

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2025

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, 4673335, Israel
(Address of Principal Executive Offices, 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 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an 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
Non-accelerated filer

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 checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of May 1, 2025, there were 59,044,232 shares of the registrant's common stock, par value of \$0.0001 per share, outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SOLAREEDGE TECHNOLOGIES INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(in thousands, except per share data)

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 401,364	\$ 274,611
Restricted cash	104,459	135,328
Marketable securities	250,267	311,279
Trade receivables, net of allowances of \$35,970 and \$43,038, respectively	132,577	160,423
Inventories, net	636,597	645,897
Prepaid expenses and other current assets	464,419	523,027
<u>Total</u> current assets	<u>1,989,683</u>	<u>2,050,565</u>
LONG-TERM ASSETS:		
Marketable securities	34,051	42,597
Property, plant and equipment, net	339,824	343,438
Operating lease right-of-use assets, net	48,639	41,393
Intangible assets, net	8,874	9,666
Goodwill	48,626	48,380
Loan receivables, net	-	45,678
Other long-term assets	55,476	64,736
<u>Total</u> long-term assets	<u>535,490</u>	<u>595,888</u>
<u>Total</u> assets	<u>\$ 2,525,173</u>	<u>\$ 2,646,453</u>

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) (Cont.)

(in thousands, except per share data)

	March 31, 2025	December 31, 2024
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 135,435	\$ 107,543
Employees and payroll accruals	76,360	76,292
Warranty obligations	125,172	140,249
Deferred revenues and customers advances	76,491	140,870
Accrued expenses and other current liabilities	219,496	246,078
Convertible senior notes, net	341,472	346,305
Total current liabilities	974,426	1,057,337
LONG-TERM LIABILITIES:		
Convertible senior notes, net	330,389	330,006
Warranty obligations	287,530	292,116
Deferred revenues	243,649	231,049
Finance lease liabilities	37,862	39,159
Operating lease liabilities	33,325	30,018
Other long-term liabilities	23,779	8,426
Total long-term liabilities	956,534	930,774
COMMITMENTS AND CONTINGENT LIABILITIES		
STOCKHOLDERS' EQUITY:		
Common stock of \$0.0001 par value - Authorized: 125,000,000 shares; issued: 59,043,817 shares on March 31, 2025 and 58,780,490 shares on December 31, 2024; outstanding: 58,290,453 shares on March 31, 2025 and 58,027,126 shares on December 31, 2024.	6	6
Additional paid-in capital	1,845,719	1,813,198
Treasury stock, at cost; 753,364 shares held	(50,194)	(50,194)
Accumulated other comprehensive loss	(74,604)	(76,477)
Accumulated deficit	(1,126,714)	(1,028,191)
Total stockholders' equity	594,213	658,342
Total liabilities and stockholders' equity	\$ 2,525,173	\$ 2,646,453

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

SOLAREEDGE TECHNOLOGIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF LOSS (Unaudited)

(in thousands, except per share data)

	Three Months Ended March 31,	
	2025	2024
Revenues	\$ 219,480	\$ 204,399
Cost of revenues	201,944	230,586
Gross profit (loss)	<u>17,536</u>	<u>(26,187)</u>
Operating expenses:		
Research and development	61,997	75,351
Sales and marketing	31,657	38,911
General and administrative	30,183	30,865
Other operating expense (income), net	(3,575)	2,391
<u>Total operating expenses</u>	<u>120,262</u>	<u>147,518</u>
Operating loss	(102,726)	(173,705)
Financial income (expense), net	10,068	(7,064)
Other income, net	148	-
Loss before income taxes	(92,510)	(180,769)
Tax benefits (income taxes)	(5,726)	23,754
Net loss from equity method investments	(287)	(296)
Net loss	<u>\$ (98,523)</u>	<u>\$ (157,311)</u>
Net basic and diluted loss per share of common stock	<u>\$ (1.70)</u>	<u>\$ (2.75)</u>
Weighted average number of shares used in computing net basic and diluted loss per share of common stock	<u>58,121,502</u>	<u>57,140,126</u>

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

SOLAREEDGE TECHNOLOGIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (Unaudited)

(in thousands, except per share data)

	Three Months Ended March 31,	
	2025	2024
Net loss	\$ (98,523)	\$ (157,311)
Other comprehensive income (loss), net of tax:		
Available-for-sale marketable securities	481	1,491
Cash flow hedges	(1,146)	(2,365)
Foreign currency translation adjustments on intra-entity transactions that are of a long-term investment nature	(928)	(13,382)
Foreign currency translation adjustments	3,466	(5,470)
Total other comprehensive income (loss)	1,873	(19,726)
Comprehensive loss	\$ (96,650)	\$ (177,037)

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

SOLAREEDGE TECHNOLOGIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)

(in thousands, except per share data)

	Common stock		Additional paid in Capital	Treasury stock	Accumulated other comprehensive loss	Accumulated deficit	Total
	Number	Amount					
Balance as of January 1, 2025	58,027,126	\$ 6	\$ 1,813,198	\$ (50,194)	\$ (76,477)	\$ (1,028,191)	\$ 658,342
Issuance of common stock upon exercise of stock-based awards	263,327	*-	10	-	-	-	10
Stock based compensation	-	-	32,511	-	-	-	32,511
Other comprehensive gain adjustments	-	-	-	-	1,873	-	1,873
Net loss	-	-	-	-	-	(98,523)	(98,523)
Balance as of March 31, 2025	<u>58,290,453</u>	<u>\$ 6</u>	<u>\$ 1,845,719</u>	<u>\$ (50,194)</u>	<u>\$ (74,604)</u>	<u>\$ (1,126,714)</u>	<u>\$ 594,213</u>

	Common stock		Additional paid in Capital	Treasury stock	Accumulated other comprehensive loss	Retained earnings	Total
	Number	Amount					
Balance as of January 1, 2024	57,123,437	\$ 6	\$ 1,680,622	\$ -	\$ (46,885)	\$ 778,166	\$ 2,411,909
Issuance of common stock upon exercise of stock-based awards	175,254	*-	13	-	-	-	13
Stock based compensation	-	-	38,888	-	-	-	38,888
Repurchase of common stock	(505,896)	*-	-	(33,222)	-	-	(33,222)
Other comprehensive loss adjustments	-	-	-	-	(19,726)	-	(19,726)
Net loss	-	-	-	-	-	(157,311)	(157,311)
Balance as of March 31, 2024	<u>56,792,795</u>	<u>\$ 6</u>	<u>\$ 1,719,523</u>	<u>\$ (33,222)</u>	<u>\$ (66,611)</u>	<u>\$ 620,855</u>	<u>\$ 2,240,551</u>

* Represents an amount less than \$1.

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

SOLAREEDGE TECHNOLOGIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(in thousands, except per share data)

	Three Months Ended	
	March 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (98,523)	\$ (157,311)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	12,001	14,988
Stock-based compensation expenses	31,426	37,606
Deferred income taxes, net	(1,029)	(41,847)
Loss (gain) from exchange rate fluctuations	(2,930)	7,799
Other items	2,271	4,371
Changes in assets and liabilities:		
Trade receivables, net	29,247	210,376
Inventories, net	12,285	(105,810)
Prepaid expenses and other assets	100,361	52,187
Operating lease right-of-use assets, net	3,659	5,255
Trade payables	30,275	(215,120)
Warranty obligations	(19,745)	(15,582)
Deferred revenues and customers advances	(51,970)	(523)
Operating lease liabilities	(3,571)	(5,219)
Accrued expenses and other liabilities	(9,934)	(8,189)
Net cash provided by (used in) operating activities	<u>33,823</u>	<u>(217,019)</u>
Cash flows from investing activities:		
Investment in available-for-sale marketable securities	(72,465)	(129,221)
Proceeds from maturities of available-for-sale marketable securities	142,931	319,605
Purchase of property, plant and equipment	(10,109)	(26,347)
Repayment related to governmental grant	(6,643)	-
Disbursements for loans receivables	-	(7,500)
Investment in privately-held companies	-	(8,831)
Proceeds from loan receivables	13,653	1,625
Other investing activities	230	(323)
Net cash provided by investing activities	<u>\$ 67,597</u>	<u>\$ 149,008</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(in thousands, except per share data)

	Three Months Ended March 31,	
	2025	2024
Cash flows from financing activities:		
Repurchase of common stock	\$ -	\$ (33,222)
Payments on account of repurchase of common stock	-	(16,778)
Repurchase of convertible debt	(5,093)	-
Other financing activities	(1,144)	(987)
Net cash used in financing activities	<u>(6,237)</u>	<u>(50,987)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	701	(5,241)
Increase (decrease) in cash, cash equivalents and restricted cash	95,884	(124,239)
Cash, cash equivalents and restricted cash, beginning of period	409,939	338,468
Cash, cash equivalents and restricted cash, end of period	<u>\$ 505,823</u>	<u>\$ 214,229</u>
Supplemental disclosure of non-cash activities:		
Right-of-use asset recognized with a corresponding lease liability	\$ 10,881	\$ 1,085
Purchase of property, plant and equipment	<u>\$ 1,731</u>	<u>\$ 4,760</u>

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

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

	Three Months Ended March 31,	
	2025	2024
Cash and cash equivalents	\$ 401,364	\$ 214,229
Restricted cash	104,459	-
Cash, cash equivalents and restricted cash, end of period	<u>\$ 505,823</u>	<u>\$ 214,229</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

NOTE 1: GENERAL

- a. SolarEdge Technologies Inc. (the "Company") and its subsidiaries design, develop, and sell intelligent inverter solutions 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 throughout each and every module through constant tracking of maximum power points 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 has expanded its activity to other areas of smart energy technology organically and through acquisitions.

- b. Basis of Presentation:

The unaudited condensed consolidated financial statements and accompanying notes have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). In management's opinion, the unaudited condensed consolidated financial statements reflect all adjustments of a normal recurring nature that are necessary for a fair presentation of the results for the interim periods presented. The Company's interim period results do not necessarily indicate the results that may be expected for any other interim period or for the full fiscal year.

The significant accounting policies applied in the annual consolidated financial statements of the Company as of December 31, 2024, contained in the Company's Annual Report on Form 10-K filed with the SEC on February 25, 2025, have been applied consistently in these unaudited interim condensed consolidated financial statements. Certain prior year amounts have been reclassified to conform to current year presentation.

- c. 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 and outcomes may differ from management's estimates and assumptions due to risks and uncertainties.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

d. Concentrations of supply risks:

The Company depends on two 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.

As of March 31, 2025 two contract manufacturers jointly accounted for 64.3% of the Company's total trade payables.

As of December 31, 2024, two contract manufacturers jointly accounted for 43.4% of the Company's total trade payables.

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

e. New accounting standards updates:

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 2024-03 is effective for 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 from ASU 2024-03 on its consolidated financial statements disclosures.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

NOTE 2: MARKETABLE SECURITIES

The following is a summary of available-for-sale marketable securities as of March 31, 2025:

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Matures within one year:				
Corporate bonds	\$ 199,448	\$ 56	\$ (271)	\$ 199,233
U.S. Treasury securities	35,753	-	(16)	35,737
U.S. Government agency securities	10,299	16	(1)	10,314
Non-U.S. Government securities	4,990	-	(7)	4,983
	<u>250,490</u>	<u>72</u>	<u>(295)</u>	<u>250,267</u>
Matures after one year:				
Corporate bonds	28,847	284	-	29,131
U.S. Government agency securities	4,886	34	-	4,920
	<u>33,733</u>	<u>318</u>	<u>-</u>	<u>34,051</u>
Total	\$ 284,223	\$ 390	\$ (295)	\$ 284,318

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

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Matures within one year:				
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>
Matures after one year:				
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>
Total	\$ 354,291	\$ 415	\$ (830)	\$ 353,876

The Company did not sell any available-for-sale marketable securities during the three months ended March 31, 2025 and 2024.

As of March 31, 2025, and December 31, 2024, the Company did not record an allowance for credit losses for its available-for-sale marketable securities.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

NOTE 3: INVENTORIES, NET

	March 31, 2025	December 31, 2024
Raw materials	\$ 261,617	\$ 209,259
Work in process	471	3,113
Finished goods	374,509	433,525
Total inventories, net	<u>\$ 636,597</u>	<u>\$ 645,897</u>

NOTE 4: PREPAID EXPENSES AND OTHER CURRENT ASSETS

	March 31, 2025	December 31, 2024
Vendor non-trade receivables ¹	\$ 75,116	\$ 198,211
Government authorities ²	218,382	213,290
Loan receivables, net	33,178	-
Prepayments	27,372	25,291
Assets held for sale	60,145	60,500
Other	50,226	25,735
Total prepaid expenses and other current assets	<u>\$ 464,419</u>	<u>\$ 523,027</u>

¹ 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.

² Including (1) Advanced Manufacturing Production Tax Credits ("AMPTC"), which incentivize the production of eligible components within the U.S. under IRC Section 45X, (2) income tax receivables and (3) value-added tax receivables from tax authorities.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

NOTE 5: OTHER LONG TERM ASSETS

	March 31, 2025	December 31, 2024
Cloud computing arrangements	\$ 29,184	\$ 29,366
Investments in privately held companies	21,265	20,976
Severance pay fund	-	9,185
Prepaid expenses and other	5,027	5,209
Total other long term assets	<u>\$ 55,476</u>	<u>\$ 64,736</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

NOTE 6: DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

During the three months ended March 31, 2025, the Company instituted a foreign currency cash flow hedging program to reduce the risk of a forecasted increase in the value of foreign currency cash flows, resulting from payment of salaries in Israeli currency, the New Israeli Shekels (“NIS”). The Company hedges portions of the anticipated payroll denominated in NIS for a period of one to nine months with hedging contracts. These hedging contracts are designated as cash flow hedges, as defined by ASC 815 and are all effective hedges.

As of March 31, 2025, the Company entered into forward contracts and put and call options to sell U.S. dollars (“USD”) in the amounts of NIS 44 million and NIS 74 million, respectively.

In addition to the above-mentioned cash flow hedge transactions, the Company occasionally enters into derivative instrument arrangements to hedge the Company’s exposure to currencies other than USD. 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 loss, under “Financial income (expense), net”.

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

The fair values of outstanding derivative instruments were as follows:

	Balance sheet location	March 31, 2025	December 31, 2024
Derivative assets of options and forward contracts:			
Designated cash flow hedges	Prepaid expenses and other current assets	\$ 156	\$ 1,262
Derivative liabilities of options and forward contracts:			
Designated cash flow hedges	Accrued expenses and other current liabilities	\$ (41)	\$ -

Gains (losses) on derivative instruments are summarized below:

	Affected line item	Three Months Ended March 31,	
		2025	2024
Foreign exchange contracts			
Non Designated Hedging Instruments	Condensed Consolidated Statements of Loss - Financial income (expense), net	\$ -	\$ 612
Designated Hedging Instruments	Condensed Consolidated Statements of Comprehensive Loss - Cash flow hedges	\$ (488)	\$ (1,538)

See Note 15 for information regarding losses from designated hedging instruments reclassified from accumulated other comprehensive loss.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

NOTE 7: FAIR VALUE MEASUREMENTS

In accordance with ASC 820, “Fair Value Measurement”, the Company measures its cash equivalents and marketable securities, at fair value using the market approach valuation technique. Cash and cash equivalents 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 March 31, 2025 and December 31, 2024, by level within the fair value hierarchy:

Description	Fair Value Hierarchy	Fair value measurements as of	
		March 31, 2025	December 31, 2024
Assets:			
Cash and cash equivalents:			
Cash	Level 1	\$ 367,919	\$ 239,020
Money market mutual funds	Level 1	\$ 14,995	\$ 21,075
Deposits	Level 1	\$ 18,450	\$ 14,516
Restricted cash	Level 1	\$ 104,459	\$ 135,328
Derivative instruments	Level 2	\$ 156	\$ 1,262
Short-term marketable securities:			
Corporate bonds	Level 2	\$ 199,233	\$ 289,856
U.S. Treasury securities	Level 2	\$ 35,737	\$ 12,594
U.S. Government agency securities	Level 2	\$ 10,314	\$ 8,829
Non-U.S. Government securities	Level 2	\$ 4,983	\$ -
Long-term marketable securities:			
Corporate bonds	Level 2	\$ 29,131	\$ 36,241
U.S. Government agency securities	Level 2	\$ 4,920	\$ 6,356
Liabilities:			
Derivative instruments	Level 2	\$ (41)	\$ -

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

NOTE 8: WARRANTY OBLIGATIONS

Changes in the Company's product warranty obligations for the three months ended March 31, 2025 and 2024, were as follows:

	Three Months Ended March	
	31,	
	2025	2024
Balance, at the beginning of the period	\$ 432,365	\$ 518,244
Accruals for warranty during the period	16,466	18,847
Changes in estimates	(911)	106
Settlements	(35,218)	(34,698)
Balance, at end of the period	412,702	502,499
Less current portion	(125,172)	(181,333)
Long term portion	<u>\$ 287,530</u>	<u>\$ 321,166</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

NOTE 9: DEFERRED REVENUES AND CUSTOMERS ADVANCES

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. Deferred revenues are classified as short-term and long-term deferred revenues based on the period in which revenues are expected to be recognized.

Changes in the balances of deferred revenues and customer advances during the period are as follows:

	Three Months Ended March	
	31,	
	2025	2024
Balance, at the beginning of the period	\$ 371,919	\$ 255,443
Revenue recognized	(80,942)	(30,056)
Increase in deferred revenues and customer advances	29,163	29,229
Balance, at the end of the period	320,140	254,616
Less current portion	(76,491)	(36,081)
Long term portion	<u>\$ 243,649</u>	<u>\$ 218,535</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 March 31, 2025:

2025	\$ 72,867
2026	14,576
2027	12,539
2028	11,640
2029	11,335
Thereafter	197,183
Total deferred revenues	<u>\$ 320,140</u>

NOTE 10: ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	March 31,	December 31,
	2025	2024
Accrued expenses	\$ 153,045	\$ 166,699
Government authorities	29,754	51,705
Operating lease liabilities	15,027	11,861
Accrual for sales incentives	15,600	11,671
Other	6,070	4,142
Total accrued expenses and other current liabilities	<u>\$ 219,496</u>	<u>\$ 246,078</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

NOTE 11: 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.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

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 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. In June 2025, the Company recorded under other income a gain of \$15,456 from the 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.

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 condensed 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 described in the Company's Form 8-K filed on June 28, 2024.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

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.

In March 2025 the Company repurchased \$5,250 principal amount of its Notes 2025. The Company recorded a net gain of \$146, under other income, net, from the repurchase.

The convertible senior notes consisted of the following as of March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
Notes 2025		
Principal	\$ 342,250	\$ 347,500
Unamortized issuance costs	(778)	(1,195)
Net carrying amount Notes 2025	341,472	346,305
Notes 2029		
Principal	337,000	337,000
Unamortized issuance costs	(6,611)	(6,994)
Net carrying amount Notes 2029	330,389	330,006
Total notes carrying amount	\$ 671,861	\$ 676,311

Costs related to the Notes 2025 and the Notes 2029 for the three months ended March 31, 2025 and March 31, 2024 were as follows:

	Three Months Ended March 31,	
	2025	2024
Notes 2025		
Debt issuance cost	\$ 405	\$ 735
Notes 2029		
Debt issuance cost	\$ 383	\$ -
Contractual interest expense	\$ 1,896	\$ -

As of March 31, 2025, the unamortized issuance costs of the Notes 2025 and Notes 2029 will be amortized over the remaining term of approximately 6 months and 4.3 years, respectively.

The annual effective interest rates of the Notes 2025 and the Notes 2029 are 0.47% and 2.75%, respectively.

As of March 31, 2025, the estimated fair values of Notes 2025 and Notes 2029, both of which the Company has classified as Level 2 financial instruments, are \$331,983 and \$279,973, respectively. The estimated fair values were determined based on the quoted bid price of the Notes in an over-the-counter market on the last trading day of the reporting period.

As of March 31, 2025, the if-converted value of the Notes 2025 and Notes 2029 did not exceed the principal amount.

NOTE 12: OTHER LONG TERM LIABILITIES

	March 31, 2025	December 31, 2024
Tax liabilities	\$ 14,249	\$ -
Long term accrued expenses	6,052	-
Accrued severance pay	2,291	6,079
Other	1,187	2,347
	\$ 23,779	\$ 8,426

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

NOTE 13: 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. 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 Amended and Restated 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 March 31, 2025, a total of 26,648,950 shares of common stock were reserved for issuance pursuant to stock awards under the 2015 Plan (the "Share Reserve"), an aggregate of 13,058,763 shares are still available for future grants.

The Share Reserve will automatically increase on January 1st of each year during the term of the 2015 Plan, commencing on January 1st 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 31st of the preceding calendar year; provided, however, that the Company's board of directors may determine that there will not be a January 1st 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 31st.

Under its 2015 Plan, the Company granted 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 market condition for the PSUs is based on either the Company's share price target or total shareholder return ("TSR") compared to the TSR of companies listed in the S&P 500 index over a two to three year performance period or the 30-day successive average trading price of the Company's common stock, and are subject to a three-year vesting period. 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 March 31, 2025, an aggregate of 8,617,974 options are still available for future grants under the 2015 Plan.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

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, 2024	283,419	\$ 59.16	3.42	\$ 17
Exercised	(2,000)	5.01	-	16
Outstanding as of March 31, 2025	281,419	\$ 59.55	3.18	\$ 77
Vested and expected to vest as of March 31, 2025	281,419	\$ 59.55	3.08	\$ 77
Exercisable as of March 31, 2025	281,419	\$ 59.55	3.08	\$ 77

The intrinsic value is the amount by which the closing price of the Company's common stock on March 31, 2025 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.

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 December 31, 2024	3,395,347	\$ 70.62	334,254	\$ 67.52
Granted	679,392	15.20	755,343	6.39
Vested	(261,327)	125.55	-	-
Forfeited	(194,150)	97.17	(19,822)	255.45
Unvested as of March 31, 2025	3,619,262	\$ 54.83	1,069,775	\$ 20.88

c. Employee Stock Purchase Plan ("ESPP"):

The Company adopted an ESPP effective upon the consummation of the IPO. As of March 31, 2025, a total of 5,125,666 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 the lesser of either up to 15% of their salaries or \$15,000 per participant, to purchase common stock for every six month 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 March 31, 2025, 1,798,312 shares of common stock have been purchased under the ESPP.

As of March 31, 2025, 3,327,354 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.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

d. Stock-based compensation expenses:

The Company recognized stock-based compensation expenses related to all stock-based awards in the condensed consolidated statement of loss for the three months ended March 31, 2025, and 2024, as follows:

	Three Months Ended March 31,	
	2025	2024
Stock-based compensation expenses:		
Cost of revenues	\$ 4,372	\$ 5,968
Research and development	15,911	17,139
Selling and marketing	4,742	7,911
General and administrative	6,401	6,588
Total stock-based compensation expenses	<u>\$ 31,426</u>	<u>\$ 37,606</u>
Stock-based compensation capitalized:		
Inventory	\$ 646	\$ 804
Other long-term assets	439	478
Total stock-based compensation capitalized	<u>\$ 1,085</u>	<u>\$ 1,282</u>

For the three months ended March 31, 2025 no amounts were recorded in regard to tax benefits associated with share-based compensation.

The total tax benefit associated with share-based compensation for the three months ended March 31, 2024 was \$5,366.

The tax benefit realized from share-based compensation for three months ended March 31, 2024 was \$1,341.

As of March 31, 2025, there were total unrecognized compensation expenses in the amount of \$197,511 related to non-vested equity-based compensation arrangements granted. These expenses are expected to be recognized during the period from April 1, 2025 through May 31, 2029.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

NOTE 14: COMMITMENTS AND CONTINGENT LIABILITIES

a. Guarantees:

As of March 31, 2025, contingent liabilities exist regarding guarantees in the amounts of \$102,644, \$10,806 and \$1,540, for each 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 March 31, 2025, the Company had non-cancellable purchase obligations totaling approximately \$234,017, out of which the Company recorded a provision for loss in the amount of \$25,811.

As of March 31, 2025, the Company had contractual obligations for capital expenditures totaling approximately \$32,432. These commitments reflect purchases of automated assembly lines and other machinery related to the Company's general manufacturing process and are primarily for its new manufacturing sites in the U.S.

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 former CEO and the Company's former 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 (the "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. On April 7, 2025, a judge issued an order granting in part the Motion, and dismissing all allegations except those characterizing inventory levels as "low" and those relating to demand in Europe. The judge again granted the Plaintiffs the opportunity to file a further amended complaint, which is due on May 7, 2025. Discovery remains stayed pending the Court's ultimate decision on the motion to dismiss the Second Amended Complaint.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

On March 15, 2024, Abdul Hirani filed a purported derivative complaint (the “Hirani 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 Zafirir, 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 Consolidated 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 Consolidated 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. On September 9, 2024, the parties agreed to stay the Consolidated Derivative 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 (the “Isaac 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 Consolidated Securities Litigation. It also pleads the similar counts to those in the Consolidated Securities Litigation, 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. At a hearing on February 25, 2025 the parties discussed the case and the judge reserved any decision. We are waiting for the Court decision. The Company disputes the allegations of wrongdoing and intends to vigorously defend against them.

As of March 31, 2025, the Company recorded an accrual of \$449 for legal claims which was recorded under accrued expenses and other current liabilities.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

NOTE 15: ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table summarizes the changes in accumulated balances of other comprehensive gain (loss), net of taxes:

	Three Months Ended March 31,	
	2025	2024
Unrealized gains (losses) on available-for-sale marketable securities		
Beginning balance	\$ (385)	\$ (4,960)
Revaluation	481	1,860
Tax on revaluation	-	(369)
Net current period other comprehensive income	481	1,491
Ending balance	\$ 96	\$ (3,469)
Unrealized gains (losses) on cash flow hedges		
Beginning balance	\$ 1,262	\$ 3,940
Revaluation	(398)	(1,748)
Tax on revaluation	(90)	210
Other comprehensive loss before reclassifications	(488)	(1,538)
Reclassification	(748)	(939)
Tax on reclassification	90	112
Gains reclassified from accumulated other comprehensive income (loss)	(658)	(827)
Net current period other comprehensive loss	(1,146)	(2,365)
Ending balance	\$ 116	\$ 1,575
Foreign currency translation adjustments on intra-entity transactions that are of a long-term investment in nature		
Beginning balance	\$ (78,714)	\$ (43,335)
Revaluation	(928)	(13,382)
Ending balance	\$ (79,642)	\$ (56,717)
Unrealized gains (losses) on foreign currency translation		
Beginning balance	\$ 1,360	\$ (2,530)
Revaluation	3,466	(5,470)
Ending balance	\$ 4,826	\$ (8,000)
Total	\$ (74,604)	\$ (66,611)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

The following table summarizes the reclassifications from “Accumulated other comprehensive loss” into the statement of loss:

Details about Accumulated Other Comprehensive Loss Components	Three Months Ended March 31,		Affected Line Item in the Statement of Loss
	2025	2024	
Cash flow hedges			
	\$ 84	\$ 105	Cost of revenues
	457	565	Research and development
	74	122	Sales and marketing
	133	147	General and administrative
	\$ 748	\$ 939	Total, before income taxes
	(90)	(112)	Tax benefits (income taxes)
Total reclassifications for the period	\$ 658	\$ 827	Total, net of tax benefits (income taxes)

NOTE 16: OTHER OPERATING EXPENSE (INCOME)

The following table presents the expenses (income) recorded in the three months ended March 31, 2025, and 2024:

	Three Months Ended March 31,	
	2025	2024
Income from settlement agreements associated with contractual commitments	\$ (3,137)	\$ -
Impairment and disposal by abandonment of property, plant and equipment	25	1,732
Other	(463)	659
Total other operating expense (income), net	\$ (3,575)	\$ 2,391

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

NOTE 17: 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 employees 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. In connection with the closure, the Company expects to reduce its headcount by approximately 500 employees, primarily 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 has 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 three months ended March 31, 2025, by type of cost were as follows:

	Employee termination costs	Contract termination and other	Total
Cost of revenues	\$ 465	\$ 133	\$ 598
Research and development	1,093	-	1,093
Sales and marketing	830	-	830
General and administrative	895	-	895
Other operating expenses	-	(3,137)	(3,137)
Total	\$ 3,283	\$ (3,004)	\$ 279

Restructuring and other exit charges for the three months ended March 31, 2024, by type of cost were as follows:

	Employee termination costs	Contract termination and other	Total
Cost of revenues	\$ 607	\$ 4,781	\$ 5,388
Research and development	2,913	-	2,913
Sales and marketing	641	-	641
General and administrative	342	-	342
Total	\$ 4,503	\$ 4,781	\$ 9,284

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

The Company's liability balance for the restructuring and other exit charges is as follows:

	Employee termination costs	Contract termination and other
Balance as of December 31, 2024	\$ 1,073	\$ 23,933
Charges	3,283	133
Cash payments	(3,620)	-
Non-cash utilization and other	-	(1,145)
Balance as of March 31, 2025	<u>\$ 736</u>	<u>\$ 22,921</u>

NOTE 18: INCOME TAXES

For the three months ended March 31, 2025, the Company reported income taxes at an effective tax rate of negative 6.2% including discrete items, compared to the three months ended March 31, 2024, where the Company reported income taxes at an effective tax rate of 13.1%.

The negative effective tax rate in the three months ended March 31, 2025 resulted primarily from the valuation allowance on current losses, coupled with withholding taxes incurred on certain intra-group interest payments and additional tax payable as a result of the settlement with the Israeli Taxes Authority (as further detailed below). The effective tax rate in the corresponding period in 2024 was mainly due to impairments and disposals, which significantly increased the quarterly loss before income tax, partially offset by higher tax expenses resulting from an increase in the valuation allowance during that quarter.

Deferred tax assets are evaluated for future realization and reduced by a valuation allowance to the extent that 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. Based primarily on the negative evidence outweighing the positive evidence, including the Company's three year cumulative, consolidated GAAP loss, historical tax losses and the difficulty in forecasting excess tax benefits related to equity-based compensation, the Company believes there is uncertainty as to when it will be possible to utilize certain net operating losses (each an "NOL"), credit carryforwards and other deferred tax assets. Therefore, the Company recorded a valuation allowance against the deferred tax assets for which it is more-likely-than-not they will not be realized.

Should the Company's operating results improve and projections show continued utilization of the tax attributes, the Company would consider that as significant positive evidence and future reassessment may result in the determination that all or a portion of the valuation allowance is no longer required. If this were to occur, any reversal of the valuation allowance would result in a corresponding non-cash income tax benefit, thereby increasing total DTAs.

During March 2025, SolarEdge Technologies, Ltd. (the "Israeli Subsidiary") reached a settlement agreement with the Israeli Tax Authority settling all issues in dispute for tax years 2016 - 2018, in consideration for a payment of NIS 100 million (approximately \$27 million). Accordingly, the Israeli Subsidiary recorded a current tax payable for the settlement amount and released approximately \$25 million of its provision for uncertain tax positions for these years (including related accruals for interest and penalties). The settlement amount is payable in monthly payments over 3 years and can be prepaid in full at any point. The amount payable bears interest and is linked to the Consumer Prices Index.

The Company accrues interest and penalties related to unrecognized tax benefits in its provision for income taxes. The total amount of penalties and interest as of March 31, 2025 and December 31, 2024 were \$2,032 and \$9,165, respectively.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

NOTE 19: LOSS PER SHARE

The following table presents the computation of basic and diluted loss per share (“EPS”):

	Three Months Ended March	
	31,	
	2025	2024
Basic EPS:		
Numerator:		
Net loss	\$ (98,523)	\$ (157,311)
Denominator:		
Shares used in computing net loss per share of common stock, basic	58,121,502	57,140,126
Diluted EPS:		
Numerator:		
Net loss attributable to common stock, diluted	\$ (98,523)	\$ (157,311)
Denominator:		
Shares used in computing net loss per share of common stock, diluted	58,121,502	57,140,126
Loss per share:		
Basic and Diluted	\$ (1.70)	\$ (2.75)

The following outstanding shares of common stock equivalents were excluded from the calculation due to their antidilutive nature:

	Three Months Ended March	
	31,	
	2025	2024
Stock-based awards	2,191,912	1,810,591
Notes due 2025	1,249,560	2,276,818
Notes due 2029 ¹	9,819,347	-
Total shares excluded	13,260,819	4,087,409

¹ In conjunction with the issuance of the Notes 2029, in June 2024, the Company used approximately \$25,230 of its 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.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

NOTE 20: SEGMENT INFORMATION

Following the sale of Automation Machines and the discontinuation of the Energy Storage activity in 2024, the Company now operates as one operating segment that constitutes consolidated results. The Company recast its comparative numbers to conform to current period presentation.

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 net loss, accompanied by disaggregated information about significant expenses.

The Company's CODM does not regularly review asset information and, therefore, the Company does not report asset information.

The 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 segment solution consists mainly of the Company's power optimizers, inverters, batteries and cloud-based monitoring platform.

The following tables present information on reportable loss for the period presented:

	Three Months Ended March	
	31,	
	2025	2024
Revenues	\$ 219,480	\$ 204,399
Less:		
Direct costs of goods	130,929	131,906
Salaries ¹	122,445	136,789
Inventory costs	1,919	10,608
Shipment and logistics	11,134	10,618
Warranty	(446)	16,774
Depreciation and amortization	13,103	14,101
Directly related overhead costs	11,688	13,768
Other ²	31,286	43,540
Financial (income) expense, net	(10,068)	7,064
Income taxes (tax benefit)	5,726	(23,754)
Net loss from equity method investments	287	296
Net loss	<u>\$ (98,523)</u>	<u>\$ (157,311)</u>

¹ Including stock-based compensation expenses.

² Represents indirect costs of goods, consultants and sub-contractors, marketing and bad debt.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in thousands, except per share data)

The following table presents revenues disaggregated by geographical location:

	Three Months Ended March	
	31,	
	2025	2024
United States	\$ 132,104	\$ 65,283
Europe	52,502	95,088
International markets	34,874	44,028
Total revenues	<u>\$ 219,480</u>	<u>\$ 204,399</u>

NOTE 21: SUBSEQUENT EVENTS

On April 1, 2025, the Company sold one of its battery cell manufacturing facilities and certain other related assets, in South Korea for \$10,000.

On April 30, 2025, the Company divested from its PV tracker business, in order to focus on the Company's core solar business.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements contained in this Form 10-Q or statements incorporated by reference from documents we have filed with the Securities and Exchange Commission may contain forward-looking statements that are based on our management's expectations, estimates, projections, beliefs and assumptions in accordance with information currently available to our management. Forward-looking statements should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included in Part 1, Item 1 of this report. 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, backlog, industry and regulatory environment, effects of acquisitions, growth opportunities, potential future impairments, 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:

- 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;
- changes in the U.S. and global trade environments, including the imposition and/or increase of import tariffs or other restrictive trade measures;
- ability to successfully operate our global operations with a reduced work force;
- macroeconomic conditions in our domestic and international markets, as well as inflation concerns, rising interest rates and recessionary concerns;
- changes, elimination or expiration of government subsidies and economic incentives for on-grid solar energy applications;
- 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 cyclicalities of the solar industry and periodic downturns;
- product quality or performance problems in our products;
- loss of key executives, and our ability to retain key personnel and attract additional qualified personnel
- 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;
- changes to net metering policies or the reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar energy applications;
- capacity constraints, delivery schedules, manufacturing yields, and costs of our contract manufacturers and availability of components;
- performance of distributors and large installers in selling our products;
- consolidation in the solar industry among our customers and distributors;
- our ability to effectively manage changes in 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;
- our ability to implement our new ERP system;

- our ability to integrate acquired businesses;
- 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 corporate social responsibility and sustainability, requirements;
- existing and future responses to and effects of pandemics, epidemics or other health crises;
- federal, state, and local regulations governing the electric utility industry with respect to solar energy;
- 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;
- 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;
- natural disasters, public health events and other disruptions;
- impairment of our goodwill or other long-lived and intangible assets
- our liquidity and ability to service our debt;

the other factors set forth below in Part II, Item 1.A under “Risk Factors and in Part I, Item 1A under Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024 and in other documents we file from time to time with the SEC that disclose risks and uncertainties that may affect our business.

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.

Overview

We develop, manufacture and sell products in a solar segment that addresses a broad range of energy market segments through our diversified product offering, including residential, commercial and large scale photovoltaic or PV, home energy management, grid services and virtual power plants. In prior years, we also had product offerings for the e-mobility market, automation machines (“Automation Machines”) and energy storage. In October 2023, we decided to discontinue our light commercial vehicle (“LCV”), e-Mobility activity. 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 activities.

Following the sale of Automation Machines and the discontinuation of the Energy Storage activity in 2024, the Company now operates as one operating segment, the Solar segment, that constitutes consolidated results.

In light of the 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 product with domestic content, as well as by incentivizing local manufacturing of our products, we manufacture single phase inverters in Texas and optimizers in Florida. We are also currently increasing our manufacturing of three-phase inverters in Florida and batteries in Utah. With the ramp-up of 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. As of March 31, 2025, we shipped approximately 134.3 million power optimizers, 5.9 million inverters and 346.9 thousand batteries for PV applications. Over 4.3 million installations, many of which may include multiple inverters, are currently connected to, and monitored through, our cloud-based monitoring platform. As of March 31, 2025, we shipped approximately 57.4 GW of our DC optimized inverter systems and approximately 2.4 GWh of our batteries for PV applications.

Our revenues for the three months ended March 31, 2025 and March 31, 2024 were \$219.5 million and \$204.4 million, respectively. Gross profit as a percentage of revenue was 8.0%, for the three months ended March 31, 2025, compared to gross loss as a percentage of revenue of 12.8%, for the three months ended March 31, 2024. Net loss was \$98.5 million and \$157.3 million for the three months ended March 31, 2025, and March 31, 2024, respectively.

Global Circumstances Influencing our Business and Operations

Demand for Products

We have seen a slowdown in demand for our products from our direct customers since the second part of the third quarter of 2023, throughout 2024 and into 2025. This was a result of slowed market demand beginning in the third quarter of 2023 and persisting throughout 2024 and into 2025, 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, mostly 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. The slowdown continued in the subsequent quarters of 2023, throughout 2024 and the first quarter of 2025.

Trade Tariff Uncertainties

The current trade situation is creating uncertainty about what the impacts new or existing tariffs, trade restrictions or retaliatory actions may have on us, the solar industry, our partners, and our customers. In the last two and a half years, we have relocated our contract manufacturing to the United States. However, certain critical subcomponents for our products are still sourced from outside the United States. If not resolved, the escalation in trade tensions or the implementation of broader tariffs, trade restrictions or other retaliatory measures on our products or components originating from countries outside of the United States, or from the United States, could adversely impact our ability to source necessary components, manufacture products at competitive cost, or sell our products at prices customers are willing to pay. Certain of the components used in our products are being imported to the United States from China, which may be subject to significantly increased tariffs. In light of the aforementioned, we are exploring alternative suppliers outside of China, however, there is no assurance that we will be successful in identifying suitable alternatives, or that such alternatives, if identified, will not result in increased costs or reduced operational efficiency.

If the price of solar power systems increases, as well as the cost of manufacturing our products in the United States, the use of solar power systems could become less economically feasible and could further reduce our gross margins or reduce the demand of solar power systems manufactured and sold, which in turn may decrease demand for our products. Additionally, existing or future tariffs may negatively affect key partners, suppliers and manufacturers. Such outcomes could adversely affect the amount or timing of our revenue, results of operations or cash flows, and continuing uncertainty could cause sales volatility, price fluctuations or supply shortages or cause our customers to advance or delay their purchase of our products. Any such developments could materially and adversely affect our business operations, results of operations and cash flows.

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 three months ended March 31, 2025 approximately 5% 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 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.

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 AMPTCs 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 eligibility, qualifying and accounting for AMPTCs. Of particular relevance to the Company are the tax credits that we generate as a result of rules concerning the qualification and measurement of AMPTCs to Residential Inverters, Commercial Inverters and DC-Optimized Inverter Systems. In 2024 and the first quarter of 2025, we sold a significant part of the AMPTCs that 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 in the future. This potential loss of financial support could adversely impact our business, and potentially the overall financial performance of the Company.

As of March 31, 2025 and December 31, 2024 benefits from AMPTCs of \$82,946 and \$80,516, respectively, were recorded as a tax prepayment within prepaid expenses and other current assets.

Key Operating Metrics

In managing our business and assessing financial performance, we supplement the information provided in our 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 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.

	Three months ended March 31,	
	2025	2024
Inverters shipped	84,533	68,882
Power optimizers shipped	2,251,596	1,070,987
Megawatts shipped ¹	1,208	946
Megawatt hours shipped - batteries for PV applications	177	128

¹ Excluding batteries for PV applications, based on the aggregate nameplate capacity of inverters shipped during the applicable period. Nameplate capacity is the maximum rated power output capacity of an inverter as specified by the manufacturer.

Results of Operations

The results of operations presented below should be reviewed in conjunction with the condensed consolidated financial statements and related notes included elsewhere in this report.

The following table sets forth selected consolidated statements of loss data for each of the periods indicated.

	Three Months Ended March 31,	
	2025	2024
	(In thousands)	
Revenues	219,480	204,399
Cost of revenues	201,944	230,586
Gross profit (loss)	17,536	(26,187)
Operating expenses:		
Research and development	61,997	75,351
Sales and marketing	31,657	38,911
General and administrative	30,183	30,865
Other operating expense (income), net	(3,575)	2,391
Total operating expenses	120,262	147,518
Operating loss	(102,726)	(173,705)
Financial income (expense), net	10,068	(7,064)
Other income, net	148	-
Loss before income taxes	(92,510)	(180,769)
Tax benefits (income taxes)	(5,726)	23,754
Net loss from equity method investments	(287)	(296)
Net loss	(98,523)	(157,311)

Comparison of three months ended March 31, 2025, and the three months ended March 31, 2024

Revenues

	Three Months Ended March 31,		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
Revenues	219,480	204,399	15,081	7.4%

Revenues increased by \$15.1 million, or 7.4%, in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024, primarily due to an increase of \$36.4 million related to an increase in the number of power optimizers sold; and an increase of \$3.8 million related to an increase in the number of batteries for PV applications sold; these were partially offset by (i) a decrease of \$14.1 million related to less ancillary solar products sold; (ii) a decrease of \$3.7 million in revenue from inverters sold, related to a price reduction, mainly in Europe; (iii) a decrease of \$3.5 million in revenues due to the discontinuation of our Energy Storage Business; and (iv) a decrease of \$3.4 million in revenues from automation machines, which was sold in October 2024.

Revenues from outside of the U.S. comprised 39.8% of our revenues in the three months ended March 31, 2025, as compared to 68.1% in the three months ended March 31, 2024.

The number of power optimizers recognized as revenues increased by approximately 1.0 million units, or 98.2%, from approximately 1.1 million units in the three months ended March 31, 2024 to approximately 2.1 million units in the three months ended March 31, 2025. The number of inverters recognized as revenues increased by approximately 10 thousand units, or 15.5%, from approximately 62.3 thousand units in the three months ended March 31, 2024 to approximately 72.0 thousand units in the three months ended March 31, 2025. The megawatt hours of batteries for PV applications recognized as revenues increased by approximately 67.6 megawatt hours, or 71.9% from approximately 94.0 in the three months ended March 31, 2024 to approximately 162.0 megawatt hours in the three months ended March 31, 2025.

Our blended Average Selling Price (“ASP”) per watt for solar products excluding batteries for PV applications is calculated by dividing the 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 increased by \$0.001, or 0.4%, in the three months ended March 31, 2025, as compared to the three months ended March 31, 2024. This increase in blended ASP per watt is mainly attributed to a higher number of power optimizers shipped, compared to the number of inverters shipped; as well as higher ASP due to increase in U.S. sales compared to sales in Europe, which is characterized by a higher demand for residential products, which have a higher ASP per watt out of our total solar product mix. This increase in blended ASP per watt was partially offset by price reductions, mainly in Europe.

Our blended ASP per watt/hour 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 \$0.116, or 30.2%, in the three months ended March 31, 2025, as compared to the three months ended March 31, 2024. The decrease in blended ASP per watt/hour is mainly attributed to price reduction of our batteries for PV applications as well as an increase in the sale of our three-phase battery that is sold at a lower ASP per watt/hour.

Cost of Revenues and Gross Profit (loss)

	Three Months Ended March		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
Cost of revenues	201,944	230,586	(28,642)	(12.4)%
Gross profit (loss)	17,536	(26,187)	43,723	(167.0)%

Cost of revenues decreased by \$28.6 million, or 12.4%, in the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, primarily due to:

- a decrease in warranty expenses and warranty accruals of \$17.2 million associated primarily with a lower cost of materials;
- a decrease in inventory costs of \$8.7 million related to lower write-downs; and
- a decrease in the direct cost of revenues sold of \$5.9 million, associated primarily with the AMPTC recognized, which was partially offset by an increase in costs due to the manufacturing in the U.S., and a lower cost of products sold.

Gross profit as a percentage of revenue in the three months ended March 31, 2025 was 8.0%, as compared to gross loss as a percentage of revenue of 12.8%, in the three months ended March 31, 2024, primarily due to:

- a decrease in warranty expenses and warranty accruals of approximately 8% associated primarily with a lower cost of materials;
- a decrease of approximately 7% in restructuring plan and ramp up costs; and
- a decrease of approximately 4% in indirect cost associated primarily with lower inventory write-downs.

Operating Expenses:

Research and Development

	Three Months Ended March		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
Research and development	61,997	75,351	(13,354)	(17.7)%

Research and development costs decreased by \$13.4 million or 17.7%, in the three months ended March 31, 2025 compared to the three months ended March 31, 2024, primarily due to:

- a decrease in personnel-related costs of \$7.2 million resulting from our Restructuring Plan designed to reduce operating expenses and align our cost structure to current market dynamics;
- a decrease in material consumption of \$2.2 million; and
- a decrease in depreciation and amortization of \$1.5 million.

Sales and Marketing

	Three Months Ended March		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
Sales and marketing	31,657	38,911	(7,254)	(18.6)%

Sales and marketing expenses decreased by \$7.3 million, or 18.6%, in the three months ended March 31, 2025 compared to the three months ended March 31, 2024, primarily due to a decrease in personnel-related costs of \$6.4 million resulting from our Restructuring Plan designed to reduce operating expenses and align our cost structure to current market dynamics;

General and Administrative

	Three Months Ended March		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
General and administrative	30,183	30,865	(682)	(2.2)%

General and administrative expenses have decreased by \$0.7 million, or 2.2%, in the three months ended March 31, 2025 compared to the three months ended March 31, 2024, primarily due to a net reversal of doubtful debt in the amount of \$8.1 million in the three months ended March 31, 2025, as compared to an expense of \$3.0 million, in the three months ended March 31, 2024, mainly related to collection of doubtful debt.

This decrease was partially offset by:

- an increase of \$8.1 million primarily due to a penalty for postponing the commencement of our campus lease agreement;
- an increase in personnel-related costs, of \$1.9 million primarily due to one-time restructuring costs and changes in management, which were partially offset by our Restructuring Plan designed to reduce operating expenses and align our cost structure to current market dynamics.

Other income, net

	<u>Three months ended March 31,</u>		<u>2024 to 2025</u>	
	<u>2025</u>	<u>2024</u>	<u>Change</u>	
	<u>(In thousands)</u>			
Other income, net	148	-	148	100.0%

Other income, net increased by \$0.1 million, or 100.0%, in the three months ended March 31, 2025, compared to the three months ended March 31, 2024, due to gain from the repurchase of convertible notes, in the three months ended March 31, 2025.

Income taxes (tax benefits)

	<u>Three months ended March 31,</u>		<u>2024 to 2025</u>	
	<u>2025</u>	<u>2024</u>	<u>Change</u>	
	<u>(In thousands)</u>			
Tax benefits (income taxes)	(5,726)	23,754	(29,480)	(124.1)%

Income taxes were \$5.7 million in the three months ended March 31, 2025, compared to tax benefits in the amount of \$23.8 million in the three months ended March 31, 2024 primarily due to a valuation allowance of the deferred tax assets on our current losses, withholding taxes paid on certain intra-group interest payments and additional tax payable as a result of a settlement with the Israeli Tax Authority for tax years 2016-2018.

Net loss from equity method investments

	<u>Three months ended March 31,</u>		<u>2024 to 2025</u>	
	<u>2025</u>	<u>2024</u>	<u>Change</u>	
	<u>(In thousands)</u>			
Net loss from equity method investments	(287)	(296)	9	(3.0)%

Net loss from equity method investments slightly decreased in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024.

Net loss

	<u>Three months ended March 31,</u>		<u>2024 to 2025</u>	
	<u>2025</u>	<u>2024</u>	<u>Change</u>	
	<u>(In thousands)</u>			
Net loss	(98,523)	(157,311)	58,788	(37.4)%

As a result of the factors discussed above, net loss decreased by \$58.8 million or 37.4% in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024.

Liquidity and Capital Resources

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

	Three Months Ended March 31,	
	2025	2024
	(In thousands)	
Net cash provided by (used in) operating activities	\$ 33,823	\$ (217,019)
Net cash provided by investing activities	67,597	149,008
Net cash used in financing activities	(6,237)	(50,987)
Increase (decrease) in cash and cash equivalents	<u>\$ 95,183</u>	<u>\$ (118,998)</u>

As of March 31, 2025, our cash and cash equivalents were \$401.4 million. This amount does not include \$284.3 million invested in available-for-sale marketable securities, \$104.5 million in restricted cash, and \$3.4 million invested in deposits and 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 Notes 2025. As of March 31, 2025, we have open commitments for capital expenditures in an amount of approximately \$32.4 million. These commitments mainly reflect purchases of automated assembly lines and other machinery related to our manufacturing and operations. We also have purchase obligations in the amount of \$234.0 million, related to raw materials and commitments for the future manufacturing of our products.

Beginning in the fourth quarter of 2024, we started to sell AMPTCs. We plan to pursue additional tax credit transfer 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

Operating cash flows consist primarily of net loss, adjusted for certain non-cash items and changes in assets and liabilities. Cash provided by operating activities was \$33.8 million in the three months ended March 31, 2025 as compared to cash used in operating activities of \$217.0 million in the three months ended March 31, 2024, attributed to a decrease in net loss adjusted for certain non-cash items generated in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024, as well as 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 decreased by \$81.4 million in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024, primarily driven by a decrease of \$176.7 million in proceeds provided by sales and maturities of available-for-sale marketable securities, and an increase of \$6.6 million in payment related to governmental grant, these were partially offset by a decrease of \$56.8 million in purchases of available-for-sale debt investments, a decrease of \$16.2 million in purchase of property plant and equipment, an increase of \$12.0 million in proceeds from loans receivables, a decrease of \$8.8 million in the purchase of privately-held companies and a decrease of \$7.5 million in disbursements of loans made by the Company.

Financing Activities

Financing cash flows consisted primarily of repurchases of our common stock under the share repurchase program, which expired on December 31, 2024, the issuance and partial repurchase of convertible senior notes, and our employee equity incentive plans. Cash used in financing activities in the three months ended March 31, 2025 decreased by \$44.8 million compared to the three months ended March 31, 2024, primarily due to a decrease of \$50.0 million in cash used in share repurchases, which was partially offset by an increase of \$5.1 million in cash used for the repurchase of our convertible senior notes, due in 2025 ("Notes 2025").

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, 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 three months ended March 31, 2024, the Company repurchased 505,896 shares of common stock from the open market at an average cost of \$65.67 per share for a total of \$33.2 million.

Convertible Senior Notes

On June 28, 2024, we sold an aggregate principal amount of \$300 million of 2.25% convertible senior notes due in 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% convertible notes due 2025. As a result of the repurchase of 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 the Notes 2029. The 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, as described above in Note 11, "Convertible Senior Notes."

In March 2025 the Company repurchased \$5,250 principal amount of its Notes 2025. The Company recorded a net gain of \$146 thousands under other income, from this repurchase.

Critical Accounting Policies and Significant Management Estimates

Management believes that there have been no significant changes during the three months ended March 31, 2025 to the items that we disclosed as our critical accounting policies and estimates in MD&A in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, except as mentioned in Note 1, "General" (if any).

ITEM 3. 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, interest rates and commodity prices. We do not hold or issue financial instruments for trading purposes.

Foreign Currency Exchange Risk

Approximately 32.7% and 54.4% of our revenues for the three months ended March 31, 2025, and 2024, respectively, were earned in non-U.S. dollar denominated currencies other than the U.S. dollar, principally the Euro. Our expenses are generally denominated in the currencies in which our operations are located, primarily the U.S. dollar, 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 \$4.0 million for the three months ended March 31, 2025. 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 \$12.8 million for the three months ended March 31, 2025.

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. These derivative instruments 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 to sell Euro and AUD for U.S. dollars. These derivative instruments are not designated as cash flow hedges.

Concentrations of Major Customers

Our trade accounts receivables potentially expose us to a concentration of credit risk with our major customers. As of March 31, 2025, three major customers jointly accounted for approximately 35.9% of our consolidated trade receivables, net balance. As of March 31, 2024, three major customers jointly accounted for approximately 36.9% of our consolidated trade receivables, net balance. For the three months ended March 31, 2025, two major customers accounted for approximately 41.4% of our total revenues. For the three months ended March 31, 2024, no single major customer contributed more than 10% of our total revenues.

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 4. 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 March 31, 2025. 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, as of March 31, 2025, 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.

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 first fiscal quarter of 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION.

ITEM 1. Legal Proceedings

In the normal course of business, we may from time to time be named as a party to various legal claims, actions and complaints (including as a result of initiating such legal claims, action or complaints on behalf of the Company), including the matters described in Note 14 – “Commitments and Contingent Liabilities” to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q and in Item 3 – “Legal Proceedings” of our Annual Report on Form 10-K for the period ended December 31, 2024. It is impossible to predict with certainty whether any resulting liability from any such legal claims, actions or complaints would have a material adverse effect on our financial position, results of operations or cash flows.

ITEM 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk set forth below and the risk factors as described in Part I, Item 1A, “Risk Factors”, in our Annual Report on Form 10-K for the year ended December 31, 2024. Other than the risk factors set forth below, there have been no material changes to the risk factors previously disclosed in the 2024 Form 10-K.

Changes in the United States trade environment, including the imposition of import tariffs, could adversely affect the amount or timing of our revenue, results of operations or cash flows.

The United States has recently imposed significant new tariffs on nearly all products and components imported into the United States, including an incremental 145% tariff applicable to goods from China, and could propose additional tariffs or increases to those already in place. A subset of certain key components, necessary for the production of our products are sourced from China, among other countries. It is unknown whether and to what extent these tariffs will remain in place or if other new laws or regulations will be adopted. Due to broad uncertainty regarding the timing, content and extent of any regulatory changes in the U.S. or abroad, we cannot predict the impact, if any, that these tariffs or other changes to trade policy could have on our business, financial condition and results of operations. Furthermore, in the U.S., these measures could be altered at any time through presidential action, judicial orders, or a bipartisan congressional response, and the resulting uncertainty surrounding domestic and foreign trade and tariff policies may amplify the impact of these developments. In light of the aforementioned we are exploring alternative suppliers outside of China, however, there is no assurance that we will be successful in identifying suitable alternatives, or that such alternatives, if identified, will not result in increased costs or reduced operational efficiency.

It is unknown what effect any such new tariffs or retaliatory actions will have on the solar industry and our customers. We have most of our contract manufacturing the U.S. However, certain components necessary for our products are currently required to be imported from outside the U.S. The resulting environment of escalating trade tension, retaliatory trade tension, or other trade actions, restrictive measures, additional trade restrictions, or barriers, if implemented on a broader range of products or components from outside the United States, or with respect to products shipped from the United States, could harm our ability to obtain necessary product components or to sell our products at prices customers are willing to pay, which could have a material adverse effect on our business, prospects, results of operations and cash flows.

Furthermore, if the price of solar power systems in the United States increases, as well as the cost of manufacturing our products in the United States, the use of solar power systems could become less economically feasible and could reduce our gross margins or reduce the demand of solar power systems manufactured and sold, which in turn may decrease demand for our products. Additionally, existing or future tariffs could negatively affect key partners, suppliers and manufacturers. Such outcomes could adversely affect the amount or timing of our revenue, results of operations or cash flows, and continuing uncertainty could cause sales volatility, price fluctuations or supply shortages or cause our customers to advance or delay their purchase of our products. It is difficult to predict what further trade-related actions governments may take, which may include additional or increased tariffs and trade restrictions, and we may be unable to quickly and effectively react to such actions. As additional new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated or if affected countries take retaliatory trade actions, such changes could have a material adverse effect on our business, financial condition, results of operations or cash flows.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None

ITEM 3. Defaults upon Senior Securities.

None

ITEM 4. Mine Safety Disclosures

Not applicable.

ITEM 5. Other Information

None.

ITEM 6. Exhibits

Index to Exhibit

Exhibit No.	Description	Incorporation by Reference
10.1†	Employment Agreement, dated March 3, 2025 between SolarEdge Technologies, Ltd. and Asaf Alperovitz	Filed with this report.
31.1	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended	Filed with this report.
31.2	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended	Filed with this report.
32.1	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	Furnished with this report.
32.2	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	Furnished with this report.
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Income, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Stockholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, (vi) Notes to Condensed Consolidated Financial Statements, and (vii) part II, Item 5(c)	
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 formatted in Inline XBRL	<i>Included in Exhibit 101</i>

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.

Date: May 8, 2025

/s/ Shuki Nir

Shuki Nir

Chief Executive Officer

(Principal Executive Officer)

Date: May 8, 2025

/s/ Asaf Alperovitz

Asaf Alperovitz

Chief Financial Officer

(Principal Financial Officer)



EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of , by and between **SolarEdge Technologies Ltd.** (the “**Company**”) having an address at 1 HaMada Street, Herzliya, Israel and **Asaf Alperovitz**, [REDACTED] ID No. [REDACTED] of [REDACTED], Israel (the “**Employee**”).

WHEREAS: The Company desires to employ the Employee in the position of CFO (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 **March 3, 2025** (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 Chief Executive Officer of the Company and/or any such individual designated by the Company at its sole discretion (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. 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.
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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 108,500 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 46,500 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 9th 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.
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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. The Employee shall be eligible to receive an annual target based bonus of 75% 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. 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. 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. Subject to the approval by the parent Company's Compensation Committee of the Board of Directors, Employee shall be granted an equity award with respect to \$ 600,000 in a restricted stock unit ("RSUs") and \$600,000 in performance stock units ("PSUs"), with an additional \$300,000 overallotment PSUs, all for shares of common stock of the parent Company pursuant to and upon the terms set forth in the parent Company's 2015 Global Incentive Plan and form agreement. So long as Employee is employed by the Company, the RSUs 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 start date shall occur on the last day of the second month of the calendar quarter following the Commencement Date of the employment. The PSUs shall vest as per the compensation plan approved for all C level executives.

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

- I. 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.
- II. 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.
- III. 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.
- IV. 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).
- V. 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.

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 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. 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.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF:

SolarEdge Technologies Ltd.

By:

Name: Shuki Nir

Title: CEO

Signature:  Signed by:
57FA76829D314E7...

Dated: _____

Name: Asaf Alperovitz

Signature:  Signed by:
3137801FCD36477...

Dated: _____

EXHIBIT A

SUMMARY OF TERMS OF THE EMPLOYMENT AGREEMENT

Name of Employee:	ASAF ALPEROVITZ
ID No. of Employee:	██████████
Address of Employee:	
Position:	CFO
Supervisor:	CEO
Commencement Date:	MARCH 3, 2025
Base Salary:	108,500 NIS
Overtime Compensation:	46,500 NIS
Annual Vacation Days:	25 DAYS
Notice Period:	90 DAYS
Transportation Costs:	700 ILS
Education Fund:	YES
RSU Award \$:	600,000
PSU Award \$	600,000 ADDITIONAL 300,000 OVERALLOTMENT
10bis	YES

SolarEdge Technologies Ltd.

By:

Name: Shuki Nir

Title: CEO

Signature:  Signed by: 57FA76829D314E7...

Dated: _____

Name: Asaf Alperovitz

Signature:  Signed by: 3137801FCD36477...

Dated: _____



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 (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

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:

IX. 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.

XXXV. 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.

Signed by:

3137801FCD36477...

Employee's Signature

Date

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.

Signed by:

Asaf Alperovitz

3137801FCD36477...

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: Dalia Litay
Title: Chief Legal Officer
Address: 1 Hamada Street, Herzliya Pituach, Israel 4673335
Telephone: 972-9-957-6620
Email: dalia.litay@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 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 '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:	Asaf Alperovitz			Signed by:  <small>3137801FCD38477...</small>	
Job Title:	CFO				
ID #:					
Department:	Finance	Location:	IL		
Supervisor:					



I, Shuki Nir, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: May 8, 2025

/s/ Shuki Nir

Shuki Nir
Chief Executive Officer
(Principal Executive Officer)

I, Asaf Alperovitz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: May 8, 2025

/s/ Asaf Alperovitz

Asaf Alperovitz
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Shuki Nir, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of SolarEdge Technologies, Inc. for the quarterly period ended March 31, 2025 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of SolarEdge Technologies, Inc.

Date: May 8, 2025

/s/ Shuki Nir

Shuki Nir
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Asaf Alperovitz, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of SolarEdge Technologies, Inc. for the quarterly period ended March 31, 2025 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of SolarEdge Technologies, Inc.

Date: May 8, 2025

/s/ Asaf Alperovitz

Asaf Alperovitz

Chief Executive Officer

(Principal Executive Officer)
