

## Frequently Asked Questions Relating to the Delisting of the Shares of Inspire Semiconductor Holdings Inc. from the TSX Venture Exchange

Date of Issue: January 6, 2025

### **1. What is the Delisting?**

The “**Delisting**” involved the voluntarily delisting of the InspireSemi’s subordinate voting shares (our equivalent of common shares and referred to here as the “**Common Stock**”) from the TSX Venture Exchange (the “**TSXV**”). As of December 31, 2024 you are no longer able to trade your Common Stock on the TSXV. InspireSemi is no longer subject to any requirements required by the listing policies of the TSXV.

InspireSemi remains a “reporting issuer” in the Canadian provinces of British Columbia, Ontario and Alberta. This means it is still subject to all reporting requirements under relevant Canadian Securities Laws and will continue, amongst other reporting requirements, to file annual and quarterly financial statements, and make press releases of material changes to its business.

### **2. What was the rationale for the Delisting?**

On September 23, 2024, InspireSemi entered into a Convertible Loan Agreement (the “**Loan Agreement**”) with an investor pursuant to which the investor agreed to loan InspireSemi C\$10,000,000 (the “**Loan**”).

The Loan Agreement further provided that if the Delisting occurred by January 31, 2025, the Loan would automatically convert to an equal number of shares and warrants at a price per unit of C\$13.50 and all accrued and unpaid interest on the Loan would be forgiven. If a Delisting of the Common Stock from the TSXV was not achieved by January 31, 2025, InspireSemi would have been deemed in default, and the loan, all accrued interest thereon and a penalty of an additional 25% of the amount of the Loan, being C\$2,500,000 would have been due and payable immediately.

Prior to receiving the Loan, InspireSemi had explored multiple and diverse avenues over many months to raise the funding required to bring its Thunderbird 1 product into commercial production. InspireSemi was ultimately unsuccessful in raising the funds through traditional Canadian public market routes. InspireSemi repeatedly received the message from other private investors with the potential to provide the required funding that they were unable or unwilling to provide it due to InspireSemi’s status as a TSXV listed company.

InspireSemi also examined an accelerated path to an uplist to a major U.S. Exchange, however it became clear that due to InspireSemi’s pre revenue stage and current market capitalization it was not the right time to pursue this and that such a path would likely cause significant dilution to shareholders and extensive third party costs.

InspireSemi believes the Loan (i) provides it with required funding to commercialize its Thunderbird 1 product (ii) has less dilution effect than other options (iii) has minimal 3rd party expense; and (iv)

preserves all options to become publicly traded in future at an appropriate time to maximize shareholder value.

Therefore, it was vital for InspireSemi to secure this funding, and for the Delisting occur before January 31, 2025 so as penalties and interest would not be due on the Loan.

In addition the Delisting should result in significant cost savings for InspireSemi as it will no longer be required to pay TSXV fees and professional costs related thereto. It will also provide a time benefit to management allowing them to focus more fully on commercializing the Thunderbird 1 product, and developing new products to bring to market in future.

For these reasons the board of directors of InspireSemi (the “**Board**”) determined that it was in the best interests of InspireSemi and its shareholders to conduct the Delisting.

### **3. What happens to my shares/warrants/debentures after delisting?**

The Delisting does not affect any shares/warrant/debentures of InspireSemi that you hold. You continue to hold these and they represent the same ownership interest in InspireSemi as they did prior to the Delisting.

The only difference pre and post Delisting is that InspireSemi’s Common Stock does not trade on the TSXV and therefore you can not sell your Common Stock through the facilities of the TSXV.

### **4. Where are my shares/warrants/debentures now?**

They are held in the same manner as prior to the Delisting.

If you held them on a DRS or certificate these remain valid. You do not need to do anything.

If they are held in a brokerage account, they can, unless your broker’s rules mandate otherwise, remain in your brokerage account.

### **5. My broker has told me I need to remove my shares from my brokerage account. What do I do?**

Some brokerage accounts may not allow non trading/non public company shares to be held in that account.

If that is the case the shares can simply be transferred back from the brokerage account into DRS/certificate form and remain registered with our transfer agent, Odyssey Trust Company.

If this is the case we can assist with the transfer. Please ask your brokerage firm to contact us at [invest@inspiresemi.com](mailto:invest@inspiresemi.com).

### **6. What are my shares worth after the delist?**

Your shares represent a % interest in InspireSemi. This means you own a percentage of InspireSemi.

The closing price of InspireSemi's stock on the last day of trading on the TSXV was CAD\$0.16. Therefore, each share of Common Stock you own would, according to that market price on the delist date, be worth CAD\$0.16.

Please remember that most US resident investors hold "proportionate voting shares" each of which is worth 100 shares of Common Stock.

The final market price gives a post money value (including conversion of all proportionate voting shares and stock issued to the investor in the most recent financing) of approximately CAD\$44.25M.

Now that InspireSemi is not listed, valuation going forward will be more difficult to determine and InspireSemi does not intend to publish or provide any company valuation to investors at this time.

Management intends to take steps to grow value over the course of 2025, most particularly with the launch and commercial sales of its Thunderbird 1 product, and development of new products.

#### **7. How do I get liquidity on my shares following the Delisting?**

InspireSemi recognizes that the Delisting restricts a pathway to liquidity for shareholders.

After giving effect to the Delisting, InspireSemi's Common Stock will no longer be listed on TSXV or any other stock exchange. Any trading in our Common Stock after giving effect to the Delisting would only occur in privately negotiated sales and potentially on an over-the-counter market; however, there can be no assurances regarding any such trading.

If you wish to negotiate a private sale of your stock please do contact us at [invest@inspiresemi.com](mailto:invest@inspiresemi.com) and we will do all we can to assist with the process.

#### **8. Will my Warrants expire on schedule now that I have no way to sell shares?**

Currently, all warrant terms and expiry dates remain as they were prior to the Delisting.

InspireSemi recognizes that the Delisting is a disincentive to holders to exercise existing warrants before their expiry. We are cognizant that warrants issued as investment incentives were granted on the basis of InspireSemi being a public company. The Board therefore intends to consider the position of warrant holders in the coming months with this in mind.

There can be no assurance that any changes will be made to existing warrants. If you wish to exercise your warrants prior to their expiry then please do let us know at [invest@inspiresemi.com](mailto:invest@inspiresemi.com).

#### **9. How does InspireSemi intend to raise capital going forward, and how soon does it intend to do so?**

Semiconductor chip development requires significant amounts of capital. InspireSemi believes that the development of its Thunderbird 1 product has been uniquely cost effective compared to other businesses engaged in similar pursuits; however, a lack of available funding while listed on TSXV slowed development and commercialization significantly. Despite this, management believes that commercialization and sales of Thunderbird 1 will commence in approximately Q2 2025 with an initial

pipeline of customers who have participated in its Early Access Program. We hope that the launch of commercial sales in 2025 will allow InspireSemi to become increasingly self financing.

Nevertheless, InspireSemi expects to continue to develop new products, that may require further third party investment. We will evaluate market conditions and opportunities to raise capital in the private markets from time to time and as may be needed to support InspireSemi's operations and objectives. At this time, we cannot say with specificity what type of capital we may seek to raise or the timing thereof.

It should be noted that InspireSemi retains the full support of the investor under the Loan Agreement, who retains a right of first refusal on any future financing on equivalent terms to those received under the Loan Agreement until such time as InspireSemi experiences positive EBITDA.

**10. How will the Delisting affect InspireSemi's ability to pursue its strategic objectives?**

We firmly believe that the Delisting will not preclude opportunities to execute our strategy. We believe that we may have greater opportunity as a private company to access capital to fund the pursuit of our strategic objectives.

Furthermore, we believe the reduction in both public company costs, and time spent by our management and employees complying with the requirements applicable to public companies will enable them to focus more on managing our business and growing shareholder value, with a focus on long-term growth.

**11. Are there any anticipated changes to the Company's management team or business strategy following the Delisting?**

No, there are currently no changes anticipated to InspireSemi's management team or core business strategy as a result of the Delisting.

**12. Will InspireSemi relist in future.**

As discussed above, InspireSemi considered an "uplist" to a major US stock exchange as part of our financing strategy in 2024. However, despite extensive efforts with advisors and potential sources of funding, it became clear that due to InspireSemi's pre revenue stage and our market capitalization it was not the right time to pursue this, and that such a path would likely cause significant dilution to shareholders and extensive third party costs.

InspireSemi does of course remain open minded regarding such a listing in future, and the preparatory work conducted in 2024 will be invaluable in any future decision to move in this direction.

There are many factors required to be considered in making the strategic decision to relist. We cannot predict at this time whether such a decision will be made in the future, or what factors may come into play to lead to such a decision. If InspireSemi were to relist its shares, it would have to comply with the applicable initial listing requirements for the applicable exchange and all applicable securities laws.

**13. Does the Delisting impact the voting and shareholder rights related to my ownership?**

No. Your shareholder rights, including voting rights, remain unchanged.

**14. What corporate governance changes will InspireSemi make as a result of the Delisting?**

InspireSemi remains committed to maintaining strong financial controls and our commitment to compliance will not change. As described above, we remain a “reporting issuer” and intend to generally maintain our existing internal controls and corporate governance framework.

***Cautionary Statement on Forward-Looking Information***

*This document contains certain statements that constitute forward-looking information within the meaning of applicable securities laws (“forward-looking statements”). Statements concerning InspireSemi’s objectives, goals, strategies, priorities, intentions, plans, beliefs, expectations and estimates, and the business, operations, financial performance and condition of InspireSemi are forward-looking statements. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements formed in the future tense or indicating that certain actions, events or results “may”, “could”, “would”, “might” or “will” (or other variations of the foregoing) be taken, occur, be achieved, or come to pass.*

*Forward-looking information includes, but is not limited to, information regarding commercialization of InspireSemi’s Thunderbird 1 product, any future capital requirements, and any future listing. Forward-looking information is based on currently available competitive, financial and economic data and operating plans, strategies or beliefs as of the date of this document, but involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of InspireSemi, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors may be based on information currently available to the Company including information obtained from third-party industry analysts and other third-party sources and are based on management’s current expectations or beliefs. Any and all forward-looking information contained in this document is expressly qualified by this cautionary statement.*

*Investors are cautioned that forward-looking information is not based on historical facts but instead reflect management’s expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Forward-looking information reflects management’s current beliefs and is based on information currently available to them and on assumptions they believe to be not unreasonable in light of all of the circumstances. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.*

*Should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as*

*anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.*