



# Magnachip Semiconductor (NYSE: MX)

## Q4 2025 Earnings Materials

March 4, 2026



# Forward-Looking Statements

Information in this presentation regarding Magnachip's forecasts, business outlook, expectations and beliefs are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. All forward-looking statements included or incorporated by reference in this presentation, including expectations about estimated historical or future operating results and financial performance, outlook and business plans, including first quarter 2026 revenue and gross profit margin expectations, future growth and revenue opportunities from new and existing products and customers, the timing and extent of future revenue contributions by our products and businesses, and the impact of market conditions associated with inflation and higher interest rates, geopolitical conflicts including between Russia-Ukraine and between Israel, the United States and Iran, sustained military action and conflict in the Red Sea, global macroeconomic conditions resulting from trade and tariff actions instituted between the U.S. and other countries on Magnachip's future operating results and financial performance, and the potential impacts of emerging technologies such as artificial intelligence on industry dynamics, customer demand, supply chain operations, and regulatory environments, are based upon information available to Magnachip as of the date of this presentation and the accompanying press release, which may change, and we assume no obligation to update any such forward-looking statements. These statements are not guarantees of future performance and actual results could differ materially from our current expectations. Factors that could cause or contribute to such differences include, among others: the impact of changes in macroeconomic conditions, including those caused by or related to recent trade and tariff actions announced by the U.S. globally and the related retaliatory tariffs and disruptions in supply chains and global trade as a result thereof, inflation, potential recessions or other deteriorations, economic instability or civil unrest; geopolitical conflicts, including between Russia-Ukraine and between Israel, the United States and Iran and sustained military action and conflict in the Red Sea; disruptions or economic impact resulting from the United States government shutdown, including disruptions at U.S. government agencies caused by reduction in staffing, operations, funding shortages or other concerns that may prevent new products and services from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our customer's businesses may rely; manufacturing capacity constraints or supply chain disruptions that may impact our ability to deliver our products or affect the price of components, which may lead to an increase in our costs and impact demand for our products from customers who are similarly affected by such capacity constraints or disruptions; the impact of competitive products and pricing; timely acceptance of our designs by customers; timely introduction of new products and technologies; the potential impact of emerging technologies such as artificial intelligence on industry dynamics, customer demand, supply chain operations, and regulatory environments; our ability to ramp new products into volume production; industry-wide shifts in supply and demand for semiconductor products; overcapacity within the industry or at Magnachip; effective and cost-efficient utilization of manufacturing capacity; financial stability in foreign markets and the impact of foreign exchange rates; unanticipated costs and expenses or the inability to identify expenses that can be eliminated; compliance with U.S. and international trade and export laws and regulations by us, our customers and our distributors; change to or ratification of local or international laws and regulations, including those related to environment, health and safety; public health issues; other business interruptions that could disrupt supply or delivery of, or demand for, Magnachip's products; and other risks detailed from time to time in Magnachip's filings with the U.S. Securities and Exchange Commission (the "SEC"), including our Form 10-K filed on March 14, 2025, and subsequent registration statements, amendments or other reports that we may file from time to time with the SEC and/or make available on our website. Magnachip assumes no obligation and does not intend to update the forward-looking statements provided, whether as a result of new information, future events or otherwise.

This presentation also includes references to certain non-GAAP financial measures. Management believes that non-GAAP financial measures, when viewed in conjunction with GAAP results, can provide a meaningful understanding of the factors and trends affecting Magnachip's business and operations and assist in evaluating our core operating performance. However, such non-GAAP financial measures may have limitations and should not be considered as a substitute for net income (loss) or as a better indicator of our operating performance than measures that are presented in accordance with GAAP. Reconciliation of GAAP results to non-GAAP results is also included in this presentation.

# Q4 2025 Financial Summary – Continuing Operations

	Q4 2025	MX Guidance Range	Q/Q Change	Y/Y Change*	
<b>Revenue</b>	Continuing Operations	\$40.6 M	\$38.5 – \$42.5 M	down 11.7%	down 20.7%
	<ul style="list-style-type: none"> <li>Q4 revenue was at about the mid-point of our guidance range of \$38.5 to \$42.5 million. This was down 20.7% year-over-year, and down 11.7% sequentially on an apples-to-apples basis.</li> </ul>				

	Q4 2025	MX Guidance Range	Q/Q Change	Y/Y Change*	
<b>Gross Profit Margin</b>	Continuing Operations	9.3%	8.0% – 10.0%	down 9.3 pts	down 12.4 pts
	<ul style="list-style-type: none"> <li>The year-over-year and sequential decline was primarily attributable to an unfavorable product mix, driven mainly by ASP erosion, particularly in China, and filling our fab with lower margin products, and a lower utilization rate.</li> <li>The sequential decline was mainly attributable to a one-time sales incentive which had a 560 basis-point negative impact</li> </ul>				

	Q4 2025	Q3 2025	Q4 2024	
<b>EPS</b>	GAAP Diluted Loss Per Share	(\$0.24)	(\$0.29)	(\$0.21)
	Non-GAAP Diluted Earnings (Loss) Per Share	(\$0.08)	(\$0.01)	\$0.15

\* Year-over-year change was calculated based on the revenue and gross profit margin of Power Analog Solutions and Power IC, and Transitional Fab 3 foundry services revenue and gross profit margin were excluded from prior periods to be on an equivalent basis with Q4 2025.

# Q4 2025 Report by Business and Recent Highlights

<b>PAS</b>		<b>Q4 2025</b>	<b>Q3 2025</b>	<b>Q/Q Change</b>	<b>Q4 2024</b>	<b>Y/Y change</b>
	Revenue	\$36.8 M	\$41.5 M	down 11.4%	\$43.5 M	down 15.3%

- PAS revenue was \$36.8 million. This was down 15.3% year-over-year, and down 11.4% sequentially, primarily due to the competitive pricing pressure on our older generation products, which was especially intense in China.

<b>PIC</b>		<b>Q4 2025</b>	<b>Q4 2025</b>	<b>Q/Q Change</b>	<b>Q4 2024</b>	<b>Y/Y change</b>
	Revenue	\$3.8 M	\$4.4 M	down 14.5%	\$5.4 M	down 30.4%

- PIC revenue was \$3.8 million. This was down 30.4% year-over-year and down 14.5% sequentially. The sequential decline was due mainly to pull-ins by customers in Q3 from Q4.

## 2025 Highlights

- Launched 55 new-generation products in 2025, compared with four for the full year 2024.
- Signed a strategic agreement to expand our industrial business based on a jointly developed IGBT technology with Hyundai Mobis.
- Executed multiple operating expense cost reduction programs, including a headcount reduction program, expected to generate more than \$2 million in annualized savings beginning in Q4 2025.
- \$21.4 million was spent in 2025 for the Gumi fab upgrade, of which \$17.0 million was funded through equipment financing loans.

# Q4 2025 Key Financials

(In \$ millions, except for share data and days calculation)

<b>Non-GAAP Metrics – Continuing Operations</b>	<b>Non-GAAP Metrics</b>	<b>Q4 2025</b>	<b>Q3 2025</b>	<b>Q4 2024</b>
	Adjusted Operating Loss	(\$11.9)	(\$7.4)	(\$3.5)
	Adjusted EBITDA	(\$8.9)	(\$4.0)	\$0.3
	Adjusted Income (Loss)	(\$2.7)	(\$0.4)	\$5.8
	Adjusted Income (Loss) per Common Share – Diluted	(\$0.08)	(\$0.01)	\$0.15

<b>Balance Sheet</b>	<b>Balance Sheet</b>	<b>Q4 2025</b>	<b>Q3 2025</b>	<b>Q4 2024</b>
	Cash and Cash Equivalents	\$103.8	\$108.0	\$138.6
	Days Sales Outstanding (DSO)	51 days	54 days	41 days
	Days in Inventory	78 days	84 days	60 days
	Total Stockholders' Equity	\$248.3	\$255.3	\$276.8

# Q1 2026 Outlook – Continuing Operations

Beginning Q1 2025, the Company became a pure-play Power company, with the display business classified as discontinued operations and reported separately from continuing operations, which include PAS and Power IC business lines. While actual results may vary, Magnachip currently expects the following:

	Key Metrics	Guidance
Q1 2026	Revenue	<ul style="list-style-type: none"><li>Consolidated revenue from continuing operations (which includes Power Analog Solutions and Power IC businesses) to be in the range of \$44.0 to \$48.0 million, up 13.4% sequentially and up 2.9% year-over-year at the mid-point. This compares with \$40.6 million in Q4 2025 and \$44.7 million in Q1 2025.</li></ul>
	Gross Profit Margin	<ul style="list-style-type: none"><li>Consolidated gross profit margin from continuing operations to be in the range of 14% to 16%, up from 9.3% in Q4 2025 but down from 20.9% in Q1 2025</li></ul>

# 2024 Quarterly Consolidated Statements of Operations

(In thousands of U.S. dollars)	2024.Q1	2024.Q2	2024.Q3	2024.Q4	Year Ended
	2024.03.31	2024.06.30	2024.09.30	2024.12.31	FY 2024
<b>Revenues:</b>					
Net sales – Power Solutions business	\$ 39,912	\$ 44,064	\$ 52,994	\$ 48,858	\$ 185,828
Net sales – Transitional Fab 3 foundry services	3,526	2,336	2,440	2,295	10,597
Total revenues	43,438	46,400	55,434	51,153	196,425
<b>Cost of sales:</b>					
Cost of sales – Power Solutions business	32,868	34,157	41,329	37,530	145,884
Cost of sales – Transitional Fab 3 foundry services	4,211	2,457	2,599	2,547	11,814
Total cost of sales	37,079	36,614	43,928	40,077	157,698
Gross profit	6,359	9,786	11,506	11,076	38,727
Gross profit as a percentage of Power Solutions business net sales	17.6%	22.5%	22.0%	23.2%	21.5%
Gross profit as a percentage of total revenues	14.6%	21.1%	20.8%	21.7%	19.7%
<b>Operating expenses:</b>					
Selling, general and administrative expenses	9,469	9,351	9,521	9,758	38,099
Research and development expenses	6,209	5,774	6,472	6,557	25,012
Other charges	—	—	—	1,589	1,589
Total operating expenses	15,678	15,125	15,993	17,904	64,700
Operating loss	(9,319)	(5,339)	(4,487)	(6,828)	(25,973)
Interest income	2,141	2,134	1,939	2,106	8,320
Interest expense	(184)	(487)	(472)	(458)	(1,601)
Foreign currency gain (loss), net	(4,988)	(3,647)	5,247	(13,352)	(16,740)
Other income (loss), net	44	108	(31)	364	485
Income (Loss) from continuing operations before income tax expense (benefit), net	(12,306)	(7,231)	2,196	(18,168)	(35,509)
Income tax expense (benefit), net	(279)	(3,571)	6,117	(10,466)	(8,199)
Loss from continuing operations	(12,027)	(3,660)	(3,921)	(7,702)	(27,310)
Loss from discontinued operations, net of tax	(3,390)	(9,337)	(5,696)	(8,575)	(26,998)
Net loss	\$ (15,417)	\$ (12,997)	\$ (9,617)	\$ (16,277)	\$ (54,308)
<b>Basic loss per common share—</b>					
Continuing operations	\$ (0.31)	\$ (0.10)	\$ (0.11)	\$ (0.21)	\$ (0.72)
Discontinuing operations	(0.09)	(0.24)	(0.15)	(0.23)	(0.72)
Total	\$ (0.40)	\$ (0.34)	\$ (0.26)	\$ (0.44)	\$ (1.44)
<b>Diluted loss per common share—</b>					
Continuing operations	\$ (0.31)	\$ (0.10)	\$ (0.11)	\$ (0.21)	\$ (0.72)
Discontinuing operations	(0.09)	(0.24)	(0.15)	(0.23)	(0.72)
Total	\$ (0.40)	\$ (0.34)	\$ (0.26)	\$ (0.44)	\$ (1.44)
<b>Weighted average number of shares—</b>					
Basic	38,544,781	38,174,920	37,468,849	36,921,300	37,774,280
Diluted	38,544,781	38,174,920	37,468,849	36,921,300	37,774,280

\* Certain operating expenses and non-operating income/expenses of the continuing operations were classified into discontinued operations in Q3 2025, and the prior periods of quarterly 2024 were recast to be on an apples-to-apples basis.

# 2025 Quarterly Consolidated Statements of Operations

(In thousands of U.S. dollars)	2025.Q1	2025.Q2	2025.Q3	2025.Q4	Year Ended
	2025.03.31	2025.06.30	2025.09.30	2025.12.31	FY 2025
<b>Revenues:</b>					
Net sales – Power Solutions business	\$ 44,722	\$ 47,622	\$ 45,946	\$ 40,570	\$ 178,860
Net sales – Transitional Fab 3 foundry services	—	—	—	—	—
Total revenues	44,722	47,622	45,946	40,570	178,860
<b>Cost of sales:</b>					
Cost of sales – Power Solutions business	35,360	37,910	37,405	36,792	147,467
Cost of sales – Transitional Fab 3 foundry services	—	—	—	—	—
Total cost of sales	35,360	37,910	37,405	36,792	147,467
Gross profit	9,362	9,712	8,541	3,778	31,393
Gross profit as a percentage of Power Solutions business net sales	20.9%	20.4%	18.6%	9.3%	17.6%
Gross profit as a percentage of total revenues	20.9%	20.4%	18.6%	9.3%	17.6%
<b>Operating expenses:</b>					
Selling, general and administrative expenses	9,203	8,976	8,312	8,625	35,116
Research and development expenses	5,437	6,488	7,773	7,599	27,297
Early termination and other charges	—	846	3,994	—	4,840
Total operating expenses	14,640	16,310	20,079	16,224	67,253
Operating loss	(5,278)	(6,598)	(11,538)	(12,446)	(35,860)
Interest income	1,540	1,322	1,255	1,246	5,363
Interest expense	(423)	(373)	(469)	(393)	(1,658)
Foreign currency gain (loss), net	(405)	10,797	(4,280)	(6,393)	(281)
Other income (loss), net	114	(83)	253	14	298
Income (Loss) from continuing operations before income tax benefit, net	(4,452)	5,065	(14,779)	(17,972)	(32,138)
Income tax benefit, net	(401)	(4,138)	(4,170)	(9,180)	(17,889)
Income (Loss) from continuing operations	(4,051)	9,203	(10,609)	(8,792)	(14,249)
Income (Loss) from discontinued operations, net of tax	(4,827)	(8,880)	(2,481)	713	(15,475)
Net income (loss)	\$ (8,878)	\$ 323	\$ (13,090)	\$ (8,079)	\$ (29,724)
<b>Basic earnings (loss) per common share—</b>					
Continuing operations	\$ (0.11)	\$ 0.26	\$ (0.29)	\$ (0.24)	\$ (0.39)
Discontinuing operations	(0.13)	(0.25)	(0.07)	0.02	(0.43)
Total	\$ (0.24)	\$ 0.01	\$ (0.36)	\$ (0.22)	\$ (0.82)
<b>Diluted earnings (loss) per common share—</b>					
Continuing operations	\$ (0.11)	\$ 0.26	\$ (0.29)	\$ (0.24)	\$ (0.39)
Discontinuing operations	(0.13)	(0.25)	(0.07)	0.02	(0.43)
Total	\$ (0.24)	\$ 0.01	\$ (0.36)	\$ (0.22)	\$ (0.82)
<b>Weighted average number of shares—</b>					
Basic	36,887,841	36,083,703	35,934,406	35,979,697	36,218,138
Diluted	36,887,841	36,768,647	35,934,406	35,979,697	36,218,138

\* Certain operating expenses and non-operating income/expenses of the continuing operations were classified into discontinued operations in Q3 2025, and the prior periods of quarterly 2025 were recast to be on an apples-to-apples basis.

# Q4 2025 Financial Highlights

	In thousands of U.S. dollars, except share data						
	GAAP <sup>(1)</sup>						
	Q4 2025	Q3 2025 <sup>(1)</sup>	Q/Q change		Q4 2024 <sup>(1)</sup>	Y/Y change	
<b>Consolidated Revenues</b>	40,570	45,946	down	11.7%	51,153	down	20.7%
Power Solutions business	40,570	45,946	down	11.7%	48,858	down	17.0%
Power Analog Solutions	36,811	41,548	down	11.4%	43,455	down	15.3%
Power IC	3,759	4,398	down	14.5%	5,403	down	30.4%
Transitional Fab 3 foundry services <sup>(2)</sup>	—	—	n/a	—	2,295	n/a	—
<b>Consolidated Gross Profit Margin</b>	9.3%	18.6%	down	9.3%pts	21.7%	down	12.4%pts
Power Solutions business	9.3%	18.6%	down	9.3%pts	23.2%	down	13.9%pts
Power Analog Solutions	6.5%	16.0%	down	9.5%pts	20.5%	down	14.0%pts
Power IC	36.7%	43.2%	down	6.5%pts	44.9%	down	8.2%pts
Transitional Fab 3 foundry services <sup>(2)</sup>	—	—	n/a	—	-11.0%	n/a	—
<b>Operating Loss</b>	(12,446)	(11,538)	down	n/a	(6,828)	down	n/a
<b>Loss from continuing operations</b>	(8,792)	(10,609)	up	n/a	(7,702)	down	n/a
<b>Basic Loss per Common Share</b>	(0.24)	(0.29)	up	n/a	(0.21)	down	n/a
<b>Diluted Loss per Common Share</b>	(0.24)	(0.29)	up	n/a	(0.21)	down	n/a

	In thousands of U.S. dollars, except share data						
	Non-GAAP <sup>(1)(3)</sup>						
	Q4 2025	Q3 2025 <sup>(1)</sup>	Q/Q change		Q4 2024 <sup>(1)</sup>	Y/Y change	
<b>Adjusted Operating Loss</b>	(11,881)	(7,421)	down	n/a	(3,459)	down	n/a
<b>Adjusted EBITDA</b>	(8,856)	(3,964)	down	n/a	337	down	n/a
<b>Adjusted Income (Loss)</b>	(2,714)	(390)	down	n/a	5,751	down	n/a
<b>Adjusted Income (Loss) per Common Share—Diluted</b>	(0.08)	(0.01)	down	n/a	0.15	down	n/a

- (1) GAAP and non-GAAP metrics summarized herein do not include any amounts relating to the Display business, which has been classified as discontinued operations from Q1 2025, and we have reclassified certain prior year amounts to conform to the current year's presentation.
- (2) Following the consummation of the sale of the Foundry Services Group business and Fab 4 in Q3 2020, we provided transitional foundry services to the buyer for foundry products manufactured in our fabrication facility located in Gumi, Korea, known as "Fab 3" ("Transitional Fab 3 Foundry Services"). The contractual obligation to provide the Transitional Fab 3 Foundry Services ended August 31, 2023, and we had wound down these foundry services by the end of 2024. Because these foundry services during the wind-down period had still been provided to the same buyer by us using our Fab 3 based on mutually agreed terms and conditions, we continued to report our revenue from providing these foundry services and related cost of sales within the Transitional Fab 3 Foundry Services line in our consolidated statement of operations until such wind down was completed. Management believes that disclosing revenue of Transitional Fab 3 Foundry Services separately from the Power solutions business allows investors to better understand the results of our core PAS and Power IC businesses.
- (3) Management believes that non-GAAP financial measures, when viewed in conjunction with GAAP results, can provide a meaningful understanding of the factors and trends affecting our business and operations and assist in evaluating our core operating performance. However, such non-GAAP financial measures have limitations and should not be considered as a substitute for net loss or as a better indicator of our operating performance than measures that are presented in accordance with GAAP. A reconciliation of historical GAAP results to non-GAAP results is included in this press release.

# Appendix: GAAP to Non-GAAP Reconciliation

(In thousands of U.S. dollars)

	Three Months Ended			Year Ended	
	December 31, 2025	September 30, 2025 <sup>(1)</sup>	December 31, 2024 <sup>(1)</sup>	December 31, 2025	December 31, 2024 <sup>(1)</sup>
<b>Operating loss</b>	\$ (12,446)	\$ (11,538)	\$ (6,828)	\$ (35,860)	\$ (25,973)
<b>Adjustments:</b>					
Equity-based compensation expense	565	123	1,780	2,532	5,297
Early termination and other charges	—	3,994	1,589	4,840	1,589
<b>Adjusted Operating Loss</b>	<u>\$ (11,881)</u>	<u>\$ (7,421)</u>	<u>\$ (3,459)</u>	<u>\$ (28,488)</u>	<u>\$ (19,087)</u>

(1) We have reclassified prior period financial information to conform to the current year presentation that reflects the classification of the Display business as discontinued operations from Q1 2025.

We present Adjusted Operating Loss from continuing operations as a supplemental measure of our performance. We define Adjusted Operating Loss from continuing operations for the periods indicated as operating loss from continuing operations adjusted to exclude (i) Equity-based compensation expense and (ii) Early termination and other charges.

For the year ended December 31, 2025, we recorded in our consolidated statement of operations \$2,599 thousand of termination related charges in connection with the voluntary resignation program that we executed during the third quarter of 2025. For the same period, we also recorded \$1,745 thousand of certain executive separation benefits and \$496 thousand of one-time employee incentives.

For the year ended December 31, 2024, we recorded \$1,589 thousand of one-time cumulative financial impact in connection with certain employee benefits.

# Appendix: GAAP to Non-GAAP Reconciliation

(In thousands of U.S. dollars, except share data)

	Three Months Ended			Year Ended	
	December 31, 2025	September 30, 2025 <sup>(1)</sup>	December 31, 2024 <sup>(1)</sup>	December 31, 2025	December 31, 2024 <sup>(1)</sup>
Loss from continuing operations	\$ (8,792)	\$ (10,609)	\$ (7,702)	\$ (14,249)	\$ (27,310)
Adjustments:					
Interest income	(1,246)	(1,255)	(2,106)	(5,363)	(8,320)
Interest expense	393	469	458	1,658	1,601
Income tax benefit, net	(9,180)	(4,170)	(10,466)	(17,889)	(8,199)
Depreciation and amortization	3,019	3,204	3,451	12,580	14,438
EBITDA – continuing operations	(15,806)	(12,361)	(16,365)	(23,263)	(27,790)
Equity-based compensation expense	565	123	1,780	2,532	5,297
Foreign currency loss, net	6,393	4,280	13,352	281	16,740
Derivative valuation loss (gain), net	(8)	—	(19)	43	(77)
Early termination and other charges	—	3,994	1,589	4,840	1,589
Adjusted EBITDA – continuing operations	\$ (8,856)	\$ (3,964)	\$ 337	\$ (15,567)	\$ (4,241)
Loss from continuing operations	\$ (8,792)	\$ (10,609)	\$ (7,702)	\$ (14,249)	\$ (27,310)
Adjustments:					
Equity-based compensation expense	565	123	1,780	2,532	5,297
Foreign currency loss, net	6,393	4,280	13,352	281	16,740
Derivative valuation loss (gain), net	(8)	—	(19)	43	(77)
Early termination and other charges	—	3,994	1,589	4,840	1,589
Income tax effect on non-GAAP adjustments	(872)	1,822	(3,249)	(1,313)	(4,560)
Adjusted Income (Loss) – continuing operations	\$ (2,714)	\$ (390)	\$ 5,751	\$ (7,866)	\$ (8,321)
Adjusted Income (Loss) – continuing operations per common share—					
- Basic	\$ (0.08)	\$ (0.01)	\$ 0.16	\$ (0.22)	\$ (0.22)
- Diluted	\$ (0.08)	\$ (0.01)	\$ 0.15	\$ (0.22)	\$ (0.22)
Weighted average number of shares – basic	35,979,697	35,934,406	36,921,300	36,218,138	37,774,280
Weighted average number of shares – diluted	35,979,697	35,934,406	37,738,210	36,218,138	37,774,280

(1) See note in following slide

# Appendix: GAAP to Non-GAAP Reconciliation

(1) We have reclassified prior period financial information to conform to the current year presentation that reflects the classification of the Display business as discontinued operations from Q1 2025.

We present Adjusted EBITDA from continuing operations and Adjusted Income (Loss) from continuing operations as supplemental measures of our performance. We define Adjusted EBITDA from continuing operations for the periods indicated as EBITDA – continuing operations (as defined below), adjusted to exclude (i) Equity-based compensation expense, (ii) Foreign currency loss, net, (iii) Derivative valuation loss (gain), net and (iv) Early termination and other charges. EBITDA – continuing operations for the periods indicated is defined as loss from continuing operations before interest income, interest expense, income tax benefit, net and depreciation and amortization.

We prepare Adjusted Income (Loss) from continuing operations by adjusting loss from continuing operations to eliminate the impact of a number of non-cash expenses and other items that may be either one time or recurring that we do not consider to be indicative of our core ongoing operating performance. We believe that Adjusted Income (Loss) from continuing operations is particularly useful because it reflects the impact of our asset base and capital structure on our operating performance. We define Adjusted Income (Loss) from continuing operations for the periods as loss from continuing operations, adjusted to exclude (i) Equity-based compensation expense, (ii) Foreign currency loss, net, (iii) Derivative valuation loss (gain), net, (iv) Early termination and other charges, and (v) Income tax effect on non-GAAP adjustments.

For the year ended December 31, 2025, we recorded in our consolidated statement of operations \$2,599 thousand of termination related charges in connection with the voluntary resignation program that we executed during the third quarter of 2025. For the same period, we also recorded \$1,745 thousand of certain executive separation benefits and \$496 thousand of one-time employee incentives.

For the year ended December 31, 2024, we recorded \$1,589 thousand of one-time cumulative financial impact in connection with certain employee benefits.