finance (the "Position") and the Employee desires to enter into such employment, on the terms and conditions hereinafter set forth.

**WHEREAS:** It is the desire of the Company, as approved by the Board of Directors, for the Employee to work together with the current CFO to transition into the position of CFO, with a target start date of September 1, 2024.

NOW, THEREFORE, in consideration of the respective agreements of the parties contained herein, the parties agree as follows:

1. Personal Employment Agreement

This Agreement sets forth the entire relationship between the Company and the Employee, includes all of the Employee's terms of employment by the Company and is the sole expression of the Employee's terms of employment by the Company. The terms set forth in this Agreement shall be binding on the parties. Any other agreement and/or collective arrangement, whether individual or general, and/or any other practice or custom of any kind and/or any other agreement shall not apply to the employment relationship between the parties, even if applicable to any of the Company's other employees that were or will be employed by the Company in the future, unless otherwise agreed by the parties in writing.

2. Employment

(a) The Employee shall be employed by the Company in the Position commencing as of 6/1/2024 (the "**Commencement Date**") in accordance with the terms and conditions of this Agreement as summarized in Exhibit A herein and shall be promoted to CFO upon the resignation of the current CFO and appointment by the Board of Employee as CFO. Until such promotion, the Employee shall be under the direct supervision of and comply with the directives the Chief Financial Officer of the Company and/or any such individual designated by the Company at its sole discretion and thereafter, once appointed CFO, he shall be under the direction of the CEO (the "**Supervisor**"). The Employee shall perform the duties, undertake the responsibilities and exercise the authority as determined from time to time by the Supervisor and as customarily performed, undertaken and exercised by persons situated in a similar capacity. The Employee's duties and responsibilities hereunder may also include other services performed for subsidiaries and affiliates of the Company.

(b) During the course of his employment with the Company, the Employee shall honestly; diligently, skillfully and faithfully serve the Company. The Employee undertakes to devote all his efforts and the best of his qualifications and skills to promoting the business and affairs of the Company, and further undertakes to loyally and fully comply with the decisions of the Board of Directors. The Employee shall at all times act in a manner suitable of his position and status in the Company.

(c) The Employee undertakes to promptly notify the Company regarding any matter or subject in respect of which he has a personal interest and/or which might create a conflict of interest with his position in the Company.

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(d) The Employee agrees to devote total attention and full time (during working hours) to the business and affairs of the Company as required to discharge the responsibilities assigned to the Employee hereunder. During the term of this Agreement the Employee shall not be engaged in any other employment nor directly or indirectly engage in any other business activities in any capacity for any other person, firm or company whether or not for consideration, without the express prior written consent of the Company.

(e) The Employee shall work no less than 42 hours per week. The Employee shall work no less than 8.6 hours per day Sunday through Wednesday and no less than 7.6 hours per day on Thursdays. The Employee will also work outside of regular working hours and outside of regular working days, as may be required by the Company from time to time. Since the Employee is employed in position of trust, the nature of the work precludes supervision of the Employee's work hours, and in light of the Company's anticipation that the Employee will be working overtime hours, the Employee will be entitled to the Overtime Payment, as defined below, for up to sixty-four (64) global work hours per month. The Employee's day of rest shall be Saturday.

(f) The Employee agrees to receive his monthly salary slip electronically and through his Company's mailbox.

(g) For the avoidance of doubt, the Employee shall not be entitled to work additional hours beyond those set forth in sub-section (e) above without obtaining the prior written approval from the Employee's managers. It is clarified that any additional work hour (or a part thereof) that the Employee works without obtaining his managers' approval as aforesaid shall not be deemed a work hour for any purpose.

(h) The Employee hereby represents and undertakes to the Company all of the following:

(i) All information supplied on the Employee's employment application or resume is true and complete.

(ii) There are no other undertakings or agreements preventing the Employee from making the commitments described herein and performing his obligations under this Agreement.

(iii) To the best of the Employee's knowledge, the Employee is not currently, nor will by entering into this agreement be deemed to be, in breach of any of the Employee's obligations towards any former employer, including without limitation, any non-competition or confidentiality undertakings.

(iv) In carrying out the Employee's duties under this agreement, the Employee shall not make any representations or make any commitments on behalf of the Company, except as expressly and in advance authorized so to do.

(v) The Employee grants consent to the Company and its affiliates, and its/their employees, wherever they may be located, to utilize and process the Employee's personal information, including data collected by the Company for purposes related to the Employee's employment. This may include transfer of the Employee's personnel records outside of Israel and further transfers thereafter. All personnel records are considered confidential and access will be limited and restricted to individuals with need to know or process that information for purposes relating to your employment, or for Company's legitimate business purposes, such as management teams and human resource personnel.

### 3. Employee's Obligations Regarding the Use of the Company's Resources

Without derogating from the Employee's obligations under the Company's Code of Conduct:

(a) The Employee undertakes to use the resources that the Company has and will put at his disposal exclusively for the purpose of performing his duties and carrying out his responsibilities within the scope of his Position. Without derogating from the generality of the foregoing sentence, the access given to the Employee to the Company's electronic mail system, as well as its intranet systems, is solely for business purposes. Thus, the Employee shall not use the Company's e-mail system for personal purposes and shall not store any private material on Company's computer/laptop,

(b) Without derogating from the generality of the above, the Employee undertakes not to use the property of the Company and the resources it has or will put at his disposal, including email and Internet access, for illegitimate purposes or uses that may adversely affect the Company and/or any third parties and/or in breach of any intellectual property or other laws and/or that may expose the Company to a lawsuit by third parties.

(c) The Employee declares and confirms that he knows and agrees that (i) the Company may from time to time inspect the use he has made of the resources it has or will put at his disposal, including email and Internet access, including, without limitation, by way of monitoring, reading email messages and inspecting the Internet addresses and sites accessed by the Employee, subject to applicable law, (ii) the Company shall have the right to allow other employees and other third parties to use/access the Company's computer/laptop used by the Employee, (iii) the Company shall have the right to conduct inspections on any and all of the Company's computers, including inspections of electronic mail transmissions, internet usage and inspections of their content and shall have the right to use the findings of such inspections for Company's purposes, and (iv) in light of Employee's undertaking that the sole use of Company's computers/laptops and e-mail shall be for business purposes, Employee has no right to privacy in any and all computer and e-mail material.

(d) The Employee hereby expressly consents that, if, following provision of an invitation to termination hearing to the Employee, the Employee's submission of a letter of resignation, and/or during notice period, the Company suspects that the Employee's access to the Company's resources may cause damages to the Company, the Company may terminate the Employee's access to the Company's systems without providing the Employee with any prior notice and without being required to obtain the further consent of the Employee.

#### 4. Salary

(a) The Company agrees to pay or cause to be paid to the Employee during the term of this Agreement a gross salary of **110,000** NIS per month (the "**Base Salary**"). Because the Employee may be required to work outside of regular working hours and outside of regular working days as stated above in Section 2(e), the Company agrees to pay to the Employee during the term of this Agreement a gross payment of **45,000** NIS per month (the "**Overtime Payment**") on account of all such hours. The Base Salary and the Overtime Payment together shall constitute the "**Salary**" for purposes of this Agreement. The Salary shall be payable monthly in arrears.

(b) In addition, so long as the Employee does not lease a motor vehicle from the Company, the Employee shall be entitled to an additional **NIS 700** per month to cover Employee's transportation costs. For avoidance of doubt the transportation cost shall not be considered as part of the Employee's Salary for purpose of calculation of social benefits.

(c) The Salary will be paid no later than the 9<sup>th</sup> day of each month, one month in arrears, after deduction of any and all taxes and charges applicable to Employee as may be in effect or which may hereafter be enacted or required by law. Employee shall notify the Company of any change which may affect Employee's tax liability.

5. Employee Benefits

(a) The Employee shall be entitled to the following benefits per applicable law.

i) Pension Plan. The Company will allocate to a managers' insurance policy or a pension fund (individually and collectively in this clause referred to as the "Policy"), or a combination of both (whereby each will apply partially), the following:

1. In the event the Employee selects a pension fund:

- An amount equal to 8.33% of the Salary which shall be allocated to a fund for severance pay.
- The Company shall pay into the pension fund an additional amount equal to 6.5% of the Salary which shall be allocated to a provident fund including disability insurance (so long as such insurance can reasonably be obtained) and life/ survivors insurance.
- In addition, the Company will deduct from the Salary an amount equal to 6% of the Salary, which shall constitute Employee's contribution to the provident fund.

2. In case the Employee will choose a managers' insurance policy:

- An amount equal to 8.33% of the Salary which shall be allocated to a fund for severance pay.
- The Company shall pay into the manager's insurance policy an amount equal to 6.5% of the Salary for the employer's share of the payment for benefits (Tagnwlim) under the manager's insurance policy. Such contribution includes contribution to a disability insurance policy on the Employee's behalf which would insure 75% of the Salary. To the extent necessary, such amount shall be increased to a total maximum of 7.5% of the Salary if such increase is required for purchasing an insurance premium insuring 75% of the Salary. At any rate, the portion of the Company's contributions towards pension will not be less than 5%
- In addition, the Company shall deduct 6% from the Salary on behalf of the Employee and shall transfer such amount to the managers insurance policy as the Employee's share of the payment for benefits (Tagmulim) under the manager's insurance policy.

It is hereby clarified, that the payments by the Company, pursuant to the allocations set forth above, are intended to comply with applicable law, including the obligation to allocate funds for disability and survivors insurance. The Company advises the Employee to receive professional advice on the election of a pension plan. In case the Employee elects to be insured under a plan which does not include disability and survivor's insurance component, the Employee hereby releases and discharges the Company from any responsibility or liability arising of such said election.

If the Employee does not notify the Company of his or her choice of a pension fund or managers insurance policy within 90 days from the Commencement Date, the Company shall make such choice for the Employee based on its own tender and criterion, and the Employee shall not have any claims thereto.

The Employee and the Company agree and acknowledge that the Company's severance contribution to the policy in accordance with above, shall, provided contribution is made in full, be instead of severance payment to which the Employee (or his beneficiaries) is entitled with respect to the Salary upon which such contributions were made and for the period in which they were made (the "**Exempt Salary**"), pursuant to Section 14 of the Severance Pay Law 5723-1963 (the "**Severance Pay Law**"). The parties hereby adopt the General Approval of the Minister of Labor and Welfare, which is attached hereto as Exhibit C. The Company hereby forfeits any right it may have in the reimbursement of sums paid by the Company into the Policy or Pension Plan, except: (i) in the event that Employee withdraws such sums from the Policy or Pension Plan, other than in the event of death, disability or retirement at the age of 60 or more; or (ii) upon the occurrence of any of the events provided for in Sections 16 and 17 of the Severance Pay Law. Nothing in this Agreement shall derogate from the Employee's rights to severance payment in accordance with the Severance Pay Law or agreement or expansion order in connection with remuneration other than the Salary

(ii) Sick Leave. The Employee will be entitled to sick leave as provided by law. However, on ex gratia basis, the Employee will be entitled to full payment of Salary from the first day of sickness unless the Company resolves otherwise, in its sole discretion. Any payment from the disability insurance will be on account of sick leave payment. In any event of leave due to illness, the Employee shall inform the Company as soon as possible of the illness and the estimated time of his absence, and upon his return he shall produce a medical certificate in respect of the entire period of the leave. The right to sick leave shall not be redeemable, whether during or upon or following the end of the Employee's employment.

(iii) Annual Recreation Allowance (Dme'i Havra'a). The Employee shall be entitled to annual recreation allowance, according to the applicable directive.

(iv) Vacation. The Employee shall be entitled to an annual vacation 25 working days at full pay (based upon a full time position). A "working day" shall mean Sunday to Thursday inclusive, and Saturday shall be the weekly day of rest of the Employee. The dates of vacation will be coordinated between the Employee and the Company. Subject to the provision of due and reasonable prior notice, the Company may require the Employee to take vacation leave in accordance with applicable law. Subject to applicable law, the Employee may accrue up to two times the number of days available to the Employee. Any vacation days not so accumulated will be forfeited.

(v) Educational Fund (Keren Hishtalmut). The Company will contribute to a recognized educational fund an amount equal to 7.5% of each monthly payment of the Salary up to the limit recognized for tax purposes. The Company will deduct from each monthly payment and contribute to such education fund an additional amount equal to 2.5% of each such monthly payment up to the limit recognized for tax purposes.

(b) Annual Bonus. The Employee shall be eligible to receive an annual target based bonus of 80% annual salary (prorated for the initial year of employment), to be evaluated and paid, if eligible, annually based on achieving business targets and strategic objectives as will be defined by the Company. To earn any portion of the said bonus, Employee must be continuously and actively employed by the Company through the end of the applicable calendar year. The performance objectives for such plan will be determined by the Company's CEO within ninety (90) days of the Effective Date and, for each year thereafter, no later than 30 days before the beginning of the year. The Company shall have sole discretion to determine whether the targets have been achieved and the amount, if any, of any bonus to be paid.

#### Equity Compensation.

( i ) Equity Compensation. Subject to the approval by the Company's Compensation Committee of the Board of Directors ("Approval"), you shall be granted \$1.4 million of restricted stock units of common stock of the Company ("RSUs") all pursuant to and upon the terms set forth in the Company's 2015 Global Incentive Plan and form agreement. The number of the RSUs awarded shall be calculated as follows: the above-mentioned dollar amount, divided by the average closing price of SolarEdge common stock during the calendar month preceding the effective date of the Approval with quotient rounded to the nearest whole share, with 0.5 being rounded up. So long as you are employed by the Company the award shall vest over four years, with respect to 25% of the underlying RSUs on the one year anniversary of the vesting start date and with respect to the balance, in twelve equal quarterly installments thereafter. The vesting shall begin on the last day of the second month of the calendar quarter following the Commencement Date of the employment.

In the event that any termination of employment pursuant to this Section 5 occurs within twelve months following a Change of Control (as defined below) and is either: (i) by SolarEdge or the Company without Cause or (ii) by Employee for Justifiable Reason (as defined below), Employee will be entitled to receive full acceleration of any unvested equity awards (including shares, restricted stock, restricted stock units and/or stock options, as applicable), held at the time of such termination. For purposes of this Section 5, "Change of Control" shall mean the occurrence of any of the following: (i) a merger or consolidation of SolarEdge or the Company, in which the stockholders of SolarEdge or the Company (as applicable) do not control fifty percent (50%) or more of the total voting power of the surviving entity (other than a mere reincorporation merger); or (ii) the sale, transfer or other dismissal of SolarEdge's or the Company's assets in liquidation or dissolution of SolarEdge or the Company or otherwise; or (iii) the sale or transfer of more than fifty percent (50%) of the outstanding voting stock of SolarEdge or the Company (excluding a transaction effected primarily for capital raising purposes). Also for purposes of this Section 5, "Justifiable Reason" shall mean any of the following: (a) any material change in any of the Salary and/or benefits set forth in this Agreement which was not approved by the Employee other than a decrease in Salary to all of the Company's and/or SolarEdge's management; (b) demand that the Employee will relocate; or (c) any material demotion in title, position, management duties, or responsibilities.

( i i ) Food Allowance. The Employee will receive food allowance (10bis or other programs), in accordance with the Company's policy, which may be changed by the Company at its sole and absolute discretion from time to time. The Employee shall be responsible for any taxes associated with this benefit.

(c) Unless specified to the contrary herein, all payments and contributions of the Company under this Agreement shall be limited to the highest deductible amount recognized by the tax authorities,

(d) During any period of the Employee's military reserve service, the Company shall pay the Salary and all other social benefits due to the Employee hereunder. National Insurance Institute payments in connection with such military reserve duty shall be retained by the Company,

6. Expenses

The Employee shall be entitled to receive prompt reimbursement of all direct expenses reasonably incurred by him in connection with the performance of his duties hereunder provided that written receipts are produced for the same and approved by the Company.

7. Term and Termination

(a) The term of employment under this Agreement will begin as of the Commencement Date and will continue unless either party gives the other prior written notice of termination of this Agreement, in which case this Agreement shall terminate effective as of the later of (a) 90 days after the day of notice or the (b) the date as the effective date of termination of employment specified in such notice after the giving of such notice.

(b) In addition, the Company shall have the right to terminate this Agreement at any time by written notice in the event of Cause (as defined below). In such event, this Agreement and the employment relationship shall be deemed effectively terminated as of the time of delivery of such notice.

The term "Cause" shall mean (a) Employee's conviction of a crime of moral turpitude, (b) a material breach of the Employee's fiduciary duties towards the Company or its parent company, including theft, embezzlement, or self-dealing, (c) engagement in competing activities, or a material breach of the Employee's confidentiality and non-disclosure obligations towards the Company or its parent company; (d) a material breach of this Agreement by the Employee which is not cured (if curable) within seven (7) days after receipt of written notice thereof; or (e) any other circumstances under which severance pay (or part of them) may be denied from the Employee upon termination of employment under the applicable Israeli law.

(c) In the event that the Company terminates the Employee's employment at its discretion after providing advance written notice to the Employee under sub-section (a) above, then during such period, the Employee shall be entitled to compensation pursuant to Sections 4 and 5 hereof (or their cash equivalent).

(d) In any event of the termination of this Agreement, the Employee shall immediately return all Company property, equipment, materials and documents and the Employee shall cooperate with the Company and use the Employee's best efforts to assist with the integration into the Company's organization of the person or persons who will assume the Employee's responsibilities. At the option of the Company, the Employee shall during such period either continue with his duties or remain absent from the premises of the Company. Under no circumstances will the Employee have a lien over any property provided by or belonging to the Company.

(e) Notwithstanding anything contained herein to the contrary notwithstanding, the Company at its sole discretion shall have the right to terminate the employment relationship with immediate effect or prior to the end of the notice period set forth in subsection (a) above and pay the Employee in lieu of advance notice or the remainder thereof in accordance with applicable law.

8. Confidentiality; Proprietary Rights

The Employee has executed and agrees to be bound by the provisions governing confidentiality, proprietary rights and non-competition contained in Exhibit B to this Agreement, which provisions will survive termination of this Agreement for any reason.

9. Successors and Assigns

(a) This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns.

(b) Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Employee, his beneficiaries or legal representatives, except as may be provided by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal personal representative.

10. Notice

For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be deemed to have been duly given when personally delivered or sent by registered mail, postage prepaid, addressed to the respective addresses set forth below or last given by each party to the other. All notices and communications shall be deemed to have been received on the date of delivery thereof, except that notice of change of address shall be effective only upon receipt.

The initial addresses of the parties for purposes of this Agreement shall be as set forth in the preamble to this Agreement.

11. Prevention of Sexual Harassment

The Company sees violations of the Law for Prevention of Sexual Harassment (the "Law") in a severe light, The Employee acknowledges being informed of the Company's policy regarding sexual harassment, including the existence of Company guidelines for the prevention of sexual harassment that may be received at any time from the employee in charge of enforcing the Law in the Company.

12. Code of Conduct

The Employee has executed and agrees to be bound by the provisions governing the Company's Code of Conduct contained in Exhibit D to this Agreement,

13. Miscellaneous

No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Employee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made either party which are not expressly set forth in this Agreement. This Agreement shall not be modified or otherwise affected by unwritten "customs" under Israeli employment law, or other terms effective for other employees of the Company.

14. Governing Law

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Israel.

15. Severability

In the event that any provision of this Agreement is held invalid or unenforceable in any circumstances by a court of competent jurisdiction, the remainder of this Agreement, and the application of such provision in any other circumstances, shall not be affected thereby, and the unenforceable provision enforced to the maximum extent permissible under law, or otherwise shall be replaced by an enforceable provision that most nearly approximates the intent of the unenforceable provision.

16. Entire Agreement

(a) This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof.

(b) This Agreement and its annexes and exhibits constitute notice to the Employee pursuant to the Notice to Employee (Employment Terms) Law — 2002.

**Employee acknowledges that he/she (1) has read and fully understood all the provisions of this Agreement and its Exhibits; (2) was given the opportunity to consult with third parties, including his attorneys, (3) the signing of this agreement was made at Employee's own free will.**

[Remainder of Page Left Intentionally Blank]

IN WITNESS HEREOF:

**SolarEdge Technologies, Ltd.**

By: /s/ Shuli Ishai

Title: CHRO Global Human Resources

Name: Shuli Ishai

Dated:

/s/ Ariel Porat

Name: Ariel Porat

Dated: 6/10/2024

EXHIBIT A  
SUMMARY OF TERMS OF THE EMPLOYMENT AGREEMENT

Name of Employee:	ARIEL PORAT
ID No. of Employee:	
Address of Employee:	
Position:	CFO
Supervisor:	zrvl LANDO
Commencement Date:	June 10, 2024
Base Salary:	110,000 MS
Overtime Compensation:	45,000 NIS
Annual Vacation Days:	25 DAYS
Notice Period:	90 days
Transportation Costs:	700 NIS
Education Fund:	YES
RSU Award S:	\$1,400,000
Obis	YES

**SolarEdge Technologies, Ltd.**

By: /s/ Shuli Ishai  
Title: CHRO Global Human Resources  
Name: Shuli Ishai  
Dated:

/s/ Ariel Porat  
Name: Ariel Porat  
Dated: 6/10/2024

EXHIBIT B

SOLAREEDGE TECHNOLOGIES LTD.  
EMPLOYEE PROPRIETARY INFORMATION AND NON-COMPETITION AGREEMENT

In consideration and as a condition of my employment, by SolarEdge Technologies Ltd. and/or by companies which it owns, controls, or by which it is owned or controlled, or with which it is affiliated, or their successors in business (the "Company"), and the compensation paid therefor:

This Exhibit forms an integral part of the Employment Agreement made and entered into between the Company and me dated [REDACTED] (the "**Employment Agreement**"), and is intended to add and not to derogate from the provisions of the Employment Agreement, and incorporates all the applicable terms and conditions of said Employment Agreement.

1. Confidentiality.

Except as the Company may otherwise consent in writing, I agree to keep confidential and not disclose or make any use of, except for the benefit of the Company, at any time either during or subsequent to my employment by the Company, without limitation regarding time or place, any trade secrets or confidential or proprietary information of the Company (patentable or not), including without limitation knowledge, data, or other information relating to products, concepts, methods of manufacture, processes, know-how, techniques, designs, formulae, test data, costs, customer lists, employees, business plans, marketing plans and strategies, pricing, or other subject matter pertaining to any past, existing or contemplated business of the Company or any of its employees, clients, customers, consultants, agents, licensees, or affiliate\* which I may produce, obtain or otherwise acquire during the course of or in connection with my employment ("**Company Confidential Information**") or otherwise relating to the business, products, software, technologies, techniques, processes, services, or research and development of the Company. I further agree not to deliver, reproduce, or in any way allow any Company Confidential Information or any documentation relating thereto to be delivered or used by any third parties without specific direction or consent of the Company.

All Company Confidential Information, whether contained in documents, electronic media, magnetic media, servers or otherwise, including, but not limited to, notebooks, notes, memoranda, records, diagrams, blueprints, bulletins, formulas, reports, computer programs, other data of any kind coming into my possession or prepared by me or others (collectively, the "**Documents**"), are the sole and exclusive property of the Company and/ or of the Company's affiliates, as the case may be. I agree to return to the Company all such Documents immediately upon the earlier of: (i) demand from the Company; or (ii) termination of my employment with the Company for any reasons whatsoever. I will not have any rights of lien with respect to Confidential Information as defined above.

I acknowledge that all Company Confidential Information, including but not limited to trade secrets, is essential commercial and proprietary information of the Company or the Company's affiliates (or of third parties to whom the Company or the Company's affiliates owe a duty of confidentiality), which is not public information and cannot easily be discovered by others, whose confidentiality provides the Company or the Company's affiliates a commercial advantage over its competitors, and the Company and/or the Company's affiliates are taking reasonable measures to safeguard its confidentiality.

2. Nothing in this Agreement restricts or prohibits me (with or without notice to the Company) from reporting violations of U.S. federal or state laws or regulations to a relevant government agency, from making disclosures that are protected under U.S. federal and state whistleblower laws and regulations or from accepting any monetary reward in connection therewith.Assignment of Inventions.

As used in this Agreement, "Invention" shall include but not be limited to : (i) utility models, patents (including all reissues, divisionals provisionals, continuations and continuations-in-part, reissues, reexaminations, renewals, substitutions and extensions plant patents, certificates of plant variety protection and inventions (whether patentable or not) and rights in inventions; (ii) trademarks, trade names, logos, service marks, trade dress, corporate names, and other designations of source, and registrations and applications for registration thereof, together with the goodwill connected with the use of and symbolized by the foregoing; (iii) copyrights designs, mask works, database rights and semiconductor topography rights, and registrations and applications for registration thereof and works of authorship (whether copyrightable or not); (iv) internet domain names and related registrations; (v) trade secrets, confidential information, and other proprietary rights, including ideas, formulas, compositions, inventions (whether patentable or unpatentable), know-how, manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data, financial and marketing plans and customer and supplier lists and information; (vi) computer software (source and object code), modules, libraries, code, or other components, and documentation for the foregoing; (vii) any other intellectual property rights, moral rights, or industrial property rights not otherwise set forth in (i) through (vi) above, whether registered or unregistered, as recognized by law in the applicable jurisdiction; and (viii) all copies and tangible embodiments of any of the foregoing (in whatever form or medium).

Without additional compensation and consideration beyond the Salary, as defined in the Employment Agreements I hereby irrevocably and unconditionally assign to the Company all right title and interest to all Inventions made or conceived by me (solely or jointly with others) during the period of, and/or in connection with my employment with the Company, or otherwise relating in any manner to the business, products, technologies, techniques, processes, services, or research and development of the Company, including all rights to sue for past, present, and future infringements or misappropriations of such Inventions, upon their inception at any time, and whether or not any such Inventions are protectable by patent, trademark, copyright, or mask work right, and whether or not used by the Company. I agree that all such Inventions shall belong exclusively to the Company. In addition, I hereby waive any moral rights in copyrightable Proprietary Developments or any part thereof, (to the extent such waiver is allowed under applicable law)

3. Disclosure of Inventions, Assignment and Execution of Documents.

I agree to disclose each Invention promptly in writing to the Board of Directors and the Chief Executive Officer of the Company, in order to permit the Company to determine rights to which it may be entitled under this Agreement. I hereby assign to the Company any Invention required to be assigned by Section 2 above ("**Assignable Invention**"). I agree that Assignable Inventions shall be and remain the sole and exclusive property of the Company or its nominee, whether or not used by the Company or protected by patent, trademark, copyright, mask work right or trade secrecy. I agree to preserve any Assignable Invention as Company Confidential Information.

I acknowledge and agree that the salary and other benefits which I am entitled to receive from the Company by virtue of my employment or engagement with the Company constitute the sole and exclusive consideration to which I am entitled, by virtue of any contract or law (including, but not limited to, the Israel Patent Law, 5727-1967), in respect of any and all Assignable Inventions, and I hereby waive all past, present and future demands, contentions, allegations or other claims, of any kind, in respect thereof, including the right to receive any additional royalties, consideration or other payments. Without derogating from the aforesaid, it is hereby clarified that the level of my compensation and consideration has been established based upon the aforementioned waiver of rights to receive any such additional royalties, consideration or other payment. For the avoidance of doubt, the foregoing will apply to any "Service Inventions" as defined in the Israeli Patent Law, 1967 (the "Patent Law"), it being clarified that under no circumstances will I be deemed to have any proprietary right in any such Service Invention, notwithstanding the provision or non-provision of any notice of an invention and/or company response to any such notice, under Section 132(b) of the Patent Law. This agreement is expressly intended to be an agreement with regard to the terms and conditions of consideration for Service Inventions in accordance with Section 134 of the Patent Law.

I agree to assist the Company, upon request and at its expense, during and after my employment in every reasonable way to obtain for its own benefit patents, trademarks, copyrights, mask work rights or other proprietary rights for Assignable Inventions in any and all countries. I agree to execute such papers and perform such lawful acts as the Company deems to be necessary to allow it to exercise all rights, title and interest in such patents, trademarks, copyrights, and mask work rights, including executing, acknowledging, and/or delivering to the Company upon request and at its expense, applications.

In the event the Company is unable to secure my signature on any document needed to apply for or prosecute any patent, copyright, or other right or protection relating to an Invention. I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney-in-fact to act for and on my behalf to execute, verify and file any such document and to do all other lawfully permitted acts to further the prosecution thereon with the same legal force and effect as if executed by me.

Section 2 above will not apply with respect to inventions, if any, patented or unpatented, which I made prior to the commencement of my engagement with the Company. I have listed below, a complete list of all inventions to which I claim ownership and desire to remove from the scope of this Agreement, and acknowledge that such list is complete ("Prior Inventions"). If no such list is provided below, I hereby represent that I have no such Prior Inventions at the time of this Agreement. If, in the course of my employment with the Company, I incorporate a Prior Invention into a Company product, process or machine, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license (with rights to sublicense through multiple tiers of sublicenses) to make, have made, modify, use and sell such Prior Invention. Notwithstanding the foregoing, I agree that: (i) I will not incorporate, or permit to be incorporated, Prior Inventions in any Company Inventions without the Company's prior written consent, (ii) my failure to obtain such prior consent shall not affect the grant of the license relating to the Prior Inventions as specified in this Section 3.

Prior Inventions:

4. Maintenance of Records.

I agree to keep and maintain adequate and current written records of all Inventions made by me as provided in Section 2 above (in the form of notes, sketches, drawings, and as may be specified by the Company) which records shall be available to and remain the sole property of the Company at all times.

5. Competitive Activity

(a) Non-Solicitation. During my employment with the Company and for a period of twelve (12) months from the date of termination of my employment for any reason (the "**Termination Date**"), I will not:

(i) directly or indirectly, including personally or through any business in which I am an employee, officer, director, shareholder, consultant or contractor contact or provide any assistance to any other person or organization which seeks to contact any of the Company's employees, consultants, service providers, customers, licensors, suppliers, distributors, agents or contractors of whatever nature for the purpose of soliciting, inducing or attempting to induce any of the aforesaid to terminate their relationship with the Company.

(ii) solicit, canvass or approach or endeavor to solicit, canvass or approach any person who, to my knowledge, was provided with services by the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) at any time during the twelve (12) months immediately prior to the Termination Date, for the purpose of offering services or products which compete with the Company's Business.

(b) Non-Competition. During the term of my employment and for a period of six (6) months from the Termination Date, I will not directly or indirectly, compete with the Company in Israel, including without limitation:

(i) carry on or hold an interest in any company, venture, entity or other business (other than a minority interest in a publicly traded company) which competes with the Company's Business. The foregoing shall not apply to holdings of securities of any company the shares of which are publicly traded on an internationally recognized stock exchange, which do not exceed 3% of the issued share capital of such public company, so long as I have no active role in such public company as a director, officer, employee, consultant (including as an independent consultant) or otherwise; or

(ii) act as a consultant or employee or officer or in any managerial capacity in a business which directly or indirectly competes with the Company's Business; or

(iii) supply in competition with the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) services or products which compete with the Company's Business at the Termination Date to any person who, to my knowledge, was provided with services by the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) any time during the twelve (12) months immediately prior to the Termination Date.

"Company's Business" shall mean any business involving PV inverters, power optimizers, and module level monitoring services including those products or services contemplated in a plan adopted by the Board Of Directors of the Company (or, if applicable its parent company or any of its or the Company's subsidiaries).

6. No Conflicting Employee Obligations.

I am not a party to or bound by any employment agreement, agreement not to compete, or other contract that would prohibit my employment with the Company or that would conflict with my obligation to use my best efforts to promote the interests of the Company, or that would conflict with the business conducted and/or proposed to be conducted by the Company.

7. Third Party Confidential information.

I will not disclose or make available to the Company or use or induce the Company to use any trade secret, confidential or proprietary information or material belonging to any previous employer or other person. I represent that my performance of this Agreement and as an employee of the Company does not and will not breach any agreement to keep in confidence any information, knowledge or data acquired by me in confidence or in trust prior to my employment with the Company. I agree not to enter into any agreement either written or oral in conflict herewith.

8. Acknowledgements and Declarations.

I hereby declare and acknowledge that :

(a) My non-competition obligations under this Exhibit B are fair, reasonable, and proportional, especially in light of the Salary I receive under the Employment Agreement, and are designed to protect the Company's and the Company affiliates' secrets and their confidential information, which constitute the essence of their protected business and commercial advantage in which significant capital investments were made.

(b) Any breach of my obligations under this Exhibit B shall contradict the nature of the special trust and loyalty between me and the Company, the fair and proper business practices and the duty of good faith and fairness between me and the Company.

(c) My obligations under this Exhibit B and the restricted period of time and geographical area specified herein are reasonable and proportional, and do not prevent me from developing his general knowledge and professional expertise in the area of my business, without infringing on or breaching any of the Company's rights.

9. Survival.

The provisions of this Exhibit shall continue and remain in full force and effect following the expiration or termination of the employment relationship between the Company and me for whatever reason.

10. Modification.

This Agreement may not be supplemented, modified, released, discharged, abandoned, or otherwise amended, in whole or in part, except by an instrument in writing, signed by me and an officer of the Company. I agree that any subsequent change or changes in my duties, salary, or compensation shall not affect the validity or scope of this Agreement. I further agree that either the Company or I can terminate my employment at any time and for any reason and nothing in this Agreement changes or restricts that right.

11. Entire Agreement.

I acknowledge receipt of this Agreement as part of my Employment Agreement with the Company, and agree that with respect to the subject matter hereof, it is my entire agreement with the Company, superseding any previous oral or written communications, representations, understandings, or agreements with the Company or any officer or representative thereof.

12. Severability.

In the event that any paragraph or provision of this Agreement shall be held to be illegal or unenforceable, such paragraph or provision shall be severed from this Agreement, and the entire Agreement shall not fail on account thereof but shall otherwise remain in full force and effect, and shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

13. Successors and Assigns.

This Agreement shall be binding upon my heirs, executors, administrators, or other legal representatives and is for the benefit of the Company, its affiliates, successors and assigns.

14. Governing Law.

This Agreement shall be governed by the laws of the State of Israel.

/s/ Ariel Porat

\_\_\_\_\_  
Employee's Signature

Date: 06.10.2024

EXHIBIT C

GENERAL APPROVAL OF THE MINISTER OF LABOR AND WELFARE

Pursuant to the power granted to me under section 14 of the Severance Pay Law 5723-1963 ("Law") I hereby confirm that payments paid by an employer, commencing the date, hereof, to an employee's comprehensive pension fund into a provident fund which is not an insurance fund, as defined in the Income Tax Regulations (Registration and Management Rules of a Provident Fund) 5724-1964 ("Pension Fund"), or to a Manager's Insurance Fund that includes the possibility of an allowance or a combination of payments to an Allowance Plan and to a plan which is not an Allowance Plan in an Insurance Fund ("Insurance Fund"), including payments which the employer paid by combination of payments to a Pension Fund and to an Insurance Fund whether there exists a possibility in the Insurance Fund to an allowance plan ("Employer Payments"), will replace the severance pay that the employee is entitled to for the salary and period of which the payments were paid ("Exempt Wages") if the following conditions are satisfied:

(1) Employer Payments\_

(A) for Pension Funds are not less than 14.33 % of the Exempt Wages or 12% of the Exempt Wages, if the employer pays for his employee an additional payment on behalf of the severance pay completion for a providence fund or Insurance Fund at the rate of 2.33% of the Exempt Wages. If an employer does not pay the additional 2.33% on top of the 12%, then the payment will constitute only 72% of the Severance Pay.

(B) to the Insurance Fund are not less than one of the following:

- (1) 13.33% of the Exempt Wages if the employer pays the employee additional payments to insure his monthly income in case of work disability, in a plan approved by the Supervisor of the Capital Market, Insurance and Savings in the Finance Ministry, at the lower of, a rate required to insure 75% of the Exempt Wages or 2.5% of the Exempt Wages ("Disability Payment").
- (2) 11% of the Exempt Wages if the employer pays an additional Disability Payment and in this case the Employer Payments will constitute only 72% of the employee's severance pay; if, in addition to the abovementioned sum, the employer pays 2.33% of the Exempt Wages for the purpose of Severance Pay completion to providence fund or Insurance Funds, the Employer Payments will constitute 100% of the severance pay.

(2) A written agreement must be made between the employer and employee no later than 3 months after the commencement of the Employer Payments that include

(A) the agreement of the employee to the arrangement pursuant to this confirmation which details the Employer Payments and the name of the Pension Fund or Insurance Fund; this agreement must include a copy of this confirmation;

(B) an advanced waiver of the employer for any right that he could have to have his payments refunded unless the employee's right to severance pay is denied by judgment according to sections 16 or 17 of the Law, and in case the employee withdrew monies from the Pension Fund or Insurance Fund not for an Approved Event; for this matter, Approved Event or purpose means death, disablement or retirement at the age of 60 or over.

(3) This confirmation does not derogate from the employee's entitlement to severance pay according to the Law, Collective Agreement, Extension Order or personal employment agreement, for any salary above the Exempt Wages.

Employee: /s/ Ariel  
Porat

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## EXHIBIT D

**I, the undersigned, Employee of the Company, agree to be bound by the following terms, even though I am not an employee of the Company. Where the term "Employee" is used, it shall be deemed to cover my activity as service provider of the Company.**

SOLAREEDGE TECHNOLOGIES, INC.

### EMPLOYEE CODE OF CONDUCT

#### I. Overview

SolarEdge Technologies, Inc. conducts its business in accordance with the highest ethical standards of corporate leadership and citizenship and expects all its employees to act in accordance with the highest standards of personal and professional integrity. This Code of Conduct (this "Code") applies to all officers and employees of SolarEdge Technologies, Inc., including all subsidiaries (together, the "Company") and service providers offering services that are similar in nature to employee services. In the conduct of Company business, all employees shall be guided by the principles described in this Code.

No code or policy can anticipate every situation or provide definitive answers to all questions that may arise. Accordingly, this Code is intended to highlight areas of ethical risk, provide guidance in recognizing and dealing with ethical issues and establish mechanisms to report unethical conduct. Additional policies and procedures that supplement those contained in this Code can be found in on the Company's intranet website.

#### II. Raising Questions and Reporting Violations

Employees are responsible for adhering to the standards in this Code, for raising questions if they are in doubt about the best course of action and for reporting possible misconduct promptly after it comes to their attention. The Company's General Counsel is responsible for interpreting and applying this Code.

Unless a particular provision of this Code directs otherwise, if an employee is in doubt about the propriety of any action, he or she should discuss it with a supervisor, manager, or the General Counsel. An employee who becomes aware of any conduct that he or she believes may violate this Code or any applicable law is expected to promptly report it to a supervisor, manager, or the General Counsel. Contact information for the General Counsel is below.

Name: Rachel Prishkolnik  
Title: VP General Counsel  
Address: I Hamada Street, Herzliya Pituach, Israel 4673335  
Telephone: 972-9-957-6620  
Email: Rachel.prishkolnik@solareedge.com

Alternatively, employees may report complaints or concerns regarding accounting, internal accounting controls, auditing or federal securities law matters, or misconduct involving a member of the Company's management to the Audit Committee, c/o SolarEdge Technologies, Inc., via email to [audit@solaredge.com](mailto:audit@solaredge.com)

Employees may also raise their concerns through an anonymous hotline hosted by the NASDAQ and available at the following link: <https://www.whistleblowerservices.com/sedg> or can contact this hotline anonymously by calling +1 844-373-2030 to leave a message with the Audit Committee. All voicemail messages will be electronically altered/disguised to ensure the confidentiality of the identity of a caller.

Officers should contact the General Counsel or the Chair of the Audit Committee if they have questions about this Code or wish to report potential misconduct.

Reports of potential misconduct may be made anonymously and confidentially, although individuals are encouraged to identify themselves to facilitate follow-up and investigation. Every effort will be made to protect the reporting individual's identity. In some instances, however, it may be impossible to keep the person's identity confidential because of the demands of conducting a thorough investigation or because of applicable legal requirements.

### III. No Retaliation

The Company, and applicable law, prohibit any form of retaliation for raising concerns or reporting possible misconduct in good faith. No employee will be subject to discrimination, harassment, or retaliation of any kind for reporting misconduct the employee believes in good faith to be in violation of this Code, any applicable policy or applicable law.

### IV. Compliance with Laws

It is the Company's policy to comply with all laws, rules, regulations, and Company policies. It is the personal responsibility of employees to adhere honestly and in good faith to the standards and restrictions imposed by those laws, rules, regulations, and Company policies. Although no employee is expected to know the details of all these laws, rules, and regulations, it is important for employees to have a general understanding of the specific laws, rules and regulations that are relevant to their areas of responsibility at the Company. Employees should contact the General Counsel if they have questions about particular legal requirements or what the law permits.

### V. Fair Dealing and Integrity

Employees are responsible for the integrity and consequences of their actions. Employees are expected to strive to attain the highest level of personal performance and productivity and should treat one another with respect and courtesy. All employees are required to deal honestly, ethically, and fairly at all times with their fellow employees, customers, suppliers, competitors, local communities and other third parties.

The Company seeks to obtain competitive advantages through superior performance, never through unethical or illegal business practices. Employees should not take unfair advantage of anyone through manipulation, exaggeration, concealment, misrepresentation of facts, abuse of confidential or privileged information or like practices.

## VI. Conflicts of Interest

A conflict of interest may arise when an individual's own actions or interests interfere or appear to interfere with the interests of the Company. This includes the interests of an immediate family member or organizations with which an employee, or an immediate family member, has a significant relationship. Conflicts of interest also may arise when an individual, or a member of his or her immediate family, receives improper personal benefits as a result of the individual's position in the Company.

Employees should avoid situations that involve, or appear to involve, a conflict between their own interests and the interests of the Company. Many conflicts or potential conflicts of interest may be resolved or avoided if they are appropriately disclosed and approved. In some instances, disclosure may not be sufficient, and the Company may require that the conduct in question be stopped or that actions taken be reversed where possible.

Employees should disclose conflicts or potential conflicts of interest to a supervisor, manager, or the General Counsel. Officers should contact the General Counsel or the Chair of the Audit Committee.

Examples of circumstances that may create a conflict of interest are provided below. These examples are not meant to be all-inclusive and are simply meant to be illustrative.

### Gifts and Business Courtesies

The Company recognizes that it is common practice to exchange gifts and business courtesies with customers, business associates and others to create good will and sound working relationships. However, actions taken on behalf of the Company should be free from any suggestion that favorable treatment was sought by, received from, or given to individuals or organizations that do business or seek to do business with the Company. Employees may not solicit or accept gifts or business courtesies, including money, services, or anything else of value when doing so may influence, or be perceived as influencing, a decision or action. Similarly, employees may not offer or give gifts or business courtesies, money, services or anything else of value when doing so may influence, or be perceived as influencing, a decision or action. Immediate family members are subject to the same policy.

Employees may not accept or give non-cash gifts to anyone with whom the Company does business unless that gift is promotional in nature and nominal in value. Gifts of nominal value are those that do not exceed \$250. Cash gifts are never permitted.

Business courtesies include, but are not limited to: meals, drinks, entertainment (including tickets to sports or social events), recreation, transportation, honoraria or use of the donor's time, equipment, materials, or facilities. Employees may accept or give a business courtesy if it is:

- o Appropriate (the event promotes a legitimate business purpose);
- o Reasonable (the invitation is for a meal or event that is not lavish, meaning that it does not exceed \$250); and
- o Consistent with the ethical practices of the Company.

Employees should avoid a pattern of accepting frequent business courtesies from the same persons or companies.

Additionally, many organizations have their own policies on giving and accepting gifts and business courtesies. Employees should not offer a gift or business courtesy to another person if the employee knows that doing so would violate policies at the recipient's organization. If the employee does not know, the employee should ask before providing the gift or business courtesy.

#### B. Outside Activities

The Company understands that employees participate in a variety of activities outside their work at the Company. Many outside activities such as volunteering for a charity or participating in a community organization, are unlikely to affect an individual's work at the Company. At the same time, employees should be sensitive to the possibility that participating in outside activities could create a conflict of interest. Examples of outside activities that could create a conflict of interest include:

- Outside employment;
- Providing goods or services to a competitor or business partner of the Company; and
- Having a financial interest in an outside supplier or vendor that provides goods or services to the Company.

#### Financial Interests

The Company respects the right of employees to manage their investments and does not wish to interfere with personal financial opportunities. However, having certain personal financial interests or engaging in certain transactions could create a conflict of interest. Examples of financial interests and transactions that could create a conflict of interest include:

- Having a substantial personal financial interest in either a competitor or a business partner of the Company (other than an interest of less than 1% of the outstanding securities of a public company); and
- Borrowing from, or lending cash to, customers or suppliers (other than personal loans from financial institutions with which the Company maintains business relationships).

#### Corporate Opportunities

Employees should not take, for themselves or others, business opportunities that are discovered through the use of Company property, Company information or through their position with the Company. Employees are prohibited from using Company property, information, or position for personal gain and from competing with the Company.

#### Family Members and Personal Friends

A conflict of interest may arise when the Company engages with or otherwise carries out business with organizations that employ or are wholly or partially owned by family members or personal friends of employees of the Company.

Employees should therefore disclose to their supervisor, any such relations that could be construed to be a conflict or that could lead to a potential conflict of interest immediately upon becoming aware of such conflict of interest or potential thereto. The supervisor shall report such matter without delay to the VP in charge of their division as well as to the internal audit department of the Company.

Selecting to work with a business which involves a potential conflict of interest, including but not limited to circumstances in which an employee has control or direct influence over the work product and/or compensation is deemed by the Company as a conflict of interest and is prohibited. An employee may not assign work, supervise, inspect, approve or determine compensation to a family member or personal friends.

#### VII. Proper Use of Assets

It is the personal responsibility of all employees to safeguard both the tangible and intangible assets of the Company's its customers, and vendors. Company assets must only be used for legitimate business purposes and may not be used for improper personal benefit or for any purpose which may compete with the business of the Company. These assets include physical property, services, business plans, customer information, employee information, vendor information, electronic resources and intellectual property. Intellectual property includes patents, copyrights, trademarks/branding and confidential and proprietary business information.

The Company allows its employees to make inconsequential, non-business use of its resources (such as use of Company phones to receive or make limited personal phone calls), as long as this use complies with legal and ethical requirements and with all applicable Company policies. Employees are expected to use good judgment and act in a professional manner when using these resources.

#### VIII. Company Information Systems

The Company's information systems, including communications systems, e-mail, voice mail, and intranet, extranet and internet access systems are the Company's property and generally must be used only for business activities. Inconsequential, non-business use is permissible as long as this use does not consume more than a trivial amount of resources, does not interfere with productivity, does not preempt any business activity, is otherwise appropriate and reasonable and complies with legal and ethical requirements and with all applicable Company policies.

Employees may not use the Company's Information systems to access, view, post, store, transmit, download, or distribute any illegal, profane, obscene, derogatory, harassing, offensive or inappropriate materials. Additionally, no employee may use these systems to send Company information or copyrighted documents that are not authorized for transmittal or reproduction.

#### IX. Confidential Information

Employees are expected to maintain the confidentiality of information that comes to them, from whatever source, during the course of performing their responsibilities for the Company, unless disclosure is required by law, regulation or legal or judicial process. This includes information about the Company and information about third parties such as current or prospective employees, customers, insureds, agents, claimants, suppliers, vendors and current or prospective business partners. Confidential information includes, but is not limited to, non-public business, financial and technical information, proprietary information, employee records, legal advice, and system information. If employees are uncertain about whether information is confidential, they should treat the information as confidential until further guidance is obtained.

Company and third-party confidential information should be used only for legitimate business purposes, and dissemination of the information (both inside and outside the Company) should be limited to those who have a need to know the information for legitimate business purposes. Any suspected or actual loss, theft or misuse of confidential information should be immediately reported to a supervisor, manager, or the General Counsel.

Employees should take precautionary measures to prevent the disclosure of confidential information. Upon termination of an individual's employment or affiliation with the Company, they will be directed to return or destroy all written or other materials in any form or medium containing confidential information. The obligation to protect confidential information continues even after the relationship with the Company ends. Similarly, employees have an obligation to protect confidential information gained from past employment or fiduciary relationships with other companies.

X. Insider Trading

Federal and state laws prohibit buying, selling, or making other transfers of securities by persons who have material nonpublic information about a company. Even if not shareholders, these laws prohibit persons with this information from disclosing it to others who may trade. "Material information" generally means information that there is a likelihood a reasonable investor would consider important in deciding whether to buy, hold or sell securities. "Nonpublic information" is information that is not generally known or available to the public. Insider trading is a crime punishable by civil penalties, criminal fines and prison. Companies may also face civil penalties for insider trading violations by their employees and other agents.

Employees may not trade in the securities of any company when they are aware of material nonpublic information about that company. This policy against "insider trading" applies to trading in Company securities, as well as to trading in the securities of other companies, such as the Company's customers, distributors, suppliers, and companies with which the Company may be negotiating a major transaction. In addition, employees may not convey material nonpublic information about the Company or another company to others or suggest that anyone purchase or sell any company's securities while they are aware of material nonpublic information about that company. This practice, known as "tipping," may violate the securities laws and may result in the same civil and criminal penalties that apply to engaging in insider trading directly, even if the employee does not receive any money or derive any benefit from trades made by persons to whom the employee passed material nonpublic information.

See the Company's Insider Trading Policy for more information.

#### XL Maintaining Books and Records and Public Reporting

Employees are expected to maintain books and records in appropriate detail to reflect the Company's transactions accurately, fairly, and completely. The Company's policy of accurate, fair and complete recordkeeping applies to all Company records. Documentation relating to a transaction should fully and accurately describe the nature of the transaction.

As a public company, the Company files financial statements and other information with the U.S. Securities and Exchange Commission ("SEC"). Employees are responsible for the accurate and complete reporting of financial information within their respective areas of responsibility and for the timely notification to senior management of financial and non-financial information that may be material to the Company. Reports and other documents that the Company files with or submits to the SEC, and other public communications, should contain full, fair, accurate, timely and understandable disclosure.

#### XII. External Communications

The Company strives to maintain open, honest, and consistent communications. In order to facilitate the accuracy and appropriateness of all information publicly disclosed, only authorized individuals are permitted to speak with or respond to inquiries from the media, shareholders, the investment community (such as securities analysts and investment advisors) and government entities. If an employee is contacted by a member of the media, a shareholder or a member of the investment community, the employee should decline to comment and should immediately refer all inquiries to the Chief Financial Officer or the Chief Marketing Officer. Inquiries from a government entity should be referred immediately to the General Counsel.

The Company has adopted this policy in part to promote compliance with Regulation FD (Fair Disclosure). Regulation FD is a rule under the U.S. federal securities laws that prohibits companies from disclosing material nonpublic information to shareholders where it is reasonable to expect that they will trade on the information, and to the investment community without also disclosing the information to the public. To promote compliance with Regulation FD, the Company permits only designated spokespersons to discuss the Company with the media, shareholders, and the investment community.

#### XIII. Equal Employment and Working Conditions

The Company is committed to providing equal opportunity in all aspects of employment and does not tolerate any illegal discrimination, harassment, or retaliation of any kind. All employment practices and decisions, including those involving recruiting, hiring, transfers, promotions, training, compensation, benefits, discipline, and termination, must be conducted without regard to age, sex, race, color, ancestry, religion, creed, citizenship status, disability, national origin, marital status, military status, sexual orientation, gender identity or any other protected status or activity, and must comply with all applicable laws. In addition, the Company will provide reasonable accommodation for disability and religion as required by law.

In addition, the Company prohibits harassing or discriminatory conduct in the workplace, whether based upon age, sex, race, color, ancestry, religion, creed, citizenship status, disability, national origin, marital status, military status, sexual orientation, gender identity or any other protected status or activity. This includes sexual harassment, regardless of whether it is committed by supervisory or non-supervisory employees.

#### XIV. Human Rights

The Company is committed to respecting human rights, in accordance with accepted international conventions and practices, such as those of the United Nations 'Universal Declaration of Human Rights, ILO Core Conventions on Labor Standards, UN Global Compact, the OECD Guidelines for Multinational Enterprises and the Australian Modern Slavery Act (2018).

The Company strives to ensure that all materials used in our products come from socially responsible sources and does not tolerate nor by any means profit from, contribute to, assist with or facilitate any activity that fuels conflict or violates human rights. The Company requires the parties in our supply chain to agree to similar principles (as detailed in it's Supplier Code of Conduct).

Further details on the Company's position and practices on human rights can be found on it' s public's Approach to Human Rights' and topic-specific documents available on the Company's web-site.

#### XV. Anti-Corruption

No one acting on behalf of the Company may use bribes, kickbacks, or other corrupt practices in conducting the Company's business. Employees must comply with the U.S. Foreign Corrupt Practices Act ("FCPA") whether they are located in the United States or abroad.

#### XVI. Health and safety

The Company strives to provide each of its employees with a safe and healthful work environment. Employees are responsible for maintaining a safe and healthy workplace by following safety and health rules and practices and by reporting accidents, injuries and unsafe equipment, practices, or conditions immediately. Violence and threatening behavior are not permitted. Employees are not permitted to use alcohol and illegal drugs while they are on duty. However, in certain circumstances, such as official Company events, use of alcohol at a Company facility may be permitted, but only with advance permission from management.

#### XVII. Political and Public Activities

The Company encourages employees to be active in the civic life of their communities. The Company also respects the diversity and different views and beliefs of its employees, and no employee shall be discriminated against for their views/beliefs. In parallel, all employees are also expected to uphold all other principles outlined in this code, even when conflicting with personal views/beliefs.

The Company prohibits any political involvement on the Company's behalf by any of its employees and the Company does not support any political entity. No monetary donation shall be made on the Company's behalf to any political entity.

The Company will not reimburse employees for any personal political contributions made by the employee. In addition, employees should recognize that their work time or use of Company assets is the equivalent of such a contribution.

When employees speak out on public issues, they should make sure to do so as an individual.

Employees should not give the appearance that they are speaking or acting on the Company's behalf.

All Company activity through trade unions and/or industry associations shall be in accordance with the Company's public policies and positions on all issues, including (but not limited to) ESG-related issues.

#### XVIII. Investigating and Addressing Potential Misconduct

The Company will treat each report of potential misconduct seriously. Upon receiving a report, the Company will promptly review the report and conduct a thorough investigation. When a report is received, with the exception of those submitted anonymously, the reporting individual will receive a confirmation of receipt, and another notification when the investigation is closed. It is the obligation of all employees to cooperate with an investigation, and employees are encouraged to provide all known facts and as many details as possible to assist with the investigation. No employee will be subject to discrimination, harassment, or retaliation of any kind for assisting in an investigation of a report.

The Company views the business ethics of its employees as an important matter. The desire to achieve Company or personal objectives will not excuse wrongful activity, conflicts of interest or deviation from Company policies. Violations of this Code will result in appropriate disciplinary action, up to and including termination.

#### XIX. Waivers

Waivers of certain provisions of this Code will be granted only in exceptional circumstances. Employees who believe that a situation may warrant a waiver should contact the General Counsel. Any waivers of provisions of this Code for executive officers of this Company will be made via request to, and approved only by, the Board of Directors of the Company (or Committee thereof) and will be disclosed in accordance with applicable law.

#### XX. Certification Obligations

All employees are required to certify at the time they are hired to their understanding of and agreement to comply with this Code using the form attached as Appendix A.

#### XXI. Sign-Off

This Code of Conduct was first reviewed and approved by the Company's Board of Directors, and by its executive management forum in March 2015 and has been last updated, reviewed and approved in February 2023.

APPENDIX A

Code of Conduct Certification

I certify that: (1) I have received a copy of the Code of Conduct; (2) I have read and understood the Code of Conduct, and I agree to comply with the Code of Conduct and related Company Policies; and (3) I understand that I am expected to report any existing or potential violation of the Code of Conduct, any law, regulation or Company policy.

Name:	Ariel Porat		
Job Title:	SVP Fin		
	██████████		
Department:	Finance	Location:	Herzliya
Supervisor:			

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### EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of 4/12/2024, by and between SolarEdge Technologies Ltd. (the "Company") having an address at 1 HaMada Street, Herzliya, Israel and Shuki Nir Israeli ID No. [REDACTED] of Kfar Shmaryahu, Israel (the "Employee").

**WHEREAS:** The Company desires to employ the Employee in the position Chief Executive Officer (the "Position") and the Employee desires to enter into such employment, on the terms and conditions hereinafter set forth.

**NOW, THEREFORE,** in consideration of the respective agreements of the parties contained herein, the parties agree as follows:

#### **1. Personal Employment Agreement**

This Agreement sets forth the entire relationship between the Company and the Employee, includes all of the Employee's terms of employment by the Company and is the sole expression of the Employee's terms of employment by the Company. The terms set forth in this Agreement shall be binding on the parties. Any other agreement and/or collective arrangement, whether individual or general, and/or any other practice or custom of any kind and/or any other agreement shall not apply to the employment relationship between the parties, even if applicable to any of the Company's other employees that were or will be employed by the Company in the future, unless otherwise agreed by the parties in writing.

#### **2. Employment**

The Employee shall be employed by the Company in the Position commencing as of **December 4, 2024** (the "**Commencement Date**") in accordance with the terms and conditions of this Agreement as summarized in Exhibit A herein. The Employee shall be under the direct supervision of and comply with the directives of the Board of Directors of the Company (the "**Supervisor**"). The Employee shall perform the duties, undertake the responsibilities and exercise the authority as determined from time to time by the Supervisor and as customarily performed, undertaken and exercised by persons situated in a similar capacity. The Employee's duties and responsibilities hereunder may also include other services performed for subsidiaries and affiliates of the Company.

During the course of his employment with the Company, the Employee shall honestly, diligently, skillfully and faithfully serve the Company. The Employee undertakes to devote all his efforts and the best of his qualifications and skills to promoting the business and affairs of the Company, and further undertakes to loyally and fully comply with the decisions of the Board of Directors. The Employee shall at all times act in a manner suitable of his position and status in the Company.

The Employee undertakes to promptly notify the Company regarding any matter or subject in respect of which he has a personal interest and/or which might create a conflict of interest with his position in the Company.

The Employee agrees to devote total attention and full time (during working hours) to the business and affairs of the Company as required to discharge the responsibilities assigned to the Employee hereunder. To that end, the Employee shall resign from any positions he holds as a board member or consultant of other companies and during the term of this Agreement the Employee shall not be engaged in any other employment nor directly or indirectly engage in any other business activities in any capacity for any other person, firm or company whether or not for consideration, without the express prior written consent of the Company.

- I. The Employee shall work no less than 42 hours per week. The Employee shall work no less than 8.6 hours per day Sunday through Wednesday and no less than 7.6 hours per day on Thursdays. The Employee will also work outside of regular working hours and outside of regular working days, as may be required by the Company from time to time. Since the Employee is employed in position of trust, the nature of the work precludes supervision of the Employee's work hours, and in light of the Company's anticipation that the Employee will be working overtime hours, the Employee will be entitled to the Overtime Payment, as defined below, for up sixty four (64) global work hours per month. The Employee's day of rest shall be Saturday.
- II. The Employee agrees to receive his monthly *salary slip* electronically and through his Company's mailbox.

For the avoidance of doubt, the Employee shall not be entitled to work additional hours beyond those set forth in sub-section (e) above without obtaining the prior written approval from the Employee's managers. It is clarified that any additional work hour (or a part thereof) that the Employee works without obtaining his managers' approval as aforesaid shall not be deemed a work hour for any purpose.

The Employee hereby represents and undertakes to the Company all of the following:

- (i) All information supplied on the Employee's employment application or resume is true and complete.
- (ii) There are no other undertakings or agreements preventing the Employee from making the commitments described herein and performing his obligations under this Agreement.
- (iii) To the best of the Employee's knowledge, the Employee is not currently, nor will by entering into this agreement be deemed to be, in breach of any of the Employee's obligations towards any former employer, including without limitation, any non-competition or confidentiality undertakings.
- (iv) In carrying out the Employee's duties under this agreement, the Employee shall not make any representations or make any commitments on behalf of the Company, except as expressly and in advance authorized so to do.
- (v) The Employee grants consent to the Company and its affiliates, and its/their employees, wherever they may be located, to utilize and process the Employee's personal information, including data collected by the Company for purposes related to the Employee's employment. This may include transfer of the Employee's personnel records outside of Israel and further transfers thereafter. All personnel records are considered confidential and access will be limited and restricted to individuals with need to know or process that information for purposes relating to your employment, or for Company's legitimate business purposes, such as management teams and human resource personnel.

3. **Employee's Obligations Regarding the Use of the Company's Resources**

Without derogating from the Employee's obligations under the Company's Code of Conduct:

- I. The Employee undertakes to use the resources that the Company has and will put at his disposal exclusively for the purpose of performing his duties and carrying out his responsibilities within the scope of his Position. Without derogating from the generality of the foregoing sentence, the access given to the Employee to the Company's electronic mail system, as well as its intranet systems, is solely for business purposes. Thus, the Employee shall not use the Company's e-mail system for personal purposes and shall not store any private material on Company's computer/laptop.
- II. Without derogating from the generality of the above, the Employee undertakes not to use the property of the Company and the resources it has or will put at his disposal, including email and Internet access, for illegitimate purposes or uses that may adversely affect the Company and/or any third parties and/or in breach of any intellectual property or other laws and/or that may expose the Company to a lawsuit by third parties.
- III. The Employee declares and confirms that he knows and agrees that (i) the Company may from time to time inspect the use he has made of the resources it has or will put at his disposal, including email and Internet access, including, without limitation, by way of monitoring, reading email messages and inspecting the Internet addresses and sites accessed by the Employee, subject to applicable law, (ii) the Company shall have the right to allow other employees and other third parties to use/access the Company's computer/laptop used by the Employee, (iii) the Company shall have the right to conduct inspections on any and all of the Company's computers, including inspections of electronic mail transmissions, internet usage and inspections of their content and shall have the right to use the findings of such inspections for Company's purposes, and (iv) in light of Employee's undertaking that the sole use of Company's computers/laptops and e-mail shall be for business purposes, Employee has no right to privacy in any and all computer and e-mail material.
- IV. The Employee hereby expressly consents that, if, following provision of an invitation to termination hearing to the Employee, the Employee's submission of a letter of resignation, and/or during notice period, the Company suspects that the Employee's access to the Company's resources may cause damages to the Company, the Company may terminate the Employee's access to the Company's systems without providing the Employee with any prior notice and without being required to obtain the further consent of the Employee.

4. **Salary**

- I. The Company agrees to pay or cause to be paid to the Employee during the term of this Agreement a gross salary of **160,640** NIS per month (the "**Base Salary**"). Because the Employee may be required to work outside of regular working hours and outside of regular working days as stated above in Section 2(e), the Company agrees to pay to the Employee during the term of this Agreement a gross payment of **69,146** NIS per month (the "**Overtime Payment**") on account of all such hours. The Base Salary and the Overtime Payment together shall constitute the "**Salary**" for purposes of this Agreement. The Salary shall be payable monthly in arrears.
- II. In addition, so long as the Employee does not lease a motor vehicle from the Company, the Employee shall be entitled to an additional NIS 700 per month to cover Employee's transportation costs. For avoidance of doubt the transportation cost shall not be considered as part of the Employee's Salary for purpose of calculation of social benefits.

III. The Salary will be paid no later than the 9<sup>th</sup> day of each month, one month in arrears, after deduction of any and all taxes and charges applicable to Employee as may be in effect or which may hereafter be enacted or required by law. Employee shall notify the Company of any change which may affect Employee's tax liability.

5. **Employee Benefits**

I. The Employee shall be entitled to the following benefits per applicable law.

(i) **Pension Plan**. The Company will allocate to a managers' insurance policy or a pension fund (individually and collectively in this clause referred to as the "**Policy**"), or a combination of both (whereby each will apply partially), the following:

1. In the event the Employee selects a pension fund:

- An amount equal to 8.33% of the Salary which shall be allocated to a fund for severance pay.
- The Company shall pay into the pension fund an additional amount equal to 6.5% of the Salary which shall be allocated to a provident fund including disability insurance (so long as such insurance can reasonably be obtained) and life/survivors insurance.
- In addition, the Company will deduct from the Salary an amount equal to 6% of the Salary, which shall constitute Employee's contribution to the provident fund.

2. In case the Employee will choose a managers' insurance policy:

- An amount equal to 8.33% of the Salary which shall be allocated to a fund for severance pay.
- The Company shall pay into the manager's insurance policy an amount equal to 6.5% of the Salary for the employer's share of the payment for benefits (Tagmulim) under the manager's insurance policy. Such contribution includes contribution to a disability insurance policy on the Employee's behalf which would insure 75% of the Salary. To the extent necessary, such amount shall be increased to a total maximum of 7.5% of the Salary if such increase is required for purchasing an insurance premium insuring 75% of the Salary. At any rate, the portion of the Company's contributions towards pension will not be less than 5%
- In addition, the Company shall deduct 6% from the Salary on behalf of the Employee and shall transfer such amount to the managers' insurance policy as the Employee's share of the payment for benefits (Tagmulim) under the manager's insurance policy.

It is hereby clarified, that the payments by the Company, pursuant to the allocations set forth above, are intended to comply with applicable law, including the obligation to allocate funds for disability and survivors insurance. The Company advises the Employee to receive professional advice on the election of a pension plan. In case the Employee elects to be insured under a plan which does not include disability and survivors insurance component, the Employee hereby releases and discharges the Company from any responsibility or liability arising of such said election.

If the Employee does not notify the Company of his or her choice of a pension fund or managers insurance policy within 90 days from the Commencement Date, the Company shall make such choice for the Employee based on its own tender and criterion, and the Employee shall not have any claims thereto.

The Employee and the Company agree and acknowledge that the Company's severance contribution to the policy in accordance with above, shall, provided contribution is made in full, be instead of severance payment to which the Employee (or his beneficiaries) is entitled with respect to the Salary upon which such contributions were made and for the period in which they were made (the "**Exempt Salary**"), pursuant to Section 14 of the Severance Pay Law 5723-1963 (the "**Severance Pay Law**"). The parties hereby adopt the General Approval of the Minister of Labor and Welfare, which is attached hereto as Exhibit C. The Company hereby forfeits any right it may have in the reimbursement of sums paid by the Company into the Policy or Pension Plan, except: (i) in the event that Employee withdraws such sums from the Policy or Pension Plan, other than in the event of death, disability or retirement at the age of 60 or more; or (ii) upon the occurrence of any of the events provided for in Sections 16 and 17 of the Severance Pay Law. Nothing in this Agreement shall derogate from the Employee's rights to severance payment in accordance with the Severance Pay Law or agreement or expansion order in connection with remuneration other than the Salary

(ii) Sick Leave. The Employee will be entitled to sick leave as provided by law. However, on *ex gratia* basis, the Employee will be entitled to full payment of Salary from the first day of sickness, unless the Company resolves otherwise, in its sole discretion. Any payment from the disability insurance will be on account of sick leave payment. In any event of leave due to illness, the Employee shall inform the Company as soon as possible of the illness and the estimated time of his absence, and upon his return he shall produce a medical certificate in respect of the entire period of the leave. The right to sick leave shall not be redeemable, whether during or upon or following the end of the Employee's employment.

(iii) Annual Recreation Allowance (Dme'i Havra'a). The Employee shall be entitled to annual recreation allowance, according to the applicable directive.

(iv) Vacation. The Employee shall be entitled to an annual vacation of 25 working days at full pay (based upon a full time position). A "working day" shall mean Sunday to Thursday inclusive, and Saturday shall be the weekly day of rest of the Employee. The dates of vacation will be coordinated between the Employee and the Company. Subject to the provision of due and reasonable prior notice, the Company may require the Employee to take vacation leave in accordance with applicable law. Subject to applicable law, the Employee may accrue up to two times the number of days available to the Employee. Any vacation days not so accumulated will be forfeited.

(v) Educational Fund (Keren Hishtalmut). The Company will contribute to a recognized educational fund an amount equal to 7.5% of each monthly payment of the Salary up to the limit recognized for tax purposes and will deduct from each monthly payment and contribute to such education fund an additional amount equal to 2.5% of each such month's payment up to the limit recognized for tax purposes.

(vi) Annual Bonus. Beginning January 1, 2025, the Employee shall be eligible to receive an annual target-based bonus of twelve (12) monthly salaries per year (prorated for the initial year of employment), to be evaluated and paid, if eligible, annually based on achieving business targets and strategic objectives as will be defined by the Company. The performance objectives for such plan will be determined by the Company's Board of Directors no later than 10 days before the beginning of the year. The Company shall have sole discretion to determine whether the targets have been achieved and the amount, if any, of any bonus to be paid. To avoid doubt, no disbursements shall be made to manager's insurance or educational fund with respect to any bonus payments, and bonus payments shall not be deemed a portion of the Salary for any purpose, including without limitation, when calculating the Employee's entitlement to severance pay or other amounts payable upon termination of the Employee's employment. In order to receive a bonus for any given year, the Employee shall be employed by the Company at the date of payment of the bonus, paid out in April of the year following said measurement.

(vii) Equity Compensation.

- 1) Promotion Bonus. Employee shall be granted 28,450 of restricted stock units of common stock of the Company (“RSUs”) all pursuant to and upon the terms set forth in the Company’s 2015 Global Incentive Plan and form agreement.. The award shall vest over four years beginning on February 28, 2025, with respect to 25% of the underlying RSUs on the one-year anniversary of the vesting start date and with respect to the balance, in twelve equal quarterly installments thereafter. Employee shall also be granted performance stock units of common stock of the Company (“PSUs”) which shall vest over a three-year period upon the following conditions:
  - i) 35,561 shares vest if the Company’s common stock reaches a 30 consecutive trading day average stock price equal to or higher than \$40 during the three-year performance period from the Grant Date and Employee remains employed by the Company for two years after the Grant Date;
  - ii) 35,561 shares vest if the Company’s common stock reaches a 30 consecutive trading day average stock price equal to or higher than \$70 during the three-year performance period from the Grant Date and Employee remains employed by the Company for two years after the Grant Date;
  - iii) 35,561 shares vest if the Company’s common stock reaches a 30 consecutive trading day average stock price equal to or higher than \$100 during the three-year performance period from the Grant Date and Employee remains employed by the Company for two years after the Grant Date;
- 2) With respect to each year commencing with the year 2025, Employee shall be entitled to an equity award at the top tier of executives which shall be made at the same time as the time of the annual grants to members of management.

In the event that any termination of employment pursuant to this Section 5 occurs within twelve months following a Change of Control (as defined below) and is either: (i) by SolarEdge or the Company without Cause or (ii) by Employee for Justifiable Reason (as defined below), Employee will be entitled to receive full acceleration of any unvested equity awards (including shares, restricted stock, restricted stock units and/or stock options, as applicable), held at the time of such termination. For purposes of this Section 5, “Change of Control” shall mean the occurrence of any of the following: (i) a merger or consolidation of SolarEdge or the Company, in which the stockholders of SolarEdge or the Company (as applicable) do not control fifty percent (50%) or more of the total voting power of the surviving entity (other than a mere reincorporation merger); or (ii) the sale, transfer or other dismissal of SolarEdge’s or the Company’s assets in liquidation or dissolution of SolarEdge or the Company or otherwise; or (iii) the sale or transfer of more than fifty percent (50%) of the outstanding voting stock of SolarEdge or the Company (excluding a transaction effected primarily for capital raising purposes). Also for purposes of this Section 5, “Justifiable Reason” shall mean any of the following: (a) any material change in any of the Salary and/or benefits set forth in this Agreement which was not approved by the Employee other than a decrease in Salary to all of the Company’s and/or SolarEdge’s management; (b) demand that the Employee will relocate; or (c) any material demotion in title, position, management duties, or responsibilities.

(viii) Food Allowance. The Employee will receive food allowance (10bis or other programs), in accordance with the Company's policy, which may be changed by the Company at its sole and absolute discretion from time to time. The Employee shall be responsible for any taxes associated with this benefit.

Unless specified to the contrary herein, all payments and contributions of the Company under this Agreement shall be limited to the highest deductible amount recognized by the tax authorities.

During any period of the Employee's military reserve service, the Company shall pay the Salary and all other social benefits due to the Employee hereunder. National Insurance Institute payments in connection with such military reserve duty shall be retained by the Company.

**6. Expenses**

The Employee shall be entitled to receive prompt reimbursement of all direct expenses reasonably incurred by him in connection with the performance of his duties hereunder provided that written receipts are produced for the same and approved by the Company.

**7. Term and Termination**

The term of employment under this Agreement will begin as of the Commencement Date and will continue unless either party gives the other prior written notice of termination of this Agreement, in which case this Agreement shall terminate effective as of the later of (a) 180 days after the day of notice or the (b) the date as the effective date of termination of employment specified in such notice after the giving of such notice.

In addition, the Company shall have the right to terminate this Agreement at any time by written notice in the event of Cause (as defined below). In such event, this Agreement and the employment relationship shall be deemed effectively terminated as of the time of delivery of such notice.

The term "Cause" shall mean (a) Employee's conviction of a crime of moral turpitude, (b) a material breach of the Employee's fiduciary duties towards the Company or its parent company, including theft, embezzlement, or self-dealing, (c) engagement in competing activities, or a material breach of the Employee's confidentiality and non-disclosure obligations towards the Company or its parent company; (d) a material breach of this Agreement by the Employee which is not cured (if curable) within seven (7) days after receipt of written notice thereof; or (e) any other circumstances under which severance pay (or part of them) may be denied from the Employee upon termination of employment under the applicable Israeli law.

In the event that the Company terminates the Employee's employment at its discretion after providing advance written notice to the Employee under subsection (a) above, then during such period, the Employee shall be entitled to compensation pursuant to Sections 4 and 5 hereof (or their cash equivalent).

In any event of the termination of this Agreement, the Employee shall immediately return all Company property, equipment, materials and documents and the Employee shall cooperate with the Company and use the Employee's best efforts to assist with the integration into the Company's organization of the person or persons who will assume the Employee's responsibilities. At the option of the Company, the Employee shall during such period either continue with his duties or remain absent from the premises of the Company. Under no circumstances will the Employee have a lien over any property provided by or belonging to the Company.

**8. Confidentiality; Proprietary Rights**

The Employee has executed and agrees to be bound by the provisions governing confidentiality, proprietary rights and non-competition contained in Exhibit B to this Agreement, which provisions will survive termination of this Agreement for any reason. For avoidance of doubt, five percent (5%) of the Employee's Salary is special compensation in exchange for the non-competition undertaking specified under Exhibit A (“**Special Compensation**”).

**9. Successors and Assigns**

This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns.

Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Employee, his beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal personal representative.

**10. Notice**

For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be deemed to have been duly given when personally delivered or sent by registered mail, postage prepaid, addressed to the respective addresses set forth below or last given by each party to the other. All notices and communications shall be deemed to have been received on the date of delivery thereof, except that notice of change of address shall be effective only upon receipt.

The initial addresses of the parties for purposes of this Agreement shall be as set forth in the preamble to this Agreement.

**11. Prevention of Sexual Harassment**

The Company sees violations of the Law for Prevention of Sexual Harassment (the “**Law**”) in a severe light. The Employee acknowledges being informed of the Company's policy regarding sexual harassment, including the existence of Company guidelines for the prevention of sexual harassment that may be received at any time from the employee in charge of enforcing the Law in the Company.

**12. Code of Conduct**

The Employee has executed and agrees to be bound by the provisions governing the Company's Code of Conduct contained in Exhibit D to this Agreement.

**13. Miscellaneous**

No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Employee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made either party which are not expressly set forth in this Agreement. This Agreement shall not be modified or otherwise affected by unwritten "customs" under Israeli employment law, or other terms effective for other employees of the Company.

**14. Governing Law**

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Israel.

**15. Severability**

In the event that any provision of this Agreement is held invalid or unenforceable in any circumstances by a court of competent jurisdiction, the remainder of this Agreement, and the application of such provision in any other circumstances, shall not be affected thereby, and the unenforceable provision enforced to the maximum extent permissible under law, or otherwise shall be replaced by an enforceable provision that most nearly approximates the intent of the unenforceable provision.

**16. Entire Agreement**

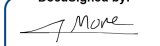
This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof.

This Agreement and its annexes and exhibits constitute notice to the Employee pursuant to the Notice to Employee (Employment Terms) Law – 2002.

**Employee acknowledges that he/she (1) has read and fully understood all the provisions of this Agreement and its Exhibits; (2) was given the opportunity to consult with third parties, including his attorneys, (3) the signing of this agreement was made at Employee's own free will.**

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IN WITNESS WHEREOF:

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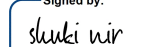
**SolarEdge Technologies Ltd.**

**By:** \_\_\_\_\_

**Name:** *Avery More*

**Title:** *Chair*

**Dated:** December 5, 2024 | 16:12 ISST

Signed by:  
  
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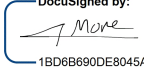
**Name:** *Shuki Nir*

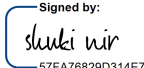
**Signature:** \_\_\_\_\_

**Dated:** December 5, 2024 | 15:21 ISST

**EXHIBIT A**  
**SUMMARY OF TERMS OF THE EMPLOYMENT AGREEMENT**

<b>Name of Employee:</b>	<b>SHUKI NIR</b>
<b>ID No. of Employee:</b>	██████████
<b>Address of Employee:</b>	<b>Kfar Shmaryahu</b>
<b>Position:</b>	<b>CHIEF EXECUTIVE OFFICER</b>
<b>Supervisor:</b>	<b>BOARD OF DIRECTORS</b>
<b>Commencement Date:</b>	<b>DECEMBER 4, 2024</b>
<b>Base Salary:</b>	<b>160,640 ILS</b>
<b>Overtime Compensation:</b>	<b>69,146 ILS</b>
<b>Annual Vacation Days:</b>	<b>25 DAYS</b>
<b>Notice Period:</b>	<b>180 DAYS</b>
<b>Transportation Costs:</b>	<b>700 ILS</b>
<b>Education Fund:</b>	<b>YES</b>
<b>RSUs: PSUs:</b>	<b>28,450</b> <b>35,561 X 3</b>
<b>10bis</b>	<b>YES</b>

DocuSigned by:  
  
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**SolarEdge Technologies Ltd.**  
**By:** \_\_\_\_\_  
**Name:** *Avery More*  
**Title:** **Chair**  
**Dated:** December 5, 2024 | 16:12 ISST

Signed by:  
  
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**Name:** **Shuki Nir**  
**Signature:** \_\_\_\_\_  
**Dated:** December 5, 2024 | 15:21 ISST

**EXHIBIT B**

**SOLAREEDGE TECHNOLOGIES LTD.  
EMPLOYEE PROPRIETARY  
INFORMATION AND NON-COMPETITION AGREEMENT**

In consideration and as a condition of my employment, by **SolarEdge Technologies Ltd.** and/or by companies which it owns, controls, or by which it is owned or controlled, or with which it is affiliated, or their successors in business (the “**Company**”), and the compensation paid therefor:

This Exhibit forms an integral part of the Employment Agreement made and entered into between the Company and me dated 7.6.24 (the “**Employment Agreement**”), and is intended to add and not to derogate from the provisions of the Employment Agreement, and incorporates all the applicable terms and conditions of said Employment Agreement.

**1. Confidentiality.**

Except as the Company may otherwise consent in writing, I agree to keep confidential and not disclose or make any use of, except for the benefit of the Company, at any time either during or subsequent to my employment by the Company, without limitation regarding time or place, any trade secrets or confidential or proprietary information of the Company (patentable or not), including without limitation knowledge, data, or other information relating to products, concepts, methods of manufacture, processes, know-how, techniques, designs, formulae, test data, costs, customer lists, employees, business plans, marketing plans and strategies, pricing, or other subject matter pertaining to any past, existing or contemplated business of the Company or any of its employees, clients, customers, consultants, agents, licensees, or affiliates, which I may produce, obtain or otherwise acquire during the course of or in connection with my employment (“**Company Confidential Information**”) or otherwise relating to the business, products, software, technologies, techniques, processes, services, or research and development of the Company. I further agree not to deliver, reproduce, or in any way allow any Company Confidential Information or any documentation relating thereto to be delivered or used by any third parties without specific direction or consent of the Company.

All Company Confidential Information, whether contained in documents, electronic media, magnetic media, servers or otherwise, including, but not limited to, notebooks, notes, memoranda, records, diagrams, blueprints, bulletins, formulas, reports, computer programs, other data of any kind coming into my possession or prepared by me or others (collectively, the “**Documents**”), are the sole and exclusive property of the Company and/ or of the Company's affiliates, as the case may be. I agree to return to the Company all such Documents immediately upon the earlier of: (i) demand from the Company; or (ii) termination of my employment with the Company for any reasons whatsoever. I will not have any rights of lien with respect to Confidential Information, as defined above.

I acknowledge that all Company Confidential Information, including but not limited to trade secrets, is essential commercial and proprietary information of the Company or the Company's affiliates (or of third parties to whom the Company or the Company's affiliates owe a duty of confidentiality), which is not public information and cannot easily be discovered by others, whose confidentiality provides the Company or the Company's affiliates a commercial advantage over its competitors, and the Company and/or the Company's affiliates are taking reasonable measures to safeguard its confidentiality.

Nothing in this Agreement restricts or prohibits me (with or without notice to the Company) from reporting violations of U.S. federal or state laws or regulations to a relevant government agency, from making disclosures that are protected under U.S. federal and state whistleblower laws and regulations or from accepting any monetary reward in connection therewith.

## 2. Assignment of Inventions.

As used in this Agreement, "**Invention**" shall include but not be limited to : (i) utility models, patents (including all reissues, divisionals, provisionals, continuations and continuations-in-part, reissues, reexaminations, renewals, substitutions and extensions thereof), patent applications, plant patents, certificates of plant variety protection and inventions (whether patentable or not) and rights in inventions; (ii) trademarks, trade names, logos, service marks, trade dress, corporate names, and other designations of source, and registrations and applications for registration thereof, together with the goodwill connected with the use of and symbolized by the foregoing; (iii) copyrights, designs, mask works, database rights and semiconductor topography rights, and registrations and applications for registration thereof and works of authorship (whether copyrightable or not); (iv) internet domain names and related registrations; (v) trade secrets, confidential information, and other proprietary rights, including ideas, formulas, compositions, inventions (whether patentable or unpatentable), know-how, manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data, financial and marketing plans and customer and supplier lists and information; (vi) computer software (source and object code), modules, libraries, code, or other components, and documentation for the foregoing; (vii) any other intellectual property rights, moral rights, or industrial property rights not otherwise set forth in (i) through (vi) above, whether registered or unregistered, as recognized by law in the applicable jurisdiction; and (viii) all copies and tangible embodiments of any of the foregoing (in whatever form or medium).

Without additional compensation and consideration beyond the Salary, as defined in the Employment Agreement, I hereby irrevocably and unconditionally assign to the Company all right title and interest to all Inventions made or conceived by me (solely or jointly with others) during the period of, and/or in connection with my employment with the Company, or otherwise relating in any manner to the business, products, technologies, techniques, processes, services, or research and development of the Company, including all rights to sue for past, present, and future infringements or misappropriations of such Inventions, upon their inception at any time, and whether or not any such Inventions are protectable by patent, trademark, copyright, or mask work right, and whether or not used by the Company. I agree that all such Inventions shall belong exclusively to the Company. In addition, I hereby waive any moral rights in copyrightable Proprietary Developments or any part thereof, (to the extent such waiver is allowed under applicable law)

## 3. Disclosure of Inventions, Assignment and Execution of Documents.

I agree to disclose each Invention promptly in writing to the Board of Directors and the Chief Executive Officer of the Company, in order to permit the Company to determine rights to which it may be entitled under this Agreement. I hereby assign to the Company any Invention required to be assigned by Section 2 above ("**Assignable Invention**"). I agree that Assignable Inventions shall be and remain the sole and exclusive property of the Company or its nominee, whether or not used by the Company or protected by patent, trademark, copyright, mask work right or trade secrecy. I agree to preserve any Assignable Invention as Company Confidential Information.

I acknowledge and agree that the salary and other benefits which I am entitled to receive from the Company by virtue of my employment or engagement with the Company constitute the sole and exclusive consideration to which I am entitled, by virtue of any contract or law (including, but not limited to, the Israel Patent Law, 5727-1967), in respect of any and all Assignable Inventions, and I hereby waive all past, present and future demands, contentions, allegations or other claims, of any kind, in respect thereof, including the right to receive any additional royalties, consideration or other payments. Without derogating from the aforesaid, it is hereby clarified that the level of my compensation and consideration has been established based upon the aforementioned waiver of rights to receive any such additional royalties, consideration or other payment. For the avoidance of doubt, the foregoing will apply to any "Service Inventions" as defined in the Israeli Patent Law, 1967 (the "**Patent Law**"), it being clarified that under no circumstances will I be deemed to have any proprietary right in any such Service Invention, notwithstanding the provision or non-provision of any notice of an invention and/or company response to any such notice, under Section 132(b) of the Patent Law. This agreement is expressly intended to be an agreement with regard to the terms and conditions of consideration for Service Inventions in accordance with Section 134 of the Patent Law.

I agree to assist the Company, upon request and at its expense, during and after my employment in every reasonable way, to obtain for its own benefit patents, trademarks, copyrights, mask work rights or other proprietary rights for Assignable Inventions in any and all countries. I agree to execute such papers and perform such lawful acts as the Company deems to be necessary to allow it to exercise all rights, title and interest in such patents, trademarks copyrights, and mask work rights, including executing, acknowledging, and/or delivering to the Company upon request and at its expense, applications.

In the event the Company is unable to secure my signature on any document needed to apply for or prosecute any patent, copyright, or other right or protection relating to an Invention. I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney-in-fact to act for and on my behalf to execute, verify and file any such document and to do all other lawfully permitted acts to further the prosecution thereon with the same legal force and effect as if executed by me.

Section 2 above will not apply with respect to inventions, if any, patented or unpatented, which I made prior to the commencement of my engagement with the Company. I have listed below, a complete list of all inventions to which I claim ownership and desire to remove from the scope of this Agreement, and acknowledge that such list is complete (“**Prior Inventions**”). If no such list is provided below, I hereby represent that I have no such Prior Inventions at the time of this Agreement. If, in the course of my employment with the Company, I incorporate a Prior Invention into a Company product, process or machine, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license (with rights to sublicense through multiple tiers of sublicenses) to make, have made, modify, use and sell such Prior Invention. Notwithstanding the foregoing, I agree that: (i) I will not incorporate, or permit to be incorporated, Prior Inventions in any Company Inventions without the Company’s prior written consent, (ii) my failure to obtain such prior consent shall not affect the grant of the license relating to the Prior Inventions as specified in this Section 3.

Prior Inventions:

\_\_\_\_\_

\_\_\_\_\_

**4. Maintenance of Records.**

I agree to keep and maintain adequate and current written records of all Inventions made by me as provided in Section 2 above (in the form of notes, sketches, drawings, and as may be specified by the Company) which records shall be available to and remain the sole property of the Company at all times.

5. **Competitive Activity**

I **Non-Solicitation**. During my employment with the Company and for a period of twelve (12) months from the date of termination of my employment for any reason (the "**Termination Date**"), I will not:

- (i) directly or indirectly, including personally or through any business in which I am an employee, officer, director, shareholder, consultant or contractor, contact or provide any assistance to any other person or organization which seeks to contact any of the Company's employees, consultants, service providers, customers, licensors, suppliers, distributors, agents or contractors of whatever nature for the purpose of soliciting, inducing or attempting to induce any of the aforesaid to terminate their relationship with the Company.
- (ii) solicit, canvass or approach or endeavor to solicit, canvass or approach any person who, to my knowledge, was provided with services by the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) at any time during the twelve (12) months immediately prior to the Termination Date, for the purpose of offering services or products which compete with the Company's Business.

II **Non-Competition**. During the term of my employment and for a period of six (6) months from the Termination Date, I will not directly or indirectly, compete with the Company in Israel, including without limitation:

- (i) carry on or hold an interest in any company, venture, entity or other business (other than a minority interest in a publicly traded company) which competes with the Company's Business. The foregoing shall not apply to holdings of securities of any company the shares of which are publicly traded on an internationally recognized stock exchange, which do not exceed 3% of the issued share capital of such public company, so long as I have no active role in such public company as a director, officer, employee, consultant (including as an independent consultant) or otherwise; or
- (ii) act as a consultant or employee or officer or in any managerial capacity in a business which directly or indirectly competes with the Company's Business; or
- (iii) supply in competition with the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) services or products which compete with the Company's Business at the Termination Date to any person who, to my knowledge, was provided with services by the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) any time during the twelve (12) months immediately prior to the Termination Date.

"**Company's Business**" shall mean any business involving PV inverters, power optimizers, and modulelevel monitoring services, including those products or services contemplated in a plan adopted by the Board of Directors of the Company (or, if applicable its parent company or any of its or the Company's subsidiaries).

**6. No Conflicting Employee Obligations.**

I am not a party to or bound by any employment agreement, agreement not to compete, or other contract that would prohibit my employment with the Company or that would conflict with my obligation to use my best efforts to promote the interests of the Company, or that would conflict with the business conducted and/or proposed to be conducted by the Company.

**7. Third Party Confidential information.**

I will not disclose or make available to the Company or use or induce the Company to use any trade secret, confidential or proprietary information or material belonging to any previous employer or other person. I represent that my performance of this Agreement and as an employee of the Company does not and will not breach any agreement to keep in confidence any information, knowledge or data acquired by me in confidence or in trust prior to my employment with the Company. I agree not to enter into any agreement either written or oral in conflict herewith.

**8. Acknowledgements and Declarations.**

I hereby declare and acknowledge that :

My non-competition obligations under this Exhibit B are fair, reasonable, and proportional, especially in light of the Special Compensation I receive under the Employment Agreement, and are designed to protect the Company's and the Company affiliates' secrets and their confidential information, which constitute the essence of their protected business and commercial advantage in which significant capital investments were made.

Any breach of my obligations under this Exhibit B shall contradict the nature of the special trust and loyalty between me and the Company, the fair and proper business practices and the duty of good faith and fairness between me and the Company.

My obligations under this Exhibit B and the restricted period of time and geographical area specified herein are reasonable and proportional, and do not prevent me from developing his general knowledge and professional expertise in the area of my business, without infringing on or breaching any of the Company's rights.

**9. Survival.**

The provisions of this Exhibit shall continue and remain in full force and effect following the expiration or termination of the employment relationship between the Company and me for whatever reason.

**10. Modification.**

This Agreement may not be supplemented, modified, released, discharged, abandoned, or otherwise amended, in whole or in part, except by an instrument in writing, signed by me and an officer of the Company. I agree that any subsequent change or changes in my duties, salary, or compensation shall not affect the validity or scope of this Agreement. I further agree that either the Company or I can terminate my employment at any time and for any reason and nothing in this Agreement changes or restricts that right.

**11. Entire Agreement.**

I acknowledge receipt of this Agreement as part of my Employment Agreement with the Company, and agree that with respect to the subject matter hereof, it is my entire agreement with the Company, superseding any previous oral or written communications, representations, understandings, or agreements with the Company or any officer or representative thereof.

**12. Severability.**

In the event that any paragraph or provision of this Agreement shall be held to be illegal or unenforceable, such paragraph or provision shall be severed from this Agreement, and the entire Agreement shall not fail on account thereof but shall otherwise remain in full force and effect, and shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

**13. Successors and Assigns.**

This Agreement shall be binding upon my heirs, executors, administrators, or other legal representatives and is for the benefit of the Company, its affiliates, successors and assigns.

**14. Governing Law.**

This Agreement shall be governed by the laws of the State of Israel.

Employee's Signature

Signed by:  
  
57FA76829D314E7...

Date December 5, 2024 | 15:21 ISST

EXHIBIT C

GENERAL APPROVAL OF THE MINISTER OF LABOR AND WELFARE

Pursuant to the power granted to me under section 14 of the Severance Pay Law 5723-1963("Law") I hereby confirm that payments paid by an employer, commencing the date hereof, to an employee's comprehensive pension fund into a provident fund which is not an insurance fund, as defined in the Income Tax Regulations (Registration and Management Rules of a Provident Fund) 5724-1964 ("Pension Fund"), or to a Manager's Insurance Fund that includes the possibility of an allowance or a combination of payments to an Allowance Plan and to a plan which is not an Allowance Plan in an Insurance Fund ("Insurance Fund"), including payments which the employer paid by combination of payments to a Pension Fund and to an Insurance Fund whether there exists a possibility in the Insurance Fund to an allowance plan ("Employer Payments"), will replace the severance pay that the employee is entitled to for the salary and period of which the payments were paid ("Exempt Wages") if the following conditions are satisfied:

- (1) Employer Payments –
  - (A) for Pension Funds are not less than 14.33 % of the Exempt Wages or 12% of the Exempt Wages, if the employer pays for his employee an additional payment on behalf of the severance pay completion for a providence fund or Insurance Fund at the rate of 2.33% of the Exempt Wages. If an employer does not pay the additional 2.33% on top of the 12%, then the payment will constitute only 72% of the Severance Pay.
  - (B) to the Insurance Fund are not less that one of the following:
    - (1) 13.33% of the Exempt Wages if the employer pays the employee additional payments to insure his monthly income in case of work disability, in a plan approved by the Supervisor of the Capital Market, Insurance and Savings in the Finance Ministry, at the lower of, a rate required to insure 75% of the Exempt Wages or 2.5% of the Exempt Wages ("Disability Payment").
    - (2) 11% of the Exempt Wages if the employer pays an additional Disability Payment and in this case the Employer Payments will constitute only 72% of the employee's severance pay; if, in addition to the abovementioned sum, the employer pays 2.33% of the Exempt Wages for the purpose of Severance Pay completion to providence fund or Insurance Funds, the Employer Payments will constitute 100% of the severance pay.
- (2) A written agreement must be made between the employer and employee no later than 3 months after the commencement of the Employer Payments that include –
  - (A) the agreement of the employee to the arrangement pursuant to this confirmation which details the Employer Payments and the name of the Pension Fund or Insurance Fund; this agreement must include a copy of this confirmation;
  - (B) an advanced waiver of the employer for any right that he could have to have his payments refunded unless the employee's right to severance pay is denied by judgment according to sections 16 or 17 of the Law, and in case the employee withdrew monies from the Pension Fund or Insurance Fund not for an Approved Event; for this matter, Approved Event or purpose means death, disablement or retirement at the age of 60 or over.
- (3) This confirmation does not derogate from the employee's entitlement to severance pay according to the Law, Collective Agreement, Extension Order or personal employment agreement, for any salary above the Exempt Wages.

Employee: \_\_\_\_\_

## EXHIBIT D

SOLAREEDGE TECHNOLOGIES, INC.

EMPLOYEE CODE OF CONDUCT

### I. Overview

SolarEdge Technologies, Inc. conducts its business in accordance with the highest ethical standards of corporate leadership and citizenship and expects all its employees to act in accordance with the highest standards of personal and professional integrity. This Code of Conduct (this “**Code**”) applies to all officers and employees of SolarEdge Technologies, Inc., including all subsidiaries (together, the “**Company**”) and service providers offering services that are similar in nature to employee services. In the conduct of Company business, all employees shall be guided by the principles described in this Code.

No code or policy can anticipate every situation or provide definitive answers to all questions that may arise. Accordingly, this Code is intended to highlight areas of ethical risk, provide guidance in recognizing and dealing with ethical issues and establish mechanisms to report unethical conduct. Additional policies and procedures that supplement those contained in this Code can be found in on the Company’s intranet website.

### II. Raising Questions and Reporting Violations

Employees are responsible for adhering to the standards in this Code, for raising questions if they are in doubt about the best course of action and for reporting possible misconduct promptly after it comes to their attention. The Company’s General Counsel is responsible for interpreting and applying this Code.

Unless a particular provision of this Code directs otherwise, if an employee is in doubt about the propriety of any action, he or she should discuss it with a supervisor, manager, or the General Counsel. An employee who becomes aware of any conduct that he or she believes may violate this Code or any applicable law is expected to promptly report it to a supervisor, manager, or the General Counsel. Contact information for the General Counsel is below.

Name: Rachel Prishkolnik  
Title: VP General Counsel  
Address: 1 Hamada Street, Herzliya Pituach, Israel 4673335  
Telephone: 972-9-957-6620  
Email: Rachel.prishkolnik@solaredge.com

Alternatively, employees may report complaints or concerns regarding accounting, internal accounting controls, auditing or federal securities law matters, or misconduct involving a member of the Company’s management to the Audit Committee, c/o SolarEdge Technologies, Inc., via email to [audit@solaredge.com](mailto:audit@solaredge.com)

Employees may also raise their concerns through an anonymous hotline hosted by the NASDAQ and available at the following link: <https://www.whistleblowerservices.com/sedg> or can contact this hotline anonymously by calling +1 844-373-2030 to leave a message with the Audit Committee. All voicemail messages will be electronically altered/disguised to ensure the confidentiality of the identity of a caller.

Officers should contact the General Counsel or the Chair of the Audit Committee if they have questions about this Code or wish to report potential misconduct.

Reports of potential misconduct may be made anonymously and confidentially, although individuals are encouraged to identify themselves to facilitate follow-up and investigation. Every effort will be made to protect the reporting individual's identity. In some instances, however, it may be impossible to keep the person's identity confidential because of the demands of conducting a thorough investigation or because of applicable legal requirements.

### **III. No Retaliation**

The Company, and applicable law, prohibit any form of retaliation for raising concerns or reporting possible misconduct in good faith. No employee will be subject to discrimination, harassment, or retaliation of any kind for reporting misconduct the employee believes in good faith to be in violation of this Code, any applicable policy or applicable law.

### **IV. Compliance with Laws**

It is the Company's policy to comply with all laws, rules, regulations, and Company policies. It is the personal responsibility of employees to adhere honestly and in good faith to the standards and restrictions imposed by those laws, rules, regulations, and Company policies. Although no employee is expected to know the details of all these laws, rules, and regulations, it is important for employees to have a general understanding of the specific laws, rules and regulations that are relevant to their areas of responsibility at the Company. Employees should contact the General Counsel if they have questions about particular legal requirements or what the law permits.

### **V. Fair Dealing and Integrity**

Employees are responsible for the integrity and consequences of their actions. Employees are expected to strive to attain the highest level of personal performance and productivity and should treat one another with respect and courtesy. All employees are required to deal honestly, ethically, and fairly at all times with their fellow employees, customers, suppliers, competitors, local communities and other third parties.

The Company seeks to obtain competitive advantages through superior performance, never through unethical or illegal business practices. Employees should not take unfair advantage of anyone through manipulation, exaggeration, concealment, misrepresentation of facts, abuse of confidential or privileged information or like practices.

### **VI. Conflicts of Interest**

A conflict of interest may arise when an individual's own actions or interests interfere or appear to interfere with the interests of the Company. This includes the interests of an immediate family member or organizations with which an employee, or an immediate family member, has a significant relationship. Conflicts of interest also may arise when an individual, or a member of his or her immediate family, receives improper personal benefits as a result of the individual's position in the Company.

Employees should avoid situations that involve, or appear to involve, a conflict between their own interests and the interests of the Company. Many conflicts or potential conflicts of interest may be resolved or avoided if they are appropriately disclosed and approved. In some instances, disclosure may not be sufficient, and the Company may require that the conduct in question be stopped or that actions taken be reversed where possible.

Employees should disclose conflicts or potential conflicts of interest to a supervisor, manager, or the General Counsel. Officers should contact the General Counsel or the Chair of the Audit Committee.

Examples of circumstances that may create a conflict of interest are provided below. These examples are not meant to be all-inclusive and are simply meant to be illustrative.

**A. Gifts and Business Courtesies**

The Company recognizes that it is common practice to exchange gifts and business courtesies with customers, business associates and others to create good will and sound working relationships. However, actions taken on behalf of the Company should be free from any suggestion that favorable treatment was sought by, received from, or given to individuals or organizations that do business or seek to do business with the Company. Employees may not solicit or accept gifts or business courtesies, including money, services, or anything else of value when doing so may influence, or be perceived as influencing, a decision or action. Similarly, employees may not offer or give gifts or business courtesies, money, services, or anything else of value when doing so may influence, or be perceived as influencing, a decision or action. Immediate family members are subject to the same policy.

Employees may not accept or give non-cash gifts to anyone with whom the Company does business unless that gift is promotional in nature and nominal in value. Gifts of nominal value are those that do not exceed \$250. Cash gifts are never permitted.

Business courtesies include, but are not limited to: meals, drinks, entertainment (including tickets to sports or social events), recreation, transportation, honoraria or use of the donor's time, equipment, materials, or facilities. Employees may accept or give a business courtesy if it is:

- Appropriate (the event promotes a legitimate business purpose);
- Reasonable (the invitation is for a meal or event that is not lavish, meaning that it does not exceed \$250); and
- Consistent with the ethical practices of the Company.

Employees should avoid a pattern of accepting frequent business courtesies from the same persons or companies.

Additionally, many organizations have their own policies on giving and accepting gifts and business courtesies. Employees should not offer a gift or business courtesy to another person if the employee knows that doing so would violate policies at the recipient's organization. If the employee does not know, the employee should ask before providing the gift or business courtesy.

**B. Outside Activities**

The Company understands that employees participate in a variety of activities outside their work at the Company. Many outside activities, such as volunteering for a charity or participating in a community organization, are unlikely to affect an individual's work at the Company. At the same time, employees should be sensitive to the possibility that participating in outside activities could create a conflict of interest. Examples of outside activities that could create a conflict of interest include:

- Outside employment;
- Providing goods or services to a competitor or business partner of the Company; and
- Having a financial interest in an outside supplier or vendor that provides goods or services to the Company.

**C. Financial Interests**

The Company respects the right of employees to manage their investments and does not wish to interfere with personal financial opportunities. However, having certain personal financial interests or engaging in certain transactions could create a conflict of interest. Examples of financial interests and transactions that could create a conflict of interest include:

- Having a substantial personal financial interest in either a competitor or a business partner of the Company (other than an interest of less than 1% of the outstanding securities of a public company); and
- Borrowing from, or lending cash to, customers or suppliers (other than personal loans from financial institutions with which the Company maintains business relationships).

**D. Corporate Opportunities**

Employees should not take, for themselves or others, business opportunities that are discovered through the use of Company property, Company information or through their position with the Company. Employees are prohibited from using Company property, information, or position for personal gain and from competing with the Company.

**VII. Proper Use of Assets**

It is the personal responsibility of all employees to safeguard both the tangible and intangible assets of the Company, its customers, and vendors. Company assets must only be used for legitimate business purposes and may not be used for improper personal benefit or for any purpose which may compete with the business of the Company. These assets include physical property, services, business plans, customer information, employee information, vendor information, electronic resources and intellectual property. Intellectual property includes patents, copyrights, trademarks/branding and confidential and proprietary business information.

The Company allows its employees to make inconsequential, non-business use of its resources (such as use of Company phones to receive or make limited personal phone calls), as long as this use complies with legal and ethical requirements and with all applicable Company policies. Employees are expected to use good judgment and act in a professional manner when using these resources.

## **VIII. Company Information Systems**

The Company's information systems, including communications systems, e-mail, voice mail, and intranet, extranet and internet access systems are the Company's property and generally must be used only for business activities. Inconsequential, non-business use is permissible as long as this use does not consume more than a trivial amount of resources, does not interfere with productivity, does not preempt any business activity, is otherwise appropriate and reasonable and complies with legal and ethical requirements and with all applicable Company policies.

Employees may not use the Company's information systems to access, view, post, store, transmit, download, or distribute any illegal, profane, obscene, derogatory, harassing, offensive or inappropriate materials. Additionally, no employee may use these systems to send Company information or copyrighted documents that are not authorized for transmittal or reproduction.

## **IX. Confidential Information**

Employees are expected to maintain the confidentiality of information that comes to them, from whatever source, during the course of performing their responsibilities for the Company, unless disclosure is required by law, regulation or legal or judicial process. This includes information about the Company and information about third parties such as current or prospective employees, customers, insureds, agents, claimants, suppliers, vendors and current or prospective business partners. Confidential information includes, but is not limited to, non-public business, financial and technical information, proprietary information, employee records, legal advice, and system information. If employees are uncertain about whether information is confidential, they should treat the information as confidential until further guidance is obtained.

Company and third-party confidential information should be used only for legitimate business purposes, and dissemination of the information (both inside and outside the Company) should be limited to those who have a need to know the information for legitimate business purposes. Any suspected or actual loss, theft or misuse of confidential information should be immediately reported to a supervisor, manager, or the General Counsel.

Employees should take precautionary measures to prevent the disclosure of confidential information.

Upon termination of an individual's employment or affiliation with the Company, they will be directed to return or destroy all written or other materials in any form or medium containing confidential information.

The obligation to protect confidential information continues even after the relationship with the Company ends. Similarly, employees have an obligation to protect confidential information gained from past employment or fiduciary relationships with other companies.

## **X. Insider Trading**

Federal and state laws prohibit buying, selling, or making other transfers of securities by persons who have material nonpublic information about a company. Even if not shareholders, these laws prohibit persons with this information from disclosing it to others who may trade. "Material information" generally means information that there is a likelihood a reasonable investor would consider important in deciding whether to buy, hold or sell securities. "Nonpublic information" is information that is not generally known or available to the public. Insider trading is a crime punishable by civil penalties, criminal fines and prison. Companies may also face civil penalties for insider trading violations by their employees and other agents.

Employees may not trade in the securities of any company when they are aware of material nonpublic information about that company. This policy against “insider trading” applies to trading in Company securities, as well as to trading in the securities of other companies, such as the Company’s customers, distributors, suppliers, and companies with which the Company may be negotiating a major transaction. In addition, employees may not convey material nonpublic information about the Company or another company to others or suggest that anyone purchase or sell any company’s securities while they are aware of material nonpublic information about that company. This practice, known as “tipping,” may violate the securities laws and may result in the same civil and criminal penalties that apply to engaging in insider trading directly, even if the employee does not receive any money or derive any benefit from trades made by persons to whom the employee passed material nonpublic information.

See the Company’s Insider Trading Policy for more information.

#### **XI. Maintaining Books and Records and Public Reporting**

Employees are expected to maintain books and records in appropriate detail to reflect the Company’s transactions accurately, fairly, and completely. The Company’s policy of accurate, fair and complete recordkeeping applies to all Company records. Documentation relating to a transaction should fully and accurately describe the nature of the transaction.

As a public company, the Company files financial statements and other information with the U.S.

Securities and Exchange Commission (“SEC”). Employees are responsible for the accurate and complete reporting of financial information within their respective areas of responsibility and for the timely notification to senior management of financial and non-financial information that may be material to the Company. Reports and other documents that the Company files with or submits to the SEC, and other public communications, should contain full, fair, accurate, timely and understandable disclosure.

#### **XII. External Communications**

The Company strives to maintain open, honest, and consistent communications. In order to facilitate the accuracy and appropriateness of all information publicly disclosed, only authorized individuals are permitted to speak with or respond to inquiries from the media, shareholders, the investment community (such as securities analysts and investment advisors) and government entities. If an employee is contacted by a member of the media, a shareholder or a member of the investment community, the employee should decline to comment and should immediately refer all inquiries to the Chief Financial Officer or the Chief Marketing Officer. Inquiries from a government entity should be referred immediately to the General Counsel.

The Company has adopted this policy in part to promote compliance with Regulation FD (Fair Disclosure). Regulation FD is a rule under the U.S. federal securities laws that prohibits companies from disclosing material nonpublic information to shareholders where it is reasonable to expect that they will trade on the information, and to the investment community without also disclosing the information to the public. To promote compliance with Regulation FD, the Company permits only designated spokespersons to discuss the Company with the media, shareholders, and the investment community.

### **XIII. Equal Employment and Working Conditions**

The Company is committed to providing equal opportunity in all aspects of employment and does not tolerate any illegal discrimination, harassment, or retaliation of any kind. All employment practices and decisions, including those involving recruiting, hiring, transfers, promotions, training, compensation, benefits, discipline, and termination, must be conducted without regard to age, sex, race, color, ancestry, religion, creed, citizenship status, disability, national origin, marital status, military status, sexual orientation, gender identity or any other protected status or activity, and must comply with all applicable laws. In addition, the Company will provide reasonable accommodation for disability and religion as required by law.

In addition, the Company prohibits harassing or discriminatory conduct in the workplace, whether based upon age, sex, race, color, ancestry, religion, creed, citizenship status, disability, national origin, marital status, military status, sexual orientation, gender identity or any other protected status or activity. This includes sexual harassment, regardless of whether it is committed by supervisory or non-supervisory employees.

### **XIV. Human Rights**

The Company is committed to respecting human rights, in accordance with accepted international conventions and practices, such as those of the United Nations 'Universal Declaration of Human Rights, ILO Core Conventions on Labor Standards, UN Global Compact, the OECD Guidelines for Multinational Enterprises and the Australian Modern Slavery Act (2018). The Company strives to ensure that all materials used in our products come from socially responsible sources and does not tolerate nor by any means profit from, contribute to, assist with or facilitate any activity that fuels conflict or violates human rights. The Company requires the parties in our supply chain to agree to similar principles (as detailed in its Supplier Code of Conduct). Further details on the Company's position and practices on human rights can be found on its public 'Approach to Human Rights' and topic-specific documents available on the Company's website.

### **XV. Anti-Corruption**

No one acting on behalf of the Company may use bribes, kickbacks, or other corrupt practices in conducting the Company's business. Employees must comply with the U.S. Foreign Corrupt Practices Act ("FCPA") whether they are located in the United States or abroad.

### **XVI. Health and Safety**

The Company strives to provide each of its employees with a safe and healthful work environment. Employees are responsible for maintaining a safe and healthy workplace by following safety and health rules and practices and by reporting accidents, injuries and unsafe equipment, practices, or conditions immediately. Violence and threatening behavior are not permitted. Employees are not permitted to use alcohol and illegal drugs while they are on duty. However, in certain circumstances, such as official Company events, use of alcohol at a Company facility may be permitted, but only with advance permission from management.

## **XVII. Political and Public Activities**

The Company encourages employees to be active in the civic life of their communities. The Company also respects the diversity and different views and beliefs of its employees, and no employee shall be discriminated against for their views/beliefs. In parallel, all employees are also expected to uphold all other principles outlined in this code, even when conflicting with personal views/beliefs.

The Company prohibits any political involvement on the Company's behalf by any of its employees and the Company does not support any political entity. No monetary donation shall be made on the Company's behalf to any political entity.

The Company will not reimburse employees for any personal political contributions made by the employee. In addition, employees should recognize that their work time or use of Company assets is the equivalent of such a contribution.

When employees speak out on public issues, they should make sure to do so as an individual.

Employees should not give the appearance that they are speaking or acting on the Company's behalf. All Company activity through trade unions and/or industry associations shall be in accordance with the Company's public policies and positions on all issues, including (but not limited to) ESG-related issues.

## **XVIII. Investigating and Addressing Potential Misconduct**

The Company will treat each report of potential misconduct seriously. Upon receiving a report, the Company will promptly review the report and conduct a thorough investigation. When a report is received, with the exception of those submitted anonymously, the reporting individual will receive a confirmation of receipt, and another notification when the investigation is closed. It is the obligation of all employees to cooperate with an investigation, and employees are encouraged to provide all known facts and as many details as possible to assist with the investigation. No employee will be subject to discrimination, harassment, or retaliation of any kind for assisting in an investigation of a report.

The Company views the business ethics of its employees as an important matter. The desire to achieve Company or personal objectives will not excuse wrongful activity, conflicts of interest or deviation from Company policies. Violations of this Code will result in appropriate disciplinary action, up to and including termination.

## **XX. Waivers**

Waivers of certain provisions of this Code will be granted only in exceptional circumstances. Employees who believe that a situation may warrant a waiver should contact the General Counsel. Any waivers of provisions of this Code for executive officers of this Company will be made via request to, and approved only by, the Board of Directors of the Company (or Committee thereof) and will be disclosed in accordance with applicable law.

## **XXI. Certification Obligations**

**All employees are required to certify at the time they are hired to their understanding of and agreement to comply with this Code using the form attached as Appendix A.**

## **XXII. Sign-Off**

This Code of Conduct was first reviewed and approved by the Company's Board of Directors, and by its executive management forum in March 2015 and has been last updated, **reviewed and approved in February 2022**.

APPENDIX A

**Code of Conduct Certification**

**I certify that: (1) I have received a copy of the Code of Conduct; (2) I have read and understood the Code of Conduct, and I agree to comply with the Code of Conduct and related Company policies; and (3) I understand that I am expected to report any existing or potential violation of the Code of Conduct, any law, regulation or Company policy.**

Name:	Shuki Nir		
Job Title:	Chief Executive Officer		
ID #:			
Department:		Location:	IL
Supervisor:	Board of Directors		

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**Form of Performance Award Agreement**

**SOLAREEDGE TECHNOLOGIES, INC.  
2015 GLOBAL INCENTIVE PLAN  
NOTICE OF GRANT OF AWARD OF PERFORMANCE-BASED RESTRICTED STOCK UNITS  
(ISRAELI AWARD AGREEMENT)**

**Notice of Grant**

SolarEdge Technologies, Inc. (the “Company”) hereby grants to the Participant named below the number of performance-based restricted stock units specified below (the “Award”). Each performance-based restricted stock unit represents the right to receive one share of the Company’s common stock, par value \$0.0001 (the “Common Stock”), upon the terms and subject to the conditions set forth in this Grant Notice, the SolarEdge Technologies, Inc. 2015 Global Incentive Plan (the “Plan”), any Appendix or Subplan to the Plan applicable to you (the “Appendix”) and the Israeli Performance-Based Restricted Stock Unit Award Agreement (the “Israeli Award Agreement”) promulgated under such Plan and Section 102 of the Israeli Income Tax Ordinance [NEW VERSION] 5721-1961 (the “Ordinance”), each as amended from time to time. Any applicable Appendix shall be treated as part of the Plan for purposes of this Award, and any references to the Plan in this Grant Notice or the Israeli Award Agreement shall include the Appendix. This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Israeli Award Agreement and the Plan.

**Participant Name:**

**Type of Award:** Performance-Based Restricted Stock Units (PRSUs) designated as Capital Gain Award (with Trustee) under Section 102 of the Ordinance and the rules and regulations promulgated thereunder.

**Grant Date:** \_\_\_\_\_

**Number of PRSUs:**

**Entitlement to PRSUs:**

The number of PRSUs that will vest (if any) will be determined based on how the Company’s Total Shareholder Return (“TSR”) ranks in comparison to the companies that comprise the S&P 500 Index, excluding the Company, as of the first day of the Performance Period (the “Index Group”).

*TSR Relative to the Index Group.* Except as provided under “Change in Control” below, the number of PRSUs (if any) that vest will be determined based on the Company’s TSR relative to the TSRs of the Index Group during the Performance Period. The Performance Period will be the three-year period beginning on January 1, \_\_\_\_\_ and ending December 31, \_\_\_\_\_. The number of PRSUs that vest (if any) will be determined by multiplying the Applicable Percentage by the Target number of PRSUs. The Applicable Percentage will be determined as follows:

	<i>Company TSR Percentile Rank within the Index Group</i>	<i>Applicable Percentage</i>
<b>Threshold</b>	Less than 25th	0%
<b>Target</b>	25th	25%
<b>Maximum</b>	50th	100%
	75th or higher	150%

No PRSUs will be earned below the threshold level. Linear interpolation shall be used to determine the Applicable Percentage for achievement between the threshold and target performance levels and between the target and maximum performance levels specified above. The “Company TSR Percentile Rank within the Index Group” will not be rounded to a whole number.

For purposes of the TSR calculations, both for the Company and for a member of the Index Group, the following additional rules shall apply. TSR will be calculated as change in share price during the Performance Period, including reinvestment of dividends for which the ex-dividend date occurs during the Performance Period (with reinvestment deemed to have occurred as of the ex-dividend date)[1] The beginning price for a share of common stock will be the simple average of the closing prices for that share of stock during the twenty (20) trading days falling on or after the first day of the Performance Period. The ending price for a share of common stock will be the simple average of the closing prices for that share of stock during the twenty (20) trading days falling on or before the last day of the Performance Period (or the date of a Change in Control, if applicable). Appropriate adjustments to the TSR calculation shall be made to reflect stock dividends, splits and other transactions affecting the share, as determined by the Board or the Committee administering the Plan (the "Administrator"). Companies that are added to the S&P 500 Index after the beginning of the Performance Period and companies that cease to be publicly-traded before the end of the Performance Period (except for companies that file for bankruptcy during the Performance Period) shall not be considered as part of the Index Group. Companies that remain publicly-traded as of the end of the Performance Period but that cease to be part of the S&P 500 Index will be included in the Index Group. Companies that file for bankruptcy during the Performance Period will be treated as having -100% TSR.

All determinations regarding TSR performance, TSR ranking and the Applicable Percentage shall be made by the Administrator in its sole discretion and all such determinations, if not made in bad faith, shall be final and binding on all parties.

**Vesting Schedule:**

PRSUs, if any, will vest as of the date on which the Administrator certifies in writing the Company's TSR percentile rank relative to the Index Group, subject to Continuous Service through the end of the Performance Period. This certification shall be made no later than sixty (60) days following the end of the Performance Period and settlement of the PRSUs in the form of the Company's common stock shall occur upon vesting and certification.

*Termination Prior to a Change in Control*

Upon termination due to death or Disability prior to the completion of the Performance Period, Participant shall immediately vest in the Target Number of PRSUs. If Participant ceases Continuous Service for any other reason during the Performance Period, the entire Award will immediately terminate. Upon termination for any reason (other than a termination for Cause) following completion of the Performance Period but prior to certification of the Company's TSR percentile rank, Participant shall vest in the number of PRSUs based on the Applicable Percentage determined by the Administrator on the date on which the Administrator certifies in writing the Company's TSR percentile rank notwithstanding Participant's termination of Continuous Service prior to such date. Upon a termination for Cause following completion of the Performance Period but prior to certification of the Company's TSR percentile rank, the entire Award will immediately terminate.

*Change in Control*

In the event that a Change in Control occurs prior to the completion of the Performance Period, the PRSUs shall be converted into time-based restricted stock units based on performance through the date of the Change in Control that will vest in full on December 31, \_\_\_\_\_ subject to Continuous Service through such date, or on the date of death, Qualified Retirement, or Disability, if sooner. In the event of a termination by the Company without Cause within 12 months following the date of the Change in Control, any unvested time-based restricted stock units will accelerate on the date of such termination. If Participant ceases Continuous Service for any other reason at or after the date of a Change in Control, the entire Award will immediately terminate. Notwithstanding any other provision of this Award, if the Successor Corporation does not agree to assume or substitute the converted time-based restricted stock units, the PRSUs will vest immediately prior to the consummation of the Change in Control based on performance through the date of the Change in Control, subject to Continuous Service through such date.

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**Agreements**

By your signature and the Company's signature below, you and the Company agree that this Award is granted under and governed by the terms of the Plan, the Appendix and the Israeli Award Agreement, all of which are attached hereto and incorporated herein by this reference. Capitalized terms used but not defined herein shall have the meanings given to them in the Plan, the Appendix or the Israeli Award Agreement, as the case may be. You and the Company further agree that the Performance-Based Restricted Stock Units and the Shares underlying the same are granted under and governed by Section 102(b)(2) of the Ordinance and the rules and regulations promulgated in connection therewith and the trust agreement signed between the Company and its Affiliate the Trustee (the "Trust Agreement"), a copy of which has been provided to you or made available for your review.

You further acknowledge that your rights to any Performance-Based Restricted Stock Units will be earned and become vested only as you provide Continuous Service to the Company over time as provided under the terms of this Award, that the grant of this Award is not consideration for service you rendered to the Company prior to the Grant Date, and that nothing herein or the attached documents confers upon you any right to continue your employment or other service relationship with the Company or any Affiliate or Subsidiary for any period of time, nor does it interfere in any way with your right or the Company's (or any Affiliate's or Subsidiary's) right to terminate that relationship at any time, for any reason or no reason, with or without Cause, and with or without advance notice, except as may be required by the terms of a Separate Agreement or in compliance with governing public law.

Furthermore, by executing this Notice, you agree that the Performance-Based Restricted Stock Units and to the extent applicable, the Shares, will be issued to the Trustee to be held by Trustee for your benefit, pursuant to the terms of Section 102 of the Ordinance and the Trust Agreement. You hereby confirm that you are familiar with the terms and provisions of Section 102 of the Ordinance, particularly the Capital Gain Track described in subsection (b)(2) thereof, and you agree that you will not require the Trustee to release the Performance-Based Restricted Stock Units or Shares to you, or to sell the Award or Shares to a third party, during the required Holding Period, unless permitted to do so by applicable law.

"COMPANY"

SolarEdge Technologies, Inc.

Manager Name: Ariel Porat

Manager Title: CFO

Manager Signature: \_\_\_\_\_

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

"PARTICIPANT"

Employee Name: \_\_\_\_\_

Employee Signature: \_\_\_\_\_

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

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[Certain information has been omitted from the exhibit pursuant to Item 601(b)(10)(iv) because it is both not material and is the type of information that the registrant treats as private or confidential. Such information has been omitted from this exhibit in places marked “[\*\*\*].”]

[Certain personally identifiable information has been omitted from this exhibit in places marked “[\*]” pursuant to Item 601(a)(6) of Regulation S-K.]

**TAX CREDIT PURCHASE AND SALE AGREEMENT**

**Between**

**GENWORTH FINANCIAL, INC.**

**And**

**SOLAREEDGE MANUFACTURING, INC.**

**Dated November 4, 2024**

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## TAX CREDIT PURCHASE AND SALE AGREEMENT

This TAX CREDIT PURCHASE AND SALE AGREEMENT (the "Agreement"), is entered into as of November 4, 2024 (the "Execution Date"), by and between Genworth Financial, Inc., a corporation organized under the laws of Delaware ("Purchaser"), and SolarEdge Manufacturing, Inc., a corporation organized under the laws of Delaware ("Seller"). The aforementioned parties are sometimes herein referred to individually as a "Party" and collectively as the "Parties".

### RECITALS

**WHEREAS**, Seller is in the business of the production and sale of residential inverters as defined in Sections 45X(c)(1)(A)(iii) and 45X(c)(2)(F) of the Code (the "Equipment");

**WHEREAS**, the production and sale of the Equipment qualifies for Tax Credits (as defined below); and

**WHEREAS**, as of the Execution Date, Seller will commit to sell, transfer, and assign, and Purchaser will commit to purchase, accept and assume, all of Seller's rights, title, and interest in Subject Tax Credits (as defined below), with the consummation of and Purchaser's payment for such sale to be made on the Tax Credit Transfer Date (as defined below).

**NOW, THEREFORE**, in consideration of the premises and of the respective covenants, representations and warranties herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, do hereby covenant and agree as follows:

### Article 1 DEFINITIONS; INTERPRETATION

1.1 **Defined Terms.** In addition to the capitalized terms defined elsewhere in this Agreement, the following terms have the respective meanings set forth below:

"Affiliate" means, with respect to a Person, any other Person that, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such first Person.

"After-Tax Basis" means, with respect to any payment to be actually or constructively received by any Person, the amount of such payment (the "base payment") shall be supplemented by a further payment (the "additional payment") to that Person so that the sum of the base payment plus the additional payment, after deduction of the amount of all federal income taxes required to be paid by such Person in respect of the receipt or accrual of the base payment and the additional payment is equal to the base payment.

"Agreement" has the meaning given in the preamble.

"AML Laws" means all anti-money laundering laws related to the prevention of money laundering and terrorist financing.

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“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction concerning or relating to bribery or corruption.

“Applicable Laws” means any provision of any federal, state, municipal or local laws, ordinances, rules, regulations, or requirements, including any order, judgment, decree, determination, or award of any court binding on any Party, or its or their assets including (as applicable) the Equipment.

“Bankruptcy” means, with respect to any Person, that (a) such Person: (i) makes a general assignment for the benefit of creditors; (ii) files a voluntary bankruptcy petition; (iii) becomes the subject of an order for relief or is declared insolvent in any federal or state bankruptcy or insolvency proceedings; (iv) files a petition or answer seeking for such Person a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any Applicable Law; (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in a proceeding of the type described in preceding clauses (i)–(iv); or (vi) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of such Person or of all or substantially all of such Person’s properties or (b) a proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any Applicable Law has been commenced against such Person, and sixty (60) days have expired without dismissal thereof or with respect to which, without such Person’s consent or acquiescence, a trustee, receiver, or liquidator of such Person of all or substantially all of such Person’s properties has been appointed and sixty (60) days have expired without such appointment having been vacated or stayed, or sixty (60) days have expired after the date of expiration of a stay, such appointment has not previously been vacated.

“Business Day” means any day other than (a) a Saturday or Sunday or (b) a day on which commercial banks in New York, New York are authorized or required to be closed.

“Change in Tax Law” means: (a) any amendment or change to the Code or another U.S. federal income tax law; (b) the issuance or amendment of temporary or final Treasury Regulations, (c) any change in the interpretation of the Code or temporary or final Treasury Regulations by a controlling decision of the United States Tax Court, United States District Court, United States Court of Appeals, or the United States Supreme Court or (d) any published guidance, notice, announcement or ruling published in written form by the U.S. Department of the Treasury, IRS or any other applicable Governmental Authority in connection with the Tax Credits or Sections 45X, or 6418 of the Code; provided that a “Change in Tax Law” shall not include changes that relate to Purchaser’s tax capacity or ability to use any federal income tax benefits, including the Tax Credits, or realize actual tax savings therefrom (including as a result of a limitation on Purchaser or the imposition of any minimum tax).

“Claim” means any and all judgments, awards, causes of action, lawsuits, suits, proceedings, damages losses, interest and penalties (including in connection with any Excess Credit Transfer), costs, or expenses (including litigation costs and reasonable and documented attorneys’ and experts’ fees and expenses), assessments, fines, penalties, administrative orders or injunctions.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contract Manufacturer” means Flextronics America, LLC, a Delaware limited liability company.

“Control” when used with respect to any particular Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “Controlling” and “Controlled” have meanings correlative to the foregoing.

“Credit Support” means a letter of credit, cash in escrow, or other similar credit support (which may, for the avoidance of doubt, include tax insurance), in each case from an issuer and in form and substance reasonably acceptable to Purchaser and in an amount equal to 110% of the amount of deficiency assessed by the IRS under Article 9.

“Disqualified Person” means any entity described in Section 6417(d)(1)(A) of the Code.

“Encumbrance” means any lien (statutory or otherwise), mortgage, deed of trust, claim, option, lease, easement, charge, pledge, security interest, hypothecation, assignment, use restriction or other encumbrance of any kind or nature whatsoever, whether voluntary or involuntary, choate or inchoate (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement).

“Excessive Credit Transfer” means an excessive credit transfer as described in Section 6418(g)(2) of the Code, but does not include any excessive credit transfer resulting from Purchaser, or any permitted assignee, transferee or successor of Purchaser, claiming Tax Credits in excess of the amounts set forth on any Transfer Election Statement.

“Execution Date” has the meaning given in the preamble.

“Final Determination” means with respect to the Subject Tax Credits (i) a decision, judgment, decree or other order by any court of competent jurisdiction, which decision, judgment, decree or other order has become final (i.e., when all appeals allowable by law, other than an appeal to the Supreme Court of the United States, have been exhausted or the time for filing such appeals has expired); (ii) a closing agreement entered into pursuant to Section 7121 of the Code or any other settlement agreement entered into in connection with an administrative or judicial proceeding; (iii) the date on which the time for instituting a claim for refund has expired, or if a claim was filed, the time for instituting suit with respect thereto has expired; (iv) the date on which the applicable statute of limitations for raising an issue regarding a federal income tax matter has expired; or (v) the date on which the Parties mutually agree in writing that there is no tax position that supports a contest of the reduction, loss or disallowance.

“Fitch” means Fitch Ratings Inc. of its successor ratings provider.

“Guarantor” means SolarEdge Technologies, Inc., a Delaware corporation.

“Guaranty” means the Guaranty entered into by Guarantor in favor of Purchaser guarantying Seller’s payment obligations under this Agreement.

“Governmental Authority” means any (a) foreign, federal, state, local, municipal or other government, (b) department, agency or instrumentality of a foreign or other government, (c) governmental or quasi-governmental authority of any nature, (d) court or other tribunal or (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or tax authority or power of any nature.

“Indemnified Party” has the meaning set forth in Section 8.2.

“Indemnifying Party” has the meaning set forth in Section 8.2.

“IRS” means the United States Internal Revenue Service.

“Knowledge” means, with respect to Seller, matters actually known to Seller following due and reasonable inquiry (including inquiry of the officers, directors, employees or other representatives of Seller and Affiliates of Seller) as appropriate to determine the related matter; and with respect to Purchaser, matters actually known to Purchaser following due and reasonable inquiry (including inquiry of the officers, directors, employees or other representatives of Purchaser) as appropriate to determine the related matter.

“Material Adverse Effect” means any change, circumstance or event that, in the aggregate, will have a material adverse effect on (a) the availability of Subject Tax Credits transferred by Seller to Purchaser, including material increased risk of loss, reduction, or disallowance, or (b) the ability of any Person to perform its obligations under any Transaction Document to which such Person is a party.

“Moody’s” means Moody’s Investors Service, Inc. or its successor ratings provider.

“Mutual NDA” means the Mutual Non-Disclosure and Confidentiality Agreement, dated September 18, 2024, between Purchaser and Seller.

“Other 45X Agreement” has the meaning set forth in Section 9.2(c).

“Party” and “Parties” have the meanings given in the preamble.

“Per Credit Purchase Price” has the meaning set forth in Section 2.1.

“Person” means a natural person, corporation, partnership, limited liability company, business entity, trust, organization, association, or any Governmental Authority.

“Production Period” means the period from and including January 1, 2024 to and including June 30, 2024.

“PTC Loss Event” means following a Final Determination, any reduction, loss or disallowance of Subject Tax Credits, when compared to the amount of Subject Tax Credits utilized in the calculation of the agreed upon Purchase Price and Tax Credits shown on the applicable Transfer Election Statement, including any such reduction, loss or disallowance that occurs as the result of an IRS adjustment or failure or omission of Seller to effect a valid Transfer Election; *provided*, that any reduction, loss or disallowance of Subject Tax Credits shall not be considered a PTC Loss Event if such reduction, loss or disallowance is solely caused by any act, omission, misrepresentation or breach by Purchaser or its Affiliates of their covenants, representation and warranties set forth in this Agreement or the other Transaction Documents.

“Purchase Price” has the meaning given in Section 2.1.

“Purchaser” has the meaning given in the preamble.

“Related Party Buyer” means SolarEdge Technologies, Ltd., a limited company organized under the laws of Israel.

“Required Credit Rating” means, with respect to a Person, that such Person’s unsecured long-term senior debt obligations have at least two of the following ratings: (a) BBB- or higher from S&P, (b) Baa3 or higher from Moody’s or (c) BBB- or higher from Fitch.

“S&P” means Standard & Poor’s Financial Services LLC or its successor ratings provider.

“Sanctioned Person” means, at any time, (a) any Person listed on any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, His Majesty’s Treasury of the United Kingdom or other relevant sanctions authority; (b) any Person located, organized or resident in a country, region, or territory that is, or whose government is, the subject of Sanctions; (c) any Person which is owned or controlled by any such Person or Persons described in clauses (a) or (b) above; or (d) any Person otherwise the subject of any Sanctions.

“Sanctions” means all economic or financial sanctions or trade embargoes imposed, administered or enforced by the U.S. government (including the U.S. Department of the Treasury’s Office of Foreign Assets Control and the U.S. Department of State), the United Nations Security Council, the European Union, any European Union member state, His Majesty’s Treasury of the United Kingdom or other relevant sanctions authority.

“Seller” has the meaning given in the preamble.

“Subject Tax Credits” has the meaning set forth in Section 2.1.

“Tax Contest” any audit, examination, contest, litigation, or other proceeding with or by any Governmental Authority responsible for the administration and collection of taxes arising from the sale, purchase or claim of Subject Tax Credits pursuant to this Agreement and/or the election to sell, purchase or claim Subject Tax Credits pursuant to this Agreement.

“Tax Credit” or “Tax Credits” means the advanced manufacturing production credit determined under Section 45X of the Code.

“Tax Credit Transfer Date” means the date all conditions set forth in Section 2.3 have been satisfied (or waived by the Parties), or if such day is not a Business Day, the Business Day immediately succeeding such day (provided, for the avoidance of doubt, that the Tax Credit Transfer Date may be the Execution Date if all such conditions are met or waived prior to the Execution Date).

“Tax Return” means any return, report, statement, information return or other document (including any amendments thereto and any related or supporting information) filed or required to be filed with any Governmental Authority in connection with the determination, assessment, collection or administration of any taxes or the administration of any laws, regulations or administrative requirements relating to any taxes.

“Taxable Year” means each calendar year during the term of this Agreement.

“Third Party Claims” means any legal proceedings instituted or any claim or demand asserted by any third party.

“Transaction Documents” means this Agreement, the Guaranty, the Transfer Election Statement, the Mutual NDA and each instrument, certificate, and notice required to be delivered pursuant hereto or thereto.

“Transfer Election” means an election made under Section 6418(a) of the Code to transfer the Subject Tax Credits to Purchaser.

“Transfer Election Statement” has the meaning set forth in Section 7.3.

“Transfer Registration Number” means the tax credit transfer registration number(s) issued by the IRS with respect to the Equipment or the facility at which the Equipment is manufactured.

“Underdelivery Penalty Amount” has the meaning set forth in Section 7.3(e).

“30-Day Letter” has the meaning set forth in Internal Revenue Manual Part 4, Chapter 10, Section 8.

“90-Day Letter” means a Statutory Notice of Deficiency as set forth in Internal Revenue Manual Part 4, Chapter 8, Section 9.

1.2 Rules of Construction. Unless otherwise defined or required by the context in which any term appears in this Agreement: (a) the singular includes the plural and vice versa; (b) the words “herein,” “hereof” and “hereunder” refer to this Agreement as a whole (including all Exhibits and Schedules hereto) and not to any particular section or subsection of this Agreement; (c) references to any agreement, document or instrument mean such agreement, document or instrument as amended, modified, supplemented, or novated from time to time; (d) the words “include,” “includes” and “including” mean include, includes and including “without limitation”; and (e) unless otherwise specified, the word “or” means “and/or”.

**Article 2**  
**PURCHASE AND SALE; EXECUTION DATE AND TAX CREDIT TRANSFER DATE**  
**CONDITIONS**

2.1 Purchase Price. Pursuant to the terms and conditions of this Agreement, Purchaser agrees to purchase, and Seller agrees to sell to Purchaser, all Tax Credits generated with respect to the Equipment produced during the Production Period, which, based on Seller's representations, totaled an aggregate credit amount of \$42,649,737 (the "Subject Tax Credits"). The purchase price for each Subject Tax Credit shall be \$0.94 per \$1.00 of Tax Credit (the "Per Credit Purchase Price"). The consideration paid by the Purchaser to the Seller for the transfer of Subject Tax Credits on the Tax Credit Transfer Date shall be the product of (i) the Per Credit Purchase Price and (ii) the aggregate credit amount with respect to the Subject Tax Credits, which based on the above results in a total consideration amount equal to \$40,090,753 (the "Purchase Price").

2.2 Execution Date Conditions Precedent. Each Party agrees that the occurrence of the Execution Date is conditioned upon the following conditions being satisfied, any of which may be waived, in whole or in part, by the relevant Party to whose satisfaction such conditions are to be met, in its sole discretion; provided that, the execution of this Agreement by each Party, and the delivery of such executed copy to each other Party, shall evidence the satisfaction or waiver (by each Party) of any such condition that is required to be "satisfactory" or "reasonably satisfactory" (or equivalent language) of such Party:

- (a) each of the representations and warranties made by each Party in this Agreement and the other Transaction Documents (other than those made as of a later date) is true and correct as of the Execution Date (unless such representation or warranty relates solely to an earlier date, in which case it will have been true and correct as of such earlier date);
- (b) no event has occurred and is continuing which would result in a Material Adverse Effect;
- (c) each Party will have received fully executed copies of the Transaction Documents required to be executed as of the Execution Date, each in form and substance reasonably satisfactory to both Parties;
- (d) Purchaser has received a certificate from an authorized officer of Seller, certifying to the following: (i) an incumbency certificate from Seller attesting to the incumbency of the officers or authorized representatives of Seller, (ii) a good standing certificate of Seller from the applicable Secretary of State; and (iii) resolutions of the board of directors, sole member or other equivalent governing body of Seller authorizing and approving, as applicable, the execution of this Agreement and the transactions contemplated hereunder;
- (e) Seller has received a certificate from an authorized officer of Purchaser, certifying to the following: (i) an incumbency certificate from Purchaser attesting to the incumbency of the officers or authorized representatives of Purchaser and authorizing and approving (or certifying to the authorization and approval of), as applicable, the execution of this Agreement and the transactions contemplated thereunder and (ii) a good standing certificate of Purchaser from the applicable Secretary of State;

(f) Purchaser has received the most recent audited annual and unaudited quarterly financial statements of Guarantor;

(g) Purchaser has received from Seller (i) the production report from Contract Manufacturer with respect to the Equipment for the Production Period, (ii) invoices from Contract Manufacturer to Seller with respect to the Equipment for the Production Period, (iii) a record of sales by Seller to Related Party Buyer of Equipment for the Production Period, in each case certified by Seller's accountant and reasonably satisfactory to Purchaser, (iv) true and correct copies of all agreements relating to contract manufacturing arrangements for the Equipment pursuant to Proposed Treasury Regulation 1.45X-1(c)(3)(ii)(B) and (v) a true and correct signed copy of the certification in accordance with Proposed Treasury Regulation Section 1.45X-1(c)(3)(iv);

(h) Purchaser has received a limited scope tax opinion from Orrick, Herrington & Sutcliffe LLP, which opinion is in form and substance reasonably satisfactory to Purchaser;

(i) Purchaser has satisfactorily completed its due diligence, including technical, legal, and financial due diligence relating to Seller and the Equipment, tax assumptions and the anticipated amount of Subject Tax Credits;

(j) Seller has (i) applied for the Transfer Registration Number from the IRS with respect to the Subject Tax Credits, (ii) provided Purchaser with a copy of the Transfer Registration Number(s) together with evidence reasonably satisfactory to Purchaser that such Transfer Registration Number(s) has been issued to Seller, or if such Transfer Registration Number(s) have not been issued, provided Purchaser with screen shots and other evidence reasonably satisfactory to Purchaser that such Transfer Registration Number(s) have been applied for and (iii) to Seller's Knowledge the issuance of such Transfer Registration Number(s) is not at risk of delay or rejection; provided that Seller makes no representation regarding any risk of delay or rejection that may arise from actions, inactions or decisions of Governmental Authorities including the Internal Revenue Service, that are applicable to such registrations in general;

(k) there is no litigation pending, or threatened in writing, against Seller or Purchaser challenging the validity or enforceability or seeking to enjoin the performance of any Transaction Document or otherwise directly affecting the Seller or Purchaser or the production and sale of the Equipment which could reasonably be expected to have a Material Adverse Effect; and

(l) Seller has obtained all necessary third party consents, waivers, authorizations and approvals in connection with its execution and delivery of, and performance of its obligations under, this Agreement and other Transaction Document to which it is a party and the transactions contemplated hereunder and thereunder and otherwise for the production and sale of the Equipment

(m) Seller has provided Purchaser with a draft IRS Form 7207 with respect to the Subject Tax Credits in form and substance reasonably satisfactory to Purchaser.

2.3 Tax Credit Transfer Date Conditions Precedent The obligation of Purchaser to pay the Purchase Price and consummate the purchase of Subject Tax Credits on the Tax Credit Transfer Date will be conditioned upon the following conditions being satisfied with respect to the Subject Tax Credits, any of which may be waived, in whole or in part, by Purchaser in its sole discretion, on or prior to the Tax Credit Transfer Date:

(a) since the Execution Date, there has occurred no Change in Tax Law with respect to the Subject Tax Credits that could reasonably be expected to have a Material Adverse Effect;

(b) each of the representations and warranties in this Agreement and the other Transaction Documents (other than those made as of a later date) shall be true and correct in all material respects (except for such representations and warranties that are qualified by materiality, Material Adverse Effect or any similar qualification or exception, which will be true and correct in all respects) as of such Tax Credit Transfer Date (unless such representation or warranty relates solely to an earlier date, in which case it will have been true and correct in all material respects as of such earlier date);

(c) Purchaser shall have received from Seller copies of customary UCC liens searches for the Seller and the Guarantor in the jurisdiction in which the principal place of business of Seller or Guarantor, as applicable, is located, and in each case dated within fifteen (15) days prior to the Tax Credit Transfer Date, in each case with results reasonably satisfactory to Purchaser;

(d) no event has occurred and is continuing which would result in Seller's inability to transfer the Subject Tax Credits to Purchaser;

(e) all Transaction Documents other than the Transfer Election Statement have been entered into and remain in full force and effect and no event of default exists under any Transaction Document on the part of Seller (or, in the case of the covenants contained in Article 7, as applicable, its Affiliates) party thereto that could reasonably be expected to have a Material Adverse Effect;

(f) Purchaser has received a certificate dated as of the Tax Credit Transfer Date, in the form of Exhibit A attached hereto, from an authorized officer of Seller to the effect that the conditions set forth in this Section 2.3 have been satisfied; and

(g) Seller has delivered to Purchaser wire instructions for the disbursement of the Purchase Price on such Tax Credit Transfer Date.

**Article 3**  
**PAYMENT OF PURCHASE PRICE**

3.1 Payment of Purchase Price. Purchaser will pay the Purchase Price for the Subject Tax Credits on the Tax Credit Transfer Date. The Purchase Price will be paid in U.S. dollars, by wire transfer of immediately available funds to the account set forth on Exhibit C or, if so requested in writing by Seller, by such alternative means of delivery of immediately available funds or other method of cash payment as is reasonably acceptable to Purchaser.

**Article 4**  
**REPRESENTATIONS AND WARRANTIES OF SELLER**

As of the Execution Date and the Tax Credit Transfer Date, Seller hereby represents and warrants, as applicable, to Purchaser as follows:

4.1 Seller is a duly organized corporation validly existing and in good standing under the laws of the State of Delaware and is duly qualified and in good standing under the Applicable Law of each other jurisdiction that requires qualification, except where the failure to be so qualified or in good standing would not cause a Material Adverse Effect.

4.2 Seller is properly classified as a corporation for federal income tax purposes.

4.3 The Subject Tax Credits are eligible credits described in Section 6418(f)(1)(A)(vi) of the Code resulting from Seller's production of residential inverters consistent with Sections 45X(b)(1)(I) and 45X(b)(2)(B)(iv) of the Code and Proposed Treasury Regulations 1.45X-1(c) and 1.45X-2(c).

4.4 The amount of the Subject Tax Credits has been determined in accordance with the capacity of the Equipment consistent with Section 45X(b)(1)(I) (ii) of the Code.

4.5 The amount of Tax Credits for which Seller is entitled with respect to the Equipment for the Production Period is not less than \$42,649,737.

4.6 The Equipment to which the Tax Credits are generated was sold to a related person under Section 52(b) of the Code.

4.7 Seller has not made any elections under the Code or taken any action that would reasonably be expected to have a Material Adverse Effect.

4.8 The Equipment qualifies as "eligible components" that are "residential inverters" pursuant to Sections 45X(c)(1) and (2)(F) of the Code.

4.9 None of Seller, any of its Affiliates or, to Seller's Knowledge, any other Person has claimed the qualifying advanced energy project credit pursuant to Section 48C of the Code with respect to any facility at which the Equipment is produced. Seller has not elected to claim, or transferred or contracted to transfer, any tax credits under Section 48C of the Code with respect to the Equipment or any related qualifying advanced energy project.

4.10 None of the Subject Tax Credits were transferred to Seller pursuant to Section 6418 of the Code.

4.11 None of the information provided by or on behalf of Seller to Purchaser in connection with the Seller, the Guarantor, this Agreement, or any other Transaction Document, taken as a whole, contains any untrue statement of a material fact or omits any material fact necessary to make the statements herein or therein, in light of circumstances under which they were made, not misleading in any material respects.

4.12 Seller has not contracted for the transfer of the Subject Tax Credits to any Person other than Purchaser.

4.13 No Subject Tax Credits (a) have been carried backward or forward pursuant to Section 39 of the Code by Seller or any of its Affiliates from any other Taxable Year (b) or are subject to any PTC Loss Event (or event that would be a PTC Loss Event upon a Final Determination) or other reduction for any reason.

4.14 The Subject Tax Credits have been determined with respect to Seller (as described in Treasury Regulations Section 1.6418-2(d)(1)) and Seller is the “eligible taxpayer” (within the meaning of Section 6418(f)(2) of the Code) entitled to transfer the Subject Tax Credits. In the absence of an election under Section 6418(a) of the Code and the transaction described herein in respect of the Subject Tax Credits and disregarding the limitations imposed by Section 38(c) of the Code, Seller would be entitled to claim the Subject Tax Credits. No Person other than Seller or its Affiliates is eligible to claim any of the Subject Tax Credits.

4.15 Seller uses a calendar tax year for federal income tax purposes.

4.16 Seller and each of their respective officers, directors, and employees have conducted their business, and are currently, in compliance with all applicable Anti-Corruption Laws and AML Laws and have implemented internal controls, policies and procedures reasonably designed to ensure compliance with applicable Anti-Corruption Laws, Sanctions and AML Laws.

4.17 No Seller or any of their directors, officers, employees or agents:

(a) is, or has been, a Sanctioned Person; and/or

(b) is engaged in any transaction or conduct that is likely to result in it becoming a Sanctioned Person.

4.18 All information set forth in the draft IRS Form 7207 with respect to the Subject Tax Credits and the draft Transfer Election Statement attached as Exhibit B is true and correct, assuming any information provided by Purchaser with respect thereto is true and correct; provided however that Buyer acknowledges and agrees that the draft IRS Form 7207 will be updated prior to filing with the IRS to reflect additional Tax Credit claims by Seller.

4.19 To Seller’s Knowledge, Seller is not related to Purchaser within the meaning of Section 267(b) or Section 707(b)(1) of the Code.

4.20 The Equipment has been produced by Seller pursuant to contract manufacturing arrangements with Contract Manufacturer in accordance with Proposed Treasury Regulation Section 1.45X-1(c)(3)(ii)(B), including certification that Seller is entitled to the Tax Credits in accordance with Proposed Treasury Regulation Section 1.45X-1(c)(3)(iv); and

4.21 The factual assumptions in the Memorandum Re: Eligibility for the Section 45X Advanced Manufacturing Production Credit and Transferability under Section 6418 – January 1, 2024 through June 30, 2024, dated November 4, 2024, to Seller from Holland & Knight LLP are true and correct in all material respects.

**Article 5**  
**REPRESENTATIONS AND WARRANTIES OF PURCHASER**

As of the Execution Date and the Tax Credit Transfer Date, Purchaser hereby represents, warrants and covenants, as applicable, to Seller as follows:

5.1 Purchaser is a duly organized corporation, validly existing and in good standing under the laws of the State of Delaware and is duly qualified and in good standing under the Applicable Laws of each other jurisdiction that requires qualification, except where the failure to be so qualified or in good standing would not result in a Material Adverse Effect.

5.2 Purchaser has the relevant organizational power and authority to carry on its business as such business is now conducted and as proposed to be conducted.

5.3 No default (or event that, with the giving of notice or the passage of time or both, would constitute a default) has occurred and is continuing under any of the Transaction Documents that would result in a Material Adverse Effect, and the Transaction Documents are in full force and effect.

5.4 Purchaser is a “taxpayer” for purposes of Section 6418(a) of the Code.

5.5 Purchaser is treated as a corporation for federal income tax purposes.

5.6 To Purchaser’s Knowledge, Purchaser is not related to Seller within the meaning of Section 267(b) or Section 707(b)(1) of the Code.

5.7 Purchaser uses a calendar year for federal income tax purposes.

5.8 Purchaser has the financial wherewithal to fund its obligations under this Agreement.

5.9 Purchaser (a) was and is represented by counsel in respect of the Transaction Documents, (b) has sufficient knowledge and experience in financial and business matters to enable it to evaluate the Transaction Documents, the Subject Tax Credits (including the eligible amount thereof) and the applicable laws related thereto and (c) has conducted its own diligence of the Subject Tax Credits, the tax and accounting implications of owning the Subject Tax Credits and the rights and limitations associated with acquiring and holding the Subject Tax Credits.

5.10 Purchaser has based its investment decision with respect to this Agreement solely on such diligence and analysis and on the representations and warranties of Seller and its Affiliates in this Agreement (including, without limitation, Section 4.11) and the other Transaction Documents. Purchaser has not relied on Seller or any of its members of Affiliates for any legal, regulatory, tax, insurance, investment, or accounting advice relating to the Subject Tax Credits. Subject to the accuracy and completeness or the information provided by Seller, Purchaser has been provided with, or otherwise has access to, all information that Purchaser believes is necessary or appropriate in connection with its decision to purchase the Subject Tax Credits.

**Article 6**  
**MUTUAL REPRESENTATIONS AND WARRANTIES OF THE PARTIES**

As of the Execution Date and the Tax Credit Transfer Date (unless expressly limited to any specified date), each Party hereby severally represents, warrants and covenants, as applicable, to the other Party as follows:

6.1 Such Party has the requisite power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is party and perform its obligations and consummate the transactions contemplated hereunder. The execution, delivery and performance by the Party of this Agreement and the other Transaction Documents, and the consummation of the transactions contemplated hereunder by the Party, have been duly authorized by the necessary actions of the board of directors, shareholders, managers, members, partners, trustees, beneficiaries or other applicable Persons. This Agreement has been duly executed by such Party and constitutes the legal, valid and binding obligation of, and is enforceable against such Party in accordance with its terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by application of equitable principles).

6.2 The execution and delivery of this Agreement and the consummation of all transactions contemplated herein to be performed by such Party does not and will not result in any material breach or violation of, or default under, any governing instrument of such Party or any material agreements by which it is a party or by which it is bound or to which any of its assets is subject, or under any Applicable Law. Any approval of or filing with any governmental authority required to be obtained or made by the Party for the execution, delivery and performance by the Party of this Agreement, except for such approval or filing the failure to obtain of which would not result in a Material Adverse Effect has been obtained or made, or caused to be obtained or filed, by such Party.

6.3 There is no litigation pending, or threatened in writing, against any Party challenging the validity or enforceability, or seeking to enjoin the performance, of any Transaction Document or otherwise directly affecting any Party or the Equipment which could reasonably be expected to have a Material Adverse Effect.

6.4 In connection with the transactions contemplated hereby, (i) the Party has not retained or incurred any obligation to any broker for which any other Party would be responsible and (ii) no Person engaged by the Party will have any right, interest or valid claim against any other Party or its Affiliates for any commission, fee or other compensation as a finder or broker, or in any similar capacity, in connection with the transactions contemplated by this Agreement.

6.5 No event of Bankruptcy has occurred with respect to the Party.

**Article 7**  
**COVENANTS**

7.1 Covenants of All Parties.

(a) Each Party will (i) diligently and in good faith use commercially reasonable efforts to cause the conditions set forth in Section 2.3 to be satisfied as promptly as is reasonably practicable and (ii) reasonably coordinate and cooperate with the other Party in providing such information and supplying such assistance as may be reasonably requested by such other Party in connection with the foregoing.

(b) Each Party will cooperate with the other Party with any request for additional information pursuant to Sections 45X and 6418 of the Code or as otherwise required pursuant to temporary, proposed or final Treasury Regulations, or other guidance issued under Sections 45X and 6418 of the Code.

(c) Neither Party will take affirmative actions to become a person related to the other Party within the meaning of Section 267(b) or Section 707(b)(1) of the Code.

(d) Neither Party nor any Affiliate with whom such Party joins in filing federal income Tax Returns as a consolidated group will file its original federal income Tax Return for the Taxable Year in which the Subject Tax Credit was determined before finalizing the Transfer Election Statement with respect to such Subject Tax Credit, such that such Transfer Election Statement will be filed with each Party's applicable Tax Return making the Transfer Election.

(e) The Parties will work together in good faith to update the Transaction Documents to reflect any additional applicable temporary, proposed or final Treasury Regulations or other guidance issued by the U.S. Department of the Treasury or the IRS thereunder after the Execution Date.

(f) The Parties will report the tax treatment of the Purchase Price payments consistent with Sections 6418(b) and 6418(d) of the Code, this Agreement and the Transfer Election Statement.

(g) In the event that subsequent to the Execution Date, there is a Change in Tax Law, the Parties shall work together reasonably and in good faith to amend this Agreement, as necessary, to remain consistent with this intent and commercial agreement of the parties set forth in this Agreement as of the Execution Date and, in all events, shall take any actions or inactions reasonably within their control in order to effectuate the transfer of the Subject Tax Credits as required pursuant to any Change in Tax Law, so long as such Change in Tax Law and/or any required actions or inactions remain consistent with this intent and commercial agreement of the parties set forth in this Agreement as of the Execution Date and do not impose an undue burden on either party.

7.2 Covenants of Purchaser.

- (a) Purchaser shall complete the Transfer Election Statement provided by Seller pursuant to Section 7.3(d) with respect to Purchaser and execute the completed Transfer Election Statement.
- (b) Purchaser shall comply with reporting and information retention requirements necessary for a purchaser of tax credits to claim tax credits, such reporting requirements being consistent with and not substantially more onerous than those applicable as of the Effective Date.
- (c) Purchaser will promptly notify Seller of any Tax Contest with respect to the Subject Tax Credits or the transfer thereof pursuant to this Agreement, the procedure for which is provided in Article 9 of this Agreement.

7.3 Covenants of the Seller.

- (a) Seller will make a related party sale election pursuant to Proposed Treasury Regulation Section 1.45X-2(d)(1)(2) with respect to the Subject Tax Credits on its Tax Return for the 2024 Taxable Year.
- (b) The Seller shall file a Transfer Election (which shall include the completed and executed Transfer Election Statement) with respect to Subject Tax Credits in the time and manner required by Section 6418 of the Code and any applicable temporary, proposed or final Treasury Regulations, or other guidance issued by the U.S. Department of the Treasury or the IRS thereunder.
- (c) Seller will not, and will cause its Affiliates not to, take or fail to take any action that would reasonably be expected to cause a PTC Loss Event.
- (d) Seller will as soon as practicable (and in any event no later than August 15, 2025) deliver a true, correct, and complete Transfer Election Statement substantially in the form of Exhibit B or as otherwise agreed upon by the Parties to reflect any additional applicable temporary, proposed or final Treasury Regulations, or other guidance issued by the U.S. Department of the Treasury or the IRS thereunder after the Execution Date, together with all relevant supporting information (including copies of applicable excerpts from Seller's draft return relating to the Subject Tax Credits) in connection therewith (the "Transfer Election Statement") as completed with respect to Seller and shall execute such Transfer Election Statement promptly after Purchaser completes the Transfer Election Statement with respect to Purchaser pursuant to Section 7.2(a).
- (e) If (i) the Transfer Election Statement provided by Seller pursuant to Section 7.3(d) provides for an eligible credit amount that is less than the amount of the Subject Tax Credits and (ii) Purchaser is liable for an addition to tax (including any interest or penalties in connection therewith) under Section 6655 of the Code as a result of having reduced its estimated tax payments in reliance on the expected delivery of the full amount of the Subject Tax Credits (an "Underdelivery Penalty Amount"), Seller will, within thirty (30) days of being notified of such Underdelivery Penalty Amount, pay to Purchaser an amount equal to the Underdelivery Penalty Amount on an After-Tax Basis.

(f) Seller will promptly notify Purchaser of any Tax Contest with respect to the Subject Tax Credits or the transfer thereof pursuant to this Agreement, the procedure for which is provided in Article 9 of this Agreement.

(g) Seller will not elect any alternative to the Subject Tax Credits or the transfer of Subject Tax Credits pursuant to this Agreement, in each case without the prior written consent of Purchaser in its sole discretion.

(h) Seller will (i) prepare and submit to the IRS (or any other applicable Governmental Authority), on a timely basis, any and all annual reports, information returns and other certifications and information required (1) to ensure that Seller (and Purchaser) qualifies for the Subject Tax Credits and (2) to avoid any PTC Loss Event or the imposition of penalties or interest on Purchaser, its successors and permitted assignees, or Seller or any of its members, for failure to comply with the requirements of the Code, an Excessive Credit Transfer, or any other Applicable Laws, in each case relating to the Tax Credits, including the Subject Tax Credits, and the transfer thereof pursuant to this Agreement, (ii) retain all documents, statements, or information that is required to be retained in order to avoid a PTC Loss Event, and (iii) upon reasonable request, provide the IRS (or other requesting Governmental Authority) any such documents, statements, or information with respect to Seller.

(i) Seller shall not at any time elect to claim any elective payment of applicable credits under Section 6417 of the Code or other cash payment in lieu of the Tax Credits with respect to the sales of Equipment for calendar year 2024, or the qualifying advanced energy project credit pursuant to Section 48C of the Code with respect to any facility at which the Equipment is produced.

(j) As security for the performance of Seller's obligations under Section 7.3(b), Seller hereby grants, effective upon Seller's receipt of the Purchase Price from Purchaser, a continuing, first priority security interest in the Subject Tax Credits, which security interest will be automatically released and terminated without further action by the Parties upon filing of the Transfer Election Statement in accordance with Section 7.3(b). Seller hereby authorizes Purchaser to file the UCC-1 statement with the Delaware Secretary of State at any time after the payment by Purchaser of the Purchase Price. Purchaser hereby authorizes the filing of a UCC-3 termination statement in respect of such UCC-1 filing at any time after the final filing of the Transfer Election Statement.

**Article 8**  
**INDEMNIFICATION**

8.1 Indemnification.

(a) Seller shall indemnify, defend and hold Purchaser harmless, on an after-tax basis pursuant to Section 8.2, (i) from and against any and all loss, disallowance, expense, or deferral of the Subject Tax Credits or an Excessive Credit Transfer penalty imposed under Code Section 6418(g)(2)(C), and, without duplication, (ii) for (A) any inaccuracy or breach of any representation or warranty or covenant contained in any Transaction Document by Seller or its Affiliates to the extent any are party thereto; or (B) fraud, willful misconduct or negligence, in each case, by the Seller or any of its Affiliates under the Transaction Documents (including, without limitation, Purchaser's reasonable documented attorney fees, penalties, interest, and other reasonable documented out-of-pocket expenses), capped at 150% of the total amount of the Subject Tax Credits, in each case other than to the extent attributable to (x) any act, omission or misrepresentation or breach by Purchaser or its Affiliates of their covenants, representations and warranties set forth in the Transaction Documents and (y) Purchaser's tax status or the inability of Purchaser to utilize or otherwise benefit from the Subject Tax Credits.

(b) Purchaser agrees to indemnify, defend and hold harmless Seller and any successor or permitted assignees from and against any and all Claims that are or may be asserted by any Person against Seller or that are otherwise incurred by Seller in each case; resulting from (i) any inaccuracy or breach of any representation or warranty or covenant contained in any Transaction Document by Purchaser or its Affiliates to the extent any are party thereto; or (ii) fraud, willful misconduct or negligence, in each case, by the Purchaser or any of its respective Affiliates under the Transaction Documents.

8.2 Limitation of Liability: After-Tax Basis. Any Party subject to indemnification pursuant to Section 8.1 shall be referred hereinafter as the "Indemnified Party," and any Party subject to the obligation to indemnify shall be referred to hereinafter as the "Indemnifying Party." The indemnification obligations pursuant to Section 8.1 shall be subject to the following limitations, as applicable:

(a) All indemnity payments paid under Section 8.1 shall be paid on an After- Tax Basis, unless a nationally recognized tax counsel selected by Indemnifying Party and reasonably acceptable to the Indemnified Party advises at least at a "more likely than not" level that such payments are not required to be included in the recipient's gross income, in which case the amount of any such claim shall be treated as a non-taxable reimbursement, contribution, purchase price adjustment or return of capital; provided, that if the IRS subsequently determines that any indemnity payment is reportable as income, the Indemnifying Party agrees to indemnify the Indemnified Parties for any underpayment for failure to gross-up such indemnity payment on an After-Tax Basis plus any interest or penalties thereon.

(b) NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NO PARTY WILL BE LIABLE TO ANY OTHER PARTY, ANY SUCCESSORS IN INTEREST, OR ANY BENEFICIARY OR PERMITTED ASSIGNEE OF THIS AGREEMENT FOR SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES RESULTING FROM OR ARISING OUT OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, LOSS OF VALUE, LOSS OF FINANCIAL ADVANTAGE OR LOSS OF PROFIT, HOWEVER CAUSED. THIS PARAGRAPH APPLIES NOTWITHSTANDING THE SOLE, JOINT, OR CONCURRENT NEGLIGENCE, FAULT, OR RESPONSIBILITY OF THE PARTY WHOSE LIABILITY IS WAIVED BY THIS PROVISION, OR ANY OTHER EVENT OR CONDITION, WHETHER ANTICIPATED OR UNANTICIPATED, AND REGARDLESS OF WHETHER PRE-EXISTING BEFORE THE DATE HEREOF, PROVIDED, THAT ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES ACTUALLY RECOVERED BY A THIRD PARTY, SUCH AS AN EXCESSIVE CREDIT TRANSFER RECOVERY, AGAINST A PERSON ENTITLED TO INDEMNITY PURSUANT TO SECTION 8.1, SHALL BE INCLUDED IN THE DAMAGES RECOVERABLE UNDER SUCH INDEMNITY. If the amount of any Indemnified Party's loss at any time subsequent to the Indemnifying Party's making of a payment under this Article 8 is reduced by recovery, settlement, tax benefit, or otherwise under or pursuant to any applicable insurance coverages for the Equipment, Subject Tax Credits or the transactions contemplated herein, the amount of such recoveries (net of all costs and expenses of collection paid to third parties (including court costs and attorney and other advisor fees and expenses) and increases in premiums attributable to such recoveries) shall be repaid by such Indemnified Party to the Indemnifying Party within thirty (30) days after receipt thereof (or credit therefor) by such Indemnified Party, on an After-Tax Basis and up to the aggregate amount of payments made by the Indemnifying Party to such Indemnified Party.

(c) Notwithstanding anything in this Article 8, no Indemnified Party shall be entitled to any indemnification hereunder in respect of any Claims to the extent caused solely by any act, omission or misrepresentation or breach by such Indemnified Party or its Affiliates of their respective covenants, representation and warranties set forth in this Agreement or the other Transaction Documents.

(d) Purchaser's aggregate obligation to indemnify Seller hereunder shall not exceed the aggregate amount of the Purchase Price actually paid to Seller as of the date of such Claim.

(e) Each Indemnified Party shall use commercially reasonable efforts to mitigate any loss upon becoming aware of any event or circumstance resulting in such loss.

(f) Seller's obligation to indemnify the Purchaser for Claims pursuant to this Article shall continue in effect and survive through the applicable statute of limitations (for the avoidance of doubt, including, in the case of any Claims relating to the Subject Tax Credits, the applicable statute of limitations for any applicable tax return, including any extension), plus ninety (90) days.

8.3 No Double Recovery. Any liability for indemnification under this Article 8 shall be determined without duplication of recovery, taking into account any recovery or indemnification under this Agreement or any other Transaction Document.

8.4 Procedure for Indemnification.

(a) Whenever any Claim shall arise for indemnification under this Article 8, the Indemnified Party shall promptly notify the Indemnifying Party of the Claim and, when known, provide a good faith description of the facts constituting the basis for such Claim, including copies of all material written evidence thereof; provided, that the failure of an Indemnified Party to give timely notice shall not affect its rights to indemnification under this Article 8, except to the extent that the Indemnifying Party has been actually prejudiced by such failure. In the event of any such claim for indemnification hereunder resulting from or in connection with any Claim by a third party, the notice shall specify, if known, the amount or an estimate of the amount of the liability arising therefrom.

(b) The Indemnifying Party shall make payment to the Indemnified Party for any undisputed Claim within ten (10) Business Days of receipt of the Indemnified Party's notice pursuant to Section 8.4(a).

(c) With respect to any Claim other than a Tax Contest, which shall be subject to the provisions of Section 9.1:

(i) The Indemnified Party shall not settle, consent to the entry of a judgment of or compromise any Claim for which it is entitled to indemnification hereunder without the prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) of the Indemnifying Party, unless the Indemnified Party waives the Indemnifying Party's indemnity obligation with respect to such Claim.

(ii) In connection with any Claim which may give rise to indemnity hereunder resulting from or arising out of any Third Party Claim, the Indemnifying Party, may, upon written notice to the Indemnified Party, assume the defense of any such Third Party Claim, which defense shall be prosecuted by the Indemnifying Party to a final conclusion or settlement in accordance with the terms hereof; provided, however, the Indemnifying Party may not assume such defense if under applicable standards of professional conduct, a conflict of interest on any significant issue related to such proceeding exists between the Indemnifying Party, on the one hand, and an Indemnified Party, on the other hand, as determined by outside legal counsel to the Indemnifying Party.

(iii) If the Indemnifying Party assumes the defense of any such Claim, the Indemnifying Party shall (i) select counsel reasonably acceptable to the Indemnified Party to conduct the defense of such Claim, and (ii) take all steps necessary and reasonable in the defense or settlement thereof, at its sole cost and expense. The Indemnified Party shall be entitled to participate in (but not control) the defense of any such action, with its own counsel and at its sole cost and expense.

The Indemnifying Party may not settle or otherwise dispose of any such Claim without first obtaining written consent from the Indemnified Party of such settlement or disposition, such consent not to be unreasonably withheld, conditioned or delayed unless (x) the settlement involves only payment of money damages, (y) all such money damages will be the responsibility of, and paid by, the Indemnifying Party, and (z) the settlement contains a legally binding, unconditional and irrevocable releases of the Indemnified Party from all liabilities with respect to such claim.

(iv) The Indemnifying Party shall (with the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld, conditioned or delayed)) have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right, at its own cost and expense, to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof.

(v) If the Indemnifying Party does not assume the defense of any such Claim resulting therefrom within thirty (30) days after the date the Indemnifying Party is notified of such claim by the Indemnified Party, or otherwise notifies the Indemnified Party that it has elected not to assume the defense: (i) the Indemnified Party may defend against such Claim, at the sole cost and expense (which cost and expense shall be reasonable) of the Indemnifying Party, in such manner as it may deem reasonably appropriate, including settling such Claim, subject to the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned or delayed), and (ii) the Indemnifying Party shall be entitled to participate in (but not control) the defense of such action, with its counsel and at its sole cost and expense.

## Article 9 TAX CONTESTS

### 9.1 Procedure for Tax Contests

(a) In the case of a Tax Contest brought forth against Seller, Seller and its Affiliates shall have the right to control such Tax Contest.

(b) In the case of a Tax Contest brought forth against Purchaser or any Person owned or controlled by Purchaser with respect to any Subject Tax Credits, Purchaser shall have the right to control such Tax Contest.

(c) Notwithstanding Sections 9.1(a) and 9.1(b), with respect to any Tax Contest, (i) any Party receiving notice of such Tax Contest shall promptly notify the other Party upon receipt of notice of such Tax Contest and keep the non-controlling Party reasonably informed as to the status, including any material developments, of such Tax Contest, including regarding any information document requests or other written inquiries received from the IRS regarding the Subject Tax Credits, (ii) the non-controlling Party shall have the right to participate in such Tax Contest and attend any meetings or conferences or substantive calls with the relevant Governmental Authority, and the controlling Party shall provide the non-controlling Party with reasonable advance notice of any such conferences or substantive calls, at its own sole cost and expense, (iii) the non-controlling Party shall have the opportunity to review and timely provide comments on any submissions to a Governmental Authority, and such comments shall be considered in good faith, and to the extent reasonable included in such submission, by the Party controlling the Tax Contest, and (iv) without obtaining the prior written consent of the non-controlling Party (which consent shall not be unreasonably withheld, conditioned or delayed), the controlling Party shall not (A) file a petition for judicial review, (B) file a request for an administrative adjustment, (C) make any waiver in respect of adjustments for math or clerical errors, (D) enter into an agreement extending the period of limitations; (E) settle, compromise, or abandon a dispute or pay any tax related to any such Tax Contest (including as part of a larger settlement agreement) or (F) reject an offer of settlement or compromise proposed by the IRS or other relevant Governmental Authority with respect to such Tax Contest; provided that Purchaser shall have the right to settle a Tax Contest described in Section 9.1(b) without the consent of Seller if Purchaser waives the indemnification payment by Seller of any amount that could otherwise be payable pursuant to this Agreement.

9.2 Credit Support

(a) If, at any time during the term of this Agreement or of the Guaranty, Seller receives a 30-Day Letter from the IRS or Purchaser informs Seller that Purchaser has received a 30-Day Letter from the IRS, in each case with respect to any Tax Contest regarding the Subject Tax Credits, Seller shall within twenty-one (21) days after the date on which Seller or Purchaser submits a protest to the IRS Independent Office of Appeals in respect of such 30-Day Letter:

(i) deliver to Purchaser evidence reasonably acceptable to Purchaser that Guarantor has the Required Credit Rating;

(ii) deliver to Purchaser a legal opinion, in form and substance reasonably acceptable to Purchaser, from a nationally recognized law firm (which, for the avoidance of doubt, shall include Holland & Knight LLP) stating that Seller “should” be entitled to claim and transfer the Subject Tax Credits, taking into account the positions stated in any Notice(s) of Proposed Adjustment issued by the IRS Examination Division; or

(iii) provide Credit Support to Purchaser.

(b) If Seller has delivered to Purchaser evidence that Guarantor has the Required Credit Rating pursuant to subclause (i) of Section 9.2(a) and Guarantor subsequently ceases to have the Required Credit Rating, Seller shall promptly (and in any event within twenty (20) Business Days) after such cessation provide a legal opinion pursuant to subclause (ii) or Credit Support pursuant to subclause (iii) of Section 9.2(a). Seller shall maintain such Credit Support during any period in which (x) Guarantor does not have or maintain the Required Credit Rating and (y) Seller has not delivered a legal opinion pursuant to subclause (ii) of Section 9.2(a) until the conclusion of the applicable Tax Contest (including any appeals).

(c) If, at any time during the term of this Agreement or of the Guaranty, Seller receives a “90-Day Letter” from the IRS or Purchaser informs Seller that Purchaser has received a “90-Day Letter” from the IRS, in each case with respect to any Tax Contest regarding the Subject Tax Credits, Seller shall within thirty (30) days after the date of such “90-Day Letter”:

- (i) deliver to Purchaser evidence reasonably acceptable to Purchaser that Guarantor has the Required Credit Rating; or
- (ii) provide Credit Support to Purchaser.

(d) If Seller has delivered to Purchaser evidence that Guarantor has the Required Credit Rating pursuant to subclause (i) of Section 9.2(c) and Guarantor subsequently ceases to have the Required Credit Rating, Seller shall promptly (and in any event within ten (10) Business Days) after such cessation provide Credit Support pursuant to subclause (ii) of this Section 9.2(c). Seller shall maintain any Credit Support provided under Section 9.2(c) during any period in which Guarantor does not have or maintain the Required Credit Rating until the conclusion of the applicable Tax Contest (including any appeals).

(e) In the event that Seller actually provides any Credit Support in the event of a Tax Contest to any other buyer of Tax Credits, Seller shall provide such benefits to Purchaser, provided it has not previously provided the same or substantially similar Credit Support to the Purchaser under the terms of this Agreement. Seller shall, within seven (7) days of the provision of such benefits, provide evidence of the Credit Support to Purchaser.

## **Article 10 TERMINATION**

10.1 Termination. This Agreement may be terminated at any time only as follows:

- (a) By mutual written agreement of Seller and Purchaser;
- (b) By Purchaser, if Purchaser is not in breach of any representations, warranties, covenants and agreements contained in this Agreement, upon written notice to Seller if any of the representations or warranties of Seller set forth in Article 4 or Article 6 have been materially breached or if Seller failed to perform any of its covenants contained in this Agreement (including a funding obligation), in either case so as to prevent the satisfaction of any condition to the obligations of Purchaser at any funding from being made, but only if (x) Purchaser has first given written notice to Seller identifying such breach, and (y) Seller has not cured or remedied such breach (including, where payment of compensation would reasonably be considered an adequate remedy, the payment of such adequate compensation) within thirty (30) days of receipt of such notice; provided, that the foregoing cure period of Seller shall not be available with respect to a violation, breach or failure to perform any covenant or agreement required to be performed by Seller on a Tax Credit Transfer Date;

(c) By Seller, if Seller is not in breach of any representations, warranties, covenants and agreements contained in this Agreement, upon written notice to Purchaser if any of the representations or warranties of Purchaser set forth in Article 5 or Article 6 shall either be or have become inaccurate or Purchaser shall have breached or failed to perform any of its covenants contained in this Agreement (including a funding obligation), but only if (x) Seller has first given written notice to Purchaser identifying such breach, and (y) Purchaser has not cured or remedied such breach (including, where payment of compensation would reasonably be considered an adequate remedy, the payment of such adequate compensation) within five (5) Business Days of receipt of such notice; provided, that the foregoing cure period of Purchaser shall not be available with respect to any violation, breach or failure to perform any covenant or agreement required to be performed by Purchaser on a Tax Credit Transfer Date;

(d) By either Party if a Change in Tax Law occurs and would reasonably be expected to limit the availability of the Subject Tax Credits or materially and adversely change or limit the issuance or transfer of the Subject Tax Credits by Seller to Purchaser, or materially adversely change or limit Purchaser's ability to utilize the Subject Tax Credits; or

(e) By Purchaser, if Seller fails to deliver the Transfer Election Statement to Purchaser on or before August 15, 2025 in accordance with Section 7.3(d).

10.2 Effect of Termination. In the event of a termination of this Agreement as provided in Section 9.1, this Agreement shall cease to have force and effect, and there shall be no further liability or obligation on the part of Seller or Purchaser, except that:

(a) the provisions of Article 8, Article 10 and this Section 9.2 shall continue to apply following any such termination until the expiration of any related statute of limitations of similar period under which the value or amount of, or Purchaser's rights to, the Subject Tax Credits may be challenged;

(b) each Party shall continue to be liable for any breach by such Party of this Agreement occurring prior to such termination;

(c) in the event of a termination of this Agreement pursuant to Section 10.1(d), if due to such Change in Tax Law, Seller is unable to properly deliver a Transfer Election Statement to Purchaser for the full amount of the Subject Tax Credits, Seller shall refund to Purchaser the amount of the Purchase Price attributable to the difference between the amount of Subject Tax Credits purchased by Purchaser under this Agreement and the amount of Subject Tax Credits provided to Purchaser on the Transfer Election Statement; and

(d) in the event of a termination of this Agreement pursuant to Section 10.1(e) and without prejudice to any other rights, including any indemnification rights, of Purchaser under this Agreement, Seller shall within five (5) Business Days after such termination refund to Purchaser any amount of the Purchase Price paid prior to such Termination.

## **Article 11 MISCELLANEOUS**

11.1 No Waiver. No waiver by any Party of any default of the terms and conditions of this Agreement by the Party will be effective unless made in writing and signed by the non- defaulting Party.

11.2 Entire Agreement; Written Modifications. This Agreement (including the Exhibits and Schedules hereto) and the other Transaction Documents together contain the entire agreement between the Parties with respect to the subject matter hereof; and any and all prior agreements between the Parties with respect to the subject matter hereof are hereby cancelled, terminated and superseded in their entirety. This Agreement and the other Transaction Documents may each be amended, restated, supplemented, or otherwise modified only by written agreement of the Parties or as otherwise expressly provided herein or therein.

11.3 Confidentiality. The Parties acknowledge that the existence and content of this Agreement and any information disclosed by either Party in connection with this Agreement shall be subject to the Mutual NDA.

### 11.4 Announcements; Branding.

(a) Neither Party shall make any public announcement or issue any form of external communication in connection with this Agreement or the transactions contemplated hereby unless the form and content of such announcement or communication has been submitted to, and agreed in writing by, the other Party; *provided* that such requirement shall not apply to any announcement or communication required to be made by a Party pursuant to any Applicable Law. The Party required by Applicable Law to make such announcement or communication shall make commercial reasonable efforts to notify the other Party in advance of any such announcement or communication and to consider in good faith any comments from such other Party.

(b) Neither Party may use the name, brands or logos of the other Party in any marketing or other materials unless such material has been reviewed and approved in writing by such other Party.

11.5 Expenses; Legal Fees. Except as separately agreed in writing, each Party shall bear its own costs and expenses (including costs and expenses of its counsel) with respect to the transactions contemplated hereby, and the preparation and negotiation of, and entry into, the Transaction Documents, except that Seller will, within thirty (30) days of receipt of an invoice therefor reimburse Purchaser for up to two hundred thousand dollars (\$200,000) of reasonable and documented legal costs and expenses in connection with the transactions contemplated hereby.

11.6 Binding Effect: Assignment. This Agreement and the sale of the Subject Tax Credits that are the subject of this Agreement shall bind upon and inure to the benefit of the Parties and their respective permitted assignees, transferees and successors. Unless specifically provided otherwise herein, this Agreement may not be assigned by either Party, in whole or in part, without the prior written consent of the other Party, not to be unreasonably withheld; provided, for the avoidance of doubt, that it shall be reasonable for either Party to withhold such consent if (i) such assignment would be to a Disqualified Person or (ii) such Party determines that the assignment by such other Party could reasonably be expected to have a Material Adverse Effect on such Party.

11.7 Further Assurances. Each of the Parties will provide such information, execute, and deliver any instruments and documents and to take such other actions as may be reasonably necessary and that are not inconsistent with the provisions of this Agreement and the other Transaction Documents, to give full effect to this Agreement and the other Transaction Documents and to consummate the transactions contemplated hereunder.

11.8 Severability. If any provision of this Agreement is held invalid or unenforceable, such holding or action will be strictly construed and will not affect the validity or effect of any other provision hereof or thereof.

11.9 Governing Law: Waiver of Jury Trial. The Transaction Documents (that were not previously executed prior to the date hereof) will be governed by the laws of the State of New York, without giving effect to its conflict of laws principles that could cause the laws of another jurisdiction to apply (other than Sections 5-1401 and 5-1402 of the New York General Obligations Law). Each Party to this Agreement irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against any other Party, or any Affiliate thereof in any way relating to this Agreement or the transactions relating hereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each Party agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each Party to this Agreement irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement in any court referred to in this Section 10.8. Each Party hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.10 Notices. All notices, consents, demands, requests or other communications which may be or are required to be given under this Agreement shall be in writing and shall (a) be sent by overnight courier, e-mail or United States mail, addressed to the recipient, postage paid, and registered or certified, return receipt requested, or delivered to the recipient in person and (b) be sent or delivered at the addresses set forth on the signature page of this Agreement or such other address as a Party may specify by notice to the other Party. Notices, consents, demands, requests and other communications shall be deemed effective or served on the date of receipt at the address of the Person to receive it; provided that an e-mail transmission that is transmitted after the normal business hours of the recipient shall be deemed effective on the next Business Day.

11.11 Relationship of Parties. Nothing contained in this Agreement and no act undertaken by the Parties or their respective Affiliates, as applicable, with respect to this Agreement or the transactions contemplated hereby shall constitute or be deemed to have constituted a partnership, joint venture, unincorporated association, fiduciary relationship or other collaborative entity, nor shall this Agreement or the transactions contemplated hereby create any relationship of commercial representation.

11.12 Counterparts. This Agreement and the other Transaction Documents (that were not previously executed prior to the date hereof) may each be executed and delivered by the Parties by electronic format (including portable document format (.pdf)) in any number of counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute but one and the same instrument.

11.13 Specific Performance. The Parties agree that if any of the provisions of this Agreement were not performed in accordance with their specific terms, irreparable damage would occur, no adequate remedy at law would exist and damages would be difficult to determine, and the Parties shall be entitled to specific performance of the terms hereof and injunctive relief, without the necessity of proving the inadequacy of money damages as a remedy, in addition to any other remedy available at law or in equity.

*[Signature page follows.]*

IN WITNESS WHEREOF, the Parties have duly executed *this* Agreement as of the Execution Date.

PURCHASER:

**GENWORTH FINANCIAL, INC.**

By: /s/ Lisa J. Baldyga  
Name: Lisa J. Baldyga  
Title: Vice President and Treasurer

Genworth Financial, Inc.  
11011 West Broad Street  
Glen Allen, VA 23060  
Attn: David Kurzawa  
Email: [\*]

With a copy to:

Weil Gotshal & Manges LLP  
767 Fifth Ave  
New York, NY 10153  
Attn: Steven Lorch  
Email: [\*]

[Signature Page to Tax Credit Purchase and Sale Agreement]

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IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the Execution Date.

SELLER:

**SOLAREEDGE MANUFACTURING, INC.**

By: /s/Ariel Porat  
Name: Ariel Porat  
Title: Chief Financial Officer

700 East Tasman Drive  
Milpitas, California 95035  
Attn: Dr. Doron Herman, Adv., VP Tax  
Email: [\*]

With a copy to:

Holland & Knight LLP  
800 17th Street, NW  
Washington, DC 20006  
Attn: Amish Shah  
Email: [\*]

[Signature Page to Tax Credit Purchase and Sale Agreement]

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**EXHIBIT A  
TO TAX CREDIT PURCHASE AND SALE AGREEMENT**

**FORM OF TAX CREDIT TRANSFER DATE CERTIFICATE**  
(Delivered pursuant to Section 2.3)

Date: [●]

Genworth Financial, Inc.  
11011 West Broad Street  
Glen Allen, VA 23060  
Attn: Craig Pichette  
David Kurzawa  
Email: [\*]  
[\*]

With a copy to:

Weil Gotshal & Manges LLP  
767 Fifth Ave  
New York, NY 10153  
Attn: Steven Lorch  
Email: [\*]

Re: Tax Credit Transfer Date Certificate

Ladies and Gentlemen:

This certificate ("Tax Credit Transfer Date Certificate") is delivered pursuant to Section 2.3 of that certain Tax Credit Purchase and Sale Agreement, dated as of [\_\_\_\_], 2024 (as amended, amended and restated, modified or supplemented from time to time, the "Agreement"), by and among Genworth Financial, Inc. ("Purchaser") and SolarEdge Manufacturing Inc. ("Seller"), with respect to the Subject Tax Credits generated with respect to the production and sale of Equipment during the Production Period. Capitalized terms used and not defined herein shall have the meanings specified in the Agreement.

I, [●], am a duly authorized officer of Seller. I do hereby certify, solely in such capacity, and not in my individual capacity, on behalf of Seller, as of the applicable Tax Credit Transfer Date, as follows:

- (a) each of the representations and warranties in the Agreement and the other Transaction Documents is true and correct in all material respects (except for such representations and warranties that are qualified by materiality, Material Adverse Effect or any similar qualification or exception, which are true and correct in all respects) as of such Tax Credit Transfer Date, unless such representation or warranty relates solely to an earlier date, in which case it was true and correct in all material respects as of such earlier date;
- (b) no event has occurred and is continuing which would prevent the production and sale of the Equipment from qualifying for the Tax Credits or would otherwise result in the inability of Seller to transfer the Subject Tax Credits to Purchaser;
- (c) there is no litigation pending, or threatened in writing, against any Seller challenging the validity or enforceability, or seeking to enjoin the performance of any Transaction Document or the Agreement; and
- (d) all Transaction Documents have been entered into and remain in full force and effect and no event of default exists under any Transaction Document on the part of any Seller party thereto that could reasonably be expected to have a Material Adverse Effect.

**[SIGNATURE PAGE TO FOLLOW]**

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above. **IN WITNESS WHEREOF**, the undersigned has duly executed this Tax Credit Transfer Date Certificate on behalf of Seller as of the date first written

**SolarEdge Manufacturing Inc.,**  
as Seller

By: \_\_\_\_\_  
Name: [●]  
Title: [●]

**EXHIBIT B  
TO TAX CREDIT PURCHASE AND SALE AGREEMENT**

**Form of Transfer Election Statement  
TRANSFER ELECTION STATEMENT**

This Transfer Election Statement is made by [●] (“*Eligible Taxpayer*”), and [●] (“*Transferee Taxpayer*”), with respect to the credit related to the eligible credit property of the Eligible Taxpayer known as [ ] for the calendar year ended December 31, 20[24] in accordance with Section 6418 of the Code and the Treasury Regulations thereunder (the “*Regulations*”).

(i) ELIGIBLE TAXPAYER

Name:  
Address:  
Taxpayer Identification Number:

TRANSFEREE TAXPAYER

Name:  
Address:  
Taxpayer Identification Number:

- (ii) This election is made with respect to the advanced manufacturing production credit determined with respect to residential inverters which are considered eligible credit property pursuant to Section 45X of the Internal Revenue Code of 1986, as amended (the “*Code*”). The total amount of the credit determined with respect to the eligible credit property is \$[ ]. The amount of the transferred specified credit portion is \$[ ].
- (iii) The taxable year of the Eligible Taxpayer is [ ].
- (iv) The first taxable year in which the specified credit portion will be taken into account by the Transferee Taxpayer is [ ].
- (v) The amount of the cash consideration paid for the specified credit portion is \$[ ] and was paid by the Transferee Taxpayer to the Eligible Taxpayer on [ ].
- (vi) The registration number(s) assigned to the eligible credit property is [ ].
- (vii) The Eligible Taxpayer (or any member of its consolidated group) is not related to the Transferee Taxpayer (or any member of its consolidated group) within the meaning of Sections 267(b) or 707(b)(1) of the Code.
- (viii) The Eligible Taxpayer has or will comply with all requirements of Section 6418 of the Code, the Regulations, and the provisions of the Code applicable to the eligible credit.
- (ix) The Eligible Taxpayer has provided the required minimum documentation (as described in Section 1.6418-2(b)(5)(iv) of the Regulations) to the Transferee Taxpayer.
- (x) The Transferee Taxpayer acknowledges that the Transferee Taxpayer must retain the required minimum documentation (consistent with Section 1.6001-1(e) of the Treasury Regulations) provided by the Eligible Taxpayer as long as the contents thereof may become material in the administration of any internal revenue law.

[Signature Page Follows]

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This Transfer Election Statement is hereby made by the Eligible Taxpayer on this [ ] day of [\_\_\_\_], 202[ ].

Under penalties of perjury, I declare that I have examined this Transfer Election Statement and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of the Eligible Taxpayer and legally bind the Eligible Taxpayer.

**ELIGIBLE TAXPAYER:**

[\_\_\_\_],  
a [●]

By: \_\_\_\_\_  
Name:  
Title:

This Transfer Election Statement is hereby consented to by the Transferee Taxpayer on this [ ] day of [\_\_\_\_], 202[ ].

Under penalties of perjury, I declare that I have examined this Transfer Election Statement and consented to it, and I further declare that I have authority to sign this document on behalf of the Transferee Taxpayer and legally bind the Transferee Taxpayer.

**TRANSFEREE TAXPAYER:**

[\_\_\_\_],  
a [●]

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT C  
TO TAX CREDIT PURCHASE AND SALE AGREEMENT**

**Seller's Account Details**

**[Intentionally Omitted]**

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**[Certain information has been omitted from the exhibit pursuant to Item 601(b)(10)(iv) because it is both not material and is the type of information that the registrant treats as private or confidential. Such information has been omitted from this exhibit in places marked "[\*]."]**

**[Certain personally identifiable information has been omitted from this exhibit in places marked "[\*]" pursuant to Item 601(a)(6) of Regulation S-K.]**

#### **GUARANTY**

This GUARANTY (this "Guaranty") is made as of November 4, 2024 (the "Effective Date"), by SolarEdge Technologies, Inc., a Delaware corporation (the "Guarantor"), in favor of Genworth Financial, Inc., a Delaware Corporation (the "Guaranteed Party").

A. WHEREAS, the Guarantor desires to have the Guaranteed Party enter into that certain Tax Credit Purchase and Sale Agreement, dated as of the Effective Date (the "Transfer Agreement"), with SolarEdge Manufacturing, Inc., a corporation organized under the laws of Delaware (the "Seller").

B. WHEREAS, as of the Effective Date, Guarantor holds 100% of the outstanding equity interests in Seller.

C. WHEREAS, the Guaranteed Party is willing to enter into the Transfer Agreement with the Seller on the condition, among others, that certain of the Seller's payment obligations under the Transfer Agreement are guaranteed by the Guarantor, on the terms set forth in this Guaranty.

NOW, THEREFORE, in consideration of the premises and in order to induce the Guaranteed Party to enter into the Transfer Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor hereby agrees as follows:

#### **1. Definitions.**

1.1 Defined Terms. As used in this Guaranty, the capitalized terms defined in the preamble, preliminary statements and other sections of this Guaranty shall have the respective meanings specified therein; capitalized terms not defined in this Guaranty shall have the meanings given to such terms in the Transfer Agreement.

1.2 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be modified by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified in accordance with the provisions hereof and thereof; (b) any reference herein to any person shall be construed to include such person's successors and permitted assigns; (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Guaranty in its entirety and not to any particular provision of this Guaranty; and (d) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties. Article and section headings used herein are for convenience of reference only, are not part of this Guaranty and shall not affect the construction of, or be taken into consideration in interpreting, this Guaranty.

2. **Guaranty.**

2.1 **Irrevocable Guaranty.**

(a) The Guarantor hereby absolutely, unconditionally and irrevocably guarantees, as a primary obligor and not merely as a surety, to the Guaranteed Party and its successors, permitted endorsees, permitted transferees and permitted assigns pursuant to the terms of the Transfer Agreement, the full and prompt payment when due of all payment obligations of, and all amounts payable by, the Seller under the Transfer Agreement (the "Guaranteed Obligations"). If for any reason any Guaranteed Obligation shall not be paid promptly when due, then in each such instance upon written demand of payment made by the Guaranteed Party to the Guarantor, the Guarantor shall promptly (and in any case within ten (10) Business Days of such written demand) pay the same to or for the benefit of the Guaranteed Party.

(b) Whether or not legal action is instituted, the Guarantor agrees to reimburse the Guaranteed Party on written demand for all reasonable attorneys' fees and disbursements and all other reasonable and documented costs and expenses incurred by the Guaranteed Party in successfully enforcing its rights under this Guaranty. Notwithstanding the foregoing, the Guarantor shall have no obligation to pay any such costs or expenses if, in any action or proceeding brought by the Guaranteed Party giving rise to a demand for payment of such costs or expenses, it is finally adjudicated by a court of competent jurisdiction that the Guarantor is not liable to make any payment under Section 2.1(a) of this Guaranty.

(c) To the extent the Seller would be required to gross up any payments pursuant to the Transfer Agreement, any corresponding payment by the Guarantor hereunder shall be grossed up and paid on an After-Tax Basis (as such term is defined in the Transfer Agreement) in the same manner and to the same extent as provided in the Transfer Agreement; provided, however, that the Guarantor will not be required to pay any additional amounts to the Guaranteed Party under this Section 2.1(c) to the extent that such additional amounts would not be required to be paid but for the Guaranteed Party's failure to deliver to the Guarantor any duly completed and executed forms, documents or certificates as may be required and as requested by Guarantor, including, without limitation, the appropriate United States Internal Revenue Service Form W-9 (or any successor thereto).

(d) Each payment under this Guaranty shall be made in United States dollars.

(e) The obligations of the Guarantor as set forth in this Guaranty shall be solely the obligations of the Guarantor and shall not be or be deemed to be obligations of any past, present or future stockholder, partner, member, director or officer of the Guarantor.

2.2 No Subrogation. The Guarantor will not exercise any rights that it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, until all of the Guaranteed Obligations shall have been indefeasibly paid in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all of the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Guaranteed Party and shall forthwith be paid to the Guaranteed Party to be credited and applied to such Guaranteed Obligations, whether matured or unmatured, in accordance with the terms of the Transfer Agreement. If (a) the Guarantor shall make a payment to the Guaranteed Party of all or any part of the Guaranteed Obligations and (b) all of the Guaranteed Obligations shall be indefeasibly paid in full, the Guaranteed Party will, at the Guarantor's request and expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Guaranteed Obligations resulting from such payment by the Guarantor.

2.3 No Effect on Guaranty. The obligations of the Guarantor under this Guaranty shall not be altered, limited, impaired or otherwise affected by, and the Guarantor hereby irrevocably and absolutely waives any defense based on:

(a) any rescission of any demand for payment of any of the Guaranteed Obligations or any failure by the Guaranteed Party to make any such demand on the Seller;

(b) any renewal, extension, modification, amendment, acceleration, compromise, waiver, indulgence, rescission, discharge, surrender or release, in whole or in part, or any assignment or transfer, of the Transfer Agreement or the Guaranteed Obligations or any other instrument or agreement evidencing, relating to, securing or guaranteeing any of the Guaranteed Obligations, or the liability of any party to any of the foregoing or for any part thereof;

(c) the validity, regularity or enforceability of any of the Guaranteed Obligations;

(d) any change, whether direct or indirect, in the Guarantor's relationship to the Seller, including any such change by reason of any merger or consolidation or any sale, transfer, issuance, spin-off, distribution or other disposition of any stock, equity interest or other security of the Seller, the Guarantor or any other entity;

(e) any act or omission of the Guaranteed Party relating in any way to the Guaranteed Obligations or to the Seller, including any failure to bring an action against any party liable on the Guaranteed Obligations, or any party liable on any other guaranty of the Guaranteed Obligations; and

(f) any proceeding, voluntary or involuntary, involving bankruptcy, insolvency, receivership, reorganization, arrangement, composition, liquidation, dissolution or similar proceeding with respect to the Seller or any defense which the Seller may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding.

Notwithstanding the foregoing, the Guarantor shall be entitled to assert any and all rights, setoffs, counterclaims and other defenses which the Seller may have to payment of any of the Guaranteed Obligations, other than defenses based upon (1) lack of authority, capacity, legal right or power of the Seller to enter into and/or perform its obligations under the Transfer Agreement, (2) any bankruptcy, insolvency, reorganization, arrangement, composition, liquidation, dissolution or similar proceeding with respect to the Seller, or (3) any defense based upon or relating to any lack of enforceability of or defect or deficiency in the Transfer Agreement to the extent addressed in Section 2.3(c) hereof.

#### 2.4 Continuing Guaranty; Termination

(a) This Guaranty shall be construed as a continuing, absolute and unconditional guaranty of payment of the Guaranteed Obligations when due (subject to the notice provisions of this Guaranty), and not of collection only, and except as otherwise provided in this Guaranty, the obligations of the Guarantor hereunder shall not be conditioned or contingent upon the pursuit by the Guaranteed Party at any time of any right or remedy against the Seller or against any other person that may be or become liable in respect of all or any part of the Guaranteed Obligations.

(b) Subject to Section 2.5, this Guaranty shall remain in full force and effect until the earliest of (i) the date on which all of the Guaranteed Obligations shall have been indefeasibly paid in full; (ii) the Termination of the Transfer Agreement by mutual agreement of the Parties, pursuant to Section 10.1 of the Transfer Agreement (the "Termination Date"); or (iii) the date on which the Seller shall no longer have any payment obligations under the Transfer Agreement (provided that any payment obligation of Seller under the Transfer that would continue but for a defense available to Seller that is waived by Guarantor under Section 2.3 shall be deemed to continue for purposes of this Section 2.4(b)(iii), *provided*, however, that in the event the Guaranteed Party shall have given notice to the Guarantor of any claim hereunder prior to the date on which this Guaranty would otherwise terminate under this Section 2.4, the Guaranty shall remain in effect until the satisfaction of such claim for purposes of such claim.

(c) After the Termination Date, except for claims asserted against the Guarantor prior to the Termination Date (which claims shall survive the Termination Date until resolved in accordance with the terms of this Guaranty), this Guaranty and all obligations of the Guarantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party. At the request and sole expense of the Guarantor following any such termination, the Guaranteed Party shall execute and deliver to the Guarantor such documents as the Guarantor shall reasonably request to evidence such termination and the Guaranteed Party shall promptly return any originally executed copies of this Guaranty to the Guarantor.

2.5 Reinstatement of Guaranty. This Guaranty shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Guaranteed Obligations is avoided, rescinded or must otherwise be restored or returned by the Guaranteed Party to the Seller, the Guarantor, or any of its respective representatives for any reason including as a result of any insolvency, bankruptcy or reorganization proceeding with respect to the Seller or the Guarantor, all as though such payment had not been made.

2.6 No Consequential Damages. In no event shall the Guarantor be subject to any consequential, exemplary, special, indirect, incidental or punitive damages (including any damages on account of lost profits or opportunities or business interruption and the like), whether by statute, in tort or under contract, under any indemnity provision or otherwise.

3. **Representations and Warranties of the Guarantor.** The Guarantor hereby represents and warrants to the Guaranteed Party as of the Effective Date, as follows:

3.1 The Guarantor is a corporation, duly incorporated, validly existing and in good standing under laws of the State of Delaware.

3.2 The Guarantor has full power, authority and legal right to execute and deliver this Guaranty and to perform its obligations hereunder.

3.3 The execution, delivery and performance of this Guaranty have been duly authorized by all necessary corporate action on the part of the Guarantor.

3.4 This Guaranty has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally or by general principles of equity.

3.5 All consents, authorizations, approvals and clearances and notifications, reports and registrations requisite for its due execution, delivery and performance of this Guaranty have been obtained from or, as the case may be, filed with the relevant Governmental Authorities having jurisdiction and remain in full force and effect and all conditions thereof have been duly complied with and no other action by, and no notice to or filing with, any Governmental Authority having jurisdiction is required for such execution, delivery or performance.

3.6 The execution and delivery by the Guarantor of this Guaranty do not and the performance by the Guarantor of its obligations hereunder will not, (i) conflict with or cause a breach of any provision in the certificate of incorporation, bylaws or other organizational document of the Guarantor, or (ii) cause a breach of, constitute a default under, cause the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any authorization, consent, waiver or approval under any contract, license, instrument, decree, judgment or other arrangement to which the Guarantor is a party or under which it is bound or to which any of its assets are subject except (in the case of this clause (ii)) for any that would not reasonably be expected to have a Material Adverse Effect.

3.7 The Guarantor is solvent and no event of bankruptcy has occurred and is continuing with respect to the Guarantor.

3.8 There is no claim, action, suit, investigation or proceeding (including any arbitration proceeding) of any nature, at law or in equity, pending or threatened in writing by or against it involving, affecting or relating to the transactions contemplated under this Guaranty or its ability to consummate the transactions contemplated under this Guaranty, at law or at equity, or before or by any Governmental Authority or arbitral body. The Guarantor is not subject to any order, writ, judgment, award, injunction or decree of any Governmental Authority or arbitral body involving, affecting or relating to the transactions contemplated under this Guaranty or its ability to consummate the transactions contemplated under this Guaranty.

3.9 The Guarantor directly and beneficially owns 100% of the issued and outstanding shares of the Seller.

**4. Guarantor's Waivers; Reliance.**

4.1 Guarantor's Waivers. The Guarantor hereby irrevocably and absolutely waives:

(a) any and all notice of the creation, renewal, extension or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by the Guaranteed Party upon this Guaranty or acceptance of this Guaranty;

(b) presentment, demand (other than demand delivered pursuant to Section 2.1(a) hereof), notice, and protest of all instruments included in or evidencing any of the Guaranteed Obligations and all other demands (other than demand delivered pursuant to Section 2.1(a) hereof) and notices in connection with the delivery, acceptance, performance, default or enforcement of any such instrument or this Guaranty;

(c) any right to require the Guaranteed Party to proceed against the Seller, or to pursue any other remedy in the Guaranteed Party's power before proceeding against the Guarantor;

(d) any defense based upon an election of remedies by the Guaranteed Party, which destroys or otherwise impairs the subrogation rights of the Guarantor, the right of the Guarantor to proceed against the Seller for reimbursement, or both;

(e) except as set forth in the last paragraph of Section 2.3 hereof, any defense based on any offset against any amounts which may be owed by any Person to the Guarantor for any reason whatsoever; and

(f) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal.

4.2 **Reliance.** The Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted, incurred, renewed, extended, amended or waived in reliance upon this Guaranty, and all dealings between the Guarantor and the Guaranteed Party shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty.

5. **Amendment.** This Guaranty may not be modified, amended, terminated or revoked, in whole or in part, except by an agreement in writing signed by the Guaranteed Party and the Guarantor. No waiver of any term, covenant or provision of this Guaranty, or consent given hereunder, shall be effective unless given in writing by the Guaranteed Party.

6. **Notices.** All notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been sufficiently given to any party hereto if personally delivered or if sent by email and followed promptly by registered or certified mail, return receipt requested, or by recognized courier service, postage or other charges prepaid addressed as follows:

(a) If to the Guarantor:

SolarEdge Technologies, Inc.  
700 East Tasman Drive  
Milpitas, California 95035  
Attn: General Counsel  
Email: [\*]

With a copy to:

Holland & Knight LLP  
800 17<sup>th</sup> Street, NW  
Washington, DC 20006  
Attn: Amish Shah  
Email: [\*]

(b) If to the Guaranteed Party:

Genworth Financial, Inc.  
11011 West Broad Street  
Glen Allen, VA 23060  
Attn: David Kurzawa  
Email: [\*]

With a copy to:

Weil Gotshal & Manges LLP  
767 Fifth Ave  
New York, NY 10153  
Attn: Steven Lorch  
Email: [\*]

or to such other address as may be specified from time to time by the Guarantor or the Guaranteed Party in a notice to the other parties given as herein provided. Such notice or communication will be deemed to have been given as of the date so personally delivered, transmitted by email, mailed or sent by courier; provided that any notice or other communication received on a day that is not a Business Day or later than 5:00 p.m. on a Business Day will be deemed to be received on the next Business Day.

7. **Successors and Assigns.** This Guaranty shall be binding upon and shall inure to the benefit of the Guarantor and the Guaranteed Party and their respective successors and permitted assigns.

8. **GOVERNING LAW.** THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS PERFORMED IN THAT STATE WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW (OTHER THAN SECTION 5-1401 AND SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

9. **CONSENT TO JURISDICTION.** ALL LEGAL ACTIONS OR PROCEEDINGS BROUGHT AGAINST THE GUARANTOR WITH RESPECT TO THIS GUARANTY MAY BE BROUGHT IN ANY COURTS OF THE STATE OF NEW YORK LOCATED IN THE COUNTY OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS GUARANTY THE GUARANTOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, THE JURISDICTION OF THE AFORESAID COURTS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS GUARANTY. THE GUARANTOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES ANY CLAIM OR DEFENSE IN ANY SUCH ACTION OR PROCEEDING BASED ON ANY ALLEGED LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS OR ANY SIMILAR BASIS. THE GUARANTOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF ANY COMPLAINT, SUMMONS, NOTICE OR OTHER PROCESS RELATING TO ANY LEGAL ACTION OR PROCEEDING BY DELIVERY THEREOF TO IT BY HAND OR BY MAIL TO THE ADDRESS SET FORTH IN SECTION 6 HEREOF. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE GUARANTEED PARTY TO BRING PROCEEDINGS AGAINST THE GUARANTOR IN THE COURTS OF ANY OTHER JURISDICTION OR TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW.

**10. WAIVER OF JURY TRIAL.** THE GUARANTOR AND THE GUARANTEED PARTY, BY THEIR ACCEPTANCE HEREOF, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR COUNTERCLAIM ARISING IN CONNECTION WITH THIS GUARANTY.

**11. Severability.** If any provision hereof or of any of the instruments evidencing part or all of the Guaranteed Obligations is invalid or unenforceable in any jurisdiction, the other provisions hereof or of such instruments shall remain in full force and effect in such jurisdiction and the remaining provisions hereof shall be liberally construed in favor of the Guaranteed Party in order to carry out the provisions hereof. The invalidity or unenforceability of any provision of this Guaranty in any jurisdiction shall not affect the validity or enforceability of any such provision in any other jurisdiction.

**12. Counterparts.** This Guaranty may be executed in counterparts, each of which shall be an original, but each of which, when taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of this Guaranty by telefacsimile, portable document format (.pdf) or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Guaranty.

*[Signature page follows]*

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed and delivered on its behalf as of the Effective Date.

**SOLAREEDGE TECHNOLOGIES, INC.**

By: /s/Ariel Porat  
Name: Ariel Porat  
Title: Chief Financial Officer

Accepted and agreed to as of the Effective Date:

**GENWORTH FINANCIAL, INC.**

By: /s/ Lisa J. Baldyga

Name: Lisa J. Baldyga

Title: Vice President and Treasurer

**SOLAREEDGE TECHNOLOGIES, INC.**  
**INSIDER TRADING POLICY**  
**(revised and adopted by the Board of**  
**Directors on March 14, 2023)**

Adopted by the Board of Directors, March 2015 and amended and restated on March 14, 2023

**I. INTRODUCTION**

Federal and state laws prohibit buying, selling, gifting, or making other transfers of securities by persons who have material information that is not generally known or available to the public. These laws also prohibit persons with such material nonpublic information from disclosing this information to others who trade. SolarEdge Technologies, Inc. (together with its subsidiaries, the “Company”) has adopted the following policy (this “Policy”) regarding trading in securities by Insiders (as defined below) who have Material Nonpublic Information (as defined below).

**II. COVERED PARTIES**

The persons covered by this Policy include the Company’s officers, directors, and all other employees of, or consultants or contractors to, the Company or its subsidiaries (together, “Company Personnel”), as well as their immediate families, other members of their households other than household employees, and any family members who do not live in their household but whose transactions in Company securities are directed by them or are subject to their influence or control (“Family Members”), as well as corporations or other business entities controlled, influenced or managed by them or their Family Members or other members of their household, and trusts for which they are a trustee or in which they have a beneficial or pecuniary interest (“Controlled Entities” and together with Company Personnel and Family Members, “Insider(s)”). You are responsible for seeing that you as well as your Family Members and Controlled Entities do not violate United States federal or state securities laws or this Policy. We designed this Policy to promote compliance with the federal securities laws and to protect the Company and you from the serious liabilities and penalties that can result from violations of these laws.

If you violate the insider trading laws, you may have to pay civil fines for up to three times the profit gained or loss avoided by such trading, as well as criminal fines. You also may have to serve a prison sentence of up to 20 years. In addition, the Company may face civil penalties as a result of your insider trading violations, as well as criminal fines.

The Securities and Exchange Commission (the “SEC”), The Nasdaq Global Select Market LLC (“Nasdaq”) and state regulators (as well as the Department of Justice) are very effective at detecting and pursuing insider trading cases. The SEC has successfully prosecuted cases against employees trading through foreign accounts, trading by family members and friends, and trading involving only a small number of shares. Therefore, it is important that you understand the breadth of activities that constitute illegal insider trading. This Policy sets out the Company’s policy in the area of insider trading and should be read carefully and compiled with fully by all Insiders.

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### III. POLICIES AND PROCEDURES

#### A. “Material Nonpublic Information”

##### 1. Material Information

Material information generally means information that a reasonable investor

would consider important in making an investment decision to buy, hold or sell securities. Either positive or negative information may be material. Depending on the circumstances, common examples of information that may be material include:

- earnings, revenue, or similar financial information;
  - unexpected financial results;
  - unpublished financial reports or projections;
  - extraordinary borrowing or liquidity problems;
  - changes in control;
  - changes in directors, senior management or auditors;
  - information about current, proposed, or contemplated transactions, business plans, financial restructurings, acquisition targets or significant expansions or contractions of operations;
  - changes in dividend policies or the declaration of a stock split or the proposed or contemplated issuance, redemption, or repurchase of securities;
  - material defaults under agreements or actions by creditors, clients, or suppliers relating to a company’s credit rating;
  - information about major contracts;
  - significant new product developments or innovations;
  - delays in product shipments;
  - gain or loss of a significant customer or supplier;
  - purchase order information of major customers;
  - the establishment of a repurchase program for Company securities;
  - major product recall;
  - the interruption of production or other aspects of a company’s business as a result of an accident, fire, natural disaster, or breakdown of labor negotiations;
  - significant actual or potential cybersecurity incidents or events or risks that affect the Company or third-party providers that support the Company’s business operations, including computer system or network compromises, viruses or other destructive software, and data breach incidents that may disclose personal, business or other confidential information;
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- major environmental incidents; and
- initiation of, or developments in, major litigation, investigations, or regulatory actions or proceedings.

United States federal and Nasdaq investigators will scrutinize a questionable trade after the fact with the benefit of hindsight, so you should always err on the side of deciding that the information is material and not trade. The mere fact that a person is aware of Material Nonpublic Information is a bar to trading. It is no excuse that such person's reasons for trading were not based on the Material Nonpublic Information. If you have questions regarding any specific transaction, please contact the General Counsel (or his or her designee).

## 2. Nonpublic information

Nonpublic information is information that is not generally known or available to the public. We consider information to be available to the public only when:

- it has been released to the public by the Company through appropriate channels (e.g., by means of a press release, a widely disseminated statement from a senior officer, or a filing with the SEC); and
- enough time has elapsed to permit the investment market to absorb and evaluate the information. As a general rule, you should consider information to be nonpublic until one full trading day has lapsed following public disclosure.

The fact that rumors, speculation, or statements attributed to unidentified sources are public is insufficient to be considered widely disseminated even when the information is accurate.

## **B. Trading Policy**

1. Insider may not buy or sell a company's securities when an Insider is aware of Material Nonpublic Information about that company. This policy against "insider trading" applies to trading in Company securities, as well as to trading in the securities of other companies, such as the Company's customers and suppliers or a firm with which the Company is negotiating a major transaction, when Material Nonpublic Information about such other company is obtained as a result of your employment or relationship with the Company.
  2. Insider may not convey Material Nonpublic Information about the Company or another company to others. Insider also may not suggest that anyone purchase or sell any company's securities while Insider is aware of Material Nonpublic Information about that company. These practices, known as "tipping," also violate the U.S. securities laws and can result in the civil and criminal penalties that apply if Insider engages in insider trading directly, even if Insider does not receive any money or derive any benefit from trades made by persons to whom Insider passed Material Nonpublic Information.
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This policy against “tipping” applies to information about the Company and its securities, as well as to information about other companies, such as the Company’s customers and suppliers or a firm with which the Company is negotiating a major transaction, when an Insider obtains Material Nonpublic Information about such other company as a result of the Insider’s employment or relationship with the Company. Persons with whom the Insider has a history, pattern or practice of sharing confidences—such as family members, close friends and financial and personal counselors—may be presumed to act on the basis of information known to the Insider; therefore, special care should be taken so that Material Nonpublic Information is not disclosed to such persons. This policy does not restrict legitimate business communications on a “need to know” basis. Material Nonpublic Information, however, should not be disclosed to persons outside the Company unless Company Personnel is specifically authorized to disclose such information and, if applicable and appropriate, the person receiving the information has agreed, in writing, to keep the information confidential.

3. From time to time, the Company may engage in transactions in its own securities. It is the Company’s policy to comply with all applicable securities and state laws (including appropriate approvals by the Board of Directors or appropriate committee, if required) when engaging in transactions in Company securities.

The foregoing restrictions apply to all Insiders. There is no exception for small transactions or transactions that may seem necessary or justifiable for independent reasons, such as the need to raise money for an emergency expenditure. In light of these restrictions, if you expect a need to sell Company stock at a specific time in the future, you may wish to consider entering into a prearranged Rule 10b5-1 trading plan, as discussed below.

For purposes of this Policy, references to “trading” and “transactions” includes, among other things:

- purchases and sales of Company securities in public markets;
  - sales of Company securities obtained through the vesting and settlement of restricted stock units or exercise of employee stock options granted by the Company;
  - making gifts or charitable donations of Company securities; and
  - using Company securities to secure a loan.
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Conversely, references to “trading” and “transactions” do not include:

- the exercise of Company stock options into Company common stock if (1) no shares are to be sold to third parties or (2) there is only a “net exercise” (defined as Company withholding shares to satisfy your tax obligations or to cover the exercise price);
- the vesting of Company stock options or restricted stock units or other equity awards;
- the withholding of shares to satisfy a tax withholding obligation upon the vesting/ settlement of restricted stock, restricted stock units or other units for Company common stock; or
- the exchange of profits interests or other units into the Company’s common stock (without selling the common stock) or for cash.

Finally, for purposes of this Policy, a sale of shares of common stock of the Company by the Insiders directed by the Company in its sole discretion, including those held by Restricted Persons (as defined below), in order to cover the Company’s or such Insider’s withholding tax obligations in accordance with the Company’s long-term incentive plan resulting, for example, from the vesting of restricted stock units under such plan or exercise of options shall not be considered “trading” or a “transaction” that is covered by this Policy. However, with respect to Restricted Persons, such sale during a closed Window Period (as defined below) shall be permitted, provided that (i) such Restricted Person confirms that he or she does not possess any Material Nonpublic Information and obtains pre-authorization from the General Counsel or his or her designee, and (ii) such sale occurs within three trading days of the relevant vesting or exercise date.

Insiders should consult the Office of the General Counsel if they have any questions.

**C. Policy Regarding Speculative Transactions, Hedging, Pledging and Trading on Margin**

The Company has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the Insiders engage in certain types of transactions. It therefore is the Company’s policy that all Insiders may not engage in any of the following transactions, or should otherwise consider the Company’s preferences as described below:

1. Short-Term Trading

Short-term trading of Company Securities may unduly focus Company personnel on the Company’s short-term stock market performance instead of the Company’s long-term business objectives, and frequent trading in Company Securities can create an appearance of wrongdoing even if the decision to trade was based solely on public information such as stock price ranges and other market events. In addition, daily or frequent trading in any company’s securities, which can be time-consuming and distracting, is strongly discouraged. For all of these reasons, Insiders may not sell any Company Securities of the same class during the six months following the purchase, and may not purchase any Company Securities of the same class during the six months following the sale, as applicable.

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2. Speculative Transactions

It is against Company policy for Insiders to engage in speculative transactions in Company securities. As such, it is against Company policy for Insiders to trade in puts or calls in Company securities, or sell Company securities short. Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and, therefore, signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance.

3. Hedging Transactions

Insiders are prohibited from hedging the Company's securities (including through the purchase of financial instruments, such as prepaid variable forward contracts, equity swaps, collars, and exchange funds), or otherwise engaging in transactions, that hedge or offset, or are designed to hedge or offset, any decrease in the market value of the Company's securities that Insiders hold directly or indirectly.

4. Pledging and Trading on Margin

Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan.

Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of Material Nonpublic Information or otherwise is not permitted to trade in Company securities, Insiders are prohibited from holding Company securities in a margin account or otherwise pledging Company securities as collateral for a loan.

**D. Unauthorized Disclosure**

All Insiders must maintain the confidentiality of Company information for competitive, security and other business reasons, as well as to comply with securities laws. All information Insiders learn about the Company or its business plans is potentially nonpublic information until it is publicly disclosed. Insiders should treat this information as confidential and proprietary to the Company. Insiders may not disclose it to others, such as family members, other relatives, or business or social acquaintances.

Also, legal rules, such as Regulation FD ("Fair Disclosure") govern the timing and nature of our disclosure of material information to outsiders or the public. Violation of these rules could result in substantial liability for the Company Personnel, the Company and its management. For this reason, we permit only specifically designated representatives of the Company to discuss the Company with the news media, securities analysis, and investors. If you receive inquiries of this nature, refer them to the Chief Financial Officer, Chief Marketing Officer or the General Counsel.

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## **E. When and How to Trade Company Stock**

### **1. Overview**

The Board of Directors or its designated committee will review, at least annually, those individuals deemed to be “Designated Employees” for purposes of this E. Designated Employees shall include the Company’s directors and officers, as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (“Section 16 Officers,” and together with directors, “Section 16 Persons”) and such other persons as the Board of Directors or its designated committee deem to be Designated Employees as well as their Family Members and their respective Controlled Entities (together, “Designated Persons”). Generally, Designated Employees shall be any person who by virtue of his or her position is regularly in possession of Material Nonpublic Information. If you are a Designated Person, you shall be notified accordingly.

All Designated Persons are for purposes of this Policy required to comply with the restrictions set forth under Section III.E.2. below. In addition, directors, Section 16 Officers and certain other Insiders who are so designated from time to time (such directors, Section 16 Officers and designated Insiders as well as their respective Family Members and Controlled Entities, “Restricted Persons”) are for purposes of this Policy required to comply with both the restrictions set for the under Section III.E.2 (Window Periods) and III.E.3. (Pre-clearance), below.

### **2. Window Periods**

Subject to the exception related to Rule 10b5-1 plans below, Designated Persons may only trade in Company securities from the date that is one full trading day after the Company’s earnings release to the end of business on the date that is two weeks prior to the end of each quarter (such period, the “Window Period”).

However, even if the Window Period is open, Designated Persons may not trade in Company securities if they are aware of Material Nonpublic Information about the Company. In addition, Restricted Persons who are subject to the Company’s pre-clearance policy (described below), must pre-clear transactions even if such transactions are initiated when the Window Period is open.

From time to time during the Window Period, the Company may close trading due to developments (such as a significant event or transaction) that involve Material Nonpublic Information. In such cases, the General Counsel (or his or her designee) may notify particular individuals that they should not engage in any transactions involving the purchase or sale of Company securities and should not disclose to others the fact that trading has been prohibited.

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Generally, all pending purchase and sale orders regarding Company securities that could be executed while the Window Period is open must be cancelled before it closes.

As mentioned above, in light of these restrictions, if you expect a need to sell Company stock at a specific time in the future, you may wish to consider entering into a prearranged Rule 10b5-1 trading plan, as discussed below.

3. Pre-clearance

The Company requires its Restricted Persons to contact the General Counsel (or the General Counsel's designee) in advance of effecting any purchase, sale, gift, or other trading of Company securities, and to obtain prior approval of the transaction. All requests must be submitted to the General Counsel or his or her designee [(or, in the case of the General Counsel, to the Chief Financial Officer) at least two business days in advance of the proposed transaction. The General Counsel or his or her designee will then determine whether the transaction may proceed. The pre-clearance policy applies to Restricted Persons even if they are initiating a transaction while the Window Period is open.

If a transaction is approved under the pre-clearance policy, the transaction must be executed by the end of the second full trading day after the approval is obtained and during an open Window Period but may not be executed if the Restricted Person acquires Material Nonpublic Information concerning the Company during that time. If a transaction is not completed within the period described above, the transaction must be approved again before it may be executed.

If a proposed transaction is not approved under the pre-clearance policy, the Restricted Person should refrain from initiating any transaction in Company stock and should not inform anyone within or outside of the Company of the restriction. Any transaction under a Rule 10b5-1 trading plan (discussed below) will not require pre-clearance at the time of the transaction but such Rule 10b5-1 trading plan is subject to the pre-clearance and other restrictions set forth below and Appendix A, "Guidelines for Rule 10b5-1 Trading Plans."

**F. Rule 10b5-1 Trading Plans**

Rule 10b5-1(c) under the Exchange Act provides a defense from insider trading liability if trades occur pursuant to a pre-arranged trading plan that meets specified conditions. It is possible to pre-arrange trades in Company securities by entering into a written trading plan. A plan (referred to here as "Rule 10b5-1 Trading Plan") must either specify the number of securities to be bought or sold, along with the price and the date, or provide a written formula for determining this information. Alternatively, a trading plan can delegate investment discretion to a third party, such as a broker, who then makes trading decisions without further input from the person implementing the plan. Because the SEC rules on trading plans are complex, you should consult with your broker and be sure you fully understand the limitations and conditions of the rules before you establish a trading plan. Under this Policy, the adoption, amendment or termination of a Rule 10b5-1 Trading Plan must meet the requirements set forth in Appendix A, "Guidelines for Rule 10b5-1 Trading Plans."

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**G. Noncompliance**

Anyone who is subject to this Policy and fails to comply with this Policy will be subject to appropriate disciplinary action, up to and including termination of employment.

**H. Certification**

All Company directors and officers will be required to certify their understanding of and intent to comply with this Policy periodically. All other Company Personnel will receive training and be made aware of the Insider Trading Policy on an annual basis.

**I. Post-Termination Transactions**

This Policy will continue to apply to your transactions in Company securities after your employment or service has terminated with the Company until such time as you are no longer aware of Material Nonpublic Information or until that information has been publicly disclosed or is no longer material. In addition, this Policy continues in effect for all Restricted Persons until the opening of the first Window Period after termination of employment or other relationship with the Company, except that, unless notified otherwise by the Company, the pre-clearance requirements set forth in Section III.E.3. (Window Periods) will not continue to apply to Restricted Persons.

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## Appendix A

### Guidelines for Rule 10b5-1 Trading Plans

Rule 10b5-1 (“Rule 10b5-1”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), provides an affirmative defense from insider trading liability under Exchange Act Rule 10b-5. In order to be eligible to rely on this defense, Insiders must enter into a Rule 10b5-1 trading plan for transactions in Company securities that meets certain conditions specified in the rule (referred to in the Policy and in these guidelines, as a “Rule 10b5-1 Trading Plan”). ***Capitalized terms used in these guidelines without definition have the meaning set forth in the Policy.***

These guidelines are in addition to, and not in lieu of, the requirements and conditions of Rule 10b5-1. The General Counsel (or his or her designee) will interpret and administer these guidelines for compliance with Rule 10b5-1, the Policy and the requirements below. No personal legal or financial advice is being provided by the legal department regarding any Rule 10b5-1 Trading Plan or proposed trades. Insiders remain ultimately responsible for ensuring that their Rule 10b5-1 Trading Plans and contemplated transactions fully comply with applicable securities laws. It is recommended that Insiders consult with their own attorneys, brokers, or other advisors about any contemplated Rule 10b5-1 Trading Plan.

- 1. Pre-Clearance Requirement.** The Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the General Counsel (or his or her designee, ) at least five trading<sup>1</sup>days prior to the entry into the plan in accordance with the procedures set forth in the Insider Trading Policy and these guidelines. The Company may require that Insiders use a standardized form of Rule 10b5-1 trading plan.
  - 2. Time of Adoption.** Subject to pre-clearance requirements described above, the Rule 10b5-1 Trading Plan must be adopted at a time:
    - When the Insider is not aware of any Material Nonpublic Information; and
    - The Window Period is open to the extent the Insider is subject to the Window Periods under the Policy.
  - 3. Plan Instructions.** Any Rule 10b5-1 Trading Plan adopted by any Insider must be in writing, signed, and either:
    - specify the amount, price and date of the sales (or purchases) of Company securities to be effected;
    - provide a formula, algorithm or computer program for determining when to sell (or purchase) the Company’s securities, the quantity to sell (or purchase) and the price; or
    - delegate decision-making authority with regard to these transactions to a broker or other agent without any Material Nonpublic Information about the Company or its securities.
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For the avoidance of doubt, Insiders may not subsequently influence how, when, or whether to effect purchases or sales with respect to the securities subject to an approved and adopted Rule 10b5-1 Trading Plan.

4. **No Hedging.** Insiders may not have entered into or altered a corresponding or hedging transaction or position with respect to the securities subject to the Rule 10b5-1 Trading Plan and must agree not to enter into any such transaction while the Rule 10b5-1 Trading Plan is in effect.
5. **Good Faith Requirements.** Insiders must enter into the Rule 10b5-1 Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1. Insiders must act in good faith with respect to the Rule 10b5-1 Trading Plan for the entirety of its duration.
6. **Certifications for Section 16 Persons.** Section 16 Persons and their Family Members and Controlled Entities that enter into Rule 10b5-1 Trading Plans must certify that they are: (1) not aware of any Material Nonpublic Information about the Company or the Company securities; and (2) adopting the Rule 10b5-1 Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act.
7. **Cooling Off Periods.** The first trade under the Rule 10b5-1 Trading Plan may not occur until the expiration of a cooling-off period as follows:
  - For Section 16 Persons (as well as their Family Members and Controlled Entities), the later of (1) two business days following the filing of the Form 10-Q or Form 10-K for the completed fiscal quarter in which the Rule 10b5-1 Trading Plan was adopted and (2) 90 calendar days after adoption of the Rule 10b5-1 Trading Plan; provided, however, that the required cooling-off period shall in no event exceed 120 days.
  - For other Insiders, 30 days after adoption of the Rule 10b5-1 Trading Plan.
8. **No Overlapping Rule 10b5-1 Trading Plans.** An Insider may not enter into overlapping Rule 10b5-1 Trading Plans (subject to certain exceptions). Please consult the General Counsel (or his or her designee) with any questions regarding overlapping Rule 10b5-1 Trading Plans.
9. **Single Transaction Plans.** An Insider may not enter into more than one Rule 10b5-1 Trading Plan designed to effect the open-market purchase or sale of the total amount of securities as a single transaction during any rolling 12-month period (subject to certain exceptions). A single-transaction plan is “designed to effect” the purchase or sale of securities as a single transaction when the terms of the plan would, for practical purposes, directly or indirectly require execution in a single transaction.
10. **Modifications and Terminations.** Modifications/amendments and terminations of an existing Rule 10b5-1 Trading Plan are strongly discouraged due to legal risks, and can affect the validity of trades that have taken place under the plan prior to such modification/amendment or termination. Under Rule 10b5-1 and these guidelines, any modification/amendment to the amount, price, or timing of the purchase or sale of the securities underlying the Rule 10b5-1 Trading Plan will be deemed to be a termination of the current Rule 10b5-1 Trading Plan and creation of a new Rule 10b5-1 Trading Plan. If an Insider is considering administrative changes to a Rule 10b5-1 Trading Plan, such as changing the account information, the Insider should consult with the General Counsel (or his or her designee) to in advance to confirm that any such change does not constitute an effective termination of the plan.

As such, the modification/amendment of an existing Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the General Counsel (or his or her designee) in accordance with pre-clearance procedures set forth in the Policy and these guidelines, and will be subject to all the other requirements set forth in Sections 2 -9 9 of these guidelines regarding the adoption of a new Rule 10b5-1 Trading Plan.

The termination (other than through an amendment or modification) of an existing Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the General Counsel (or his or her designee) in accordance with pre-clearance procedures set forth in the Policy and these guidelines. The General Counsel (or his or her designee) will not approve the termination of a Rule 10b5-1 Trading Plan unless:

- The Insider is not aware of any Material Nonpublic Information; and
- The Window Period is open to the extent the Insider is subject to the Window Periods under the Policy.

Adopted by the Board of Directors: March 14, 2023

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**ACKNOWLEDGEMENT AND CERTIFICATION**

I certify that:

I have read and understand the Company's Insider Trading Policy (the "Policy").

I understand that the General Counsel is available to answer any questions I have regarding the Policy.

Since March 2015, or such shorter period of time that I have been with the Company, I have complied with the Policy (as has been amended from time to time).

I will continue to comply with the Policy for as long as I am subject to the Policy

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Please Print)



## LIST OF SUBSIDIARIES OF THE REGISTRANT

Name	Jurisdiction of organization
SolarEdge Technologies Ltd.	Israel
SolarEdge Manufacturing Ltd.	Israel
SolarEdge Technologies GmbH	Germany
SolarEdge Technologies (China) Co., Ltd.	China
SolarEdge Technologies (Australia) Pty Ltd.	Australia
SolarEdge Technologies (Canada) Ltd.	Canada
SolarEdge Technologies (Holland) B.V.	The Netherlands
SolarEdge Technologies (Japan) Co., Ltd.	Japan
SolarEdge Technologies (France) SARL.	France
SolarEdge Technologies (UK) Ltd.	United Kingdom
SolarEdge Technologies Italy S.r.l	Italy
SolarEdge e-Mobility S.r.l	Italy
SolarEdge Technologies (Bulgaria) Ltd.	Bulgaria
Guangzhou SolarEdge Machinery Technical Consulting Co. Ltd.	China
SOLAREEDGE TEKNOLOJİ A.Ş.	Turkey
SolarEdge Technologies (Belgium) SPRL	Belgium
SolarEdge Technologies SRL.	Romania
SolarEdge Technologies (India) Private Limited	India
SolarEdge Technologies (Sweden) AB	Sweden
SolarEdge Technologies Taiwan Co., Ltd.	Taiwan
SolarEdge Technologies Korea Co., Ltd.	South Korea
SolarEdge Critical Power U.K. Limited	United Kingdom
Solaredge Do Brasil Comércio De Equipamentos Fotovoltaicos E Serviços De Marketing E Apoio Ao Cliente Ltda	Brazil
SolarEdge Technologies (Vietnam) Company Limited	Vietnam
SolarEdge Technologies (Hungary) Kft.	Hungary
SolarEdge Technologies (Poland) Sp. z o.o	Poland
SolarEdge E-Mobility Germany GmbH & Co. KG	Germany
SolarGik, Ltd.	Israel
SolarEdge Technologies Mexico S.DE R.L. DE C.V.	Mexico
SolarEdge Consulting Inc.	USA
SolarEdge Technologies Holding Inc.	USA
SolarEdge Technologies (Switzerland) GmbH	Switzerland
SolarEdge Technologies (Spain) Sociedad Limitada	Spain
Fonto Power Ltd.	Israel
SolarEdge Manufacturing Inc.	USA
Hark Systems Ltd.	United Kingdom
Wevo Energy Ltd.	Israel
Wevo Energy Inc.	USA
Wevo Energy UK Ltd.	United Kingdom
SolarEdge Technologies (Thailand) Ltd.	Thailand



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ey.com

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the Registration Statements:

1. Registration Statement (Form S-3. No. 333-262892) of SolarEdge Technologies, Inc.
2. Registration Statement (Form S-8. No. 333- 203193 and 333-262891) pertaining to the 2015 Global Incentive Plan and 2015 Employee Stock Purchase Plan of SolarEdge Technologies, Inc. of our reports dated February 25, 2025, with respect to the consolidated financial statements of SolarEdge Technologies, Inc., and the effectiveness of internal control over financial reporting of SolarEdge Technologies, Inc. included in this Annual Report (Form 10-K) of SolarEdge Technologies, Inc. for the year ended December 31, 2024.

/s/ KOST FORER GABBAY & KASIERER  
A Member of EY Global

Tel-Aviv, Israel  
February 25, 2025

I, Shuki Nir, certify that:

1. I have reviewed this Annual Report on Form 10-K of SolarEdge Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2025

/s/Shuki Nir

Shuki Nir

Chief Executive Officer

(Principal Executive Officer)

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I, Ariel Porat, certify that:

1. I have reviewed this Annual Report on Form 10-K of SolarEdge Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2025

/s/ Ariel Porat

Ariel Porat

Chief Financial Officer

(Principal Financial Officer)

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**Certification of the Chief Executive Officer**

**Pursuant to 18 U.S.C. §1350**

Solely for the purposes of complying with 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Executive Officer of SolarEdge Technologies, Inc. (the "Company"), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the year ended December 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in the Report fairly presents, in all material respects, the financial condition, and results of operations of the Company.

Date: February 25, 2025

/s/Shuki Nir

Shuki Nir

Chief Executive Officer

*(Principal Executive Officer)*

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**Certification of the Chief Financial Officer**

**Pursuant to 18 U.S.C. §1350**

Solely for the purposes of complying with 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Financial Officer of SolarEdge Technologies, Inc. (the "Company"), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the year ended December 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in the Report fairly presents, in all material respects, the financial condition, and results of operations of the Company.

Date: February 25, 2025

/s/Ariel Porat

Ariel Porat

Chief Financial Officer

*(Principal Financial Officer)*

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**SolarEdge Technologies Inc.**  
**RULE 10D-1 CLAWBACK POLICY**  
**(Effective Date: October 2, 2023)**

**Purpose**

The purpose of this policy (this “Policy”), effective as of the Effective Date stated above, is to permit SolarEdge Technologies, Inc. (“SolarEdge” or the “Company”), in the event that SolarEdge is required to prepare an accounting restatement of SolarEdge’s financial statements due to material non-compliance with any financial reporting requirement under U.S. federal securities laws, to recover the amount of any incentive compensation received by a covered executive during the clawback period that is in excess of the amount that otherwise would have been received had it been determined based on the restated financial statements.

This Policy is intended to comply with and, as applicable, to be administered and interpreted consistent with, Listing Rule 5608 of the Nasdaq Stock Market LLC Rules, as adopted by Nasdaq to implement Rule 10D-1 under the Securities Exchange Act of 1934, as amended (collectively, “Rule 10D-1”).

**Policy Administration and Definitions**

This Policy is administered by the Board of Directors of the Company (the “Board”).

For purposes of this Policy:

“**Incentive-Based Compensation**” means any compensation granted, earned or vested based in whole or in part on the Company’s attainment of a Financial Reporting Measure that was Received by a person (i) on or after the Effective Date and after the person began service as a Covered Executive, and (ii) who served as a Covered Executive at any time during the performance period for the Incentive-Based Compensation.

A “**Financial Reporting Measure**” is (i) any measure that is determined and presented in accordance with the accounting principles used in preparing SolarEdge’s financial statements and any measure derived wholly or in part from such a measure, and (ii) any measure based in whole or in part on SolarEdge’s stock price or total shareholder return. Incentive-Based Compensation includes cash compensation and any equity awards to the extent based in whole or in part on such attainment.

**Incentive-Based Compensation** is deemed to be “Received” in the fiscal period during which the relevant Financial Reporting Measure is attained, regardless of when the compensation is actually paid or awarded.

“Covered Executive” means any officer of SolarEdge as defined under Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended.

“**Clawback Period**” means the three completed fiscal years immediately preceding the date that SolarEdge is required to prepare the accounting restatement described in this Policy and any “transition period” as prescribed under Rule 10D-1.

**Determinations by the Board; Binding Effect**

If the Board determines that the amount of Incentive-Based Compensation that is Received by a Covered Executive during the Clawback Period exceeds the amount that would have been Received if determined or calculated based on SolarEdge’s restated financial results, such excess amount of Incentive-Based Compensation will be subject to mandatory recoupment by the Company pursuant to this Policy.

For Incentive-Based Compensation based on stock price or total shareholder return, the Board will determine the amount based on a reasonable estimate of the effect of the accounting restatement on the relevant stock price or total shareholder return.

In all cases, the calculation of the excess amount of Incentive-Based Compensation to be recovered will be determined on a pre-tax basis. The Company will not indemnify any Covered Executive against any loss pursuant to this Policy, nor will the Company pay or agree to pay any insurance premium to cover any loss hereunder. Any determinations made by the Board under this Policy shall be final, binding and conclusive on all affected individuals.

**Methods of Clawback**

The Company may implement a clawback pursuant to this Policy in any manner consistent with applicable law, including by requiring payment of such amount(s) to the Company, by set-off, by reducing future compensation, or by such other means or combination of means as the Board determines to be appropriate.

The Company need not recover the excess amount of Incentive-Based Compensation if and to the extent that the Board determines that such clawback is impracticable and not required under Rule 10D-1, including if the Board determines that the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered after making a reasonable attempt to recover such amounts.

The Company is authorized to take appropriate steps to implement this Policy with respect to Incentive-Based Compensation arrangements with Covered Executives.

Not Exclusive; No impairment of other remedies Any recoupment under this policy is in addition to any other remedies that may be available to the Company, including, without limitation, pursuant to the terms of any Company plan or policy or any agreement with the Covered Executive, disciplinary action up to and including termination, or any other legal remedies available to the Company. No recovery of compensation under this Policy will be an event giving rise to a right to resign for “good reason” or be deemed a “constructive termination” (or any similar term) as such terms are used in any agreement between any Covered Executive and the Company.

For the avoidance of doubt, this Policy shall be applied and interpreted independently of any other applicable forfeiture, clawback or recoupment policies or provisions in plans or agreements entered into or maintained by the Company. This Policy is also in addition to, and is not a substitute for, the requirements of Section 304 of the Sarbanes-Oxley Act of 2002.

