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

# Form 10-Q

(Mark One)

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

**For the quarterly period ended June 30, 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: 001-35480**

## Enphase Energy, Inc.
(Exact name of registrant as specified in its charter)

| **Delaware** | **20-4645388** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

**47281 Bayside Parkway**
**Fremont, CA 94538**
(Address of principal executive offices, including zip code)

**(707) 774-7000**
(Registrant's telephone number, including area code)

**Not Applicable**
(Former name, former address and former fiscal year, if changed since last report)

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, $0.00001 par value per share** | **ENPH** | **Nasdaq Global Market** |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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 | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 18, 2025, there were 130,750,771 shares of the registrant's common stock outstanding, $0.00001 par value per share.

**ENPHASE ENERGY, INC.**

**FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2025**

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## PART I. FINANCIAL INFORMATION

### Item 1. Financial Statements (unaudited)

**ENPHASE ENERGY, INC.**

**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(In thousands, except par value)**

| | As of | |
|---|---|---|
| | June 30, 2025 | December 31, 2024 |
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 370,536 | $ 369,110 |
| Restricted cash | — | 95,006 |
| Marketable securities | 1,159,648 | 1,253,480 |
| Accounts receivable, net of allowances of $7,588 and $7,788 at June 30, 2025 and December 31, 2024, respectively | 223,218 | 223,749 |
| Inventory | 173,016 | 165,004 |
| Prepaid expenses and other current assets | 362,523 | 220,735 |
| Total current assets | 2,288,941 | 2,327,084 |
| Property and equipment, net | 136,902 | 147,514 |
| Intangible assets, net | 32,380 | 42,398 |
| Goodwill | 214,890 | 211,571 |
| Other assets | 193,426 | 205,542 |
| Deferred tax assets, net | 312,250 | 315,567 |
| Total assets | $ 3,178,789 | $ 3,249,676 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 162,697 | $ 90,032 |
| Accrued liabilities | 206,537 | 196,887 |
| Deferred revenues, current | 129,040 | 237,225 |
| Warranty obligations, current | 33,136 | 34,656 |
| Debt, current | 631,179 | 101,291 |
| Total current liabilities | 1,162,589 | 660,091 |
| Long-term liabilities: | | |
| Deferred revenues, non-current | 331,531 | 341,982 |
| Warranty obligations, non-current | 172,950 | 158,233 |
| Other liabilities | 59,542 | 55,265 |
| Debt, non-current | 571,540 | 1,201,089 |
| Total liabilities | 2,298,152 | 2,416,660 |
| Commitments and contingencies (Note 10) | | |
| Stockholders' equity: | | |
| Common stock, $0.00001 par value, 300,000 shares authorized; and 130,736 shares and 132,448 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively | 1 | 1 |
| Additional paid-in capital | 1,184,497 | 1,084,573 |
| Accumulated deficit | (309,221) | (245,206) |
| Accumulated other comprehensive income (loss) | 5,360 | (6,352) |
| Total stockholders' equity | 880,637 | 833,016 |
| Total liabilities and stockholders' equity | $ 3,178,789 | $ 3,249,676 |

See Notes to Condensed Consolidated Financial Statements.

**ENPHASE ENERGY, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

**(In thousands, except per share data)**

**(Unaudited)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Net revenues | $ 363,153 | $ 303,458 | $ 719,237 | $ 566,797 |
| Cost of revenues | 192,660 | 166,292 | 380,503 | 314,123 |
| Gross profit | 170,493 | 137,166 | 338,734 | 252,674 |
| Operating expenses: | | | | |
| Research and development | 45,421 | 48,871 | 95,595 | 103,082 |
| Sales and marketing | 50,708 | 51,775 | 99,656 | 105,082 |
| General and administrative | 34,035 | 33,550 | 68,070 | 68,732 |
| Restructuring and asset impairment charges | 3,322 | 1,171 | 6,484 | 3,078 |
| Total operating expenses | 133,486 | 135,367 | 269,805 | 279,974 |
| Income (loss) from operations | 37,007 | 1,799 | 68,929 | (27,300) |
| Other income, net | | | | |
| Interest income | 14,911 | 19,203 | 31,943 | 38,912 |
| Interest expense | (815) | (2,220) | (2,862) | (4,416) |
| Other expense, net | (8,898) | (7,566) | (8,912) | (7,479) |
| Total other income, net | 5,198 | 9,417 | 20,169 | 27,017 |
| Income (loss) before income taxes | 42,205 | 11,216 | 89,098 | (283) |
| Income tax provision | (5,153) | (383) | (22,316) | (4,981) |
| Net income (loss) | $ 37,052 | $ 10,833 | $ 66,782 | $ (5,264) |
| Net income (loss) per share | | | | |
| Basic | $ 0.28 | $ 0.08 | $ 0.51 | $ (0.04) |
| Diluted | $ 0.28 | $ 0.08 | $ 0.50 | $ (0.04) |
| Shares used in per share calculation: | | | | |
| Basic | 131,031 | 135,646 | 131,447 | 135,768 |
| Diluted | 135,219 | 136,123 | 135,719 | 135,768 |

See Notes to Condensed Consolidated Financial Statements.

**ENPHASE ENERGY, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

**(In thousands)**
**(Unaudited)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Net income (loss) | $ 37,052 | $ 10,833 | $ 66,782 | $ (5,264) |
| Other comprehensive income (loss): | | | | |
| Foreign currency translation adjustments | 6,785 | (684) | 9,804 | (3,658) |
| Marketable securities | | | | |
| Change in net unrealized gain (loss), net of income tax benefit (provision) $37 and $376 for the three and six months ended June 30, 2025, respectively, and $(165) and $(769) for the three and six months ended June 30, 2024, respectively. | 185 | (494) | 1,908 | (2,305) |
| Comprehensive income (loss) | $ 44,022 | $ 9,655 | $ 78,494 | $ (11,227) |

See Notes to Condensed Consolidated Financial Statements.

**ENPHASE ENERGY, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**
**(In thousands)**
**(Unaudited)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| ***Common stock and paid-in capital*** | | | | |
| Balance, beginning of period | $ 1,128,164 | $ 941,316 | $ 1,084,574 | $ 939,339 |
| Issuance of common stock from exercise of equity awards | 5,302 | 6,769 | 5,369 | 7,955 |
| Payment of withholding taxes related to net share settlement of equity awards | (2,864) | (7,473) | (14,974) | (67,515) |
| Stock-based compensation expense | 53,896 | 52,757 | 109,529 | 113,590 |
| Balance, end of period | $ 1,184,498 | $ 993,369 | $ 1,184,498 | $ 993,369 |
| | | | | |
| ***Accumulated earnings deficit*** | | | | |
| Balance, beginning of period | $ (315,856) | $ (11,820) | $ (245,206) | $ 46,273 |
| Repurchase of common stock | (29,993) | (99,908) | (129,957) | (141,904) |
| Net income (loss) | 37,052 | 10,833 | 66,782 | (5,264) |
| Excise tax on net stock repurchases | (424) | — | (840) | — |
| Balance, end of period | $ (309,221) | $ (100,895) | $ (309,221) | $ (100,895) |
| | | | | |
| ***Accumulated other comprehensive income (loss)*** | | | | |
| Balance, beginning of period | $ (1,610) | $ (6,773) | $ (6,352) | $ (1,988) |
| Foreign currency translation adjustments | 6,785 | (684) | 9,804 | (3,658) |
| Change in net unrealized gain (loss) on marketable securities, net of tax | 185 | (494) | 1,908 | (2,305) |
| Balance, end of period | $ 5,360 | $ (7,951) | $ 5,360 | $ (7,951) |
| Total stockholders' equity, ending balance | $ 880,637 | $ 884,523 | $ 880,637 | $ 884,523 |

See Notes to Condensed Consolidated Financial Statements.

**ENPHASE ENERGY, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(In thousands)**
**(Unaudited)**

| | Six Months Ended June 30, | |
|---|---|---|
| | **2025** | **2024** |
| **Cash flows from operating activities:** | | |
| Net income (loss) | $ 66,782 | $ (5,264) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 40,000 | 40,621 |
| Net amortization of premium on marketable securities | 2,278 | 1,795 |
| Provision for credit losses | 192 | 1,767 |
| Asset impairment | 1,565 | 6,573 |
| Non-cash interest expense | 2,507 | 4,289 |
| Net loss from change in fair value of debt securities | 9,141 | 989 |
| Stock-based compensation | 109,529 | 113,590 |
| Deferred income taxes | 8,963 | (22,368) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 10,441 | 159,542 |
| Inventory | (8,012) | 37,527 |
| Prepaid expenses and other assets | (139,814) | (53,707) |
| Accounts payable, accrued and other liabilities | 91,444 | (90,228) |
| Warranty obligations | 13,197 | (11,908) |
| Deferred revenues | (133,170) | (6,955) |
| Net cash provided by operating activities | 75,043 | 176,263 |
| **Cash flows from investing activities:** | | |
| Purchases of property and equipment | (22,867) | (17,007) |
| Investment in tax equity fund | (8,344) | — |
| Purchases of marketable securities | (485,132) | (772,321) |
| Maturities and sale of marketable securities | 578,218 | 779,436 |
| Net cash provided by (used in) investing activities | 61,875 | (9,892) |
| **Cash flows from financing activities:** | | |
| Settlement of Notes due 2025 | (102,168) | (2) |
| Proceeds from issuance of common stock under employee equity plans | 5,369 | 7,955 |
| Payment of withholding taxes related to net share settlement of equity awards | (14,974) | (67,515) |
| Repurchase of common stock | (129,957) | (141,904) |
| Net cash used in financing activities | (241,730) | (201,466) |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | 11,232 | (1,551) |
| Net decrease in cash, cash equivalents and restricted cash | (93,580) | (36,646) |
| Cash, cash equivalents and restricted cash — Beginning of period | 464,116 | 288,748 |
| Cash, cash equivalents and restricted cash — End of period | $ 370,536 | $ 252,102 |
| | | |
| **Supplemental cash flow disclosure:** | | |
| | | |
| Supplemental disclosures of non-cash investing activities: | | |
| Purchases of property and equipment through tenant improvement allowance | $ 855 | $ — |
| Purchases of property and equipment included in accounts payable | $ 4,560 | $ 5,008 |

See Notes to Condensed Consolidated Financial Statements.

**ENPHASE ENERGY, INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

## 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

### Description of Business

Enphase Energy, Inc. (the "Company") is a global energy technology company. The Company delivers smart, easy-to-use solutions that manage solar generation, storage and communication on one platform. The Company's intelligent microinverters work with virtually every solar panel made, and when paired with the Company's smart technology, results in one of the industry's best-performing clean energy systems.

### Basis of Presentation and Consolidation

The accompanying condensed consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

### Unaudited Interim Financial Information

These accompanying unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for interim financial reporting. In the opinion of management, these unaudited condensed consolidated financial statements reflect all adjustments, consisting of normal recurring items, considered necessary to present fairly the Company's financial condition, results of operations, comprehensive income (loss), stockholders' equity and cash flows for the interim periods indicated. The results of operations for the three and six months ended June 30, 2025 are not necessarily indicative of the operating results for the full year.

### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Significant estimates and assumptions reflected in the financial statements include revenue recognition, allowance for credit losses, stock-based compensation, deferred compensation arrangements, income tax provision, inventory valuation, government grants, accrued warranty obligations, fair value of debt securities, convertible notes, fair value of acquired intangible assets and goodwill, useful lives of acquired intangible assets and property and equipment, incremental borrowing rate for right-of-use assets and lease liability. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ materially from those estimates due to risks and uncertainties.

The year-end condensed consolidated balance sheet data was derived from audited financial statements but does not include all disclosures required by U.S. GAAP. The Company filed audited consolidated financial statements, which included all information and notes necessary for such a complete presentation in conjunction with its Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the SEC on February 10, 2025 (the "Form 10-K").

### Summary of Significant Accounting Policies

There have been no changes to the Company's significant accounting policies as described in Note 2, "Summary of Significant Accounting Policies" of the notes to consolidated financial statements included in Part II, Item 8 of the Form 10-K.

### Recently Adopted Accounting Pronouncements

#### *Not Yet Adopted*

In December 2023, the Financial Accounting Standard Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"). ASU 2023-09 requires that an entity disclose specific categories in the effective tax rate reconciliation as well as provide additional information for reconciling items that meet a quantitative threshold, certain disclosures of state versus

federal income tax expenses and taxes paid. ASU 2023-09 was effective for fiscal years beginning after December 15, 2024 and interim periods for fiscal years beginning after December 15, 2025. The Company plans to adopt ASU 2023-09 in its annual report on Form 10-K for the year ending December 31, 2025. As ASU 2023-09 affects only disclosures, the adoption of ASU 2023-09 is not expected to have a significant impact on its consolidated financial statements.

**Recently Issued Accounting Pronouncements**

***Not Yet Effective***

In November 2024, the FASB issued ASU 2024-03, "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures" ("ASU 2024-03"), which requires additional disclosure of certain costs and expenses within the notes to the financial statements. ASU 2024-03 will be effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact from ASU 2024-03 on its consolidated financial statements disclosures.

## 2. REVENUE RECOGNITION

**Disaggregated Revenue**

The Company has one major business activity, which is the design, manufacture and sale of solutions for the solar photovoltaic ("PV") industry. Disaggregated revenue by primary geographical market and timing of revenue recognition for the Company's single product line are as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (In thousands) | | | |
| Primary geographical markets: | | | | |
| United States | $ 271,330 | $ 198,712 | $ 534,568 | $ 348,686 |
| International | 91,823 | 104,746 | 184,669 | 218,111 |
| Total | $ 363,153 | $ 303,458 | $ 719,237 | $ 566,797 |
| Timing of revenue recognition: | | | | |
| Products delivered at a point in time | $ 329,065 | $ 272,592 | $ 651,951 | $ 505,737 |
| Products and services delivered over time | 34,088 | 30,866 | 67,286 | 61,060 |
| Total | $ 363,153 | $ 303,458 | $ 719,237 | $ 566,797 |

**Contract Balances**

Accounts receivable, and contract assets and contract liabilities from contracts with customers, are as follows:

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| | (In thousands) | |
| Accounts receivable | $ 223,218 | $ 223,749 |
| Short-term contract assets (Prepaid expenses and other current assets) | 42,380 | 42,001 |
| Long-term contract assets (Other assets) | 105,217 | 110,954 |
| Short-term contract liabilities (Deferred revenues, current) | 129,040 | 237,225 |
| Long-term contract liabilities (Deferred revenues, non-current) | 331,531 | 341,982 |

The Company receives payments from customers based upon contractual payment terms. Accounts receivable are recorded in an amount that reflects the consideration that is expected to be received in exchange for those goods or services when the right to consideration becomes unconditional.

Contract assets include deferred product costs and commissions associated with the deferred revenue and will be amortized along with the associated revenue. The Company had no asset impairment charges related to contract assets for the six months ended June 30, 2025.

**ENPHASE ENERGY, INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

Significant changes in the balances of contract assets (prepaid expenses and other assets) as of June 30, 2025 are as follows (in thousands):

| **Contract Assets** | |
|---|---|
| Contract Assets, beginning of period | $ 152,955 |
| Amount recognized | (18,406) |
| Increased due to billings | 13,048 |
| Contract Assets, end of period | $ 147,597 |

Contract liabilities are recorded as deferred revenue on the accompanying condensed consolidated balance sheets and include payments received in advance of performance obligations under the contract and are realized when the associated revenue is recognized under the contract.

Significant changes in contract liabilities (deferred revenues) as of June 30, 2025 are as follows (in thousands):

| **Contract Liabilities** | |
|---|---|
| Contract Liabilities, beginning of period | $ 579,207 |
| Revenue recognized | (177,558) |
| Increased due to billings | 58,922 |
| Contract Liabilities, end of period | $ 460,571 |

### Remaining Performance Obligations

Estimated revenue expected to be recognized in future periods related to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period are as follows:

| | **June 30, 2025** |
|---|---|
| | *(In thousands)* |
| Fiscal year: | |
| 2025 (remaining six months) | $ 67,328 |
| 2026 | 119,810 |
| 2027 | 99,228 |
| 2028 | 77,710 |
| 2029 | 52,577 |
| Thereafter | 43,918 |
| Total | $ 460,571 |

## 3. OTHER FINANCIAL INFORMATION

### Inventory

Inventory consists of the following:

| | **June 30, 2025** | **December 31, 2024** |
|---|---|---|
| | *(In thousands)* | |
| Raw materials | $ 39,114 | $ 38,740 |
| Finished goods | 133,902 | 126,264 |
| Total inventory | $ 173,016 | $ 165,004 |

**ENPHASE ENERGY, INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

### Accrued Liabilities

Accrued liabilities consist of the following:

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| | *(In thousands)* | |
| Customer rebates and sales incentives | $ 87,982 | $ 96,324 |
| Liability due to supply agreements | 56,043 | 42,745 |
| Freight | 6,569 | 7,497 |
| Salaries, commissions, incentive compensation and benefits | 11,566 | 11,956 |
| Income tax payable | 2,613 | 3,540 |
| Operating lease liabilities, current | 6,079 | 5,815 |
| VAT payable | 4,039 | 1,472 |
| Liabilities related to restructuring accruals | 2,051 | 3,262 |
| Other | 29,595 | 24,276 |
| Total accrued liabilities | $ 206,537 | $ 196,887 |

## 4. GOODWILL AND INTANGIBLE ASSETS

The Company's goodwill as of June 30, 2025 and December 31, 2024 was as follows:

| Goodwill | June 30, 2025 | December 31, 2024 |
|---|---|---|
| | *(In thousands)* | |
| Goodwill, beginning of period | $ 211,571 | $ 214,562 |
| Currency translation adjustment | 3,319 | (2,991) |
| Goodwill, end of period | $ 214,890 | $ 211,571 |

The Company's purchased intangible assets as of June 30, 2025 and December 31, 2024 were as follows:

| | June 30, 2025 | | | December 31, 2024 | | | |
|---|---|---|---|---|---|---|---|
| | Gross | Accumulated Amortization | Net | Gross | Accumulated Amortization | Impairment | Net |
| | | | | *(In thousands)* | | | |
| Intangible assets: | | | | | | | |
| Indefinite-lived intangibles | $ 286 | $ — | $ 286 | $ 286 | $ — | $ — | $ 286 |
| Intangible assets with finite lives: | | | | | | | |
| Developed technology | 47,683 | (39,053) | 8,630 | 51,054 | (35,903) | (3,351) | 11,800 |
| Customer relationships | 51,114 | (38,867) | 12,247 | 51,306 | (35,804) | (177) | 15,325 |
| Trade names | 37,700 | (26,483) | 11,217 | 37,700 | (22,713) | — | 14,987 |
| Total purchased intangible assets | $ 136,783 | $ (104,403) | $ 32,380 | $ 140,346 | $ (94,420) | $ (3,528) | $ 42,398 |

**ENPHASE ENERGY, INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

During the six months ended June 30, 2025, intangible assets decreased by less than $0.1 million due to the impact of foreign currency translation.

Amortization expense related to finite-lived intangible assets were as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | *(In thousands)* | | | |
| Developed technology | $ 1,619 | $ 2,458 | $ 3,212 | $ 4,925 |
| Customer relationships | 1,574 | 1,567 | 3,109 | 3,143 |
| Trade-names | 1,885 | 1,885 | 3,770 | 3,770 |
| Total amortization expense | $ 5,078 | $ 5,910 | $ 10,091 | $ 11,838 |

Amortization of developed technology is recorded to cost of revenues, amortization of customer relationships and trade-names are recorded to sales and marketing expense, and amortization of certain customer relationships is recorded as a reduction to revenue.

The expected future amortization expense of intangible assets as of June 30, 2025 is presented below:

| | June 30, 2025 |
|---|---|
| | *(In thousands)* |
| Fiscal year: | |
| 2025 (remaining six months) | $ 10,068 |
| 2026 | 17,944 |
| 2027 | 4,082 |
| Total | $ 32,094 |

## 5. CASH EQUIVALENTS, RESTRICTED CASH AND MARKETABLE SECURITIES

The cash equivalents, restricted cash and marketable securities consist of the following:

| | As of June 30, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value | Cash Equivalents | Marketable Securities |
| | | | *(In thousands)* | | | |
| Money market funds | $ 88,600 | $ — | $ — | $ 88,600 | $ 88,600 | $ — |
| Certificates of deposit | 22,575 | 4 | (3) | 22,576 | — | 22,576 |
| Commercial paper | 62,345 | 3 | (10) | 62,338 | 34,823 | 27,515 |
| Corporate notes and bonds | 417,987 | 1,289 | (323) | 418,953 | — | 418,953 |
| U.S. Treasuries | 122,317 | — | (41) | 122,276 | 33,968 | 88,308 |
| U.S. Government agency securities | 601,577 | 1,071 | (352) | 602,296 | — | 602,296 |
| Total | $ 1,315,401 | $ 2,367 | $ (729) | $ 1,317,039 | $ 157,391 | $ 1,159,648 |

**ENPHASE ENERGY, INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

| | As of December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value | Cash Equivalents | Marketable Securities | Restricted Cash |
| | *(In thousands)* | | | | | | |
| Money market funds | $ 191,410 | $ — | $ — | $ 191,410 | $ 191,410 | $ — | $ — |
| Certificates of deposit | 125,087 | 13 | (8) | 125,092 | — | 30,092 | 95,000 |
| Commercial paper | 30,681 | 40 | (8) | 30,713 | — | 30,713 | — |
| Corporate notes and bonds | 449,612 | 1,115 | (1,157) | 449,570 | — | 449,570 | — |
| U.S. Treasuries | 111,606 | 42 | (36) | 111,612 | — | 111,612 | — |
| U.S. Government agency securities | 631,389 | 1,241 | (1,137) | 631,493 | — | 631,493 | — |
| Total | $ 1,539,785 | $ 2,451 | $ (2,346) | $ 1,539,890 | $ 191,410 | $ 1,253,480 | $ 95,000 |

The following table summarizes the contractual maturities of the Company's cash equivalents and marketable securities as of June 30, 2025:

| | Amortized Cost | Fair Value |
|---|---|---|
| | *(In thousands)* | |
| Due within one year | $ 770,910 | $ 771,421 |
| Due within one to three years | 544,491 | 545,618 |
| Total | $ 1,315,401 | $ 1,317,039 |

All available-for-sale securities have been classified as current, based on management's intent and ability to use the funds in current operations.

## 6. WARRANTY OBLIGATIONS

The Company's warranty obligation activities were as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | *(In thousands)* | | | |
| Warranty obligations, beginning of period | $ 203,447 | $ 177,164 | $ 192,889 | $ 189,087 |
| Accruals for warranties issued during period | 7,609 | 6,424 | 14,918 | 12,522 |
| Expense (benefit) from changes in estimates | 5,509 | (275) | 13,230 | (12,636) |
| Settlements | (6,677) | (7,606) | (13,259) | (14,499) |
| Increase due to accretion expense | 3,246 | 2,690 | 6,306 | 5,595 |
| Change in discount rate | (5,715) | 759 | (5,715) | 759 |
| Other | (1,333) | (1,977) | (2,283) | (3,649) |
| Warranty obligations, end of period | 206,086 | 177,179 | 206,086 | 177,179 |
| Less: warranty obligations, current | (33,136) | (30,261) | (33,136) | (30,261) |
| Warranty obligations, non-current | $ 172,950 | $ 146,918 | $ 172,950 | $ 146,918 |

**ENPHASE ENERGY, INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

**Changes in Estimates**

In the three months ended June 30, 2025, the Company recorded $5.5 million in warranty expense from changes in estimates, of which $3.7 million related to continuing analysis of field performance data and diagnostic root-cause failure analysis primarily for prior generation products and $1.8 million related to an increase in product replacement costs primarily for estimated additional tariff costs. In the three months ended June 30, 2024, the Company recorded $0.3 million in warranty benefit from changes in estimates, of which $1.8 million and $1.4 million related to a decrease in product replacement costs and continuing analysis of field performance data and diagnostic root-cause failure analysis, respectively, for Enphase IQ® Battery storage systems, partially offset by an increase of $2.9 million for continuing analysis of field performance data and diagnostic root-cause failure analysis for all other products.

In the six months ended June 30, 2025, the Company recorded $13.2 million in warranty expense from changes in estimates, of which $7.7 million related to an increase in product replacement costs primarily for estimated additional tariff costs and $5.5 million related to continuing analysis of field performance data and diagnostic root-cause failure analysis primarily for prior generation products. In the six months ended June 30, 2024, the Company recorded $12.6 million in warranty benefit from changes in estimates, of which $11.1 million and $4.4 million related to a decrease in product replacement costs and continuing analysis of field performance data and diagnostic root-cause failure analysis, respectively, for Enphase IQ® Battery storage systems, partially offset by an increase of $2.9 million for continuing analysis of field performance data and diagnostic root-cause failure analysis for all other products.

## 7. FAIR VALUE MEASUREMENTS

The accounting guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. An asset's or liability's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Company is able to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of such assets or liabilities do not entail a significant degree of judgment.
- Level 2 - Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

**ENPHASE ENERGY, INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

The following table presents assets and liabilities measured at fair value on a recurring basis using the above input categories:

| | June 30, 2025 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | | | (In thousands) | | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Assets:** | | | | | | |
| *Cash equivalents, restricted cash and marketable securities:* | | | | | | |
| Money market funds | $ 88,600 | $ — | $ — | $ 191,410 | $ — | $ — |
| Certificates of deposit | — | — | — | 95,000 | — | — |
| Commercial paper | — | 34,823 | — | — | — | — |
| U.S. Treasuries | — | 33,968 | — | — | — | — |
| *Marketable securities:* | | | | | | |
| Certificates of deposit | — | 22,576 | — | — | 30,092 | — |
| Commercial paper | — | 27,515 | — | — | 30,713 | — |
| Corporate notes and bonds | — | 418,953 | — | — | 449,570 | — |
| U.S. Treasuries | — | 88,308 | — | — | 111,612 | — |
| U.S. Government agency securities | — | 602,296 | — | — | 631,493 | — |
| *Other assets:* | | | | | | |
| Investments in debt securities | — | — | 55,693 | — | — | 64,834 |
| Investment in tax equity fund | — | — | 1,698 | — | — | — |
| Total assets measured at fair value | $ 88,600 | $ 1,228,439 | $ 57,391 | $ 286,410 | $ 1,253,480 | $ 64,834 |
| | | | | | | |
| **Liabilities:** | | | | | | |
| *Warranty obligations:* | | | | | | |
| Current | $ — | $ — | $ 25,197 | $ — | $ — | $ 27,173 |
| Non-current | — | — | 156,982 | — | — | 143,743 |
| Total warranty obligations measured at fair value | — | — | 182,179 | — | — | 170,916 |
| Total liabilities measured at fair value | $ — | $ — | $ 182,179 | $ — | $ — | $ 170,916 |

**Notes due 2028 and Notes due 2026**

The Company carries the Notes due 2028 (as defined in Note 9, “Debt”) and Notes due 2026 (as defined in Note 9, “Debt”) at face value less unamortized debt issuance costs on its condensed consolidated balance sheets. As of June 30, 2025, the fair value of the Notes due 2028 and Notes due 2026 was $470.1 million and $602.1 million, respectively. The fair value as of June 30, 2025 was determined based on the closing trading price per $100 principal amount as of the last day of trading for the period. The Company considers the fair value of the Notes due 2028 and Notes due 2026 to be a Level 2 measurement as they are not actively traded.

*Investments in debt securities*

Investments in debt securities is recorded in “Other assets” on the accompanying condensed consolidated balance sheets as of June 30, 2025 and December 31, 2024. The changes in the balance in investments in debt securities during the period were as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | | (In thousands) | | |
| Balance at beginning of period | $ 65,157 | $ 80,797 | $ 64,834 | $ 79,855 |
| Fair value adjustments included in other income, net | (9,464) | (1,931) | (9,141) | (989) |
| Balance at end of period | $ 55,693 | $ 78,866 | $ 55,693 | $ 78,866 |

**ENPHASE ENERGY, INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

*Investment in tax equity fund*

In January 2025 and June 2025, the Company made an investment in a tax equity fund contributing $6.9 million and $1.4 million, respectively. The Company has elected to report its investment at fair value, which is equal to the present value of the remaining future cash flows expected to be received from the investment. The investment is included in "Other assets" on the accompanying condensed consolidated balance sheet as of June 30, 2025.

As of June 30, 2025, the fair value of the investment in tax equity fund was $1.7 million, representing the Company's share of net assets in the tax equity fund. As of June 30, 2025, the Company recognized a deferred tax asset of $6.6 million related to the difference between the initial investment amounts and the fair value. Additionally, the Company recognized an expense of $0.1 million and expense of less than $0.1 million for the three and six months ended June 30, 2025, respectively, in "Other expense, net" in the condensed consolidated statements of operations.

*Fair Value Option for Warranty Obligations Related to Products Sold Since January 1, 2014*

The Company estimates the fair value of warranty obligations by calculating the warranty obligations in the same manner as for sales prior to January 1, 2014 and applying an expected present value technique to that result. The expected present value technique, an income approach, converts future amounts into a single current discounted amount. In addition to the key estimates of return rates and replacement costs, the Company used certain Level 3 inputs, which are unobservable and significant to the overall fair value measurement. Such additional assumptions are based on the Company's credit-adjusted risk-free rate ("discount rate") and compensation comprised of a profit element and risk premium required of a market participant to assume the obligation.

The following table provides information regarding changes in nonfinancial liabilities related to the Company's warranty obligations measured at fair value on a recurring basis using significant unobservable inputs designated as Level 3 for the periods indicated:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | *(In thousands)* | | | |
| Balance at beginning of period | $ 180,053 | $ 150,550 | $ 170,916 | $ 161,793 |
| Accruals for warranties issued during period | 7,597 | 6,417 | 14,896 | 12,499 |
| Changes in estimates | 3,250 | (2,450) | 7,876 | (14,468) |
| Settlements | (4,920) | (5,796) | (9,818) | (12,336) |
| Increase due to accretion expense | 3,246 | 2,690 | 6,306 | 5,595 |
| Change in discount rate | (5,715) | 759 | (5,715) | 759 |
| Other | (1,332) | (1,977) | (2,282) | (3,649) |
| Balance at end of period | $ 182,179 | $ 150,193 | $ 182,179 | $ 150,193 |

*Quantitative and Qualitative Information about Level 3 Fair Value Measurements*

As of June 30, 2025 and December 31, 2024, the significant unobservable inputs used in the fair value measurement of the Company's liabilities designated as Level 3 were as follows:

| | | | Percent Used (Weighted Average) | |
|---|---|---|---|---|
| Item Measured at Fair Value | Valuation Technique | Description of Significant Unobservable Input | June 30, 2025 | December 31, 2024 |
| Warranty obligations for products sold since January 1, 2014 | Discounted cash flows | Profit element and risk premium | 17.5% | 16.8% |
| | | Credit-adjusted risk-free rate | 7.7% | 7.2% |

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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*Sensitivity of Level 3 Inputs - Warranty Obligations*

Each of the significant unobservable inputs is independent of the other. The profit element and risk premium are estimated based on the requirements of a third-party participant willing to assume the Company's warranty obligations. The discount rate is determined by reference to the Company's own credit standing at the fair value measurement date, which increased in the three and six months ended June 30, 2025 due to the increase in the risk free rate and market spreads, contributing to the $5.7 million change in warranty benefit captured in "Change in discount rate" in the table above. Under the expected present value technique, increasing the profit element and risk premium input by 100 basis points would result in a $1.3 million increase to the liability. Decreasing the profit element and risk premium by 100 basis points would result in a $1.3 million reduction to the liability. Increasing the discount rate by 100 basis points would result in a $12.0 million decrease to the liability. Decreasing the discount rate by 100 basis points would result in a $13.5 million increase to the liability.

## 8. RESTRUCTURING AND ASSET IMPAIRMENT CHARGES

### 2024 Restructuring Plan

In the fourth quarter of 2024, the Company implemented a restructuring plan (the "2024 Restructuring Plan") designed to better align its workforce and cost structure with the Company's business needs, strategic priorities and ongoing commitment to profitable growth, while increasing operational efficiencies and reducing operating cost. The Company plans to complete its restructuring activities under the 2024 Restructuring Plan in the fourth quarter of 2025.

The following table presents the details of the Company's restructuring and asset impairment charges under the 2024 Restructuring Plan for the three and six months ended June 30, 2025:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | *(In thousands)* | | | |
| Employee severance and benefits | $ 979 | $ — | $ 4,350 | $ — |
| Contract termination charges | 805 | — | 569 | — |
| Asset impairment | 1,538 | — | 1,565 | — |
| Total restructuring and asset impairment charges | $ 3,322 | $ — | $ 6,484 | $ — |

The following table provides information regarding changes in the Company's accrued restructuring balances under the 2024 Restructuring Plan for the periods indicated:

| | Employee Severance and Benefits | Contract Termination Charges | Asset Impairment | Total |
|---|---|---|---|---|
| | | *(In thousands)* | | |
| Balance as of December 31, 2024 | $ 2,220 | $ 766 | $ — | $ 2,986 |
| Charges | 4,350 | 569 | 1,565 | 6,484 |
| Cash payments and receipts, net | (5,180) | (86) | — | (5,266) |
| Non-cash settlement and other | (588) | — | (1,565) | (2,153) |
| Balance as of June 30, 2025 | $ 802 | $ 1,249 | $ — | $ 2,051 |

**ENPHASE ENERGY, INC.**

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### 2023 Restructuring Plan

In the fourth quarter of 2023, the Company implemented a restructuring plan (the "2023 Restructuring Plan") designed to increase operational efficiencies and execution, reduce operating costs, and better align the Company's workforce and cost structure with current market conditions, and the Company's business needs, strategic priorities and ongoing commitment to profitable growth. The Company completed its restructuring activities under the 2023 Restructuring Plan in the fourth quarter of 2024 and substantially all of the remaining liabilities as of December 31, 2024, were settled during the three months ended and six months ended June 30, 2025.

## 9. DEBT

The following table provides information regarding the Company's debt:

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| | *(In thousands)* | |
| Convertible notes | | |
| Notes due 2028 | $ 575,000 | $ 575,000 |
| Less: unamortized debt issuance costs | (3,460) | (4,102) |
| Carrying amount of Notes due 2028 | 571,540 | 570,898 |
| | | |
| Notes due 2026 | 632,500 | 632,500 |
| Less: unamortized debt issuance costs | (1,321) | (2,309) |
| Carrying amount of Notes due 2026 | 631,179 | 630,191 |
| | | |
| Notes due 2025 | — | 102,168 |
| Less: unamortized debt discount | — | (803) |
| Less: unamortized debt issuance costs | — | (74) |
| Carrying amount of Notes due 2025 | — | 101,291 |
| | | |
| Total carrying amount of debt | 1,202,719 | 1,302,380 |
| Less: debt, current | (631,179) | (101,291) |
| Debt, non-current | $ 571,540 | $ 1,201,089 |

The following tables present the total amount of interest cost recognized in the consolidated statement of operations relating to the Company's notes:

| | Three Months Ended June 30, | | | | |
|---|---|---|---|---|---|
| | 2025 | | 2024 | | |
| | Notes due 2028 | Notes due 2026 | Notes due 2028 | Notes due 2026 | Notes due 2025 |
| | | | *(In thousands)* | | |
| Contractual interest expense | $ — | $ — | $ — | $ — | $ 64 |
| Amortization of debt discount | — | — | — | — | 1,205 |
| Amortization of debt issuance costs | 327 | 502 | 326 | 502 | 123 |
| Total interest cost recognized | $ 327 | $ 502 | $ 326 | $ 502 | $ 1,392 |

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| | Six Months Ended June 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | | 2024 | | |
| | Notes due 2028 | Notes due 2026 | Notes due 2025 | Notes due 2028 | Notes due 2026 | Notes due 2025 |
| | (In thousands) | | | | | |
| Contractual interest expense | $ — | $ — | $ 43 | $ — | $ — | $ 128 |
| Amortization of debt discount | — | — | 803 | — | — | 2,382 |
| Amortization of debt issuance costs | 643 | 987 | 75 | 652 | 1,005 | 249 |
| Total interest cost recognized | $ 643 | $ 987 | $ 921 | $ 652 | $ 1,005 | $ 2,759 |

**Convertible Senior Notes due 2028**

On March 1, 2021, the Company issued $575.0 million aggregate principal amount of its 0.0% convertible senior notes due 2028 (the "Notes due 2028"). The Notes due 2028 will not bear regular interest, and the principal amount of the Notes due 2028 will not accrete. The Notes due 2028 are general unsecured obligations and are governed by an indenture between the Company and U.S. Bank National Association, as trustee. The Notes due 2028 will mature on March 1, 2028, unless earlier repurchased by the Company or converted at the option of the holders. The Company received approximately $566.4 million in net proceeds, after deducting the initial purchasers' discount, from the issuance of the Notes due 2028.

The initial conversion rate for the Notes due 2028 is 3.5104 shares of common stock per $1,000 principal amount of the Notes due 2028 (which represents an initial conversion price of approximately $284.87 per share). Upon conversion, the Company will settle conversions of the Notes due 2028 through payment or delivery, as the case may be, of cash, shares of its common stock or a combination of cash and shares of its common stock, at the Company's election.

The Company may redeem for cash all or any portion of the Notes due 2028, at the Company's election, on or after September 6, 2024, if the last reported sale price of the Company's common stock has been greater than or equal to 130% of the conversion price then in effect for the Notes due 2028 (*i.e.,* $370.33, which is 130% of the current conversion price for the Notes due 2028) for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption. The redemption price will equal 100% of the principal amount of the Notes due 2028 to be redeemed, plus accrued and unpaid special interest, if any to, but excluding, the relevant redemption date. No sinking fund is provided for the Notes due 2028.

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The Notes due 2028 may be converted on any day prior to the close of business on the business day immediately preceding September 1, 2027, in multiples of $1,000 principal amount, at the option of the holder only under any of the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on June 30, 2021 (and only during such calendar quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during a 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 for the Notes due 2028 on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the "Measurement Period") in which the "trading price" (as defined in the relevant indenture) per $1,000 principal amount of notes for each trading day of the Measurement Period was less than 98% of the product of the last reported sale price of the Company's common stock and the conversion rate for the Notes due 2028 on each such trading day; (3) if the Company calls any or all of the Notes due 2028 for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; or (4) upon the occurrence of specified corporate events. On and after September 1, 2027 until the close of business on the second scheduled trading day immediately preceding the maturity date of March 1, 2028, holders of the Notes due 2028 may convert their notes at any time, regardless of the foregoing circumstances. Upon the occurrence of a fundamental change (as defined in the relevant indenture), holders may require the Company to repurchase all or a portion of their Notes due 2028 for cash at a price equal to 100% of the principal amount of the notes to be repurchased plus any accrued and unpaid special interest, if any, to, but excluding, the fundamental change repurchase date.

As of June 30, 2025, the sales price of the Company's common stock was not greater than or equal to $370.33 (130% of the notes conversion price) for at least 20 trading days (whether consecutive or not) during a period of 30 consecutive trading days preceding the quarter-ended June 30, 2025. As a result, the Notes due 2028 are not convertible at the holders' option. Accordingly, the Company classified the net carrying amount of the Notes due 2028 of $571.5 million as Debt, non-current on the condensed consolidated balance sheet as of June 30, 2025. As of June 30, 2025, the unamortized deferred issuance cost for the Notes due 2028 was $3.5 million on the condensed consolidated balance sheet.

**Notes due 2028 Hedge and Warrant Transactions**

In connection with the offering of the Notes due 2028, the Company entered into privately-negotiated convertible note hedge transactions ("Notes due 2028 Hedge") pursuant to which the Company has the option to purchase a total of approximately 2.0 million shares of its common stock (subject to anti-dilution adjustments), which is the same number of shares initially issuable upon conversion of the Notes due 2028, at a price of $284.87 per share. The total cost of the convertible note hedge transactions was approximately $161.6 million. The convertible note hedge transactions are expected generally to reduce potential dilution to the Company's common stock upon any conversion of the Notes due 2028 and/or offset any cash payments the Company is required to make in excess of the principal amount of converted notes, as the case may be.

Additionally, the Company separately entered into privately-negotiated warrant transactions (the "2028 Warrants") whereby the Company sold warrants to acquire approximately 2.0 million shares of the Company's common stock (subject to anti-dilution adjustments) at an initial strike price of $397.91 per share. The Company received aggregate proceeds of approximately $123.4 million from the sale of the 2028 Warrants. If the market value per share of the Company's common stock, as measured under the 2028 Warrants, exceeds the strike price of the 2028 Warrants, the 2028 Warrants will have a dilutive effect on the Company's earnings per share, unless the Company elects, subject to certain conditions, to settle the 2028 Warrants in cash. Taken together, the purchase of the Notes due 2028 Hedge and the sale of the 2028 Warrants are intended to reduce potential dilution from the conversion of the Notes due 2028 and to effectively increase the overall conversion price from $284.87 to $397.91 per share. The 2028 Warrants are only exercisable on the applicable expiration dates in accordance with the Notes due 2028 Hedge. Subject to the other terms of the 2028 Warrants, the first expiration date applicable to the Notes due 2028 Hedge is June 1, 2028, and the final expiration date applicable to the Notes due 2028 Hedge is July 27, 2028.

Given that the transactions meet certain accounting criteria, the Notes due 2028 Hedge and the 2028 Warrants transactions were recorded in stockholders' equity, and they were not accounted for as derivatives and are not remeasured each reporting period.

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**Convertible Senior Notes due 2026**

On March 1, 2021, the Company issued $575.0 million aggregate principal amount of 0.0% convertible senior notes due 2026 (the "Notes due 2026"). In addition, on March 12, 2021, the Company issued an additional $57.5 million aggregate principal amount of the Notes due 2026 pursuant to the initial purchasers' full exercise of the over-allotment option for additional Notes due 2026. The Notes due 2026 will not bear regular interest, and the principal amount of the Notes due 2026 will not accrete. The Notes due 2026 are general unsecured obligations and are governed by an indenture between the Company and U.S. Bank National Association, as trustee. The Notes due 2026 will mature on March 1, 2026, unless repurchased earlier by the Company or converted at the option of the holders. The Company received approximately $623.0 million in net proceeds, after deducting the initial purchasers' discount, from the issuance of the Notes due 2026.

The initial conversion rate for the Notes due 2026 is 3.2523 shares of common stock per $1,000 principal amount of the Notes due 2026 (which represents an initial conversion price of approximately $307.47 per share). Upon conversion, the Company will settle conversions of Notes due 2026 through payment or delivery, as the case may be, of cash, shares of its common stock or a combination of cash and shares of its common stock, at the Company's election.

The Company may redeem for cash all or any portion of the Notes due 2026, at the Company's election, on or after September 6, 2023, if the last reported sale price of the Company's common stock has been greater than or equal to 130% of the conversion price then in effect for the Notes due 2026 (*i.e.*, $399.71, which is 130% of the current conversion price for the Notes due 2026) for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption. The redemption price will equal 100% of the principal amount of the Notes due 2026 to be redeemed, plus accrued and unpaid special interest, if any, to, but excluding, the relevant redemption date for the Notes due 2026. The redemption price will be increased as described in the relevant indentures by a number of additional shares of the Company in connection with such optional redemption by the Company. No sinking fund is provided for the Notes due 2026.

The Notes due 2026 may be converted on any day prior to the close of business on the business day immediately preceding September 1, 2025, in multiples of $1,000 principal amount, at the option of the holder only under any of the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on June 30, 2021 (and only during such calendar quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during a 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 of the Notes due 2026 on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the "measurement period") in which the "trading price" (as defined in the relevant indenture) per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's common stock and the conversion rate for Notes due 2026 on each such trading day; (3) if the Company calls any or all of the Notes due 2026 for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; or (4) upon the occurrence of specified corporate events. On and after September 1, 2025 until the close of business on the second scheduled trading day immediately preceding the maturity date of March 1, 2026, holders of the Notes due 2026 may convert their notes at any time, regardless of the foregoing circumstances. Upon the occurrence of a fundamental change (as defined in the relevant indenture), holders may require the Company to repurchase all or a portion of their Notes due 2026 for cash at a price equal to 100% of the principal amount of the notes to be repurchased plus any accrued and unpaid special interest, if any, to, but excluding, the fundamental change repurchase date.

As of June 30, 2025, the sale price of the Company's common stock was not greater than or equal to $399.71 (130% of the notes conversion price) for at least 20 trading days (whether consecutive or not) during a period of 30 consecutive trading days preceding the quarter-ended June 30, 2025. As a result, the Notes due 2026 are not convertible at the holders' option. Further, as the Notes due 2026 mature in less than a year, accordingly, the Company classified the net carrying amount of the Notes due 2026 of $631.2 million as Debt, current on the condensed consolidated balance sheet as of June 30, 2025. As of June 30, 2025, the unamortized deferred issuance cost for the Notes due 2026 was $1.3 million on the condensed consolidated balance sheet.

**ENPHASE ENERGY, INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

**Notes due 2026 Hedge and Warrant Transactions**

In connection with the offering of the Notes due 2026 (including in connection with the issuance of additional Notes due 2026 upon the initial purchasers' exercise of their over-allotment option), the Company entered into privately-negotiated convertible note hedge transactions (the "Notes due 2026 Hedge") pursuant to which the Company has the option to purchase a total of approximately 2.1 million shares of its common stock (subject to anti-dilution adjustments), which is the same number of shares initially issuable upon conversion of the Notes due 2026, at a price of $307.47 per share, which is the initial conversion price of the Notes due 2026. The total cost of the Notes due 2026 Hedge was approximately $124.6 million. The Notes due 2026 Hedge are expected generally to reduce potential dilution to the Company's common stock upon any conversion of the Notes due 2026 and/or offset any cash payments the Company is required to make in excess of the principal amount of converted notes, as the case may be.

Additionally, the Company separately entered into privately-negotiated warrant transactions, including in connection with the issuance of additional Notes due 2026 upon the initial purchasers' exercise of their over-allotment option (the "2026 Warrants"), whereby the Company sold warrants to acquire approximately 2.1 million shares of the Company's common stock (subject to anti-dilution adjustments) at an initial strike price of $397.91 per share. The Company received aggregate proceeds of approximately $97.4 million from the sale of the 2026 Warrants. If the market value per share of the Company's common stock, as measured under the 2026 Warrants, exceeds the strike price of the 2026 Warrants, the 2026 Warrants will have a dilutive effect on the Company's earnings per share, unless the Company elects, subject to certain conditions, to settle the 2026 Warrants in cash. Taken together, the purchase of the Notes due 2026 Hedge and the sale of the 2026 Warrants are intended to reduce potential dilution from the conversion of the Notes due 2026 and to effectively increase the overall conversion price from $307.47 to $397.91 per share. The 2026 Warrants are only exercisable on the applicable expiration dates in accordance with the 2026 Warrants. Subject to the other terms of the 2026 Warrants, the first expiration date applicable to the Warrants is June 1, 2026, and the final expiration date applicable to the 2026 Warrants is July 27, 2026.

Given that the transactions meet certain accounting criteria, the Notes due 2026 Hedge and the 2026 Warrants transactions were recorded in stockholders' equity, and they were not accounted for as derivatives and are not remeasured each reporting period.

**Convertible Senior Notes due 2025**

The Company settled all of its outstanding 0.25% convertible senior notes due 2025 (the "Notes due 2025") on March 1, 2025 (the "maturity date"). As part of the settlement, the Company paid $102.2 million in cash towards principal amount of the Notes due 2025 and no shares were issued in connection with the settlement as the conversion value was less than the principal amount of the Notes due 2025. Following the settlement, there were no Notes due 2025 outstanding as of June 30, 2025.

**Notes due 2025 Hedge and Warrant Transactions**

In connection with the offering of the Notes due 2025, the Company entered into privately-negotiated convertible note hedge transactions (the "Notes due 2025 Hedge") to reduce potential dilution to the Company's common stock upon any conversion of the Notes due 2025 and/or offset any cash payments the Company is required to make in excess of the principal amount of converted notes, as the case may be. The Notes due 2025 Hedge expired on March 1, 2025, upon maturity of Notes due 2025 as the strike price was higher than the market price.

Additionally, the Company separately entered into privately-negotiated warrant transactions in connection with the offering of the Notes due 2025 whereby the Company sold the 2025 Warrants to acquire approximately 3.9 million shares of the Company's common stock (subject to anti-dilution adjustments) at an initial strike price of $106.94 per share. If the market value per share of the Company's common stock, as measured under the 2025 Warrants, exceeds the $106.94 strike price of the 2025 Warrants, the 2025 Warrants will have a dilutive effect on the Company's earnings per share, unless the Company elects, subject to certain conditions, to settle the 2025 Warrants in cash. The 2025 Warrants are only exercisable on the applicable expiration dates in accordance with the agreements relating to each of the 2025 Warrants.

**ENPHASE ENERGY, INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

Subject to the other terms of the 2025 Warrants, the first expiration date was June 1, 2025, and the final expiration date is September 23, 2025. As of June 30, 2025, no 2025 Warrants had been exercised and warrants to purchase approximately 0.7 million shares of common stock remained outstanding under the 2025 Warrants, which are scheduled to expire on final expiration date of September 23, 2025.

Given that the transactions meet certain accounting criteria, the 2025 Warrants transactions are recorded in stockholders' equity, and are not accounted for as derivatives and are not remeasured each reporting period.

## 10. COMMITMENTS AND CONTINGENCIES

### Operating Leases

The Company leases office facilities under noncancellable operating leases that expire on various dates through 2034, some of which may include options to extend the leases for up to 12 years.

The components of lease expense are presented as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | *(In thousands)* | | | |
| Operating lease costs | $ 4,106 | $ 2,675 | $ 6,923 | $ 5,322 |

The components of right of use assets and lease liabilities are presented as follows:

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| | *(In thousands, except years and percentage data)* | |
| Operating Leases: | | |
| Operating lease, right of use asset, net (Other assets) | $ 25,776 | $ 24,617 |
| | | |
| Operating lease liabilities, current (Accrued liabilities) | $ 6,079 | $ 5,815 |
| Operating lease liabilities, non-current (Other liabilities) | 25,940 | 23,044 |
| Total operating lease liabilities | $ 32,019 | $ 28,859 |
| | | |
| Supplemental lease information: | | |
| Weighted average remaining lease term | 6.3 years | 5.9 years |
| Weighted average discount rate | 6.6% | 6.7% |

Supplemental cash flow and other information related to operating leases were as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | *(In thousands)* | | | |
| Cash paid for amounts included in the measurement of lease liabilities: | | | | |
| Operating cash flows from operating leases | $ 2,186 | $ 1,699 | $ 4,317 | $ 3,604 |
| | | | | |
| Non-cash investing activities: | | | | |
| Lease liabilities arising from obtaining right-of-use assets | $ — | $ 655 | $ 7,260 | $ 2,350 |

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

Undiscounted cash flows of operating lease liabilities as of June 30, 2025 were as follows:

| | Lease Amounts |
|---|---|
| | *(In thousands)* |
| Year: | |
| 2025 (remaining six months) | $ 4,010 |
| 2026 | 7,872 |
| 2027 | 5,504 |
| 2028 | 4,544 |
| 2029 | 4,477 |
| Thereafter | 13,196 |
| Total lease payments | 39,603 |
| Less: imputed lease interest | (7,584) |
| Total lease liabilities | $ 32,019 |

**Purchase Obligations**

The Company has contractual obligations related to component inventory that its contract manufacturers procure on its behalf in accordance with its production forecast as well as other inventory related purchase commitments. As of June 30, 2025, these purchase obligations totaled approximately $182.3 million.

**Litigation**

The Company is subject to various legal proceedings and claims that have arisen in the ordinary course of business and that have not been fully resolved. An accrual for a loss contingency or loss recovery is recognized when it is probable and the amount of loss or recovery can be reasonably estimated. The outcome of litigation is inherently uncertain. If one or more legal matters were resolved against the Company in a reporting period for amounts above management's expectations, the Company's business, results of operations, financial position and cash flows for that reporting period could be materially adversely affected. As of June 30, 2025, in the opinion of management, there was not at least a reasonable possibility the Company may have incurred a material loss, or a material loss greater than a recorded accrual, concerning loss contingencies for asserted legal and other claims.

## 11. STOCKHOLDERS' EQUITY

In July 2023, the board of directors authorized a share repurchase program (the "2023 Repurchase Program") pursuant to which the Company was authorized to repurchase up to $1.0 billion of the Company's common stock. The Company may repurchase shares of common stock from time to time through solicited or unsolicited transactions in the open market, in privately negotiated transactions or pursuant to a Rule 10b5-1 plan.

During the three months ended June 30, 2025 and 2024, the Company repurchased and subsequently retired 702,948 and 891,896 shares, respectively, of common stock from the open market at an average cost of $42.67 and $112.02 per share, respectively, for a total of $30.0 million and $99.9 million, respectively.

During the six months ended June 30, 2025 and 2024, the Company repurchased and subsequently retired 2,297,053 and 1,224,631 shares, respectively, of common stock from the open market at an average cost of $56.58 and $115.87 per share, respectively, for a total of $130.0 million and $141.9 million, respectively.

As of June 30, 2025, $268.7 million remains available for repurchase of shares under the 2023 Repurchase Program.

## 12. STOCK-BASED COMPENSATION

**Stock-based Compensation Expense**

Stock-based compensation expense for all stock-based awards, which includes shares purchased under the Company's employee stock purchase plan ("ESPP"), restricted stock units ("RSUs") and performance stock units ("PSUs"), expected to vest is measured at fair value on the date of grant and recognized ratably over the requisite service period.

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The following table summarizes the components of total stock-based compensation expense included in the condensed consolidated statements of operations for the periods presented:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | *(In thousands)* | | | |
| Cost of revenues | $ 4,311 | $ 3,730 | $ 8,550 | $ 7,912 |
| Research and development | 20,481 | 20,210 | 42,128 | 44,760 |
| Sales and marketing | 16,657 | 16,784 | 33,053 | 34,962 |
| General and administrative | 12,368 | 12,033 | 25,210 | 25,956 |
| Restructuring | 79 | — | 588 | — |
| Total | $ 53,896 | $ 52,757 | $ 109,529 | $ 113,590 |

The following table summarizes the various types of stock-based compensation expense for the periods presented:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | *(In thousands)* | | | |
| RSUs and PSUs | $ 52,666 | $ 51,320 | $ 106,842 | $ 110,107 |
| ESPP | 1,230 | 1,437 | 2,687 | 3,483 |
| Total | $ 53,896 | $ 52,757 | $ 109,529 | $ 113,590 |

As of June 30, 2025, there was approximately $319.6 million of total unrecognized stock-based compensation expense related to unvested equity awards, which are expected to be recognized over a weighted-average period of 2.2 years.

### Equity Awards Activity

*Stock Options*

No stock options were granted during the three and six months ended June 30, 2025 and 2024. Stock option activity during the period and stock options outstanding as of June 30, 2025 were immaterial.

*Restricted Stock Units*

The following table summarizes RSU activity:

| | Number of Shares Outstanding | Weighted-Average Fair Value per Share at Grant Date | Weighted-Average Remaining Contractual Term | Aggregate Intrinsic Value [1] |
|---|---|---|---|---|
| | *(In thousands)* | | *(Years)* | *(In thousands)* |
| Outstanding at December 31, 2024 | 2,283 | $ 139.27 | | |
| Granted | 724 | 62.81 | | |
| Vested | (542) | 156.01 | | $ 31,051 |
| Canceled | (228) | 137.59 | | |
| Outstanding at June 30, 2025 | 2,237 | $ 110.63 | 1.4 | $ 88,675 |
| Expected to vest at June 30, 2025 | 2,236 | $ 110.62 | 1.4 | $ 88,672 |

(1) The intrinsic value of RSUs vested is based upon the value of the Company's stock when vested. The intrinsic value of RSUs outstanding and expected to vest as of June 30, 2025 is based on the closing price of the last trading day during the period ended June 30, 2025. The Company's stock fair value used in this computation was $39.65 per share.

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*Performance Stock Units*

The following summarizes PSU activity:

| | Number of Shares Outstanding | Weighted-Average Fair Value per Share at Grant Date | Weighted-Average Remaining Contractual Term | Aggregate Intrinsic Value [1] |
|---|---|---|---|---|
| | *(In thousands)* | | *(Years)* | *(In thousands)* |
| Outstanding at December 31, 2024 | 899 | $ 154.67 | | |
| Granted | 1,128 | 77.71 | | |
| Vested | (175) | 110.20 | | $ 10,017 |
| Canceled | (209) | 119.94 | | |
| Outstanding at June 30, 2025 | 1,643 | $ 110.98 | 1.6 | $ 65,127 |
| Expected to vest at June 30, 2025 | 1,643 | $ 110.98 | 1.6 | $ 65,127 |

(1) The intrinsic value of PSUs vested is based upon the value of the Company's stock when vested. The intrinsic value of PSUs outstanding and expected to vest as of June 30, 2025 is based on the closing price of the last trading day during the period ended June 30, 2025. The Company's stock fair value used in this computation was $39.65 per share.

## 13. INCOME TAXES

For the three months ended June 30, 2025 and 2024, the Company's income tax provision totaled $5.2 million and $0.4 million, respectively, on income before income taxes of $42.2 million and $11.2 million, respectively. For the six months ended June 30, 2025 and 2024, the Company's income tax provision totaled $22.3 million and $5.0 million, respectively, on income before income taxes of $89.1 million and loss before income taxes of $0.3 million, respectively.

For the three and six months ended June 30, 2025, the income tax provision was calculated using the annualized effective tax rate method and was primarily due to tax expense in U.S. and foreign jurisdictions that are profitable, tax expense from equity compensation shortfalls, and prior year true up adjustments.

For the three months ended June 30, 2024, the income tax provision was calculated using the annualized effective tax rate method and was primarily due to tax expense in U.S. and foreign jurisdictions that are profitable, partially offset by a tax deduction from employee stock compensation and discrete tax benefit from the impairment of an investment in a private company. For the six months ended June 30, 2024, the income tax provision was calculated using the annualized effective tax rate method and was primarily due to tax expense from equity compensation shortfalls and discrete tax benefit from the impairment of an investment in a private company.

For the three and six months ended June 30, 2025 and 2024, in accordance with FASB guidance for interim reporting of income tax, the Company has computed its provision for income taxes based on a projected annual effective tax rate while excluding loss jurisdictions, which cannot be benefited.

In December 2021, the Organization for Economic Co-operation and Development Inclusive Framework on Base Erosion Profit Shifting released Model Global Anti-Base Erosion rules ("Model Rules") under Pillar Two. The Model Rules set forth the "common approach" for a Global Minimum Tax at 15 percent for multinational enterprises with a turnover of more than 750 million euros. The Company does not expect adoption of Pillar Two rules to have a significant impact on its consolidated financial statements during fiscal year 2025.

In July 2025, the One Big Beautiful Bill Act (the "OBBB") was enacted into law, extending key provisions of 2017 Tax Act while scaling back clean energy tax incentives of Inflation Reduction Act of 2022. The OBBB brought back accelerated depreciation for property acquired and placed in service after January 19, 2025, and restored expensing of domestic research expenditures for years beginning after December 31, 2024. Additionally, the bill also amended international tax provisions on global intangible low-tax income, foreign derived intangible income, and base erosion and anti-abuse tax.

Among the significant changes to the clean energy provisions are those related to the repeal of the Section 25D residential solar incentive tax credit starting after December 31, 2025, and the Section 48E incentive tax credit

after December 31, 2027, if construction is not started within 12 months of the enactment. The OBBB expanded the new Foreign Entity of Concern requirements for the Section 45X tax credit to deny credits from projects owned or controlled by certain foreign entities or use components from or make payments to these foreign entities. The Company is evaluating the provisions of the OBBB and its impact on the condensed consolidated financial statements.

## 14. NET INCOME (LOSS) PER SHARE

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income per share is computed in a similar manner, but it also includes the effect of potential common shares outstanding during the period, when dilutive.

The following table presents the computation of basic and diluted net income (loss) per share for the periods presented:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | *(In thousands, except per share data)* | | | |
| **Numerator:** | | | | |
| Net income (loss) | $ 37,052 | $ 10,833 | $ 66,782 | $ (5,264) |
| Notes due 2028 and Notes due 2026 financing costs, net | 625 | — | 1,230 | — |
| Adjusted net income (loss) | $ 37,677 | $ 10,833 | $ 68,012 | $ (5,264) |
| **Denominator:** | | | | |
| Shares used in basic per share amounts: | | | | |
| Weighted average common shares outstanding | 131,031 | 135,646 | 131,447 | 135,768 |
| Shares used in diluted per share amounts: | | | | |
| Weighted average common shares outstanding used for basic calculation | 131,031 | 135,646 | 131,447 | 135,768 |
| Effect of dilutive securities: | | | | |
| Employee stock-based awards | 113 | 374 | 197 | — |
| 2025 Warrants | — | 103 | — | — |
| Notes due 2026 | 2,057 | — | 2,057 | — |
| Notes due 2028 | 2,018 | — | 2,018 | — |
| Weighted average common shares outstanding for diluted calculation | 135,219 | 136,123 | 135,719 | 135,768 |
| **Basic and diluted net income (loss) per share** | | | | |
| Net income (loss) per share, basic | $ 0.28 | $ 0.08 | $ 0.51 | $ (0.04) |
| Net income (loss) per share, diluted | $ 0.28 | $ 0.08 | $ 0.50 | $ (0.04) |

Diluted earnings per share for the three and six months ended June 30, 2025 includes the dilutive effect of potentially dilutive common shares by application of the treasury stock method for stock options, RSUs, PSUs, ESPP, and includes potentially dilutive common shares by application of the if-converted method for the Notes due 2026 and Notes due 2028. Diluted earnings per share for the three and six months ended June 30, 2024 includes the dilutive effect of potentially dilutive common shares by application of the treasury stock method for stock options, RSUs, PSUs, ESPP, the 2025 Warrants, and includes potentially dilutive common shares by application of the if-converted method for the Notes due 2025, Notes due 2026 and Notes due 2028. To the extent these potential common shares are antidilutive, they are excluded from the calculation of diluted net income per share.

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Further, the Company under the relevant sections of the indentures, irrevocably may elect to settle principal in cash and any excess in cash or shares of the Company's common stock for the Notes due 2026 and Notes due 2028. If and when the Company makes such election, there will be no adjustment to the net income and the Company will use the average share price for the period to determine the potential number of shares to be issued based upon assumed conversion to be included in the diluted share count.

The Company's Notes due 2025 were convertible at any time from October 1, 2024, until the close of business on the second scheduled trading day immediately preceding the maturity date of March 1, 2025. Upon conversion, the Notes due 2025 were required to be settled using a combination settlement method, whereby the principal amount was paid in cash, and any excess conversion value was settled in shares of the Company's common stock. As a result of this settlement, no adjustment to net income was required for the six months ended June 30, 2025. For purposes of calculating diluted earnings per share, the Company utilized the average share price during the period from January 1, 2025 through March 1, 2025 to determine the potential number of shares issuable upon conversion and be included in the diluted share count.

The following outstanding shares of common stock equivalents were excluded from the calculation of the diluted net income (loss) per share attributable to common stockholders because their effect would have been antidilutive:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (In thousands) | | | |
| Employee stock-based awards | 3,368 | 1,435 | 3,434 | 1,515 |
| Notes due 2025 | — | 1,253 | 618 | 1,253 |
| Warrants 2025 | 940 | — | 685 | 104 |
| Notes due 2026 | — | 2,057 | — | 2,057 |
| 2026 Warrants | 15,663 | 4,971 | 12,936 | 4,964 |
| Notes due 2028 | — | 2,018 | — | 2,018 |
| 2028 Warrants | 15,369 | 4,877 | 12,693 | 4,871 |
| Total | 35,340 | 16,611 | 30,366 | 16,782 |

## 15. SEGMENT INFORMATION

The Company's chief operating decision maker is the Chief Executive Officer (the "CEO"). The Company has one business activity, which entails the design, development, manufacture and sale of solutions for the solar PV industry. There are no segment managers who are held accountable for operations, operating results or plans for levels or components below the consolidated unit level. Accordingly, management has determined that the Company has a single operating and reportable segment. The primary measure of segment profit or loss is consolidated net income as presented below and is used by the CEO for the purpose of evaluating segment performance and allocation of budget to support business expansion, new product development and operational efficiencies.

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**(Unaudited)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (In thousands) | | | |
| Net revenues | $ 363,153 | $ 303,458 | $ 719,237 | $ 566,797 |
| Less: | | | | |
| Other cost of revenues[1] | 228,271 | 179,051 | 448,153 | 334,544 |
| Income-based government grants | (61,040) | (24,329) | (114,671) | (42,946) |
| Incremental cost for manufacturing in the United States[2] | 19,528 | 5,950 | 35,301 | 10,832 |
| Stock-based compensation expense | 53,896 | 52,757 | 109,529 | 113,590 |
| Acquisition related amortization | 4,467 | 5,353 | 8,896 | 10,706 |
| Other restructuring and asset impairment charges[3] | 3,243 | 1,171 | 5,896 | 3,078 |
| Other research and development[4] | 24,940 | 28,661 | 53,467 | 58,322 |
| Other sales and marketing[5] | 31,174 | 31,528 | 60,877 | 63,195 |
| Other general and administrative[6] | 21,667 | 21,517 | 42,860 | 42,776 |
| Income (loss) from operations | 37,007 | 1,799 | 68,929 | (27,300) |
| Total other income, net | 5,198 | 9,417 | 20,169 | 27,017 |
| Income (loss) from income taxes | 42,205 | 11,216 | 89,098 | (283) |
| Income tax provision | (5,153) | (383) | (22,316) | (4,981) |
| Net Income (loss) | $ 37,052 | $ 10,833 | $ 66,782 | $ (5,264) |

(1) Represents consolidated cost of revenue, excluding stock-based compensation, acquisition related amortization, income-based government grants and incremental costs for manufacturing in the United States.

(2) Represents the incremental manufacturing cost incurred in the United States relative to manufacturing in India. This is calculated based on the difference in product cost for manufacturing the product in the United States as compared to India for the same or similar products. It also includes the portion of the income-based government grants earned that the Company remits to its contract manufacturers.

(3) Represents consolidated restructuring and asset impairment charges, excluding stock-based compensation.

(4) Represents consolidated research and development, excluding stock-based compensation.

(5) Represents consolidated sales and marketing, excluding stock-based compensation and acquisition related amortization.

(6) Represents consolidated general and administrative, excluding stock-based compensation.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Forward-Looking Statements

*The following discussion and analysis of our financial condition and results of operations should be read together with our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements reflecting our current expectations and involves risks and uncertainties. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "intend," "potential," "aim" or "continue" or the negative of these terms or other comparable terminology. Such statements, include but are not limited to statements regarding: our expectations as to future financial performance, including expenses, liquidity sources and cash requirements; the capabilities, advantages, features, and performance of our technology and products; timing of new product releases, and the anticipated market adoption of our current and future products; our expectations regarding demand for our products; our business strategies, including anticipated trends and operating conditions; growth of and development in markets we target, and our expansion into new and existing markets; our performance in operations, including factors affecting our supply chain; our product quality and customer service; our expectations regarding the macroeconomic environment, geopolitical developments, including the effects of tariffs, which may impact our business operations, financial performance and the markets in which we, our suppliers, manufacturers and installers operate; and the importance of benefits from government incentives for solar products, including through the impact of recent changes in the tax laws, rules and regulations. You should be aware that the forward-looking statements contained in this report are based on our current views and assumptions, and are subject to known and unknown risks, uncertainties and other factors that may cause actual events or results to differ materially. For a discussion identifying some of the important factors that could cause actual results to vary materially from those anticipated in the forward-looking statements, see below, those discussed in the section entitled "Risk Factors" herein and those included in our Annual Report on Form 10-K for the year ended December 31, 2024 filed on February 10, 2025 (the "Form 10-K"). Unless the context requires otherwise, references in this report to "Enphase," "we," "us" and "our" refer to Enphase Energy, Inc. and its consolidated subsidiaries.*

### Business Overview

We are a global energy technology company. We deliver smart, easy-to-use solutions that manage solar generation, storage and communication on one platform. Our intelligent microinverters work with virtually every solar panel made, and when paired with our smart technology, result in one of the industry's best-performing clean energy systems. As of June 30, 2025, we have shipped approximately 83.1 million microinverters, and more than 4.9 million Enphase residential and commercial systems have been deployed in over 160 countries.

The Enphase® Energy System™, powered by IQ® Microinverters and IQ® Batteries, our current generation integrated solar, storage and energy management offering, enables self-consumption and delivers our core value proposition of yielding more energy, simplifying design and installation and improving system uptime and reliability. The IQ family of microinverters, like all of our previous microinverters, is fully compliant with NEC 2014 and 2017 rapid shutdown requirements. Unlike string inverters, this capability is built-in, with no additional equipment necessary.

The Enphase Energy System brings a high technology, networked approach to solar generation plus energy storage, by leveraging our design expertise across power electronics, semiconductors and cloud-based software technologies. Our integrated approach to energy solutions maximizes a home's energy potential while providing advanced monitoring and remote maintenance capabilities. The Enphase Energy System with IQ uses a single technology platform for seamless management of the whole solution, enabling rapid commissioning with the Enphase® Installer App and consumption monitoring with IQ® Gateway with IQ® Combiner+, Enphase® App, a cloud-based energy management platform, and our IQ Battery. System owners can use the Enphase App to monitor their home's solar generation, energy storage and consumption from any web-enabled device. Unlike some of our competitors, who utilize a traditional inverter, or offer separate components of solutions, we have built-in system redundancy in both photovoltaic generation and energy storage, eliminating the risk that comes with a single point of failure. Further, the nature of our cloud-based, monitored system allows for remote firmware and software updates, enabling cost-effective remote maintenance and ongoing utility compliance.

We sell primarily to solar distributors who combine our products with others, including solar module products and racking systems, and resell to installers in each target region. In addition to our solar distributors, we sell directly to select large installers, original equipment manufacturers (“OEMs”) and strategic partners. Our OEM customers include solar module manufacturers who integrate our microinverters with their solar module products and resell to both distributors and installers. Strategic partners include providers of solar financing solutions. We also sell certain products and services to homeowners primarily in support of our warranty services and legacy product upgrade programs, via our online store.

**Events Affecting our Business and Operations**

As we have a growing global footprint, we are subject to risk and exposure from the evolving macroeconomic environment, including the effects of increased global inflationary pressures, tariffs and interest rates, fluctuations in foreign currency exchange rates, potential economic slowdowns or recessions, geopolitical pressures and potential regulatory changes, including the unknown impacts of current and future trade regulations. We continuously monitor the direct and indirect impacts of these circumstances on our business and financial results.

*One Big Beautiful Bill Act of 2025.* In July 2025, the One Big Beautiful Bill Act of 2025 (the “OBBB”) was enacted, introducing material changes to clean energy tax credit programs that are significant to our business and may impact our financial condition, results of operations and future prospects.

The OBBB scales back the Investment Tax Credit (the “ITC”) available under Section 25D of the Internal Revenue Code (the “Code”) for residential solar and storage systems purchased through cash or loans. Under the new law, the Section 25D credit will expire on December 31, 2025. In addition, the OBBB imposes new timing requirements for eligibility under Section 48E of the Code, which governs ITCs for leased solar and storage systems. Specifically, solar-only projects that do not commence construction within 12 months of the OBBB’s enactment must be placed in service by December 31, 2027 in order to remain eligible for the credit. Energy storage projects are not subject to this placed-in-service deadline; however, the ITC for storage systems will begin to phase down in 2034 — decreasing to 75% in 2034, 50% in 2035 and phasing out entirely by 2036.

The OBBB also amends the domestic content bonus credit rules for Section 48E projects. Projects commencing construction after June 16, 2025 must meet a 45% domestic cost threshold, up from 40%.

Additionally, the OBBB introduces new compliance requirements under the Foreign Entity of Concern (“FEOC”) provisions for both Section 48E and the Advanced Manufacturing Production Tax Credit (“AMPTC”) under Section 45X. These provisions establish an escalating threshold of non-FEOC content that must be met by solar and storage projects beginning construction in 2026 and by manufactured components produced beginning in 2026.

On July 7, 2025, the President issued an Executive Order directing the Secretary of the Treasury to issue updated guidance within 45 days on the “beginning of construction” requirements applicable to Section 48E projects. The Executive Order also requires the Secretary to implement the FEOC restrictions set forth in the OBBB.

These legislative and regulatory developments may negatively impact our eligibility for certain tax credits, the attractiveness of our offerings to solar and storage system lease providers, and the overall demand for our products. If we are unable to meet the revised domestic content or FEOC requirements, our ability to qualify for these incentives could be impaired, which may adversely affect our revenue, gross margins, business operations and competitive position.

*Trade Tariff Uncertainties.* It is uncertain what impact new or existing tariffs, trade restrictions or retaliatory actions may have on us, the solar industry and our customers. We have relocated a significant portion of our contract manufacturing to the United States while continuing to utilize contract manufacturing in China and India. However, certain critical components for our products are still sourced from outside the United States.

For example, lithium iron phosphate ("LFP") battery cells used in our energy storage systems are currently supplied exclusively by two vendors located in China. While we are actively exploring alternative suppliers outside of China, the global supply chain for LFP battery cells remains heavily concentrated in China, and identifying qualified suppliers with the necessary expertise and capacity remains challenging.

An escalation in trade tensions or the implementation of broader tariffs, trade restrictions or retaliatory measures on our products or components originating from countries outside 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. Any such developments could materially and adversely affect our business operations, results of operations and cash flows.

*Demand for Products.* The demand environment for our products remained challenged during the first half of 2025, following a broad-based slowdown that began in the second quarter of 2023 in the United States and in the third quarter of 2023 in Europe. This prolonged softness in demand has continued to adversely impact certain distributors and installers, contributing to reduced liquidity, bankruptcies and business closures across the channel. These disruptions have negatively affected our revenue and profitability, and led to higher allowances for credit losses.

**Products**

The Enphase Energy System, powered by IQ Microinverters, IQ Batteries and other products and services, is an integrated solar, storage and energy management offering that enables self-consumption and delivers our core value proposition of yielding more energy, simplifying design and installation, and improving system uptime and reliability.

*IQ Microinverters*. We ship IQ8™ series microinverters into 58 countries worldwide. We are also shipping IQ8 Microinverters with peak output power of 480 W AC for the residential and small-commercial market in North America, and grid-tied applications in South Africa, Mexico, Brazil, India, Thailand, the Philippines, France, Spain, Switzerland, Poland, Columbia, Panama, Costa Rica, Vietnam, Malaysia, Japan and 13 Caribbean countries. Our IQ8 Microinverters are designed to maximize energy production and can manage a continuous DC current of 14 amperes, supporting higher powered solar modules through increased energy harvesting.

Our new IQ8 Microinverter, the IQ8P-3P™ for the small commercial solar market in North America, enables a peak output power of up to 480 W, supporting small three-phase commercial applications and newer, high-powered solar panels.

We now ship the IQ8HC™ Microinverters supplied from our contract manufacturing facilities in the United States with higher domestic content than previous models when paired with other U.S.-made solar equipment that could qualify for the domestic content bonus tax credit under the Inflation Reduction Act of 2022 (the “IRA”).

*IQ Batteries*. Our Enphase IQ Battery storage systems, with usable and scalable capacity of 10.1 kWh and 3.4 kWh for the United States, and 10.5 kWh and 3.5 kWh for Europe and other international countries, are based on our Ensemble OS™ energy system, which powers our grid-independent microinverter-based storage systems. We currently ship our Enphase IQ Battery storage systems to customers in the United States, Puerto Rico, Canada, Mexico, Australia, New Zealand, Belgium, Germany, the United Kingdom, Italy, Austria, France, the Netherlands, Luxembourg, Finland, Switzerland, Spain, Portugal, Sweden, Denmark and Greece. Enphase IQ Batteries in Europe can be installed with both single-phase and three-phase third-party solar energy inverters, enabling homeowners to upgrade their existing home solar systems with a residential battery storage solution that reduces costs while providing increased self-reliance.

The IQ Battery 5P is modular with 5 kWh capacity and the IQ8 Microinverters provide a peak output power of 384 W. The IQ Battery 5P is available for customers in Australia, New Zealand, the United States, Puerto Rico, Mexico, Canada, the United Kingdom, Italy, France, the Netherlands, Luxembourg, Belgium, Romania and India. We currently ship our IQ Battery 5P with FlexPhase, an all-in-one AC-coupled system that delivers reliable backup power and supports both single-phase and three-phase applications, to customers in Germany, Austria, Switzerland, Luxembourg, Poland, Spain, Portugal, France, the Netherlands, Belgium, Sweden, Denmark, Greece, Croatia, Slovenia, Romania and Slovakia.

We started shipping our fourth-generation Enphase Energy System, featuring the IQ® Battery 10C, IQ® Meter Collar and the IQ® Combiner 6C into the United States in June 2025. The IQ Battery 10C is designed to be 30% more energy-dense, occupy 60% less wall space, and cost less than previous models. The IQ Meter Collar simplifies whole-home backup by providing microgrid interconnection device functionality, while the IQ Combiner 6C further streamlines installation by consolidating interconnection equipment into one enclosure. Together, these components are designed to simplify the entire backup installation process and enhance reliability.

*IQ® Balcony Solar System.* We launched IQ Balcony Solar System in Germany and Belgium. The system is designed for plug-and-play installation and enables apartment residents and homeowners with limited roof space to generate solar energy from balconies, patios and small outdoor areas. The IQ Balcony Solar System includes Enphase IQ8HC™ Microinverters, IQ® Balcony Gateway, and other components.

*IQ® Energy Management*. We introduced IQ Energy Management in France. This solution integrates with Enphase solar and battery systems to enable smart management of variable electricity rates. It also supports integration with select third-party electric vehicle ("EV") chargers, heat pumps, and resistive electric water heaters, providing homeowners with enhanced control over energy consumption and costs.

*Electric Vehicle Chargers*. Our EV chargers are compatible with most EVs sold in North America. Customers are able to purchase Enphase-branded EV chargers, which support both J1772 and North American Charging Standard connectors with a charging power range between 32 amperes and 64 amperes.

Our smart IQ® EV Chargers sold in the United States and Canada are Wi-Fi-equipped and include smart control and monitoring capabilities. The IQ EV Charger is designed to seamlessly integrate into our solar and battery system to help homeowners maximize electricity cost savings by charging directly from solar energy.

We ship IQ EV Charger 2 into 14 countries in Europe and recently expanded across Europe to now include Greece, Romania, Ireland, and Poland. In June 2025, we started shipping IQ EV Charger 2 to Australia and New Zealand.

Our most advanced residential charger to date, the IQ EV Charger 2 supports up to 22 kW of three-phase charging and can operate either as a standalone charger or fully integrated with our IQ Microinverters and IQ Batteries.

The new CS-100 EV Charger, our most powerful EV charger to date providing up to 19.2 kW of continuous power, is available for customers with commercial fleet EVs in the United States.

In 2025, we released a software update that enables homeowners with existing legacy IQ7™ Microinverter-based systems to expand their solar capacity with IQ8™ Microinverters. This software facilitates seamless interoperability between legacy and current system architectures and is available in North America, Europe, and other key markets.

## Results of Operations

### *Net Revenues*

| | Three Months Ended June 30, | | Change in | | Six Months Ended June 30, | | Change in | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | $ | % | 2025 | 2024 | $ | % |
| | | | *(In thousands, except percentages)* | | | | | |
| Net revenues | $ 363,153 | $ 303,458 | $ 59,695 | 20 % | $ 719,237 | $ 566,797 | $ 152,440 | 27 % |

*Three months ended June 30, 2025 and 2024*

Net revenues increased by $59.7 million, or 20%, in the three months ended June 30, 2025, as compared to the same period in 2024, driven primarily by a 9% increase in microinverter units sold and 59% increase in IQ Batteries Megawatt-hours ("MWh") shipped. During the three months ended June 30, 2025, we sold approximately 1.5 million microinverter units and shipped 190.9 MWh of IQ Batteries, as compared to approximately 1.4 million microinverter units and 120.2 MWh of IQ Batteries shipped in the three months ended June 30, 2024.

Net revenues in the United States were $271.3 million in the three months ended June 30, 2025, as compared to $198.7 million in the same period in 2024, an increase of $72.6 million, or 37%, primarily driven by $40.4 million of microinverter shipments in the three months ended June 30, 2025 that are associated with orders that were prepaid in December 2024 for products to be delivered in 2025, as well as a return to more normalized channel inventory levels in the three months ended June 30, 2025. Net revenues from international geographical markets were $91.8 million in the three months ended June 30, 2025, as compared to $104.7 million in the same period in 2024, a decrease of $12.9 million, or 12%, primarily driven by continued softening in demand from customers in Europe, which was impacted by changes in government policies and lower utility rates.

*Six months ended June 30, 2025 and 2024*

Net revenues increased by $152.4 million, or 27%, in the six months ended June 30, 2025, as compared to the same period in 2024, driven primarily by a 10% increase in microinverter units sold and 84% increase in IQ Batteries MWh shipped. During the six months ended June 30, 2025, we sold approximately 3.1 million microinverter units and shipped 361.0 MWh of IQ Batteries, as compared to approximately 2.8 million microinverter units and 195.7 MWh of IQ Batteries shipped in the three months ended June 30, 2024.

Net revenues in the United States were $534.6 million in the six months ended June 30, 2025, as compared to $348.7 million in the same period in 2024, an increase of $185.9 million, or 53%, primarily driven by $110.3 million of microinverter shipments in the six months ended June 30, 2025 that are associated with orders that were prepaid in December 2024 for products to be delivered in 2025, as well as a return to more normalized channel inventory levels in the six months ended June 30, 2025. Net revenues from international geographical markets were $184.7 million in the six months ended June 30, 2025, as compared to $218.1 million in the same period in 2024, a decrease of $33.4 million, or 15%, primarily driven by continued softening in demand from customers in Europe, which was impacted by changes in government policies and lower utility rates.

***Cost of Revenues and Gross Margin***

| | Three Months Ended June 30, | | Change in | | Six Months Ended June 30, | | Change in | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | $ | % | 2025 | 2024 | $ | % |
| | *(In thousands, except percentages)* | | | | | | | |
| Cost of revenues | $ 192,660 | $ 166,292 | $ 26,368 | 16 % | $ 380,503 | $ 314,123 | $ 66,380 | 21 % |
| Gross profit | 170,493 | 137,166 | 33,327 | 24 % | 338,734 | 252,674 | 86,060 | 34 % |
| Gross margin | 46.9 % | 45.2 % | | | 47.1 % | 44.6 % | | |

*Three months ended June 30, 2025 and 2024*

Cost of revenues increased by $26.4 million, or 16%, for the three months ended June 30, 2025, as compared to the same period in 2024. This increase was primarily driven by a higher volume of microinverter units sold and increased MWh of IQ Batteries shipped. This increase also included $19.5 million of incremental costs for manufacturing in the United States during the three months ended June 30, 2025, as compared to $5.9 million for the same period in 2024. This increase in cost of revenues was partially offset by benefits recognized from tax credits under the AMPTC for U.S. manufactured microinverters and IQ Batteries MW shipped to customers. The AMPTC benefits recognized were $61.0 million for the three months ended June 30, 2025, as compared to $24.3 million for the same period in 2024, resulting in a net IRA benefit of $41.5 million and $18.4 million, respectively.

Gross margin increased by 1.7 percentage points in the three months ended June 30, 2025, as compared to the same period in 2024. The increase was primarily due to recognition of a 11.4% percentage point net IRA benefit in the three months ended June 30, 2025, as compared to a 6.1% percentage point net IRA benefit in the same period in 2024, partially offset by product mix and higher warranty expense from changes in estimates for an increase in tariff costs on product replacements.

*Six months ended June 30, 2025 and 2024*

Cost of revenues increased by $66.4 million, or 21%, for the six months ended June 30, 2025, as compared to the same period in 2024. This increase was primarily driven by a higher volume of microinverter units sold and increased MWh of IQ Batteries shipped. This increase also included $35.3 million of incremental costs for manufacturing in the United States during the six months ended June 30, 2025, as compared to $10.8 million for the same period in 2024. This increase in cost of revenues was partially offset by benefits recognized from tax credits under the AMPTC for U.S. manufactured microinverters and IQ Batteries MW shipped to customers. The AMPTC

benefits recognized were $114.7 million for the six months ended June 30, 2025, as compared to $42.9 million for the same period in 2024, resulting in a net IRA benefit of $79.4 million and $32.1 million, respectively.

Gross margin increased by 2.5 percentage points in the six months ended June 30, 2025, as compared to the same period in 2024. The increase was primarily due to recognition of a 11.0 percentage point net IRA benefit in the six months ended June 30, 2025, as compared to a 5.7 percentage point net IRA benefit in the same period in 2024, partially offset by product mix and higher warranty expense from changes in estimates for an increase in tariff costs on product replacements.

***Research and Development***

| | Three Months Ended June 30, | | Change in | | Six Months Ended June 30, | | Change in | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | $ | % | 2025 | 2024 | $ | % |
| | | | *(In thousands, except percentages)* | | | | | |
| Research and development | $ 45,421 | $ 48,871 | $ (3,450) | (7)% | $ 95,595 | $ 103,082 | $ (7,487) | (7)% |
| Percentage of net revenues | 13 % | 16 % | | | 13 % | 18 % | | |

*Three months ended June 30, 2025 and 2024*

Research and development expense decreased by $3.5 million, or 7%, in the three months ended June 30, 2025, as compared to the same period in 2024. The decrease was primarily due to actions implemented in connection with the restructuring initiatives implemented in 2024 that lowered equipment, supplies and professional services by $1.9 million, and personnel-related expenses due to a reduction in headcount by $1.2 million.

*Six months ended June 30, 2025 and 2024*

Research and development expense decreased by $7.5 million, or 7%, in the six months ended June 30, 2025, as compared to the same period in 2024. The decrease was primarily due to actions implemented in connection with the restructuring initiatives implemented in 2024 that lowered personnel-related expenses due to a reduction in headcount by $5.8 million, and lowered professional services by $1.4 million. The amount of research and development expenses may fluctuate from period to period due to the differing levels and stages of development activity for our products.

***Sales and Marketing***

| | Three Months Ended June 30, | | Change in | | Six Months Ended June 30, | | Change in | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | $ | % | 2025 | 2024 | $ | % |
| | | | *(In thousands, except percentages)* | | | | | |
| Sales and marketing | $ 50,708 | $ 51,775 | $ (1,067) | (2)% | $ 99,656 | $ 105,082 | $ (5,426) | (5)% |
| Percentage of net revenues | 14 % | 17 % | | | 14 % | 19 % | | |

*Three months ended June 30, 2025 and 2024*

Sales and marketing expense decreased by $1.1 million, or 2%, in the three months ended June 30, 2025, as compared to the same period in 2024. The decrease was primarily due to actions implemented in connection with the restructuring initiatives implemented in 2024 that lowered professional services and advertising costs by $1.8 million, partially offset by $0.7 million in higher personnel-related expenses due to increased headcount to support our customer service initiatives.

*Six months ended June 30, 2025 and 2024*

Sales and marketing expense decreased by $5.4 million, or 5%, in the six months ended June 30, 2025, as compared to the same period in 2024. The decrease was primarily due to actions implemented in connection with the restructuring initiatives implemented in 2024 that lowered professional services and advertising costs by $4.1 million, and personnel-related expenses due to a reduced headcount by $1.4 million.

***General and Administrative***

| | Three Months Ended June 30, | | Change in | | Six Months Ended June 30, | | Change in | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | $ | % | 2025 | 2024 | $ | % |
| | | | *(In thousands, except percentages)* | | | | | |
| General and administrative | $ 34,035 | $ 33,550 | $ 485 | 1 % | $ 68,070 | $ 68,732 | $ (662) | (1)% |
| Percentage of net revenues | 9 % | 11 % | | | 9 % | 12 % | | |

*Three months ended June 30, 2025 and 2024*

General and administrative expense increased by $0.5 million, or 1%, in the three months ended June 30, 2025, as compared to the same period in 2024. The increase was primarily due to an increase in costs related to professional services.

*Six months ended June 30, 2025 and 2024*

General and administrative expense decreased by $0.7 million, or 1%, in the six months ended June 30, 2025, as compared to the same period in 2024. The decrease was primarily due to actions implemented in connection with the restructuring initiatives implemented in 2024 that lowered personnel-related costs by $1.6 million, partially offset by an increase in professional services of $0.9 million.

***Restructuring and Asset Impairment Charges***

| | Three Months Ended June 30, | | Change in | | Six Months Ended June 30, | | Change in | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | $ | % | 2025 | 2024 | $ | % |
| | | | *(In thousands, except percentages)* | | | | | |
| Restructuring and asset impairment charges | $ 3,322 | $ 1,171 | $ 2,151 | 100 % | $ 6,484 | $ 3,078 | $ 3,406 | 111 % |
| Percentage of net revenues | 0.9 % | 0.4 % | | | 0.9 % | 0.5 % | | |

*Three months ended June 30, 2025 and 2024*

Restructuring and asset impairment charges were incurred in connection with restructuring initiatives implemented in 2023 and 2024 to increase operational efficiencies, reduce operating costs, and to better align our workforce and cost structure with current market conditions, our business needs, and strategic priorities. Restructuring charges of $3.3 million in the three months ended June 30, 2025, primarily consisted of $1.5 million of asset impairment charges, $1.0 million of employee related expenses and $0.8 million of contract termination charges. Restructuring charges of $1.2 million in the three months ended June 30, 2024, primarily consisted of $0.9 million of employee related expenses, $0.3 million of contract termination charges and less than $0.1 million of asset impairment charges.

*Six months ended June 30, 2025 and 2024*

Restructuring charges of $6.5 million in the six months ended June 30, 2025, primarily consisted of $4.4 million of employee related expenses, $1.5 million of asset impairment charges and $0.6 million of contract termination charges. Restructuring charges of $3.1 million in the six months ended June 30, 2024, primarily consisted of $1.6 million of contract termination charges, $1.1 million of employee related expenses, and $0.4 million of asset impairment charges.

***Other Income, Net***

| | Three Months Ended June 30, | | Change in | | Six Months Ended June 30, | | Change in | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | $ | % | 2025 | 2024 | $ | % |
| | | | *(In thousands, except percentages)* | | | | | |
| Interest income | $ 14,911 | $ 19,203 | $ (4,292) | (22)% | $ 31,943 | $ 38,912 | $ (6,969) | (18)% |
| Interest expense | (815) | (2,220) | 1,405 | (63)% | (2,862) | (4,416) | 1,554 | (35)% |
| Other expense, net | (8,898) | (7,566) | (1,332) | 18 % | (8,912) | (7,479) | (1,433) | 19 % |
| Total other income, net | $ 5,198 | $ 9,417 | $ (4,219) | (45)% | $ 20,169 | $ 27,017 | $ (6,848) | (25)% |

*Three months ended June 30, 2025 and 2024*

Interest income of $14.9 million decreased in the three months ended June 30, 2025, as compared to $19.2 million in the three months ended June 30, 2024, primarily due to lower average cash balance and lower interest rates.

Interest expense of $0.8 million in the three months ended June 30, 2025, primarily included $0.8 million for the amortization of debt issuance costs with our 0.0% convertible senior notes due 2026 (the “Notes due 2026”) and our 0.0% convertible senior notes due 2028 (the “Notes due 2028”), and other interest. Interest expense of $2.2 million in the three months ended June 30, 2024, primarily included $2.2 million for the coupon interest, debt discount amortization with our 0.25% convertible senior notes due 2025 (the “Notes due 2025”), and amortization of debt issuance costs with the Notes due 2025, Notes due 2026 and Notes due 2028.

Other expense, net, of $8.9 million in the three months ended June 30, 2025, primarily consisted of $9.5 million non-cash expense related to change in the fair value of debt securities and $0.1 million change in tax equity, partially offset by $0.7 million net gain due to foreign currency denominated monetary assets and liabilities. Other expense, net, of $7.6 million in the three months ended June 30, 2024, primarily related to $6.0 million impairment of investment in a private company, $1.9 million non-cash expense related to change in the fair value of debt securities, and $0.1 million in realized loss on investments, partially offset by $0.4 million net gain due to foreign currency denominated monetary assets and liabilities.

*Six months ended June 30, 2025 and 2024*

Interest income of $31.9 million decreased in the six months ended June 30, 2025, as compared to $38.9 million in the three months ended June 30, 2024, primarily due to lower average cash balance and lower interest rates.

Interest expense of $2.9 million in the six months ended June 30, 2025, primarily included $2.9 million for the coupon interest, debt discount amortization with the Notes due 2025, and amortization of debt issuance costs with the Notes due 2025, Notes due 2026 and Notes due 2028, and other interest. Interest expense of $4.4 million in the six months ended June 30, 2024, primarily included $4.4 million for the coupon interest, debt discount amortization with the Notes due 2025, and amortization of debt issuance costs with the Notes due 2025, Notes due 2026 and Notes due 2028.

Other expense, net, of $8.9 million in the six months ended June 30, 2025, primarily consisted of $9.1 million non-cash expense related to change in the fair value of debt securities and $0.1 million in realized loss on investments, partially offset by $0.3 million net gain due to foreign currency denominated monetary assets and liabilities. Other expense, net, of $7.5 million in the six months ended June 30, 2024, primarily related to $6.0 million impairment of investment in a private company, $1.0 million non-cash expense related to change in the fair value of debt securities, and $0.5 million net loss due to foreign currency denominated monetary assets and liabilities.

### *Income Tax Provision*

| | Three Months Ended June 30, | | Change in | | Six Months Ended June 30, | | Change in | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | $ | % | 2025 | 2024 | $ | % |
| | | | | *(In thousands, except percentages)* | | | | |
| Income tax provision | $ 5,153 | $ 383 | $ 4,770 | 1,245 % | $ 22,316 | $ 4,981 | $ 17,335 | 348 % |

*Three months ended June 30, 2025 and 2024*

The income tax provision was $5.2 million in the three months ended June 30, 2025, as compared to an income tax provision of $0.4 million in the same period in 2024. The increase was primarily due to higher projected tax expense as our operations in U.S. and foreign jurisdictions were more profitable in 2025, and an increase in tax expense from equity compensation shortfalls in 2025, as compared to the same period in 2024.

*Six months ended June 30, 2025 and 2024*

The income tax provision was $22.3 million in the six months ended June 30, 2025, as compared to an income tax provision of $5.0 million in the same period in 2024. The increase was primarily due to higher projected tax expense as our operations in U.S. and foreign jurisdictions were more profitable in 2025, an increase in tax expense from equity compensation shortfalls in 2025, and prior year true up adjustments in 2025, as compared to the same period in 2024.

## Liquidity and Capital Resources

### *Sources of Liquidity*

As of June 30, 2025, we had $1.1 billion in net working capital, including cash, cash equivalents and marketable securities of approximately $1.5 billion, of which approximately $1.4 billion were held in the United States. Our cash, cash equivalents and marketable securities primarily consist of U.S. Government agency securities and treasuries, money market mutual funds, corporate notes, commercial paper and bonds, and both interest-bearing and non-interest-bearing deposits, with the remainder held in various foreign subsidiaries. We consider amounts held outside the United States to be accessible and have provided for the estimated withholding tax liability on the repatriation of our foreign earnings.

| | Six Months Ended June 30, | | Change in | |
|---|---|---|---|---|
| | 2025 | 2024 | $ | % |
| | | *(In thousands, except percentages)* | | |
| Cash, cash equivalents and marketable securities | $ 1,530,184 | $ 1,646,404 | $ (116,220) | (7)% |
| Total Debt | $ 1,202,719 | $ 1,298,024 | $ (95,305) | (7.3)% |

Our cash, cash equivalents and marketable securities decreased by $116.2 million for the six months ended June 30, 2025, as compared to the same period in 2024, primarily due to repurchases of common stock pursuant to our share repurchase program, payout of the Notes due 2025, and payments of withholding taxes related to net share settlement of equity awards, partially offset by cash generated from operations.

Total carrying amount of debt decreased by $95.3 million for the six months ended June 30, 2025, as compared to the same period in 2024, primarily due to the payout of the Notes due 2025, partially offset by accretion of issuance costs.

We expect that our principal short-term (over the next 12 months) cash needs related to our operations will be to fund working capital, strategic investments, acquisitions, repurchases of common stock and payments of withholding taxes for net share settlement of employee equity awards, payments on our outstanding debt and purchases of property and equipment. We plan to fund any cash requirements for the next 12 months from our existing cash, cash equivalents and marketable securities on hand, and cash generated from operations. For the long-term period (beyond 12 months), we aim to continue growing cash flows from operations to support our ongoing business operations and strategic investment plans. We regularly evaluate our liquidity position, debt obligations and expected cash requirements. As part of this ongoing assessment, we may pursue additional financing through the issuance of equity or the debt financing, as necessary, to meet our operational and investment needs. We anticipate that access to the debt market will be more limited compared to prior years due to policy

changes to solar tax incentives from the enactment of the OBBB and high interest rates. Our ability to obtain debt or any other additional financing that we may choose to, or need to, obtain will depend on, among other things, our development efforts, business plans, operating performance and the condition of the capital markets at the time we seek financing.

*Repurchase of Common Stock*. In July 2023, the board of directors authorized a share repurchase program (the "2023 Repurchase Program") pursuant to which we were authorized to repurchase up to $1.0 billion of our common stock. The repurchases could be funded from available working capital and could be executed from time to time, subject to general business and market conditions and other investment opportunities, through open market purchases or privately negotiated transactions, including through Rule 10b5-1 plans. The 2023 Repurchase Program may be discontinued or amended at any time and expires on July 26, 2026. During the three months ended June 30, 2025, we repurchased 702,948 shares, for an aggregate amount of $30.0 million. As of June 30, 2025, we had approximately $268.7 million remaining for repurchase of shares under the 2023 Repurchase Program. For more information on the 2023 Repurchase Program, refer to Note 11. "Stockholders' Equity," of the notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

*Convertible Notes*. As of June 30, 2025, our aggregate principal convertible notes obligations were $1,207.5 million, which primarily consisted of the Notes due 2026 of $632.5 million and Notes due 2028 of $575.0 million. Upon conversion of the Notes due 2026 and Notes due 2028, we expect to pay cash equal to the aggregate principal amount of the Notes of such series to be converted, and, at our election, will pay or deliver cash and/or shares of our common stock for the amount of our conversion obligation in excess of the aggregate principal amount of the Notes of such series. For more information on our convertible notes, refer to Note 9. "Debt," of the notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

***Cash Flows***. The following table summarizes our cash flows for the periods presented:

| | Six Months Ended June 30, | |
|---|---|---|
| | 2025 | 2024 |
| | *(In thousands)* | |
| Net cash provided by operating activities | $ 75,043 | $ 176,263 |
| Net cash provided by (used in) investing activities | 61,875 | (9,892) |
| Net cash used in financing activities | (241,730) | (201,466) |
| Effect of exchange rate changes on cash and cash equivalents | 11,232 | (1,551) |
| Net decrease in cash and cash equivalents | $ (93,580) | $ (36,646) |

*Cash Flows from Operating Activities*

Cash flows from operating activities consisted of our net income adjusted for certain non-cash reconciling items, such as stock-based compensation expense, asset impairment, non-cash interest expense, change in the fair value of debt securities, deferred income taxes, depreciation and amortization, and changes in our operating assets and liabilities. Net cash provided by operating activities decreased by $101.2 million for the six months ended June 30, 2025, as compared to the same period in 2024, primarily driven by $110.3 million of microinverter shipments in the six months ended June 30, 2025 that are associated with orders that were prepaid in December 2024 for products delivered in the first half of 2025.

*Cash Flows from Investing Activities*

For the six months ended June 30, 2025, net cash provided by investing activities of $61.9 million was primarily from the maturities of $93.1 million of marketable securities, net of purchases, partially offset by $22.9 million used in purchases of test and assembly equipment for U.S. manufacturing related facility improvements and information technology enhancements, including capitalized costs related to internal-use software and $8.3 million used in an investment in a tax equity fund.

For the six months ended June 30, 2024, net cash used in investing activities of $9.9 million was primarily $17.0 million used in purchases of test and assembly equipment for U.S. manufacturing related facility improvements and information technology enhancements, including capitalized costs related to internal-use software, partially offset by the maturity and sale of $7.1 million of marketable securities, net of purchases.

*Cash Flows from Financing Activities*

For the six months ended June 30, 2025, net cash used in financing activities of approximately $241.7 million was primarily from payment of $130.0 million used to repurchase our common stock under the 2023 Repurchase Program, $102.2 million towards the settlement of the Notes due 2025, and payment of $15.0 million in employee withholding taxes related to net share settlement of employee equity awards, partially offset by $5.4 million of net proceeds from purchases under our employee stock purchase plan.

For the six months ended June 30, 2024, net cash used in financing activities of approximately $201.5 million was primarily from $141.9 million used to repurchase our common stock under the 2023 Repurchase Program, payment of $67.5 million in employee withholding taxes related to net share settlement of equity awards, and less than $0.1 million from the partial settlement of the Notes due 2025, partially offset by $8.0 million of net proceeds from employee stock option exercises and purchases under our employee stock purchase plan.

**Contractual Obligations**

Our contractual obligations primarily consist of the Notes due 2028 and Notes due 2026, obligations under operating leases and inventory component purchases. As of June 30, 2025, there have been no material changes from our disclosure in the Form 10-K, except that (i) we settled all of our outstanding Notes due 2025 for $102.2 million in cash and (ii) the Notes due 2026 mature in less than a year and are now classified as Debt, current on the condensed consolidated balance sheet as of June 30, 2025. For more information on our future minimum operating leases and inventory component purchase obligations as of June 30, 2025, refer to Note 10, “Commitments and Contingencies - Purchase Obligations” and for more information on our notes and other related debt, refer to Note 9, “Debt” of the notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

**Critical Accounting Policies**

Our condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). In connection with the preparation of our condensed consolidated financial statements, we are required to make assumptions and estimates about future events and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time our condensed consolidated financial statements are prepared. On a regular basis, we review the accounting policies, assumptions, estimates and judgments to ensure that our condensed consolidated financial statements are presented fairly and in accordance with U.S. GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates. To the extent that there are material differences between these estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected.

We consider an accounting policy to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the condensed consolidated financial statements. There have been no changes to our critical accounting policies as described in the Form 10-K.

***Adoption of New and Recently Issued Accounting Pronouncements***

For a discussion of adoption of new accounting pronouncements, refer to Note 1, “Description of Business and Basis of Presentation - Summary of Significant Accounting Policies” of the notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

There have been no material changes in our market risk compared to the disclosures in Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” in the Form 10-K. Also see the section entitled “Risk Factors” in Part I, Item 1A in the Form 10-K.

## Item 4. Controls and Procedures

### Evaluation of 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 as of June 30, 2025. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), includes, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Based on the evaluation of our disclosure controls and procedures as of June 30, 2025, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective.

Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

### Changes in Internal Control

There were no changes in our internal control over financial reporting identified in management’s evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the period covered by this Quarterly Report on Form 10-Q 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

From time to time, we might be subject to various legal proceedings relating to claims arising out of our operations. The outcome of litigation is inherently uncertain. If one or more legal matters were resolved against us in a reporting period for amounts above management's expectations, our business, results of operations, financial position and cash flows for that reporting period could be materially adversely affected. Except as described in this Item 1, we are not currently involved in any material legal proceedings, the ultimate disposition of which could have a material adverse effect on our operations, financial condition or cash flows.

**Securities Class Action Lawsuits**

On July 15, 2024, a putative class action complaint was filed against us, our chief executive officer and our chief financial officer (collectively, the "Initial Defendants") in the United States District Court for the Northern District of California, captioned *Hayes v. Enphase Energy, Inc.*, Case No. 3:24-cv-04249 (the "Securities Class Action"), purportedly on behalf of a class of individuals who purchased or otherwise acquired our common stock between December 12, 2022 and April 25, 2023. The Securities Class Action alleges that Initial Defendants made false and/or misleading statements in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder. The complaint seeks unspecified monetary damages and other relief.

On or about July 29, 2024, six additional stockholders filed motions to be appointed lead plaintiff and have their selection of counsel appointed as lead counsel in the Securities Class Action. The Court held a hearing on the lead plaintiff motions on September 5, 2024, and appointed Lon D. Praytor as lead plaintiff on March 31, 2025. On April 17, 2025, movant Andrey Ponomarchuk filed a motion for reconsideration of the Court's order appointing Praytor as lead plaintiff. Lead plaintiff Praytor filed an amended complaint on May 21, 2025, alleging violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder by Enphase and our chief executive officer, purported only on behalf of a class of individuals who purchased or otherwise acquired our common stock between February 7, 2023 and April 25, 2023 and removing our chief financial officer as a defendant (the remaining defendants referred hereto as "Defendants"). Defendants filed a motion to dismiss on July 2, 2025. Lead Plaintiff's opposition is due August 15, 2025, and Defendants' reply is due September 15, 2025. A hearing is currently scheduled for November 6, 2025.

On December 13, 2024, another putative class action complaint was filed naming us, our chief executive officer and our chief products officer (collectively, "Defendants II") in the United States District Court for the Northern District of California, captioned *Trustees of the Welfare and Pension Funds of Local 464A v. Enphase Energy, Inc.*, Case No. 4:24-cv-09038 (the "Pension Fund Action"), purportedly on behalf of a class of individuals who purchased or otherwise acquired our common stock between April 25, 2023 and October 22, 2024. The Pension Fund Action alleges that Defendants II made false and/or misleading statements in violation of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder. The complaint seeks unspecified monetary damages and other relief.

On or about February 11, 2025, several additional stockholders moved to be appointed lead plaintiff in the Pension Fund Action and have their selection of counsel appointed as lead counsel. On March 31, 2025, the Court vacated a hearing on the motions scheduled for April 10, 2025 and took the matter under submission. The Court has not yet issued a decision. Once a lead plaintiff and lead counsel are appointed, the parties will negotiate a schedule for an anticipated amended complaint and motion to dismiss. We dispute the allegations in each of the above-referenced lawsuits and intend to defend the matters vigorously.

**Shareholder Derivative Lawsuits**

On July 16, 2024, a shareholder derivative lawsuit was filed purportedly on our behalf against the Initial Defendants, our non-employee directors and us (as nominal defendant) in the United States District Court for the Northern District of California, captioned *Ibarra v. Kothandaraman, et al*., Case No. 3:24-cv-04278 (the "Ibarra Action"). The Ibarra Action asserts claims for breaches of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, and violations of Sections 14(a), 10(b) and 20(a) of the Exchange Act, and contribution under Sections 10(b) and 21D of the Exchange Act based on the purported dissemination of substantially the same allegedly false and misleading statements asserted in the Securities Class Action. The Ibarra Action is seeking unspecified damages and other relief, including reforms and improvements to our corporate governance and internal procedures.

On September 5, 2024, another shareholder derivative lawsuit was filed purportedly on our behalf against the Initial Defendants, our non-employee directors and us (as nominal defendant) in the United States District Court for the Northern District of California, captioned *Isaac v. Kothandaraman, et al.,* Case No. 4:24-cv-06257 (the "Isaac Action"), containing substantially the same allegations as those in the Ibarra Action. On September 20, 2024, the Court consolidated the Isaac and Ibarra Actions for all purposes into one action under the title *In re Enphase Energy, Inc. Stockholder Derivative Litigation* (the "Derivative Action").

On October 11, 2024, the Court granted the parties' stipulation to stay the Derivative Action until all motions to dismiss the Securities Class Action are decided.

On December 31, 2024, a shareholder derivative lawsuit was filed purportedly on our behalf against Defendants II, our non-employee directors and us (as nominal defendant) in the United States District Court for the Northern District of California, captioned *Hirani v. Kothandaraman, et al*., Case No. 4:24-cv-09532 (the "Hirani Action"). The Hirani Action asserts claims for breaches of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, and violations of Sections 14(a), 10(b) and 20(a) of the Exchange Act, and contribution under Sections 10(b) and 21D of the Exchange Act based on the purported dissemination of substantially the same allegedly false and misleading statements asserted in the Pension Fund Action. The Hirani Action is seeking unspecified damages and other relief, including reforms and improvements to our corporate governance and internal procedures.

On January 17, 2025, another shareholder derivative lawsuit was filed purportedly on our behalf against Defendants II, our non-employee directors and us (as nominal defendant) in the United States District Court for the Northern District of California, captioned *Hanowski v. Kothandaraman, et al*., Case No. 4:25-cv-000652 (the "Hanowski Action"). The Hanowski Action asserts claims substantially similar to those asserted in the Hirani Action, also based on the same allegedly false and misleading statements asserted in the Pension Fund Action. The Hanowski Action is seeking unspecified damages and other relief, including reforms and improvements to our corporate governance and internal procedures.

On January 31, 2025, the plaintiffs in the Hirani and Hanowski Actions filed a motion to relate their actions to the Pension Fund Action, which the Court approved on February 18, 2025. On March 7, 2025, the Court granted the parties' stipulation to consolidate the Hirani and Hanowski Actions for all purposes into one action under the title *In re Enphase Energy, Inc. 2025 Shareholder Derivative Litigation* (the "Derivative II Action"). On May 8, 2025, the Court stayed the Derivative II Action pending resolution of all motion(s) to dismiss in the Pension Fund Action.

We dispute the allegations in each of the above-referenced lawsuits and intend to defend the matters vigorously.

The pending lawsuits and any other related lawsuits are subject to inherent uncertainties, and the actual defense and disposition costs will depend upon many unknown factors. We could be forced to expend significant resources in the defense of the pending lawsuits and any additional lawsuits, and we may not prevail. In addition, we may incur substantial legal fees and costs in connection with such lawsuits.

## Item 1A. Risk Factors

Investing in our securities involves a high degree of risk. Before investing in our securities, you should consider carefully the information contained in this Quarterly Report on Form 10-Q and in the Form 10-K, including the risk factors identified in Part I, Item 1A, "Risk Factors" thereof. This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements" in "Management's Discussion and Analysis of Financial Conditions and Results of Operations" above. Our actual results could differ materially from those contained in the forward-looking statements. Any of the risks discussed in the Form 10-K, in other reports we file with the Securities and Exchange Commission, and other risks we have not anticipated or discussed, could have a material adverse impact on our business, financial condition or results of operations. Except as set forth below, there has been no material change to our risk factors from those disclosed in Part I, Item 1A, "Risk Factors" in the Form 10-K.

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

The market for on-grid applications, where solar power, on a standalone basis or paired with energy storage systems, is used to supplement a customer's electricity purchased from the utility network or sold to a utility under tariff, depends in large part on the availability and size of government-issued subsidies and economic incentives

that vary by geographic market. Because our customers' sales of solar power are typically into the on-grid market, the reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar electricity may negatively affect the competitiveness of rooftop solar electricity relative to centralized sources of electricity (including from conventional thermal or utility-scale renewable generation) and could harm or halt the growth of the solar electricity industry and our business.

National, state and local government bodies in many countries, including the United States, have provided incentives in the form of feed-in tariffs ("FiTs"), NEM tariffs and related policies, rebates, tax credits, tax incentives and others to system owners, distributors, system integrators and manufacturers of solar PV systems and battery energy storage systems to bolster the cost competitiveness of solar electricity in on-grid applications relative to the cost of utility power, and to reduce dependency on other forms of energy. Many of these government incentives expire, phase out over time, have limited funding allocations, that require renewal by the applicable jurisdictional authority, or are being changed by governments due to changing market circumstances or changes to national, state or local energy policy.

In July 2025, the OBBB was enacted, introducing material changes to clean energy tax credit programs that are significant to our business and may impact our financial condition, results of operations and future prospects. The OBBB scales back the ITC available under Section 25D of the Code for residential solar and storage systems purchased through cash or loans. Under the new law, the Section 25D credit will expire on December 31, 2025. In addition, the OBBB imposes new timing requirements for eligibility under Section 48E of the Code, which governs ITCs for leased solar and storage systems. Specifically, solar-only projects that do not commence construction within 12 months of the OBBB's enactment must be placed in service by December 31, 2027 in order to remain eligible for the credit. Energy storage projects are not subject to this placed-in-service deadline; however, the ITC for storage systems will begin to phase down in 2034 — decreasing to 75% in 2034, 50% in 2035 and phasing out entirely by 2036.

The OBBB also amends the domestic content bonus credit rules for Section 48E projects. Projects commencing construction after June 16, 2025 must meet a 45% domestic cost threshold, up from 40. The OBBB also introduces new compliance requirements under the FEOC provisions for both Section 48E and the AMPTC under Section 45X. These provisions establish an escalating threshold of non-FEOC content that must be met by solar and storage projects beginning construction in 2026 and by manufactured components produced beginning in 2026. On July 7, 2025, the President issued an Executive Order directing the Secretary of the Treasury to issue updated guidance within 45 days on the "beginning of construction" requirements applicable to Section 48E projects. The Executive Order also requires the Secretary to implement the FEOC restrictions set forth in the OBBB. These legislative and regulatory developments may negatively impact our eligibility for certain tax credits, the attractiveness of our offerings to solar and storage system lease providers, and the overall demand for our products. If we are unable to meet the revised domestic content or FEOC requirements, our ability to qualify for these incentives could be impaired, which may adversely affect our revenue, gross margins, business operations and competitive position.

In addition, several European countries, including Germany, Belgium, Italy, the Netherlands and the United Kingdom, have adopted reductions in or ended their NEM or FiT programs. Certain countries have proposed or enacted taxes levied on renewable energy. These and related developments have significantly impacted the solar industry in Europe and may adversely affect the future demand for solar energy solutions in Europe, which could adversely impact our results of operations.

Among other government-established incentives, NEM and related policies have supported the growth of on-grid rooftop solar products, and changes to such policies may reduce demand for electricity from our solar service offerings. NEM is a tariffed utility rate program that permits a consumer to sell the excess solar energy that the consumer's solar panels produce to the electric utility company at a predetermined price. The most basic type of NEM tariff pays consumers the retail rate for electricity that their solar panels export to the grid, less certain "non-bypassable" fees paid by the consumer. However, certain states have sought to move away from retail rate NEM crediting for compensating excess solar generation. For example, in December 2022, the CPUC adopted a "NEM 3.0" policy, also known as the Net Billing Tariff, that unbundles export compensation from retail rates and instead bases it on a tool called the Avoided Cost Calculator ("ACC"), which estimates the utility costs that are avoided by exports from distributed generation for each hour of the year. The CPUC did seek to ease the transition for the solar market by adopting small "adders" to the hourly ACC export values for the first several years of the tariff. Nevertheless, these ACC-based export compensation values are significantly lower than retail rates for most hours of the year and may therefore increase payback periods, and thereby reduce demand, for solar-only systems.

Similarly, in November 2023, the CPUC adopted changes to its "Virtual NEM" and "NEM Aggregation" programs that prohibit multi-meter commercial or agricultural property owners from netting solar energy generated at or adjacent to those properties against import charges recorded on the meters at the property, except for residential account holders in a multi-family residential property. These types of modifications to NEM policies have impacted and could further harm our business, both in California, where we have derived a significant portion of historical revenues in the United States, and in other state and national jurisdictions, if pursued there.

Reductions in, or eliminations or expirations of, governmental incentives (including the elimination of the ITC at the end of 2025) or NEM policies in regions where we focus our sales efforts could result in decreased demand for and lower revenue from solar PV systems, which would adversely affect sales of our products. In addition, our ability to successfully penetrate new geographic markets may depend on new countries adopting and maintaining tax credits, tax incentives, NEM policies, or other programs to promote solar electricity and storage, to the extent such incentives or programs are not currently in place. Furthermore, electric utility companies may establish rate structures or interconnection requirements that could be harmful to the solar industry and adversely affect our sales.

***Changes in current laws or regulations or the imposition of new laws or regulations, or new interpretations thereof, in the solar energy sector, by federal or state agencies in the United States or foreign jurisdictions could impair our ability to compete and could materially harm our business, financial condition and results of operations.***

There has been, and will continue to be, regulatory uncertainty in the clean energy sector generally and the solar energy sector in particular. Changes in current laws or regulations, or the imposition of new laws and regulations in the United States and around the world, could materially and adversely affect our business, financial condition and results of operations. In addition, any changes to the laws and implementing regulations affecting the clean energy sector may create delays in the introduction of new products, prevent our customers from deploying our products or, in some cases, require us to redesign our products.

For example, the recently enacted OBBB scales back the use of the ITC for residential solar, tightens domestic content rules and imposes new deadlines for projects to qualify for the ITC. Such actions could result in a decrease in demand for our technology offerings in the United States and other geographical markets, which would harm our business, financial condition and results of operations.

***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 and could propose additional tariffs or increases to those already in place. A subset of our products is sourced from China and India, and certain components necessary to manufacture our products in the United States, including our microinverters, batteries and related accessories, are imported from China, India, Taiwan, Vietnam and Japan, 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 United States or abroad, we cannot predict the impact, if any, that these changes could have to our business, financial condition and results of operations.

It is unknown what effect any such new tariffs or retaliatory actions will have on the solar industry and our customers. We have moved a significant portion of our contract manufacturing to the United States, while retaining limited contract manufacturing in China and India. However, certain components necessary for our products are still required to be imported from outside the United States. Our LFP battery cells for our storage products are supplied solely via our two suppliers in China. Although we are in the process of searching for other vendors outside of China for future supplies, the expertise and industry for the LFP battery cell is primarily in China, and it will require significant effort to identify qualified suppliers with the right expertise to develop our battery cells. The resulting environment of retaliatory trade or other practices or additional trade restrictions or barriers, if implemented on a broader range of products or components from outside 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.

Further, 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 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. It is difficult to predict what further trade-related actions the U.S. and other 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

***Stock Repurchase Program***

In July 2023, our board of directors authorized the 2023 Repurchase Program pursuant to which we may repurchase up to an aggregate of $1.0 billion of our common stock. As of June 30, 2025, we have approximately $268.7 million remaining for repurchase of shares under the 2023 Repurchase Program. Purchases may be completed from time to time in the open market or privately negotiated transactions, including through Rule 10b5-1 plans. The 2023 Repurchase Program may be discontinued or amended at any time and expires on July 26, 2026.

The following table provides information about our repurchases of our common stock during the three months ended June 30, 2025 (in thousands, except per share amounts):

| Period Ended | Total Number of Shares Purchased | Average Price Paid per Share[1] | Total Number of Shares Purchased as Part of Publicly Announced Programs | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs[2] |
|---|---|---|---|---|
| April 2025 | — | $ — | — | $ 298,674 |
| May 2025 | 702,948 | $ 42.67 | 702,948 | $ 268,680 |
| June 2025 | — | $ — | — | $ 268,680 |
| **Total** | 702,948 | | 29,993,408 | |

(1) Average price paid per share includes brokerage commissions.

(2) During the three months ended June 30, 2025, we repurchased 702,948 shares of our common stock at a weighted average price of $42.67 per share for an aggregate amount of $30.0 million.

## Item 3. Defaults Upon Senior Securities

None.

## Item 4. Mine Safety Disclosures

Not applicable.

## Item 5. Other Information

***Rule 10b5-1 Trading Plans***

Not applicable.

## Item 6. Exhibits

A list of exhibits filed with this report or incorporated herein by reference is found in the Exhibit Index below.

| Exhibit Number | Exhibit Description | Incorporation by Reference | | | | Filed Herewith |
|---|---|---|---|---|---|---|
| | | Form | SEC File No. | Exhibit | Filing Date | |
| 3.1 | Amended and Restated Certificate of Incorporation of Enphase Energy, Inc. | 8-K | 001-35480 | 3.1 | 4/6/2012 | |
| 3.2 | Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Enphase Energy, Inc. | 10-Q | 001-35480 | 3.1 | 8/9/2017 | |
| 3.3 | Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Enphase Energy, Inc. | 10-Q | 001-35480 | 2.1 | 8/6/2018 | |
| 3.4 | Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Enphase Energy, Inc. | 8-K | 001-35480 | 3.1 | 5/27/2020 | |
| 3.5 | Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Enphase Energy, Inc. | S-8 | 333-256290 | 4.5 | 5/19/2021 | |
| 3.6 | Amended and Restated Bylaws of Enphase Energy, Inc. | 8-K | 001-35480 | 3.1 | 4/8/2022 | |
| 10.1 | Amended and Restated 2021 Equity Incentive Plan and form of agreement thereunder | | | | | X |
| 31.1 | Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a). | | | | | X |
| 31.2 | Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a). | | | | | X |
| 32.1* | 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, as amended. | | | | | X |
| 101.INS | XBRL Instance Document. | | | | | X |
| 101.SCH | XBRL Taxonomy Extension Schema Document. | | | | | X |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document. | | | | | X |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document. | | | | | X |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document. | | | | | X |
| 101.PRE | XBRL Taxonomy Extension Presentation Document. | | | | | X |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibits 101). | | | | | X |

* The certifications attached as Exhibit 32.1 accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act, and shall not be deemed “filed” by Enphase Energy, Inc. for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: July 22, 2025

**Enphase Energy, Inc.**

By: /s/ Mandy Yang

Mandy Yang
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)
(Duly Authorized Officer)

Exhibit 10.1

# Enphase Energy, Inc.
# 2021 Equity Incentive Plan

**Adopted by the Board of Directors: March 25, 2021**
**Approved by the Stockholders: May 19, 2021**
**Amended by the Board of Directors: March 31, 2025**
**Approved by the Stockholders: May 14, 2025**

## 1. General.

**(a) Prior Plan.** As of the Original Effective Date: (i) no additional awards may be granted under the Prior Plan; and (ii) all Prior Plan Awards will remain subject to the terms of the Prior Plan, except that any Prior Plan Returning Shares will become available for issuance pursuant to Awards granted under this Plan. All Awards granted under this Plan will be subject to the terms of this Plan.

**(b) Eligible Award Recipients.** Subject to Section 4, Employees, Directors and Consultants are eligible to receive Awards.

**(c) Available Awards.** The Plan provides for the grant of the following types of Awards: (i) Incentive Stock Options; (ii) Nonstatutory Stock Options; (iii) Stock Appreciation Rights; (iv) Restricted Stock Awards; (v) Restricted Stock Unit Awards; (vi) Performance Stock Awards; and (vii) Other Stock Awards.

**(d) Purpose.** The Plan, through the granting of Awards, is intended to help the Company and any Affiliate secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate, and provide a means by which such persons may benefit from increases in value of the Common Stock.

## 2. Administration.

**(a) Administration by Board.** The Board will administer the Plan. The Board may delegate administration of the Plan to a Committee or Committees, as provided in Section 2(c).

**(b) Powers of Board.** The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

**(i)** To determine (A) who will be granted Awards, (B) when and how each Award will be granted, (C) what type of Award will be granted, (D) the provisions of each Award (which need not be identical), including when a Participant will be permitted to exercise or otherwise receive cash or Common Stock under the Award, (E) the number of shares of Common Stock subject to, or the cash value of, an Award, and (F) the Fair Market Value applicable to an Award.

**(ii)** To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for administration of the Plan and Awards. The Board, in the exercise of these powers, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement, in a manner and to the extent it will deem necessary or expedient to make the Plan or Award fully effective.

**(iii)** To settle all controversies regarding the Plan and Awards granted under it.

**(iv)** To accelerate, in whole or in part, the time at which an Award may be exercised or vest (or at which cash or shares of Common Stock may be issued in settlement thereof).

**(v)** To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan (including Section 2(b)(viii)) or an Award Agreement, suspension or termination of the Plan will not materially impair a Participant's rights under an outstanding Award without his or her written consent.

**(vi)** To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, by adopting amendments relating to Incentive Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or to make the Plan or Awards granted under the Plan compliant with the requirements for Incentive Stock Options or exempt from or compliant with the requirements for nonqualified deferred compensation under Section 409A of the Code, subject to the limitations, if any, of applicable law. However, if required by applicable law or listing requirements, and except as provided in Section 9(a) relating to Capitalization Adjustments, the Company will seek stockholder approval of any amendment of the Plan that (A) materially increases the number of shares of Common Stock available for issuance under the Plan, (B) materially expands the class of individuals eligible to receive Awards under the Plan, (C) materially increases the benefits accruing to Participants under the Plan, (D) materially reduces the price at which shares of Common Stock may be issued or purchased under the Plan, or (E) materially expands the types of Awards available for issuance under the Plan. Except as otherwise provided in the Plan (including Section 2(b)(viii)) or an Award Agreement, no amendment of the Plan will materially impair a Participant's rights under an outstanding Award without his or her written consent.

**(vii)** To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of (A) Section 422 of the Code regarding incentive stock options or (B) Rule 16b-3.

**(viii)** To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more outstanding Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; *provided, however,* that except as otherwise provided in the Plan (including this Section 2(b)(viii)) or an Award Agreement, no amendment of an outstanding Award will materially impair a Participant's rights under such Award without his or her written consent.

Notwithstanding the foregoing or anything in the Plan to the contrary, unless prohibited by applicable law, the Board may amend the terms of any outstanding Award or the Plan, or may suspend or terminate the Plan, without the affected Participant's consent, (A) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code, (B) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award solely because it impairs the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code, (C) to clarify the manner of exemption from, or to bring the Award or the Plan into compliance with, Section 409A of the Code, or (D) to comply with other applicable laws or listing requirements.

**(ix)** Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

**(x)** To adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Consultants who are foreign nationals or employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement that are required for compliance with the laws of the relevant foreign jurisdiction).

**(c) Delegation to Committee.**

**(i) General.** The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee, as applicable). Any delegation of administrative powers will be reflected in resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Committee may, at any time, abolish the subcommittee and/or revest in the Committee any powers delegated to the subcommittee. The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

**(ii) Rule 16b-3 Compliance.** The Committee may consist solely of two or more Non-Employee Directors in accordance with Rule 16b-3.

**(d) Delegation to Other Person or Body.** The Board or any Committee may delegate to one (1) or more persons or bodies the authority to do one or more of the following to the extent permitted by applicable law: (1) designate recipients, other than Officers, of Awards, provided that no person or body may be delegated authority to grant an Award to themself; (2) determine the number of shares of Common Stock subject to such Awards; and (3) determine the terms of such Awards; *provided, however,* that the Board or Committee action regarding such delegation will fix the terms of such delegation in accordance with applicable law, including without limitation Sections 152 and 157 of the Delaware General Corporation Law. Unless

provided otherwise in the Board or Committee action regarding such delegation, each Award granted pursuant to this section will be granted on the applicable form of Award Agreement most recently approved for use by the Board or the Committee, with any modifications necessary to incorporate or reflect the terms of such Award. Notwithstanding anything to the contrary in this Section 2(d), neither the Board nor any Committee may delegate to any person or body (who is not a Director or that is not comprised solely of Directors, respectively) the authority to determine the Fair Market Value of the Common Stock pursuant to Section 13(x)(iii) below.

**(e) Effect of Board's Decision.** All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

**(f) Cancellation and Re-Grant of Awards.** Neither the Board nor any Committee will have the authority to (i) reduce the exercise or strike price of any outstanding Option or SAR or (ii) cancel any outstanding Option or SAR that has an exercise or strike price (per share) greater than the then-current Fair Market Value of the Common Stock in exchange for cash or other Awards under the Plan, unless the stockholders of the Company have approved such an action within 12 months prior to such an event.

**(g) Dividends and Dividend Equivalents.** Dividends or dividend equivalents may be paid or credited, as applicable, with respect to any shares of Common Stock subject to an Award, as determined by the Board and contained in the applicable Award Agreement; *provided, however*, that (i) no dividends or dividend equivalents may be paid with respect to any such shares before the date such shares have vested under the terms of such Award Agreement, (ii) any dividends or dividend equivalents that are credited with respect to any such shares will be subject to all of the terms and conditions applicable to such shares under the terms of such Award Agreement (including, but not limited to, any vesting conditions), and (iii) any dividends or dividend equivalents that are credited with respect to any such shares will be forfeited to the Company on the date, if any, such shares are forfeited to or repurchased by the Company due to a failure to meet any vesting conditions under the terms of such Award Agreement.

**3. Shares Subject to the Plan.**

**(a) Share Reserve.**

**(i)** Subject to Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Awards from and after the Effective Date (the "***Share Reserve***") will not exceed the sum of (A) 13,530,000 shares and (B) the Prior Plan Returning Shares, if any, as such shares become available for issuance under this Plan from time to time.

**(ii)** For clarity, the Share Reserve is a limit on the number of shares of Common Stock that may be issued pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Awards except as provided in Section 7(a). Shares may be issued in connection with a merger or acquisition as permitted by Nasdaq Listing Rule 5635(c) or, if applicable, NYSE Listed Company Manual Section 303A.08, NYSE American Company Guide

Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

**(b) Operation of Share Reserve.**

**(i) No Reduction to Share Reserve.** The Share Reserve will not be reduced by any of the following shares of Common Stock and such shares will remain available for issuance under the Plan: (A) any shares subject to an Award that are not issued because such Award or any portion thereof expires or otherwise terminates without all of the shares covered by such Award having been issued; and (B) any shares subject to an Award that are not issued because such Award or any portion thereof is settled in cash.

**(ii) Shares Available for Subsequent Issuance.** The following shares of Common Stock will revert to the Share Reserve and become available again for issuance under the Plan: (A) any shares issued pursuant to an Award that are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required for the vesting of such shares; (B) any shares that are reacquired or withheld (or not issued) by the Company to satisfy the purchase price of a Full Value Award granted under the Plan; and (C) any shares that are reacquired or withheld (or not issued) by the Company to satisfy a tax withholding obligation in connection with a Full Value Award granted under the Plan.

**(iii) Shares Not Available for Subsequent Issuance.** The following shares of Common Stock will not revert to the Share Reserve or become available again for issuance under the Plan: (A) any shares that are reacquired or withheld (or not issued) by the Company to satisfy the exercise or strike price of an Appreciation Award granted under the Plan or the Prior Plan (including any shares subject to such Appreciation Award that are not delivered because such Appreciation Award is exercised through a reduction of shares subject to such Appreciation Award (*i.e.*, "net exercised")); (B) any shares that are reacquired or withheld (or not issued) by the Company to satisfy a tax withholding obligation in connection with an Appreciation Award granted under the Plan or the Prior Plan; (C) any shares repurchased by the Company on the open market with the proceeds of the exercise or strike price of an Appreciation Award granted under the Plan or the Prior Plan; and (D) in the event that a Stock Appreciation Right granted under the Plan or a stock appreciation right granted under the Prior Plan is settled in shares of Common Stock, the gross number of shares of Common Stock subject to such award.

**(c) Incentive Stock Option Limit.** Subject to the Share Reserve and Section 9(a) relating to Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options will be 30,000,000 shares.

**(d) Source of Shares.** The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

**4. Eligibility.**

**(a) Eligibility for Specific Awards.** Incentive Stock Options may be granted only to employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants; *provided, however*, that Awards may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company, as such term is defined in Rule 405, unless (i) the stock underlying such Awards is treated as "service recipient stock" under Section 409A of the Code (for example, because the Awards are granted pursuant to a corporate transaction such as a spin off transaction) or (ii) the Company, in consultation with its legal counsel, has determined that such Awards are otherwise exempt from or alternatively comply with Section 409A of the Code.

**(b) Ten Percent Stockholders.** A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price (per share) of such Option is at least 110% of the Fair Market Value of the Common Stock on the date of grant of such Option and the Option is not exercisable after the expiration of five years from the date of grant.

**5. Provisions Relating to Options and Stock Appreciation Rights.**

Each Option or SAR Agreement will be in such form and will contain such terms and conditions as the Board deems appropriate. All Options will be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The terms and conditions of separate Option or SAR Agreements need not be identical; *provided, however*, that each Award Agreement will conform to (through incorporation of the provisions hereof by reference in the applicable Award Agreement or otherwise) the substance of each of the following provisions:

**(a) Term.** Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of 10 years from the date of its grant or such shorter period specified in the Award Agreement.

**(b) Exercise or Strike Price.** Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, the exercise or strike price (per share) of each Option or SAR will be not less than 100% of the Fair Market Value of the Common Stock on the date the Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price (per share) less than 100% of the Fair Market Value of the Common Stock on the date the Award is granted if such Award is granted pursuant to an assumption of, or substitution for, another option or stock appreciation right pursuant to a Corporate Transaction and in a manner consistent with the provisions of Section 409A of the Code and, if applicable, Section 424(a) of the Code. Each SAR will be denominated in shares of Common Stock equivalents.

**(c) Payment of Exercise Price for Options.** The exercise price of an Option may be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by one or more of the methods of payment set forth below that are specified in the Option Agreement. The Board has the authority to grant Options that do not permit all of the following methods of payment (or that otherwise restrict the ability to utilize certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment.

**(i)** By cash (including electronic funds transfers), check, bank draft or money order payable to the Company;

**(ii)** Pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the Common Stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds;

**(iii)** By delivery to the Company (either by actual delivery or attestation) of shares of Common Stock;

**(iv)** If an Option is a Nonstatutory Stock Option, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; *provided, however*, that the Company will accept a cash or other payment from the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued. Shares of Common Stock will no longer be subject to an Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are used to pay the exercise price pursuant to the "net exercise," (B) shares are delivered to the Participant as a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations; or

**(v)** In any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Agreement.

**(d) Exercise and Payment of a SAR.** To exercise any outstanding SAR, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Award Agreement evidencing such SAR. The appreciation distribution payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (B) the aggregate strike price of the number of Common Stock equivalents with respect to which the Participant is exercising the SAR on such date. The appreciation distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Award Agreement evidencing such SAR.

**(e) Transferability of Options and SARs.** The Board may, in its sole discretion, impose such limitations on the transferability of Options and SARs as the Board will determine. In the absence of such a determination by the Board to the contrary, the restrictions set forth in this Section 5(e) on the transferability of Options and SARs will apply. Notwithstanding the foregoing or anything in the Plan or an Award Agreement to the contrary, no Option or SAR may be transferred to any financial institution without prior stockholder approval.

**(i) Restrictions on Transfer.** An Option or SAR will not be transferable, except by will or by the laws of descent and distribution (and pursuant to Sections 5(e)(ii) and 5(e)(iii) below), and will be exercisable during the lifetime of the Participant only by the Participant. Subject to the foregoing paragraph, the Board may, in its sole discretion, permit transfer of the Option or SAR in a manner that is not prohibited by applicable tax and securities laws. Except as explicitly provided in the Plan, neither an Option nor a SAR may be transferred for consideration.

**(ii) Domestic Relations Orders.** Subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulations Section 1.421-1(b)(2). If an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

**(iii) Beneficiary Designation.** Subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company, in a form approved by the Company (or the designated broker), designate a third party who, upon the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, upon the death of the Participant, the executor or administrator of the Participant's estate will be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws.

**(f) Vesting.** The total number of shares of Common Stock subject to an Option or SAR may vest and become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of Performance Goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary. The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

**(g) Termination of Continuous Service.** Except as otherwise provided in the applicable Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates (other than for Cause and other than upon the Participant's death or Disability), the Participant may exercise his or her Option or

SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date that is three months following such termination of Continuous Service (or such longer or shorter period specified in the Award Agreement), and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after such termination of Continuous Service, the Participant does not exercise his or her Option or SAR (as applicable) within the applicable time period, the Option or SAR (as applicable) will terminate.

**(h) Extension of Termination Date.** Except as otherwise provided in the applicable Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if the exercise of an Option or SAR following the termination of a Participant's Continuous Service (other than for Cause and other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option or SAR will terminate on the earlier of (i) the expiration of a total period of time (that need not be consecutive) equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements or (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement. In addition, except as otherwise provided in the applicable Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if the sale of any Common Stock received upon exercise of an Option or SAR following the termination of a Participant's Continuous Service (other than for Cause) would violate the Company's insider trading policy, then the Option or SAR will terminate on the earlier of (i) the expiration of a total period of time (that need not be consecutive) equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the sale of the Common Stock received upon exercise of the Option or SAR would not be in violation of the Company's insider trading policy or (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement.

**(i) Disability of Participant.** Except as otherwise provided in the applicable Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date that is 18 months following such termination of Continuous Service (or such longer or shorter period specified in the Award Agreement), and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after such termination of Continuous Service, the Participant does not exercise his or her Option or SAR (as applicable) within the applicable time period, the Option or SAR (as applicable) will terminate.

**(j) Death of Participant.** Except as otherwise provided in the applicable Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) a Participant dies within the period (if any) specified in the Award Agreement for exercisability

after the termination of the Participant's Continuous Service (for a reason other than death), then the Participant's Option or SAR may be exercised (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance, or by a person designated to exercise the Option or SAR upon the Participant's death, but only within such period of time ending on the earlier of (i) the date that is 18 months following the date of death (or such longer or shorter period specified in the Award Agreement), and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after the Participant's death, the Option or SAR (as applicable) is not exercised within the applicable time period, the Option or SAR (as applicable) will terminate.

**(k) Termination for Cause.** Except as explicitly provided otherwise in the applicable Award Agreement or other individual written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service is terminated for Cause, the Participant's Option or SAR will terminate immediately upon such termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the time of such termination of Continuous Service.

**(l) Non-Exempt Employees.** If an Option or SAR is granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, the Option or SAR will not be first exercisable for any shares of Common Stock until at least six months following the date of grant of the Option or SAR (although the Award may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity Act, (i) if such non-exempt employee dies or suffers a Disability, (ii) upon a Corporate Transaction in which such Option or SAR is not assumed, continued or substituted, (iii) upon a Change in Control, or (iv) upon the Participant's retirement (as such term may be defined in the Participant's Award Agreement, in another written agreement between the Participant and the Company or an Affiliate, or, if no such definition, in accordance with the Company's or Affiliate's then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Award will be exempt from the employee's regular rate of pay, the provisions of this Section 5(l) will apply to all Awards and are hereby incorporated by reference into such Award Agreements.

**6. Provisions of Awards Other than Options and SARs.**

**(a) Restricted Stock Awards.** Each Restricted Stock Award Agreement will be in such form and will contain such terms and conditions as the Board deems appropriate. To the extent consistent with the Company's bylaws, at the Board's election, shares of Common Stock underlying a Restricted Stock Award may be (i) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse, or

(ii) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of separate Restricted Stock Award Agreements need not be identical; *provided, however*, that each Restricted Stock Award Agreement will conform to (through incorporation of the provisions hereof by reference in the applicable Award Agreement or otherwise) the substance of each of the following provisions:

**(i) Consideration.** A Restricted Stock Award may be awarded in consideration for (A) cash (including electronic funds transfers), check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate or (C) any other form of legal consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

**(ii) Vesting.** Shares of Common Stock awarded under a Restricted Stock Award Agreement may be subject to forfeiture to or repurchase by the Company in accordance with a vesting schedule to be determined by the Board.

**(iii) Termination of Continuous Service.** If a Participant's Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant that have not vested as of the date of such termination under the terms of the Participant's Restricted Stock Award Agreement.

**(iv) Transferability.** Rights to acquire shares of Common Stock under a Restricted Stock Award Agreement will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board will determine in its sole discretion, so long as Common Stock awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement. Notwithstanding the foregoing or anything in the Plan or a Restricted Stock Award Agreement to the contrary, no Restricted Stock Award may be transferred to any financial institution without prior stockholder approval.

**(b) Restricted Stock Unit Awards.** Each Restricted Stock Unit Award Agreement will be in such form and will contain such terms and conditions as the Board deems appropriate. The terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical; *provided, however*, that each Restricted Stock Unit Award Agreement will conform to (through incorporation of the provisions hereof by reference in the applicable Award Agreement or otherwise) the substance of each of the following provisions:

**(i) Consideration.** At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

**(ii) Vesting.** At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions on or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.

**(iii) Payment.** A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.

**(iv) Additional Restrictions.** At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to the Restricted Stock Unit Award to a time after the vesting of the Restricted Stock Unit Award.

**(v) Termination of Continuous Service.** Except as otherwise provided in the applicable Restricted Stock Unit Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates, any portion of the Participant's Restricted Stock Unit Award that has not vested as of the date of such termination will be forfeited upon such termination.

**(c) Performance Stock Awards.**

**(i) General.** A Performance Stock Award is an Award that is payable (including that may be granted, vest or be exercised) contingent upon the attainment during a Performance Period of specified Performance Goals. A Performance Stock Award may, but need not, require the Participant's completion of a specified period of Continuous Service. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Board, in its sole discretion. In addition, to the extent permitted by applicable law and the applicable Award Agreement, the Board may determine that cash may be used in payment of Performance Stock Awards.

**(ii) Board Discretion.** With respect to any Performance Stock Award, the Board retains the discretion to (A) reduce or eliminate the compensation or economic benefit due upon the attainment of any Performance Goals on the basis of any considerations as the Board, in its sole discretion, may determine and (B) define the manner of calculating the Performance Criteria it selects to use for a Performance Period.

**(d) Other Stock Awards.** Other forms of Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof may be granted either alone or in addition to Awards granted under Section 5 and this Section 6. Subject to the provisions of the Plan, the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards, and all other terms and conditions of such Other Stock Awards.

**7. Covenants of the Company.**

**(a) Availability of Shares.** The Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy then-outstanding Awards.

**(b) Securities Law Compliance.** The Company will seek to obtain from each regulatory commission or agency having jurisdiction over the Plan the authority required to grant Awards and to issue and sell shares of Common Stock upon exercise of the Awards; *provided, however*, that this undertaking will not require the Company to register under the Securities Act the Plan, any Award or any Common Stock issued or issuable pursuant to any such Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash or Common Stock pursuant to the Award if such grant or issuance would be in violation of any applicable securities law.

**(c) No Obligation to Notify or Minimize Taxes.** The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising an Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award.

**8. Miscellaneous.**

**(a) Use of Proceeds from Sales of Common Stock.** Proceeds from the sale of shares of Common Stock issued pursuant to Awards will constitute general funds of the Company.

**(b) Corporate Action Constituting Grant of Awards.** Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (*e.g.*, Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (*e.g.*, exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the papering of the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

**(c) Stockholder Rights.** No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the

issuance of shares of Common Stock under, the Award pursuant to its terms, and (ii) the issuance of the Common Stock subject to such Award has been entered into the books and records of the Company.

**(d) No Employment or Other Service Rights.** Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Director pursuant to the bylaws of the Company or an Affiliate, or (iii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

**(e) Change in Time Commitment.** In the event a Participant's regular level of time commitment in the performance of his or her services for the Company or any Affiliate is reduced (for example, and without limitation, if the Participant is an Employee and has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

**(f) Incentive Stock Option Limitation.** To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company and any Affiliates) exceeds $100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

**(g) Investment Assurances.** The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Award and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common

Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A) the issuance of the shares upon the exercise or acquisition of Common Stock under the Award has been registered under a then currently effective registration statement under the Securities Act or (B) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

**(h) Withholding Obligations.** Unless prohibited by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any federal, state, local or foreign tax withholding obligation relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; or (v) by such other method as may be set forth in the Award Agreement.

**(i) Electronic Delivery.** Any reference herein to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access).

**(j) Deferrals.** To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company or an Affiliate. The Board is authorized to make deferrals of Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant's termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

**(k) Section 409A.** Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance with Section 409A of the Code, such terms are hereby incorporated by reference into the Award

Agreement. Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A of the Code is a "specified employee" for purposes of Section 409A of the Code, no distribution or payment of any amount under such Award that is due because of a "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six months and one day following the date of such Participant's "separation from service" or, if earlier, the date of the Participant's death, unless such distribution or payment may be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six-month period elapses, with the balance paid thereafter on the original schedule.

**(l) Clawback/Recovery.** All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law, and any other clawback policy that the Company adopts. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including, but not limited to, a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or an Affiliate.

**9. Adjustments upon Changes in Common Stock; Other Corporate Events.**

**(a) Capitalization Adjustments.** In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a); (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c); and (iii) the class(es) and number of securities and price per share of stock subject to outstanding Awards. The Board will make such adjustments and its determination will be final, binding and conclusive.

**(b) Dissolution or Liquidation.** Except as otherwise provided in the applicable Award Agreement or other written agreement between a Participant and the Company or an Affiliate, in the event of a dissolution or liquidation of the Company, all outstanding Awards (other than Awards consisting of vested and outstanding shares of Common Stock not subject to the Company's right of repurchase or a forfeiture condition) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's right of repurchase or a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Award is providing Continuous Service; *provided, however*, that the Board may, in its sole discretion, cause some or all Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the

extent such Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

**(c) Corporate Transaction.** The provisions of this Section 9(c) will apply to each outstanding Award in the event of a Corporate Transaction unless otherwise provided in the instrument evidencing the Award, in any other written agreement between a Participant and the Company or an Affiliate, or in any director compensation policy of the Company, or unless otherwise expressly provided by the Board at the time of grant of an Award. In the event of a Corporate Transaction, then, notwithstanding any other provision of the Plan, the Board will take one or more of the following actions with respect to outstanding Awards, contingent upon the closing or completion of such Corporate Transaction:

**(i)** arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Award or to substitute a similar stock award for the Award (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Company pursuant to such Corporate Transaction);

**(ii)** arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to the Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

**(iii)** accelerate the vesting (and exercisability, if applicable), in whole or in part, of the Award to a date prior to the effective time of such Corporate Transaction as the Board will determine (or, if the Board does not determine such a date, to the date that is five days prior to the effective time of such Corporate Transaction), with such Award terminating if not exercised (if applicable) prior to the effective time of such Corporate Transaction in accordance with the exercise procedures determined by the Board;

**(iv)** arrange for the lapse of any reacquisition or repurchase rights held by the Company with respect to the Award;

**(v)** cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of such Corporate Transaction, in exchange for such cash consideration, if any, as the Board, in its sole discretion, may consider appropriate; or

**(vi)** make a payment, in such form as may be determined by the Board, equal to the excess, if any, of (A) the value of the property the Participant would have received upon the exercise of the Award immediately prior to the effective time of such Corporate Transaction, over (B) any exercise price payable by the Participant in connection with such exercise. For clarity, such payment may be zero if the value of such property is equal to or less than the exercise price. Payments under this Section 9(c)(vi) may be delayed to the same extent that payment of consideration to the holders of the Common Stock in connection with such Corporate Transaction is delayed as a result of escrows, earn outs, holdbacks or any other contingencies.

For clarity, in the event of a Corporate Transaction, the Board need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants.

**(d) Change in Control.** An Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Award Agreement for such Award, in any other written agreement or plan between the Company or any Affiliate and the Participant, or in any director compensation policy of the Company, but in the absence of such provision, no such acceleration will occur.

**(e) Parachute Payments.** Except as otherwise provided in the applicable Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if any payment or benefit the Participant would receive pursuant to a Change in Control from the Company or otherwise ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment will be equal to the Reduced Amount. The "***Reduced Amount***" will be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in the Participant's receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction will occur in the following order: (A) reduction of cash payments; (B) cancellation of accelerated vesting of equity awards other than stock options; (C) cancellation of accelerated vesting of stock options; and (D) reduction of other benefits paid to the Participant. Within any such category of payments and benefits (that is, (A), (B), (C) or (D)), a reduction will occur first with respect to amounts that are not "deferred compensation" within the meaning of Section 409A of the Code and then with respect to amounts that are. In the event that acceleration of compensation from a Participant's equity awards is to be reduced, such acceleration of vesting will be canceled, subject to the immediately preceding sentence, in the reverse order of the date of grant. The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in Control will perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Company will appoint a nationally recognized accounting firm to make the determinations required hereunder. The Company will bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. The accounting firm engaged to make the determinations hereunder will provide its calculations, together with detailed supporting documentation, to the Participant and the Company within 15 calendar days after the date on which the Participant's right to a Payment is triggered (if requested at that time by the Participant or the Company) or such other time as reasonably requested by the Participant or the Company. Any good faith determinations of the accounting firm made hereunder will be final, binding and conclusive upon the Participant and the Company.

**10. Termination or Suspension of the Plan.**

**(a) Termination or Suspension.** The Board may suspend or terminate the Plan at any time. No Incentive Stock Option may be granted after the tenth anniversary of the earlier of (i) the Adoption Date or (ii) the Effective Date. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

**(b) No Impairment of Rights.** Suspension or termination of the Plan will not materially impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant or as otherwise permitted in the Plan (including Section 2(b)(viii)) or an Award Agreement.

**11. Effective Date of Plan.**

This Plan, as amended and restated hereby, will become effective on the Effective Date.

**12. Choice of Law.**

The laws of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

**13. Definitions.** As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

**(a)** "***Adoption Date***" means March 31, 2025, which is the date the Plan, as amended and restated hereby, was adopted by the Board.

**(b)** "***Affiliate***" means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405. The Board will have the authority to determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

**(c)** "***Appreciation Award***" means (i) a stock option or stock appreciation right granted under the Prior Plan or (ii) an Option or Stock Appreciation Right, in each case with respect to which the exercise or strike price (per share) is at least 100% of the Fair Market Value of the Common Stock subject to the stock option or stock appreciation right, or Option or Stock Appreciation Right, as applicable, on the date of grant.

**(d)** "***Award***" means an Incentive Stock Option, a Nonstatutory Stock Option, a Stock Appreciation Right, a Restricted Stock Award, a Restricted Stock Unit Award, a Performance Stock Award or any Other Stock Award.

**(e)** "***Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award.

**(f)** "***Board***" means the Board of Directors of the Company.

**(g)** "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Award after the Original Adoption Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards No. 123 (revised). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

**(h)** "***Cause***" will have the meaning ascribed to such term in any written agreement between a Participant and the Company or an Affiliate defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of one or more of the following events that has a material negative impact on the business or reputation of the Company or an Affiliate: (i) any willful, material violation by the Participant of any law or regulation applicable to the business of the Company or an Affiliate; (ii) the Participant's conviction for, or guilty plea to, a felony or a crime involving moral turpitude, or any willful perpetration by the Participant of a common law fraud; (iii) the Participant's commission of an act of personal dishonesty which involves personal profit in connection with the Company, an Affiliate, or any other entity having a business relationship with the Company or an Affiliate; (iv) any material breach by the Participant of any provision of any agreement or understanding between the Company or an Affiliate and the Participant regarding the terms of the Participant's service as an employee, officer, director or consultant to the Company or an Affiliate, including without limitation, the willful and continued failure or refusal of the Participant to perform the material duties required of the Participant as an employee, officer, director or consultant to the Company or an Affiliate, other than as a result of having a Disability, or a breach of any applicable invention assignment and confidentiality agreement or similar agreement between the Company or an Affiliate and the Participant; (v) the Participant's disregard of the policies of the Company or an Affiliate so as to cause loss, damage or injury to the property, reputation or employees of the Company or an Affiliate; or (vi) any other misconduct by the Participant which is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or an Affiliate. The determination that a termination of a Participant's Continuous Service is either for Cause or without Cause will be made by the Company, in its sole discretion. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by the Participant will have no effect upon any determination of the rights or obligations of the Company or the Participant for any other purpose.

**(i)** "***Change in Control***" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

**(i)** any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control will not be deemed to occur

(A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (C) solely because the level of Ownership held by any Exchange Act Person (the "***Subject Person***") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

**(ii)** there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

**(iii)** the stockholders of the Company approve or the Board approves a plan of complete dissolution or liquidation of the Company, or a complete dissolution or liquidation of the Company shall otherwise occur, except for a liquidation into a parent corporation;

**(iv)** there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

**(v)** individuals who, on the Original Adoption Date, are members of the Board (the "***Incumbent Board***") cease for any reason to constitute at least a majority of the members of the Board; *provided, however*, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing or any other provision of this Plan, (A) the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the

purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between a Participant and the Company or an Affiliate will supersede the foregoing definition with respect to Awards subject to such agreement; *provided, however*, that (1) if no definition of Change in Control (or any analogous term) is set forth in such an individual written agreement, the foregoing definition will apply; and (2) no Change in Control (or any analogous term) will be deemed to occur with respect to Awards subject to such an individual written agreement without a requirement that the Change in Control (or any analogous term) actually occur.

If required for compliance with Section 409A of the Code, in no event will an event be deemed a Change in Control if such event is not also a "change in the ownership of" the Company, a "change in the effective control of" the Company or a "change in the ownership of a substantial portion of the assets of" the Company, each as determined under Treasury Regulations Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder). The Board may, in its sole discretion and without a Participant's consent, amend the definition of "Change in Control" to conform to the definition of a "change in control event" under Section 409A of the Code and the regulations thereunder.

**(j)** "***Code***" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

**(k)** "***Committee***" means a committee of one or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).

**(l)** "***Common Stock***" means the common stock of the Company.

**(m)** "***Company***" means Enphase Energy, Inc., a Delaware corporation.

**(n)** "***Consultant***" means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a "Consultant" for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form S-8 Registration Statement under the Securities Act is available to register either the offer or the sale of the Company's securities to such person.

**(o)** "***Continuous Service***" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant, or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service; *provided, however,* that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, in its sole discretion, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an

Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the Chief Executive Officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or Chief Executive Officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company's or Affiliate's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law.

**(p)** "***Corporate Transaction***" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

**(i)** the consummation of a sale or other disposition of all or substantially all, as determined by the Board, in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;

**(ii)** the consummation of a sale or other disposition of at least 90% of the outstanding securities of the Company;

**(iii)** the consummation of a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

**(iv)** the consummation of a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

If required for compliance with Section 409A of the Code, in no event will an event be deemed a Corporate Transaction if such event is not also a "change in the ownership of" the Company, a "change in the effective control of" the Company or a "change in the ownership of a substantial portion of the assets of" the Company, each as determined under Treasury Regulations Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder). The Board may, in its sole discretion and without a Participant's consent, amend the definition of "Corporate Transaction" to conform to the definition of a "change in control event" under Section 409A of the Code and the regulations thereunder.

**(q)** "***Director***" means a member of the Board.

**(r)** "***Disability***" means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, as provided in Sections 22(e)(3) and

409A(a)(2)(c)(i) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

**(s)** "***Effective Date***" means the effective date of this Plan (as amended and restated hereby), which is the date of the Annual Meeting of Stockholders of the Company held in 2025, provided that this Plan is approved by the Company's stockholders at such meeting.

**(t)** "***Employee***" means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

**(u)** "***Entity***" means a corporation, partnership, limited liability company or other entity.

**(v)** "***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

**(w)** "***Exchange Act Person***" means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company, or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Original Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than fifty percent 50% of the combined voting power of the Company's then outstanding securities.

**(x)** "***Fair Market Value***" means, as of any date, the value of the Common Stock determined as follows:

**(i)** Unless otherwise provided by the Board, if the Common Stock is listed on any established stock exchange or traded on any established market, then the Fair Market Value of a share of Common Stock will be the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in a source the Board deems reliable.

**(ii)** Unless otherwise provided by the Board, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value of a share of Common Stock will be the closing sales price for such stock on the last preceding date for which such quotation exists.

**(iii)** In the absence of such markets for the Common Stock, the Fair Market Value of a share of Common Stock will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

**(y)** "***Full Value Award***" means (i) a stock award granted under the Prior Plan or (ii) an Award, in each case that is not an Appreciation Award.

**(z)** "***Incentive Stock Option***" means an option granted pursuant to Section 5 that is intended to be, and that qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

**(aa)** "***Non-Employee Director***" means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act ("***Regulation S-K***")), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K, or (ii) is otherwise considered a "non-employee director" for purposes of Rule 16b-3.

**(bb)** "***Nonstatutory Stock Option***" means an option granted pursuant to Section 5 that does not qualify as an Incentive Stock Option.

**(cc)** "***Officer***" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

**(dd)** "***Option***" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

**(ee)** "***Option Agreement***" means a written agreement between the Company and a holder of an Option evidencing the terms and conditions of an Option grant. Each Option Agreement will be subject to the terms and conditions of the Plan.

**(ff)** "***Original Adoption Date***" means March 25, 2021, which is the date the Plan was originally adopted by the Board.

**(gg)** "***Original Effective Date***" means May 19, 2021.

**(hh)** "***Other Stock Award***" means an award based in whole or in part by reference to the Common Stock which is granted pursuant to the terms and conditions of Section 6(d).

**(ii)** "***Other Stock Award Agreement***" means a written agreement between the Company and a holder of an Other Stock Award evidencing the terms and conditions of an Other Stock Award grant. Each Other Stock Award Agreement will be subject to the terms and conditions of the Plan.

**(jj)** "***Own,***" "***Owned,***" "***Owner,***" "***Ownership***" A person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

**(kk)** "***Participant***" means a person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

**(ll)** "***Performance Criteria***" means the one or more criteria that the Board will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to establish such Performance Goals may be based on any one of, or combination of, the following, as determined by the Board: (i) earnings (including earnings per share and net earnings); (ii) earnings before interest, taxes and depreciation; (iii) earnings before interest, taxes, depreciation and amortization; (iv) total stockholder return; (v) return on equity or average stockholder's equity; (vi) return on assets, investment, or capital employed; (vii) stock price; (viii) margin (including gross margin); (ix) income (before or after taxes); (x) operating income; (xi) operating income after taxes; (xii) pre-tax profit; (xiii) operating cash flow; (xiv) sales or revenue targets; (xv) increases in revenue or product revenue; (xvi) expenses and cost reduction goals; (xvii) improvement in or attainment of working capital levels; (xviii) economic value added (or an equivalent metric); (xix) market share; (xx) cash flow; (xxi) cash flow per share; (xxii) share price performance; (xxiii) debt reduction; (xxiv) implementation or completion of projects or processes; (xxv) customer satisfaction; (xxvi) stockholders' equity; (xxvii) capital expenditures; (xxviii) debt levels; (xxix) operating profit or net operating profit; (xxx) workforce diversity; (xxxi) growth of net income or operating income; (xxxii) billings; and (xxxiii) any other measures of performance selected by the Board. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the applicable Award Agreement.

**(mm)** "***Performance Goals***" means, for a Performance Period, the one or more goals established by the Board for the Performance Period based upon the Performance Criteria. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. The Board is authorized to make appropriate adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows: (i) to exclude restructuring and/or other nonrecurring charges; (ii) to exclude exchange rate effects, as applicable, for non-U.S. dollar denominated Performance Goals; (iii) to exclude the effects of changes to generally accepted accounting principles; (iv) to exclude the effects of any statutory adjustments to corporate tax rates; (v) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; and (vi) to make other appropriate adjustments selected by the Board.

**(nn)** "***Performance Period***" means the period of time selected by the Board over which the attainment of one or more Performance Goals will be measured for the purpose of

determining a Participant's right to and the payment of a Performance Stock Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board.

**(oo)** "***Performance Stock Award***" means an Award granted under the terms and conditions of Section 6(c).

**(pp)** "***Plan***" means this Enphase Energy, Inc. 2021 Equity Incentive Plan.

**(qq)** "***Prior Plan***" means the Enphase Energy, Inc. 2011 Equity Incentive Plan.

**(rr)** "***Prior Plan Award***" means an award granted under the Prior Plan that is outstanding as of the Original Effective Date.

**(ss)** "***Prior Plan Returning Shares***" means: (i) any shares of Common Stock subject to a Prior Plan Award that on or following the Original Effective Date are not issued because such Prior Plan Award or any portion thereof expires or otherwise terminates without all of the shares covered by such Prior Plan Award having been issued; (ii) any shares of Common Stock subject to a Prior Plan Award that on or following the Original Effective Date are not issued because such Prior Plan Award or any portion thereof is settled in cash; (iii) any shares of Common Stock issued pursuant to a Prior Plan Award that on or following the Original Effective Date are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required for the vesting of such shares; (iv) any shares of Common Stock that on or following the Original Effective Date are reacquired or withheld (or not issued) by the Company to satisfy the purchase price of a Prior Plan Award that is a Full Value Award; and (v) any shares of Common Stock that on or following the Original Effective Date are reacquired or withheld (or not issued) by the Company to satisfy a tax withholding obligation in connection with a Prior Plan Award that is a Full Value Award.

**(tt)** "***Restricted Stock Award***" means an award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(a).

**(uu)** "***Restricted Stock Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

**(vv)** "***Restricted Stock Unit Award***" means a right to receive shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(b).

**(ww)** "***Restricted Stock Unit Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Unit Award evidencing the terms and conditions of a Restricted Stock Unit Award grant. Each Restricted Stock Unit Award Agreement will be subject to the terms and conditions of the Plan.

**(xx)** "***Rule 16b-3***" means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

**(yy)** "***Rule 405***" means Rule 405 promulgated under the Securities Act.

**(zz)** "***Securities Act***" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

**(aaa)** "***Stock Appreciation Right***" or "***SAR***" means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 5.

**(bbb)** "***Stock Appreciation Right Agreement***" or "***SAR Agreement***" means a written agreement between the Company and a holder of a Stock Appreciation Right evidencing the terms and conditions of a Stock Appreciation Right grant. Each Stock Appreciation Right Agreement will be subject to the terms and conditions of the Plan.

**(ccc)** "***Subsidiary***" means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

**(ddd)** "***Ten Percent Stockholder***" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

**Enphase Energy, Inc.**
**2021 Equity Incentive Plan**

## Restricted Stock Unit Award Grant Notice

Enphase Energy, Inc. (the "***Company***") hereby grants to Participant a Restricted Stock Unit Award (the "***Award***") under the Enphase Energy, Inc. 2021 Equity Incentive Plan (the "***Plan***") for the number of restricted stock units (the "***RSUs***") set forth below. This Award is subject to all of the terms and conditions set forth in this Restricted Stock Unit Award Grant Notice (the "***Grant Notice***") and in the Plan and the Restricted Stock Unit Award Agreement (the "***Agreement***"), both of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined in this Grant Notice but defined in the Plan or the Agreement will have the same definitions as in the Plan or the Agreement.

| | |
|---|---|
| Participant: | %%FIRST_NAME_MIDDLE_NAME_LAST_NAME%-% |
| Date of Grant: | %%OPTION_DATE,'MM/DD/YYYY'%-% |
| Initial Vesting Date: | %%VEST_DATE_PERIOD1%-% |
| Number of RSUs Subject to Award: | %%TOTAL_SHARES_GRANTED,'999,999,999'%-% |
| Consideration: | Participant's Services |

**Vesting Schedule:** The RSUs subject to this Award will vest [ ]. The number of RSUs vesting on any applicable vesting date may be rounded up or down to the nearest whole share, as determined by the Company, provided that the total number of RSUs that may vest under this Award will be the total number of RSUs subject to this Award (as set forth above).

**Issuance Schedule:** One share of Common Stock will be issued for each RSU that vests at the time set forth in Section 6 of the Agreement.

**Additional Terms/Acknowledgements:** Participant acknowledges receipt of, and understands and agrees to, this Grant Notice, the Agreement, and the Plan. Participant further acknowledges that as of the Date of Grant, this Grant Notice, the Agreement and the Plan set forth the entire understanding between Participant and the Company regarding this Award and supersede all prior oral and written agreements, promises and/or representations regarding this Award, with the exception of any written employment, offer letter or severance agreement, or any written severance plan or policy, in each case that specifies the terms that should govern this Award. By accepting this Award, Participant consents to receive this Grant Notice, the Agreement, the Plan, the prospectus for the Plan and any other Plan-related documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company. Participant's acceptance of this Award, and Participant's acknowledgement and agreement with the terms set forth in this paragraph, will be evidenced by Participant's signature below or by electronic acceptance or authentication in a form authorized by the Company.

Enphase Energy, Inc.

Badrinarayanan Kothandaraman
Chief Executive Officer

**Attachments:** (i) Restricted Stock Unit Award Agreement and (ii) 2021 Equity Incentive Plan

**Enphase Energy, Inc.**
**2021 Equity Incentive Plan**

## Restricted Stock Unit Award Agreement

Pursuant to the accompanying Restricted Stock Unit Award Grant Notice (the "***Grant Notice***") and this Restricted Stock Unit Award Agreement (the "***Agreement***"), Enphase Energy, Inc. (the "***Company***") has granted you a Restricted Stock Unit Award (the "***Award***") under the Enphase Energy, Inc. 2021 Equity Incentive Plan (the "***Plan***") for the number of restricted stock units (the "***RSUs***") set forth in the Grant Notice. This Award is granted to you effective as of the date of grant set forth in the Grant Notice (the "***Date of Grant***"). Capitalized terms not explicitly defined in this Agreement but defined in the Plan or the Grant Notice will have the same definitions as in the Plan or the Grant Notice.

**1. Grant of the Award.** This Award represents your right to be issued on a future date (as set forth in Section 6) one share of Common Stock for each RSU subject to this Award that vests in accordance with the Grant Notice and this Agreement. This Award was granted in consideration of your services to the Company or an Affiliate. Except as otherwise provided herein, you will not be required to make any payment to the Company (other than services to the Company or an Affiliate) with respect to your receipt of this Award, the vesting of the RSUs or the issuance of any shares of Common Stock in respect of this Award.

**2. Vesting.** Subject to the limitations contained herein, this Award will vest, if at all, in accordance with the vesting schedule set forth in the Grant Notice, provided that vesting will cease upon the termination of your Continuous Service. Upon such termination of your Continuous Service, you will forfeit (at no cost to the Company) any RSUs subject to this Award that have not vested as of the date of such termination and you will have no further right, title or interest in such RSUs or the shares of Common Stock in respect of this Award.

**3. Number of RSUs and Shares.**

**a.** The number of RSUs subject to this Award, as set forth in the Grant Notice, will be adjusted for Capitalization Adjustments, if any, as provided in the Plan.

**b.** Any additional RSUs and any shares of Common Stock, cash or other property that become subject to this Award pursuant to this Section 3 will be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of issuance as applicable to the other RSUs subject to this Award to which they relate.

**c.** No fractional shares or rights for fractional shares of Common Stock will be created pursuant to this Section 3. Any fractional shares that may be created by the adjustments referred to in this Section 3 will be rounded down to the nearest whole share.

**4. Securities Law Compliance.** You will not be issued any shares of Common Stock in respect of this Award unless either (i) such shares are registered under the Securities Act or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. This Award also must comply with all other applicable laws and regulations governing this Award, and you will not receive any shares of Common Stock in respect of this Award if the Company determines that such receipt would not be in material compliance with such laws and regulations.

**5. Transferability.** This Award is not transferable, except by will or by the laws of descent and distribution and prior to the time that shares of Common Stock in respect of this Award have been issued to you, you may not transfer, pledge, assign, hypothecate, donate, encumber, sell or otherwise dispose of any portion of the RSUs or the shares of Common Stock in respect of this Award. For example, you may not use any shares of Common Stock that may be issued in respect of this Award as security for a loan, nor may you transfer, pledge,

assign, hypothecate, donate, encumber, sell or otherwise dispose of such shares. This restriction on transfer will lapse upon issuance to you of the shares of Common Stock in respect of this Award.

**6. Issuance of Shares.**

**a.** The issuance of any shares of Common Stock in respect of this Award is subject to satisfaction of the tax withholding obligations set forth in Section 10. The form of such issuance (*e.g.*, a stock certificate or electronic entry evidencing such shares) will be determined by the Company. Each installment of RSUs that vests under this Award is a "separate payment" for purposes of Treasury Regulations Section 1.409A-2(b)(2).

**b.** If this Award is exempt from application of Section 409A of the Code and any state law of similar effect (collectively **"*Section 409A*"**), then in the event one or more RSUs subject to this Award vests, the Company will issue to you, on the applicable vesting date, one share of Common Stock for each RSU that vests on such date (and for purposes of this Agreement, such issuance date is referred to as the "***Original Issuance Date***"); *provided, however*, that if the Original Issuance Date falls on a date that is not a business day, such shares will instead be issued to you on the next following business day.

**c.** Notwithstanding the foregoing, if:

**1)** this Award is otherwise subject to Withholding Taxes (as described in Section 10) on the Original Issuance Date,

**2)** the Original Issuance Date does not occur (x) during an "open window period" applicable to you, as determined by the Company in accordance with the Company's then-effective policy on trading in Company securities, or (y) on a date when you are otherwise permitted to sell shares of Common Stock on an established stock exchange or stock market, and

**3)** the Company elects, prior to the Original Issuance Date, (x) not to satisfy such Withholding Taxes by withholding shares of Common Stock from the shares of Common Stock otherwise due, on the Original Issuance Date, to you under this Award, (y) not to permit you to enter into a "same day sale" commitment with a broker-dealer pursuant to Section 10 (including, but not limited to, under a previously established 10b5-1 trading plan entered into in compliance with the Company's policies), and (z) not to permit you to pay such Withholding Taxes in cash,

then the shares that would otherwise be issued to you on the Original Issuance Date will not be issued to you on the Original Issuance Date and will instead be issued to you on the first business day when you are not prohibited from selling shares of Common Stock on an established stock exchange or stock market, but in no event later than December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs), or, if permitted in a manner that complies with Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the calendar year following the calendar year in which the shares of Common Stock in respect of this Award are no longer subject to a "substantial risk of forfeiture" within the meaning of Treasury Regulations Section 1.409A-1(d).

**d.** The provisions of this Section 6(d) are intended to apply if this Award is subject to Section 409A because of the terms of a severance arrangement or other agreement between you and the Company or an Affiliate (or a severance arrangement, plan or policy maintained by the Company or an Affiliate), if any, that provides for acceleration of vesting of this Award upon your termination of employment or separation from service (as such term is defined in Treasury Regulations Section 1.409A-1(h) without regard to any alternative definition thereunder) ("***Separation from Service***") and such severance benefit does not satisfy the requirements for an exemption from application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(4) or 1.409A-1(b)(9) ("***Non-Exempt Severance Arrangement***"). If this Award is subject to and not exempt from application of Section 409A due to application of a Non-Exempt Severance Arrangement, the following provisions in this Section 6(d) will supersede anything to the contrary in Section 6(b) or 6(c).

**1)** If this Award vests in the ordinary course during your Continuous Service in accordance with the vesting schedule set forth in the Grant Notice, without accelerating vesting under the terms of a Non-Exempt Severance Arrangement, in no event will the shares to be issued in respect of this Award be issued any later than the later of: (i) December 31st of the calendar year that includes the applicable vesting date and (ii) the 60th day that follows the applicable vesting date.

**2)** If vesting of this Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with your Separation from Service, and such vesting acceleration provisions were in effect as of the Date of Grant and, therefore, are part of the terms of this Award as of the Date of Grant, then the shares will be earlier issued in respect of this Award upon your Separation from Service in accordance with the terms of the Non-Exempt Severance Arrangement, but in no event later than the 60th day that follows the date of your Separation from Service. However, if at the time the shares would otherwise be issued you are subject to the distribution limitations contained in Section 409A applicable to "specified employees," as defined in Section 409A(a)(2)(B)(i) of the Code, such shares will not be issued before the date that is six (6) months following the date of your Separation from Service, or, if earlier, the date of your death that occurs within such six (6) month period.

**3)** If vesting of this Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with your Separation from Service, and such vesting acceleration provisions were not in effect as of the Date of Grant and, therefore, are not a part of the terms of this Award on the Date of Grant, then such acceleration of vesting of this Award will not accelerate the issuance date of the shares, but the shares will instead be issued on the same schedule as set forth in Section 6(d)(i) as if they had vested in the ordinary course during your Continuous Service in accordance with the vesting schedule set forth in the Grant Notice, notwithstanding the vesting acceleration of this Award. Such issuance schedule is intended to satisfy the requirements of payment on a specified date or pursuant to a fixed schedule, as provided under Treasury Regulations Section 1.409A-3(a)(4).

**e.** If this Award is subject to Section 409A (a "***Non-Exempt Award***"), then the provisions in this Section 6(e) will apply and supersede anything to the contrary that may be set forth in the Plan, the Grant Notice or any other Section of this Agreement.

**1)** Any exercise by the Board of discretion to accelerate the vesting of your Non-Exempt Award will not result in any acceleration of the scheduled issuance dates for the shares in respect of the Non-Exempt Award unless earlier issuance of such shares upon the applicable vesting dates would be in compliance with the requirements of Section 409A.

**2)** The Company explicitly reserves the right to (A) earlier settle your Non-Exempt Award to the extent permitted and in compliance with the requirements of Section 409A, including pursuant to any of the exemptions available in Treasury Regulations Section 1.409A-3(j)(4)(i), and (B) provide that you will receive a cash settlement equal to the Fair Market Value of the shares that would otherwise be issued to you, if applicable and in compliance with the requirements of Section 409A.

**3)** If the terms of your Non-Exempt Award provide that it will be settled upon a Change in Control or Corporate Transaction, then to the extent it is required for compliance with the requirements of Section 409A, the Change in Control or Corporate Transaction event triggering settlement must also constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, each as determined under Section 409A(a)(2)(A)(v) of the Code and Treasury Regulations Section 1.409A-3(i)(5) (a "***409A Change of Control***"). If the terms of your Non-Exempt Award provide that it will be settled upon a termination of employment or termination of Continuous Service, then to the extent it is required for compliance with the requirements of Section 409A, the termination event triggering settlement must also constitute a Separation from Service. However, if at the time the shares would otherwise be issued to you in connection with your Separation from Service, you are subject to the distribution limitations contained in Section 409A applicable to "specified employees," as defined in Section 409A(a)(2)(B)(i) of the Code, such shares will not

be issued before the date that is six (6) months following the date of your Separation from Service, or, if earlier, the date of your death that occurs within such six (6) month period.

**f.** The provisions in this Agreement for delivery of the shares in respect of this Award are intended either to comply with the requirements of Section 409A or to provide a basis for exemption from such requirements so that the issuance of the shares will not trigger the additional tax imposed under Section 409A, and any ambiguities herein will be so interpreted.

**7. Dividends.** You will receive no benefit or adjustment to this Award with respect to any cash dividend, stock dividend or other distribution except as provided in the Plan with respect to a Capitalization Adjustment.

**8. Restrictive Legends.** The shares of Common Stock issued in respect of this Award will be endorsed with appropriate legends, if any, as determined by the Company.

**9. Award Not a Service Contract.**

**a.** This Award is not an employment or service contract, and nothing in this Award will be deemed to create in any way whatsoever any obligation on your part to continue in the service of the Company or any Affiliate, or on the part of the Company or any Affiliate to continue such service. In addition, nothing in this Award will obligate the Company or an Affiliate, their respective stockholders, boards of directors, Officers or Employees to continue any relationship that you might have as an Employee, Director or consultant for the Company or an Affiliate.

**b.** By accepting this Award, you acknowledge and agree that the right to continue vesting in this Award pursuant to Section 2 is earned only by continuing as an Employee, Director or Consultant at the will of the Company or an Affiliate (not through the act of being hired, being granted this Award or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "reorganization"). You further acknowledge and agree that such a reorganization could result in the termination of your Continuous Service or the termination of Affiliate status of your employer, and the loss of benefits available to you under this Agreement, including but not limited to, the termination of the right to continue vesting in this Award.

**10. Tax Withholding Obligations.**

**a.** On or before the time you receive a distribution of any shares of Common Stock in respect of this Award, and at any other time as reasonably requested by the Company in accordance with applicable tax laws, you agree to make adequate provision for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate that arise in connection with this Award (the "***Withholding Taxes***"). Specifically, the Company or an Affiliate may, in its sole discretion, satisfy all or any portion of the Withholding Taxes relating to this Award by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to you by the Company or an Affiliate; (ii) causing you to tender a cash payment; (iii) permitting you to enter into a "same day sale" commitment with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "***FINRA Dealer***") whereby you irrevocably elect to sell a portion of the shares of Common Stock to be issued in connection with this Award to satisfy the Withholding Taxes and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Withholding Taxes directly to the Company and/or its Affiliates; or (iv) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with this Award with a Fair Market Value equal to the amount of the Withholding Taxes, but in any case not in excess of the maximum amount of tax that may be required to be withheld by law (or such other amount as may be permitted while still avoiding classification of this Award as a liability for financial accounting purposes).

**b.** Unless the Withholding Taxes of the Company and/or any Affiliate are satisfied, the Company will have no obligation to issue to you any Common Stock.

**c.** In the event the Company's obligation to withhold arises prior to the issuance to you of Common Stock or it is determined after the issuance of Common Stock to you that the amount of the Company's withholding obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

**11. Unsecured Obligation.** This Award is unfunded, and as a holder of vested RSUs, you will be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares of Common Stock or other property pursuant to this Agreement.

**12. Stockholder Rights.** You will not have voting or any other rights as a stockholder of the Company with respect to the shares of Common Stock to be issued pursuant to this Award until such shares are issued to you. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

**13. Other Documents.** You hereby acknowledge receipt of or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Plan prospectus. In addition, you acknowledge receipt of the Company's policy permitting certain individuals to sell shares of Common Stock only during certain "window" periods in effect from time to time and the Company's insider trading policy.

**14. Notices.** Any notices provided for in this Agreement or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to this Award or participation in the Plan by electronic means or to request your consent to participate in the Plan by electronic means. By accepting this Award, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

**15. Governing Plan Document.** This Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of this Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Except as otherwise expressly provided in the Grant Notice or this Agreement, in the event of any conflict between the terms in the Grant Notice or this Agreement and the terms of the Plan, the terms of the Plan will control.

**16. Severability.** If any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

**17. Effect on Other Employee Benefit Plans.** The value of this Award will not be included as compensation, earnings, salaries, or other similar terms used when calculating your benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

**18. Choice of Law.** The interpretation, performance and enforcement of this Agreement will be governed by the laws of the State of Delaware without regard to such state's conflicts of laws rules.

**19. Amendment.** Any amendment to this Agreement must be in writing, signed by a duly authorized representative of the Company, and is subject to Section 2(b)(viii) of the Plan; *provided, however*, that notwithstanding anything in the Plan to the contrary, the Board reserves the right to amend this Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, interpretation, ruling, or judicial decision.

**20. Tax Consequences.** The Company has no duty or obligation to minimize the tax consequences to you of this Award and will not be liable to you for any adverse tax consequences to you arising in connection with this Award. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the tax consequences of this Award and by accepting this Award, you have agreed that you have done so or knowingly and voluntarily declined to do so.

**21. Miscellaneous.**

**a.** The rights and obligations of the Company under this Award will be transferable to any one or more persons or entities, and all covenants and agreements hereunder will inure to the benefit of, and be enforceable by, the Company's successors and assigns.

**b.** You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of this Award.

**c.** You acknowledge and agree that you have reviewed this Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting this Award, and fully understand all provisions of this Award.

**d.** This Agreement will be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

**e.** All obligations of the Company under the Plan and this Agreement will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

* * *

This Restricted Stock Unit Award Agreement will be deemed to be accepted by you upon your acceptance of the Restricted Stock Unit Award Grant Notice to which it is attached.

**Exhibit 31.1**

**CERTIFICATION**

I, Badrinarayanan Kothandaraman, certify that:

1. I have reviewed this Form 10-Q of Enphase Energy, 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 15(d)-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: July 22, 2025

/s/ BADRINARAYANAN KOTHANDARAMAN

Badrinarayanan Kothandaraman
President and Chief Executive Officer
(Principal Executive Officer)

**Exhibit 31.2**

**CERTIFICATION**

I, Mandy Yang, certify that:

1. I have reviewed this Form 10-Q of Enphase Energy, 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 15(d)-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: July 22, 2025

/s/ MANDY YANG

Mandy Yang
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

**Exhibit 32.1**

**CERTIFICATION**

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Badrinarayanan Kothandaraman, President and Chief Executive Officer of Enphase Energy, Inc. (the "Company"), and Mandy Yang, Executive Vice President and Chief Financial Officer of the Company, each hereby certifies that, to the best of his or her knowledge:

1. The Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

| | |
|---|---|
| Date: July 22, 2025 | July 22, 2025 |
| /s/ BADRINARAYANAN KOTHANDARAMAN | /s/ MANDY YANG |
| Badrinarayanan Kothandaraman | Mandy Yang |
| President and Chief Executive Officer<br>(Principal Executive Officer) | Executive Vice President and Chief Financial Officer<br>(Principal Financial Officer) |

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002, has been provided to Enphase Energy, Inc. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.