UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 29, 2024

OR

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

For the transition period from _____ to _____

Commission file number 0-26946

INTEVAC, INC.
(Exact name of registrant as specified in its charter)

Delaware	**94-3125814**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

3560 Bassett Street
Santa Clara, California 95054
(Address of principal executive office, including Zip Code)

Registrant's telephone number, including area code: (408) 986-9888

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 ($0.001 par value)	**IVAC**	**The Nasdaq Stock Market LLC (Nasdaq) Global Select**

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, 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 Act). ☐ Yes ☒ No

On July 31, 2024, 26,935,406 shares of the registrant's Common Stock, $0.001 par value, were outstanding.

INTEVAC, INC.

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PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

INTEVAC, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 29, 2024	December 30, 2023
	(Unaudited) (In thousands, except par value)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 37,562	$ 51,441
Short-term investments	27,221	17,405
Trade and other accounts receivable, net of allowances of $0 at both June 29, 2024 and December 30, 2023	17,592	18,613
Inventories	45,561	43,795
Prepaid expenses and other current assets	2,421	2,123
Total current assets	130,357	133,377
Long-term investments	4,919	2,687
Restricted cash	700	700
Property, plant and equipment, net	7,626	7,664
Operating lease right-of-use-assets	6,839	7,658
Intangible assets, net of amortization of $247 at June 29, 2024 and $178 at December 30, 2023	885	954
Deferred income taxes and other long-term assets	2,643	3,466
Total assets	$ 153,969	$ 156,506
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current operating lease liabilities	$ 1,202	$ 1,008
Accounts payable	4,417	5,800
Accrued payroll and related liabilities	3,959	3,475
Other accrued liabilities	2,487	1,820
Customer advances	21,629	20,407
Total current liabilities	33,694	32,510
Noncurrent liabilities:		
Noncurrent operating lease liabilities	6,197	6,976
Customer advances	1,482	1,482
Other long-term liabilities	7	21
Total noncurrent liabilities	7,686	8,479
Stockholders' equity:		
Common stock, $0.001 par value	27	26
Additional paid-in capital	212,315	210,320
Treasury stock, 5,087 shares at both June 29, 2024 and December 30, 2023	(29,551)	(29,551)
Accumulated other comprehensive income	42	97
Accumulated deficit	(70,244)	(65,375)
Total stockholders' equity	112,589	115,517
Total liabilities and stockholders' equity	$ 153,969	$ 156,506

Note: Amounts as of December 30, 2023 are derived from the December 30, 2023 audited consolidated financial statements.

INTEVAC, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
	(Unaudited) (In thousands, except per share amounts)			
Net revenues	$14,526	$10,301	$24,156	$21,843
Cost of net revenues	8,978	7,731	14,404	14,554
Gross profit	5,548	2,570	9,752	7,289
Operating expenses:				
Research and development	3,511	3,647	7,880	7,620
Selling, general and administrative	5,308	4,375	9,588	9,575
Total operating expenses	8,819	8,022	17,468	17,195
Loss from operations	(3,271)	(5,452)	(7,716)	(9,906)
Interest income and other income (expense), net	759	650	2,979	1,322
Loss from continuing operations before provision for income taxes.	(2,512)	(4,802)	(4,737)	(8,584)
Provision for income taxes	751	116	1,227	502
Net loss from continuing operations, net of taxes	(3,263)	(4,918)	(5,964)	(9,086)
Net income from discontinued operations, net of taxes	—	40	1,095	317
Net loss	$ (3,263)	$ (4,878)	$ (4,869)	$ (8,769)
Net income (loss) per share:				
Basic and diluted – continuing operations	$ (0.12)	$ (0.19)	$ (0.22)	$ (0.35)
Basic and diluted – discontinued operations	$ 0.00	$ 0.00	$ 0.04	$ 0.01
Basic and diluted – net loss	$ (0.12)	$ (0.19)	$ (0.18)	$ (0.34)
Weighted average common shares outstanding:				
Basic and diluted	26,668	26,032	26,595	25,907

See accompanying notes to the condensed consolidated financial statements.

INTEVAC, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
	(Unaudited) (In thousands)			
Net loss	$(3,263)	$(4,878)	$(4,869)	$(8,769)
Other comprehensive income (loss), before tax:				
Change in unrealized net gain (loss) on available-for-sale investments	27	53	56	222
Foreign currency translation losses	(15)	(229)	(111)	(219)
Other comprehensive income (loss), before tax	12	(176)	(55)	3
Income taxes related to items in other comprehensive income (loss)	—	—	—	—
Other comprehensive income (loss), net of tax	12	(176)	(55)	3
Comprehensive loss	$(3,251)	$(5,054)	$(4,924)	$(8,766)

See accompanying notes to the condensed consolidated financial statements.

INTEVAC, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended	
	June 29, 2024	July 1, 2023
	(Unaudited) (In thousands)	
Operating activities		
Net loss	$ (4,869)	$ (8,769)
Adjustments to reconcile net loss to net cash and cash equivalents used in operating activities:		
Depreciation and amortization	1,011	681
Amortization of intangible assets	68	68
Net accretion of investment premiums and discounts	(243)	(108)
Equity-based compensation	1,906	3,076
Straight-line rent adjustment and amortization of lease incentives	234	(554)
Deferred income taxes	811	183
(Gain) loss on disposal of equipment	523	(41)
Changes in operating assets and liabilities	(53)	(27,931)
Total adjustments	4,257	(24,626)
Net cash and cash equivalents used in operating activities	(612)	(33,395)
Investing activities		
Purchases of investments	(36,590)	(9,099)
Proceeds from sales and maturities of investments	24,841	23,029
Proceeds from sales of fixed assets	—	65
Purchases of leasehold improvements and equipment	(1,497)	(4,335)
Net cash and cash equivalents provided by (used in) investing activities	(13,246)	9,660
Financing activities		
Net proceeds from issuance of common stock	462	838
Payment of acquisition-related contingent consideration	—	(250)
Taxes paid related to net share settlement	(372)	(1,563)
Net cash and cash equivalents provided by (used in) financing activities	90	(975)
Effect of exchange rate changes on cash and cash equivalents	(111)	(219)
Net decrease in cash, cash equivalents and restricted cash	(13,879)	(24,929)
Cash, cash equivalents and restricted cash at beginning of period	52,141	69,690
Cash, cash equivalents and restricted cash at end of period	$ 38,262	$ 44,761

See accompanying notes to the condensed consolidated financial statements.

INTEVAC, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Description of Business, Basis of Presentation and Significant Accounting Policy

Description of Business

Intevac, Inc. (together with its subsidiaries, "Intevac", the "Company" or "we") is a leader in the design and development of high-productivity, thin-film processing systems. Intevac's production-proven platforms are designed for high-volume manufacturing of substrates with precise thin-film properties, such as for the hard disk drive ("HDD") and advanced coatings ("ADVC") (formerly known as display cover panel ("DCP")) markets.

Principles of Consolidation and Basis of Presentation

The condensed consolidated financial statements include the accounts of Intevac, Inc. and its subsidiaries after elimination of inter-company balances and transactions.

In the opinion of management, the unaudited interim condensed consolidated financial statements of Intevac included herein have been prepared on a basis consistent with the December 30, 2023 audited consolidated financial statements and include all material adjustments, consisting of normal recurring adjustments, necessary to fairly present the information set forth therein.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates.

Reportable Segment

During fiscal 2021, we sold the business of one of our reporting segments, Photonics. Therefore, we have one reportable segment remaining. See Note 2 for additional disclosure related to discontinued operations.

The remaining segment, Thin Film Equipment ("TFE"), designs, develops and markets vacuum process equipment solutions for high-volume manufacturing of small substrates with precise thin-film properties, such as for the HDD and ADVC markets, as well as other adjacent thin-film markets. The TFE segment also previously designed, developed and marketed manufacturing equipment for the photovoltaic ("PV") solar cell and advanced semiconductor packaging ("ASP") industries.

In March 2022, the Company's management realigned its operational focus and eliminated several research and development ("R&D") programs and product offerings. As part of this realignment effort, the Company ceased its efforts to develop and market several of its manufacturing platforms for the ADVC, PV and ASP industries.

Government Grants and Credits

Government assistance is recognized when there is reasonable assurance that the Company will comply with the conditions attached to the grant arrangement and the grant will be received. Reimbursements of eligible expenditures pursuant to government assistance programs are recorded when the related costs have been incurred and there is reasonable assurance regarding collection of the claim. Grant claims not settled by the balance sheet date are recorded as receivables, provided their receipt is reasonably assured. The determination of the amount of the claim, and accordingly the receivable amount, requires management to make calculations based on its interpretation of eligible expenditures in accordance with the terms of the programs. The reimbursement claims submitted by the Company are subject to review by the relevant government agencies.

During the six months ended June 29, 2024, we amended certain fiscal year 2021 payroll tax filings and applied for a refund equal to $2.4 million of Employee Retention Credit ("ERC") benefits from the U.S. government. The refund is recorded within trade and other accounts receivable in our condensed consolidated balance sheet as of June 29, 2024, and as $1.5 million in other income (expense), net and $933,000 in discontinued operations in our condensed consolidated statements of operations for the six months ended June 29, 2024. (See Note 12. Income Taxes.)

INTEVAC, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

2. Divestiture and Discontinued Operations

Sale of Photonics

On December 30, 2021, the Company entered into an asset purchase agreement (the "Purchase Agreement") with EOTECH, LLC ("EOTECH") governing the sale of the Company's Photonics business to EOTECH in exchange for (i) $70.0 million in cash consideration, (ii) up to $30.0 million in earnout payments and (iii) the assumption by EOTECH of certain liabilities of the Photonics business as specified in the Purchase Agreement. The transaction closed on December 30, 2021. Under the Purchase Agreement, EOTECH has also agreed to pay to the Company, if earned, earnout payments of up to an aggregate of $30.0 million based on achievement of fiscal year 2023, 2024 and 2025 Photonics segment revenue targets for the Integrated Visual Augmentation System ("IVAS") program as specified in the Purchase Agreement. As of June 29, 2024, there have been no earnout payments under the Purchase Agreement. At any time prior to December 31, 2024, EOTECH may elect to pay to the Company $14.0 million, which would terminate EOTECH's obligations with respect to any remaining earnout payments. The cash proceeds do not include any estimated future payments from the revenue earnout as the Company has elected to record the proceeds when the consideration is deemed realizable. The Company believes the disposition of the Photonics business will allow it to benefit from a streamlined business model, simplified operating structure, and enhanced management focus.

In connection with the Photonics sale, the Company and EOTECH also entered into a Transition Service Agreement (the "TSA") and a Lease Assignment Agreement. The TSA, which expired on June 30, 2022, outlined the information technology, people, and facility support the parties provided to each other for a period after the closing of the sale. The Lease Assignment Agreement assigns the lease obligation for two buildings in the Company's California campus to EOTECH. As part of the assignment, the Company agreed to subsidize a portion of EOTECH's lease payments through the remainder of the lease term which expired in March 2024. In August 2022, Intevac and EOTECH entered into a Shared Services Agreement (the "Shared Services Agreement") to share certain building maintenance costs.

Fees earned under the Shared Services Agreement for the three and six months ended June 29, 2024 were $37,000 and $73,000, respectively. Fees earned under the Shared Services Agreement for the three and six months ended July 1, 2023 were $39,000 and $65,000, respectively. As of June 29, 2024 and December 30, 2023, accounts receivable from EOTECH of $14,000 and $62,000, respectively, were included in trade and other accounts receivable in the Company's condensed consolidated balance sheets.

Based on its magnitude and because the Company exited certain markets, the sale of the Photonics segment represents a significant strategic shift that has a material effect on the Company's operations and financial results, and the Company has separately reported the results of its Photonics segment as discontinued operations in the condensed consolidated statements of operations for the three and six months ended June 29, 2024 and July 1, 2023.

The key components from discontinued operations related to the Photonics segment are as follows:

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
	(In thousands)			
Selling, general and administrative	$ —	$ (40)	$ (162)	$ (317)
Total operating expenses	—	(40)	(162)	(317)
Operating income (loss) – discontinued operations	—	40	162	317
Other income (expense) – discontinued operations	—	—	933	—
Income from discontinued operations before provision for income taxes	—	40	1,095	317
Provision for income taxes	—	—	—	—
Net income from discontinued operations, net of taxes	$ —	$ 40	$ 1,095	$ 317

The cash flows related to discontinued operations have not been segregated and are included in the condensed consolidated statements of cash flows. The following table presents cash flow and non-cash information related to discontinued operations for the three and six months ended June 29, 2024 and July 1, 2023.

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
	(In thousands)			
Equity-based compensation	$ —	$ —	$ —	$ (260)

INTEVAC, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

3. Revenue

The following tables represent a disaggregation of revenue from contracts with customers for the three and six months ended June 29, 2024 and July 1, 2023.

Major Products and Service Lines

	Three Months Ended June 29, 2024	Three Months Ended July 1, 2023			
		(In thousands)			
	HDD	HDD	PV	ASP	Total
Systems, upgrades and spare parts	$ 13,052	$ 9,351	$ 10	$ 11	$ 9,372
Field service	1,474	929	—	—	929
Total net revenues	$ 14,526	$10,280	$ 10	$ 11	$10,301

	Six Months Ended June 29, 2024	Six Months Ended July 1, 2023			
		(In thousands)			
	HDD	HDD	ADVC	ASP	Total
Systems, upgrades and spare parts	$ 21,170	$19,868	$ 28	$ 11	$19,907
Field service	2,986	1,936	—	—	1,936
Total net revenues	$ 24,156	$21,804	$ 28	$ 11	$21,843

Primary Geographical Markets

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
	(In thousands)			
United States	$ 178	$ 662	$ 660	$ 2,276
Asia	14,348	9,628	23,496	19,556
Europe	—	11	—	11
Total net revenues	$14,526	$10,301	$24,156	$21,843

Timing of Revenue Recognition

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
	(In thousands)			
Products transferred at a point in time	$14,526	$10,301	$24,156	$21,843
Products and services transferred over time	—	—	—	—
Total net revenues	$14,526	$10,301	$24,156	$21,843

The following table reflects the changes in our contract assets, which we classify as accounts receivable, unbilled, and our contract liabilities, which we classify as deferred revenue and customer advances, for the six months ended June 29, 2024:

	June 29, 2024	December 30, 2023	Six Months Change
		(In thousands)	
Contract assets:			
Accounts receivable, unbilled	$ 2,705	$ 393	$ 2,312
Contract liabilities:			
Deferred revenue	$ 915	$ 376	$ 539
Customer advances	23,111	21,889	1,222
	$24,026	$ 22,265	$ 1,761

INTEVAC, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

Accounts receivable, unbilled represents a contract asset for revenue that has been recognized in advance of billing the customer. For our system and certain upgrade sales, our customers generally pay in three installments, with a portion of the system price billed upon receipt of an order, a portion of the price billed upon shipment, and the balance of the price due upon completion of installation and acceptance of the system at the customer's factory. Accounts receivable, unbilled generally represents the balance of the system price that is due upon completion of installation and acceptance, less the amount that has been deferred as revenue for the performance of the installation tasks. During the six months ended June 29, 2024, contract assets increased by $2.3 million primarily due to the accrual of revenue related to the sale of upgrades and spare parts sold to a customer as of June 29, 2024.

Customer advances generally represent a contract liability for amounts billed to the customer prior to transferring goods. The Company has elected to use the practical expedient to disregard the effect of the time value of money in a significant financing component when its payment terms are less than one year. These customer advances are liquidated when revenue is recognized. Deferred revenue generally represents a contract liability for amounts billed to a customer for completed systems at the customer site that are undergoing installation and acceptance testing where transfer of control has not yet occurred as Intevac does not yet have a demonstrated history of meeting the acceptance criteria upon the customer's receipt of product. During the six months ended June 29, 2024, we recognized revenue of $1.8 million and $98,000 that was included in customer advances and deferred revenue, respectively, at the beginning of the period.

In May 2023, the Company received notice of the cancellation of a $54.6 million order for eight 200 Lean HDD systems due to the customer postponing previously planned media capacity additions, and, accordingly, the Company removed the order from backlog. The customer contract associated with the cancelled order requires the customer to pay the Company a prorated price based upon the percentage of work completed on the order. The Company has received customer advances in the amount of $19.1 million associated with the cancelled order, all of which will be utilized to settle this customer obligation. In September 2023, the Company applied $444,000 of billings against these advances in connection with inventory scrapped at the customer's direction. In December 2023, the Company received notice of the cancellation of a $11.4 million order for two 200 Lean HDD systems due to the customer postponing previously planned media capacity additions, and, accordingly, the Company removed the order from backlog. The Company has not received any customer advances associated with the cancelled order.

On June 29, 2024, we had $42.5 million of remaining performance obligations, which we also refer to as total backlog. We expect to recognize approximately 48.4% of our remaining performance obligations as revenue in 2024 and 51.6% in 2025.

4. Inventories

Inventories are stated at the lower of average cost or net realizable value and consist of the following:

	June 29, 2024	December 30, 2023
	(In thousands)	
Raw materials	$34,929	$ 37,346
Work-in-progress	7,148	6,449
Finished goods	3,484	—
	$45,561	$ 43,795

Finished goods inventory at June 29, 2024 is primarily comprised of a Trio system undergoing evaluation at a customer location.

In May 2023, the Company received notice of the cancellation of a $54.6 million order for eight 200 Lean HDD systems. In December 2023, the Company received notice of the cancellation of a $11.4 million order for two 200 Lean HDD systems. The customer contract associated with the cancelled orders requires the customer to pay the Company a prorated price based upon the percentage of work completed on the order. The Company has received customer advances in the amount of $19.1 million associated with the cancelled order for eight 200 Lean HDD systems, all of which will be utilized to settle this customer obligation. The Company has not received any customer advances associated with the cancelled order for two 200 Lean HDD systems. In fiscal 2024, as part of the cancellation of the orders for the ten 200 Lean HDD systems, the customer is expected to take delivery of $12.3 million of inventory on hand at June 29, 2024 and approximately $3.3 million of inventory on order, plus reimburse us for any supplier cancellation charges and the costs associated with managing the inventory. A portion of the inventory will be utilized to satisfy other outstanding purchase orders from this customer in backlog.

INTEVAC, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

5. Equity-Based Compensation

At June 29, 2024, Intevac had equity-based awards outstanding under the 2020 Equity Incentive Plan, the 2012 Equity Incentive Plan, the 2022 Inducement Equity Incentive Plan (the "Inducement Plan") (together, the "Plans") and the 2003 Employee Stock Purchase Plan (the "ESPP"). Intevac's stockholders approved the 2020 Equity Incentive Plan, the 2012 Equity Incentive Plan and the ESPP. The Plans permit the grant of incentive or non-statutory stock options, performance-based stock options ("PSOs"), restricted stock, stock appreciation rights, restricted stock units ("RSUs"), performance-based restricted stock units ("PRSUs") and performance shares.

On January 19, 2022, Intevac's Board of Directors (the "Board") adopted the Inducement Plan and, subject to the adjustment provisions of the Inducement Plan, reserved 1,200,000 shares of the Company's common stock for issuance pursuant to equity awards granted under the Inducement Plan. On July 1, 2024, the Board amended the Inducement Plan to increase the shares of common stock reserved for issuance thereunder by 600,000 shares. The Inducement Plan provides for the grant of equity-based awards, including nonstatutory stock options, restricted stock units, restricted stock, stock appreciation rights, performance shares and performance units, and its terms are substantially similar to the Company's 2020 Equity Incentive Plan. The Inducement Plan was adopted without stockholder approval pursuant to Rule 5635(c)(4) of the Nasdaq Listing Rules. In accordance with that rule, awards under the Inducement Plan may only be made to individuals not previously employees or non-employee directors of the Company (or following such individuals' bona fide period of non-employment with the Company), as an inducement material to the individuals' entry into employment with the Company.

The ESPP provides that eligible employees may purchase Intevac's common stock through payroll deductions at a price equal to 85% of the lower of the fair market value at the entry date of the applicable offering period or at the end of each applicable purchase interval. Offering periods are generally two years in length and consist of a series of six-month purchase intervals. Eligible employees may join the ESPP at the beginning of any six-month purchase interval. Under the terms of the ESPP, employees can choose to have up to 50% of their base earnings withheld to purchase Intevac common stock (not to exceed $25,000 per year).

Compensation Expense

The effect of recording equity-based compensation for the three and six months ended June 29, 2024 and July 1, 2023 was as follows:

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
	(In thousands)			
Equity-based compensation by type of award:				
Stock options	$ 8	$ 2	$ 8	$ (11)
RSUs	589	756	1,122	1,355
PRSUs	419	534	510	1,332
ESPP purchase rights	129	203	266	400
Total equity-based compensation	$ 1,145	$ 1,495	$1,906	$3,076

Included in the table above are:

(a) Equity-based compensation reported in discontinued operations of ($260,000) for the six months ended July 1, 2023. (See Note 2. Divestiture and Discontinued Operations.)

Stock Options and ESPP

The fair value of stock options and ESPP awards is estimated at the grant date using the Black-Scholes option valuation model. The determination of the fair value of stock options and ESPP awards on the date of grant using an option-pricing model is affected by Intevac's stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, our expected stock price volatility over the term of the awards, and actual employee stock option exercise behavior. Intevac accounts for forfeitures as they occur, rather than estimating expected forfeitures.

INTEVAC, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

Intevac estimated the weighted-average fair value of stock options using the following weighted-average assumptions:

	Three and Six Months Ended June 29, 2024
Weighted-average fair value of grants per share	$ 1.61
Expected volatility	49.13%
Risk-free interest rate	4.58%
Expected term (in years)	3.43
Dividend yield	None

Option activity as of June 29, 2024 and changes during the six months ended June 29, 2024 were as follows:

	Shares	Weighted-Average Exercise Price
Options outstanding at December 30, 2023	142,000	$ 6.57
Options granted	41,200	$ 4.00
Options cancelled and forfeited	(31,000)	$ 11.43
Options outstanding at June 29, 2024	152,200	$ 4.89
Options exercisable at June 29, 2024	111,000	$ 5.22

Intevac issued 153,595 shares of common stock under the ESPP during the six months ended June 29, 2024.

Intevac estimated the weighted-average fair value of ESPP purchase rights using the following weighted-average assumptions:

	Six Months Ended	
	June 29, 2024	July 1, 2023
ESPP Purchase Rights:		
Weighted-average fair value of grants per share	$ 1.41	$ 2.23
Expected volatility	47.81%	34.20%
Risk-free interest rate	4.52%	4.47%
Expected term of purchase rights (in years)	1.0	1.0
Dividend yield	None	None

The computation of the expected volatility assumptions used in the Black-Scholes calculations for ESPP purchase rights is based on the historical volatility of Intevac's stock price, measured over a period equal to the expected term of the purchase right. The risk-free interest rate is based on the yield available on U.S. Treasury Strips with an equivalent remaining term. The expected term of purchase rights represents the period of time remaining in the current offering period. The dividend yield assumption is based on Intevac's history of not paying dividends and the assumption of not paying dividends in the future.

RSUs

RSU activity as of June 29, 2024 and changes during the six months ended June 29, 2024 were as follows:

	Shares	Weighted-Average Grant Date Fair Value
Non-vested RSUs at December 30, 2023	915,087	$ 4.89
Granted	420,496	$ 3.92
Vested	(289,053)	$ 5.21
Cancelled and forfeited	(8,654)	$ 5.62
Non-vested RSUs at June 29, 2024	1,037,876	$ 4.40

INTEVAC, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
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Time-based RSUs are converted into shares of Intevac common stock upon vesting on a one-for-one basis. Time-based RSUs typically are scheduled to vest over three or four years. Time-based RSUs granted in May 2022 or later generally vest over a three-year period, with 33% vesting at the end of one year and the remaining vesting quarterly thereafter. Vesting of time-based RSUs is subject to the grantee's continued service with Intevac. The compensation expense related to these awards is determined using the fair market value of Intevac common stock on the date of the grant, and the compensation expense is recognized over the vesting period.

PRSUs

PRSU activity as of June 29, 2024 and changes during the six months ended June 29, 2024 were as follows:

	Shares	Weighted-Average Grant Date Fair Value
Non-vested PRSUs at December 30, 2023	1,160,293	$ 4.04
Granted	678,000	$ 3.88
Non-vested PRSUs at June 29, 2024	1,838,293	$ 3.98

In June 2024, we granted to members of our senior management awards of performance-based restricted stock units (the "2024 PRSU Awards") covering an aggregate of 339,000 shares of Intevac common stock at target performance and 678,000 shares at maximum performance. The 2024 PRSU Awards are eligible to be earned based on achievement of (i) a cumulative number of TRIO units shipped and the satisfaction of an operating profit requirement, both measured during a three-year performance period commencing on June 20, 2024 and ending on December 26, 2026 (the last day of our 2026 fiscal year) (the "TRIO Unit Award"), or (ii) an operating profit percentage, measured during a one-year performance period commencing on December 28, 2025 and ending on December 26, 2026, and satisfaction of a TRIO units shipped requirement as of December 26, 2026 (the "OPP Award"), with 50% of the target number of the 2024 PRSU Awards allocated to each of the TRIO Unit Award and the OPP Award. The number of shares that can be earned under the TRIO Unit Award will be 0%, 50%, 100% or 200% of the target number of shares, and the number of shares that can be earned under the OPP Award will range from 0% to 200% of the target number of shares. If a performance goal is not achieved within the applicable performance period, the corresponding PRSUs will not vest, and all unvested PRSUs at the end of the applicable performance period will immediately be forfeited. Stock compensation expense is recorded based on the probability of achievement of the performance conditions specified in the agreement governing the applicable 2024 PRSU Award.

In May 2023, we granted to members of our senior management awards of performance-based restricted stock units (the "2023 PRSU Awards") covering an aggregate of 525,656 shares of Intevac common stock (at maximum performance). The 2023 PRSU Awards are eligible to be earned based on achievement of five strategic goals during a three-year performance period commencing on May 18, 2023 and ending on May 31, 2026 (the "2023 Performance Period"). The 2023 PRSU Awards will vest, if at all, in five possible tranches. Each of the five tranches will vest only if the applicable strategic goal is achieved within the 2023 Performance Period, and each tranche may only be achieved once during the 2023 Performance Period. If a strategic goal is not achieved within the 2023 Performance Period, the corresponding PRSUs will not vest, and all unvested PRSUs at the end of the 2023 Performance Period will immediately be forfeited. Stock compensation expense is recorded based on the probability of achievement of the performance conditions specified in the PRSU grant.

The Company evaluated the performance and strategic goals under the 2024 PRSU Awards and 2023 PRSU Awards in the context of the Company's long-range financial plan and product development roadmap and determined the probability of achieving each goal for accounting purposes commencing in the quarter awards were granted. Management expectations related to the achievement of performance goals associated with PRSUs with performance conditions are assessed regularly to determine whether such grants are expected to vest. The fair value of each PRSU is the Company's stock price on the date of grant. Over the applicable performance period, the number of shares expected to be issued may be adjusted upward or downward based upon the probability of achievement of the performance conditions.

6. Warranty

Intevac provides for the estimated cost of warranty when revenue is recognized. Intevac's warranty is subject to contract terms and, for its systems, the warranty typically ranges between 12 and 24 months from customer acceptance. During this warranty period any defective non-consumable parts are replaced and installed at no charge to the customer. Intevac uses estimated repair or replacement costs along with its historical warranty experience to determine its warranty obligation. The provision for the estimated future costs of warranty is based upon historical cost and product performance experience. Intevac exercises judgment in determining the underlying estimates.

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On the condensed consolidated balance sheets, the short-term portion of the warranty provision is included in other accrued liabilities, while the long-term portion, if any, is included in other long-term liabilities. The expense associated with product warranties issued or adjusted is included in cost of net revenues on the condensed consolidated statements of operations.

The following table displays the activity in the warranty provision account for the three and six months ended June 29, 2024 and July 1, 2023.

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
	(In thousands)			
Opening balance	$ 159	$ 177	$ 205	$ 163
Expenditures incurred under warranties	2	(67)	(34)	(165)
Accruals for product warranties issued during the reporting period	63	72	101	172
Adjustments to previously existing warranty accruals	(38)	(1)	(86)	11
Closing balance	$ 186	$ 181	$ 186	$ 181

The following table displays the balance sheet classification of the warranty provision account at June 29, 2024 and at December 30, 2023.

	June 29 2024	December 30 2023
	(In thousands)	
Other accrued liabilities	$ 179	$ 184
Other long-term liabilities	7	21
Total warranty provision	$ 186	$ 205

7. Guarantees

Officer and Director Indemnifications

As permitted or required under Delaware law and to the maximum extent allowable under that law, Intevac has certain obligations to indemnify its current and former officers and directors for certain events or occurrences while the officer or director is, or was, serving at Intevac's request in such capacity. These indemnification obligations are valid as long as the director or officer acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The maximum potential amount of future payments Intevac could be required to make under these indemnification obligations is unlimited; however, Intevac has a director and officer insurance policy that mitigates Intevac's exposure and enables Intevac to recover a portion of any future amounts paid. As a result of Intevac's insurance policy coverage, Intevac believes the estimated fair value of these indemnification obligations is not material.

Other Indemnifications

As is customary in Intevac's industry, many of Intevac's contracts provide remedies to certain third parties such as defense, settlement, or payment of judgments for intellectual property claims related to the use of its products. Such indemnification obligations may not be subject to maximum loss clauses. Historically, payments made related to these indemnifications have been immaterial.

Letters of Credit

As of June 29, 2024, we had letters of credit and bank guarantees outstanding totaling $700,000, including the standby letter of credit outstanding under the Santa Clara, California facility lease and various other guarantees with our bank. These letters of credit and bank guarantees are collateralized by $700,000 of restricted cash.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
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8. Cash, Cash Equivalents and Investments

Cash and cash equivalents, short-term investments and long-term investments consist of:

	June 29, 2024			
	Amortized Cost	Unrealized Holding Gains	Unrealized Holding Losses	Fair Value
	(In thousands)			
Cash and cash equivalents:				
Cash	$ 10,256	$ —	$ —	$ 10,256
Money market funds	8,957	—	—	8,957
Commercial paper	15,173	—	4	15,169
Municipal bonds	190	—	—	190
U.S. treasury securities	2,989	1	—	2,990
Total cash and cash equivalents	$ 37,565	$ 1	$ 4	$ 37,562
Short-term investments:				
Certificates of deposit	$ 2,210	$ 1	$ —	$ 2,211
Commercial paper	10,802	2	3	10,801
Corporate bonds and medium-term notes	3,022	3	5	3,020
U.S. treasury and agency securities	11,187	2	—	11,189
Total short-term investments	$ 27,221	$ 8	$ 8	$ 27,221
Long-term investments:				
Asset backed securities	$ 93	$ —	$ 1	$ 92
Certificates of deposit	250	—	—	250
Corporate bonds and medium-term notes	3,677	—	1	3,676
U.S. treasury and agency securities	902	—	1	901
Total long-term investments	$ 4,922	$ —	$ 3	$ 4,919
Total cash, cash equivalents, and investments	$ 69,708	$ 9	$ 15	$ 69,702

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	December 30, 2023			
	Amortized Cost	Unrealized Holding Gains	Unrealized Holding Losses	Fair Value
	(In thousands)			
Cash and cash equivalents:				
Cash	$ 19,050	$ —	$ —	$ 19,050
Money market funds	15,090	—	—	15,090
Commercial paper	14,659	—	4	14,655
U.S. treasury securities	2,646	—	—	2,646
Total cash and cash equivalents	$ 51,445	$ —	$ 4	$ 51,441
Short-term investments:				
Asset backed securities	$ 12	$ —	$ —	$ 12
Certificates of deposit	1,850	—	—	1,850
Commercial paper	3,506	—	1	3,505
Corporate bonds and medium-term notes	5,373	—	36	5,337
Municipal bonds	221	—	2	219
U.S. treasury and agency securities	6,498	1	17	6,482
Total short-term investments	$ 17,460	$ 1	$ 56	$ 17,405
Long-term investments:				
Asset backed securities	$ 460	$ —	$ 4	$ 456
Corporate bonds and medium-term notes	2,230	1	—	2,231
Total long-term investments	$ 2,690	$ 1	$ 4	$ 2,687
Total cash, cash equivalents, and investments	$ 71,595	$ 2	$ 64	$ 71,533

The contractual maturities of investment securities at June 29, 2024 are presented in the following table.

	Amortized Cost	Fair Value
	(In thousands)	
Due in one year or less	$ 54,530	$ 54,527
Due after one through five years	4,922	4,919
	$ 59,452	$ 59,446

We periodically review investments for impairment. For investments in unrealized loss positions, we assess whether any portion of the decline in fair value below the amortized cost basis is due to credit-related factors if the Company neither intends to sell nor anticipates that it is more likely than not that we will be required to sell prior to recovery of the amortized cost basis. We consider factors such as the extent to which the market value has been less than the amortized cost basis, any noted failure of the issuer to make scheduled interest or principal payments, changes to the rating of the security by a rating agency and other relevant credit-related factors in determining whether or not a credit loss exists. We reassess our estimated credit losses on investments each reporting period. U.S. government securities and cash equivalents are under a “zero-loss exception” for credit losses, meaning no credit loss risk calculation is necessary on those instruments due to the exceptionally low rate of default, which continues to decrease as the securities approach maturity. We record changes in the allowance for credit losses for available-for-sale debt securities with a corresponding adjustment in credit loss expense on the consolidated statement of operations. No reversal of a previously recorded allowance for credit losses may be made to an amount below zero. The total allowance for credit losses was $0 at both June 29, 2024 and December 30, 2023.

Our investment portfolio includes both corporate and U.S. government securities that have a maximum maturity of two years. The longer the duration of these securities, the more susceptible they are to changes in market interest rates and bond yields. As yields increase, those securities with a lower yield-at-cost show a mark-to-market unrealized loss. Most of our unrealized losses are due to changes in market interest rates and bond yields.

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We believe that we have the ability to realize the full value of all these investments upon maturity. As of June 29, 2024, we had 99 investments in a gross unrealized loss position. The following table provides the fair market value of Intevac's investments with unrealized losses that are not deemed to be other-than temporarily impaired as of June 29, 2024

	June 29, 2024			
	In Loss Position for Less than 12 Months		In Loss Position for Greater than 12 Months	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In thousands)			
Asset-backed securities	$ —	$ —	$ 92	$ 1
Commercial paper	23,827	7	—	—
Corporate bonds and medium-term notes	4,399	6	—	—
U.S. treasury securities	1,380	1	—	—
	$ 29,606	$ 14	$ 92	$ 1

All prices for the fixed maturity securities including U.S. treasury and agency securities, certificates of deposit, commercial paper, corporate bonds, asset-backed securities and municipal bonds are received from independent pricing services utilized by Intevac's outside investment manager. This investment manager performs a review of the pricing methodologies and inputs utilized by the independent pricing services for each asset type priced by the vendor. In addition, on at least an annual basis, the investment manager conducts due diligence visits and interviews with each pricing vendor to verify the inputs utilized for each asset class. The due diligence visits include a review of the procedures performed by each vendor to ensure that pricing evaluations are representative of the price that would be received if a security were sold in an orderly transaction. Any pricing where the input is based solely on a broker price is deemed to be a Level 3 price. Intevac uses the pricing data obtained from its outside investment manager as the primary input to make its assessments and determinations as to the ultimate valuation of the above-mentioned securities and has not made, during the periods presented, any material adjustments to such inputs.

The following table represents the fair value hierarchy of Intevac's investment securities measured at fair value on a recurring basis as of June 29, 2024.

	Fair Value Measurements at June 29, 2024		
	Total	Level 1	Level 2
	(In thousands)		
Recurring fair value measurements:			
Investment securities			
Money market funds	$ 8,957	$ 8,957	$ —
U.S. treasury and agency securities	15,080	15,080	—
Asset-backed securities	92	—	92
Certificates of deposit	2,461	—	2,461
Commercial paper	25,970	—	25,970
Corporate bonds and medium-term notes	6,696	—	6,696
Municipal bonds	190	—	190
Total recurring fair value measurements	$59,446	$24,037	$35,409

9. Derivative Instruments

The Company uses foreign currency forward contracts to mitigate variability in gains and losses generated from the re-measurement of certain monetary assets and liabilities denominated in foreign currencies and to offset certain operational exposures from the impact of changes in foreign currency exchange rates. These derivatives are carried at fair value with changes recorded in interest income and other income (expense), net in the

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condensed consolidated statements of operations. Changes in the fair value of these derivatives are largely offset by re-measurement of the underlying assets and liabilities. Cash flows from such derivatives are classified as operating activities. The derivatives have maturities of approximately 30 days. There were no outstanding derivatives at June 29, 2024 and December 30, 2023.

10. Equity

Stock Repurchase Program

On November 21, 2013, Intevac announced that its Board of Directors approved a stock repurchase program authorizing up to $30.0 million in repurchases. On August 20, 2018, Intevac announced that its Board of Directors approved a $10.0 million increase to the original stock repurchase program for an aggregate authorized amount of up to $40.0 million. At June 29, 2024, $10.4 million remains available for future stock repurchases under the repurchase program. Intevac did not make any common stock repurchases during the three and six months ended June 29, 2024 and July 1, 2023.

Condensed Consolidated Statement of Changes in Equity

The changes in stockholders' equity by component for the three and six months ended June 29, 2024 and July 1, 2023, are as follows (in thousands):

	Three Months Ended June 29, 2024				
	Common Stock and Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
Balance at March 30, 2024	$211,425	$(29,551)	$ 30	$ (66,981)	$ 114,923
Shares withheld for net share settlement of RSUs	(228)	—	—	—	(228)
Equity-based compensation expense	1,145	—	—	—	1,145
Net loss	—	—	—	(3,263)	(3,263)
Other comprehensive income	—	—	12	—	12
Balance at June 29, 2024	$212,342	$(29,551)	$ 42	$ (70,244)	$ 112,589

	Six Months Ended June 29, 2024				
	Common Stock and Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
Balance at December 30, 2023	$210,346	$(29,551)	$ 97	$ (65,375)	$ 115,517
Common stock issued under employee plans	462	—	—	—	462
Shares withheld for net share settlement of RSUs	(372)	—	—	—	(372)
Equity-based compensation expense	1,906	—	—	—	1,906
Net loss	—	—	—	(4,869)	(4,869)
Other comprehensive loss	—	—	(55)	—	(55)
Balance at June 29, 2024	$212,342	$(29,551)	$ 42	$ (70,244)	$ 112,589

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	Three Months Ended July 1, 2023				
	Common Stock and Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
Balance at April 1, 2023	$207,489	$(29,551)	$ (14)	$ (57,076)	$ 120,848
Common stock issued under employee plans	3	—	—	—	3
Shares withheld for net share settlement of RSUs	(289)	—	—	—	(289)
Equity-based compensation expense	1,495	—	—	—	1,495
Net loss	—	—	—	(4,878)	(4,878)
Other comprehensive loss	—	—	(176)	—	(176)
Balance at July 1, 2023	$208,698	$(29,551)	$ (190)	$ (61,954)	$ 117,003

	Six Months Ended July 1, 2023				
	Common Stock and Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
Balance at December 31, 2022	$206,381	$(29,551)	$ (193)	$ (53,185)	$ 123,452
Common stock issued under employee plans	804	—	—	—	804
Shares withheld for net share settlement of RSUs	(1,563)	—	—	—	(1,563)
Equity-based compensation expense	3,076	—	—	—	3,076
Net loss	—	—	—	(8,769)	(8,769)
Other comprehensive loss	—	—	3	—	3
Balance at July 1, 2023	$208,698	$(29,551)	$ (190)	$ (61,954)	$ 117,003

Accumulated Other Comprehensive Income (Loss)

The changes in accumulated other comprehensive income (loss) by component for the three and six months ended June 29, 2024, and July 1, 2023, are as follows:

	Three Months Ended June 29, 2024			Six Months Ended June 29, 2024		
	Foreign currency	Unrealized holding gains (losses) on available-for-sale investments	Total	Foreign currency	Unrealized holding gains (losses) on available-for-sale investments	Total
	(In thousands)					
Beginning balance	$ 63	$ (33)	$ 30	$ 159	$ (62)	$ 97
Other comprehensive income (loss) before reclassification	(15)	27	12	(111)	56	(55)
Amounts reclassified from other comprehensive income (loss)	—	—	—	—	—	—
Net current-period other comprehensive income (loss)	(15)	27	12	(111)	56	(55)
Ending balance	$ 48	$ (6)	$ 42	$ 48	$ (6)	$ 42

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	Three Months Ended July 1, 2023			Six Months Ended July 1, 2023		
	Foreign currency	Unrealized holding gains (losses) on available-for-sale investments	Total	Foreign currency	Unrealized holding gains (losses) on available-for-sale investments	Total
	(In thousands)					
Beginning balance	$ 301	$ (315)	$ (14)	$ 291	$ (484)	$(193)
Other comprehensive income (loss) before reclassification	(229)	53	(176)	(219)	222	3
Amounts reclassified from other comprehensive income (loss)	—	—	—	—	—	—
Net current-period other comprehensive income (loss)	(229)	53	(176)	(219)	222	3
Ending balance	$ 72	$ (262)	$(190)	$ 72	$ (262)	$(190)

11. Net Loss Per Share

The following table sets forth the computation of basic and diluted net loss per share:

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
	(In thousands, except per share amounts)			
Net loss from continuing operations	$ (3,263)	$ (4,918)	$ (5,964)	$ (9,086)
Net income from discontinued operations	$ —	$ 40	$ 1,095	$ 317
Net loss	$ (3,263)	$ (4,878)	$ (4,869)	$ (8,769)
Weighted-average shares – basic	26,668	26,032	26,595	25,907
Effect of dilutive potential common shares	—	—	—	—
Weighted-average shares – diluted	26,668	26,032	26,595	25,907
Basic and diluted net income (loss) per share:				
Continuing operations	$ (0.12)	$ (0.19)	$ (0.22)	$ (0.35)
Discontinued operations	$ 0.00	$ 0.00	$ 0.04	$ 0.01
Net loss per share	$ (0.12)	$ (0.19)	$ (0.18)	$ (0.34)

As the Company is in a net loss position, all of the Company's equity instruments are considered antidilutive.

12. Income Taxes

Intevac recorded income tax provisions of $751,000 and $1.2 million for the three and six months ended June 29, 2024, respectively, and income tax provisions of $116,000 and $502,000 for the three and six months ended July 1, 2023, respectively. The income tax provisions for the three and six month periods are based upon estimates of annual income (loss), annual permanent differences and statutory tax rates in the various jurisdictions in which Intevac operates. For the three and six months ended June 29, 2024, Intevac recorded income tax provisions on income of its international subsidiaries of $512,000 and $856,000, respectively, and recorded $236,000 and $371,000, respectively, for withholding taxes on royalties paid to the United States from Intevac's Singapore subsidiary as discrete items. For the three months ended July 1, 2023, Intevac recorded a $44,000 income tax benefit on losses of its international subsidiaries and recorded $158,000 for withholding taxes on royalties paid to the United States from Intevac's Singapore subsidiary as a discrete item. For the six months ended July 1, 2023, Intevac recorded a $180,000 income tax provision on income of its international subsidiaries and recorded $320,000 for withholding taxes on royalties paid to the United States from Intevac's Singapore subsidiary as a discrete item. Intevac's tax rate differs from the applicable statutory rates due primarily to establishment of a valuation allowance, the utilization of deferred and current credits and the effect of permanent differences and adjustments of prior permanent differences. Intevac's future effective income tax rate depends on various factors, including the level of Intevac's projected earnings, the geographic composition of worldwide earnings, tax regulations governing each region, net operating loss carry-forwards, availability of tax credits and the effectiveness of Intevac's tax planning strategies. Management carefully monitors these factors and timely adjusts the effective income tax rate.

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Under the Coronavirus Aid, Relief, and Economic Security Act of 2021 (the "CARES Act"), as modified and clarified by the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021, the Company was eligible for an Employee Retention Credit ("ERC") subject to certain criteria. The ERC is a payroll tax refund per employee, which was designed by the U.S. Treasury Department to assist businesses that retained employees during the COVID pandemic. During the six months ended June 29, 2024, we amended certain fiscal year 2021 payroll tax filings and applied for a refund equal to $2.4 million of ERC benefits. The refund is recorded within trade and other accounts receivable in our condensed consolidated balance sheet as of June 29, 2024, and as $1.5 million in other income (expense), net and $933,000 in discontinued operations in our condensed consolidated statements of operations for the six months ended June 29, 2024.

13. Restructuring and Other Costs, Net

During the fourth quarter of fiscal 2021, the Company recorded asset impairment and restructuring charges associated with the sale of the Photonics division including $665,000 in accruals for common area charges associated with an unused space commitment to EOTECH. In consideration of EOTECH's assumption of certain lease obligations related to the Company's Santa Clara, California campus, which assumed lease obligations pertain in part to excess space beyond that required by EOTECH's anticipated operation of the Photonics division, the Company agreed to pay EOTECH the amount of $2.1 million, which was payable in (i) one initial installment of $308,000 on January 10, 2022 and (ii) seven equal quarterly installments of $259,000. The final installment was paid on October 9, 2023.

The changes in restructuring reserves, which resulted from cash-based severance payments and other employee-related costs and other exit costs associated with the Photonics divestiture for the three and six months ended July 1, 2023 were as follows.

	Other Exit Costs (In thousands)
Balance at December 31, 2022	$ 318
Provision for restructuring charges associated with Photonics divestiture	3
Cash payments made	(81)
Balance at April 1, 2023	$ 240
Provision for restructuring charges associated with Photonics divestiture	2
Cash payments made	(80)
Balance at July 1, 2023	$ 162

14. Acquisition of Hia, Inc.

On August 26, 2022 (the "Closing Date"), the Company completed the acquisition of Hia, Inc., a supplier of magnetic bars, to bring the manufacturing of these magnetic bars in-house and to protect our technology and product quality while continuing to improve our products. Pursuant to the Stock Purchase Agreement, dated August 26, 2022, between the Company, Hia and the other parties thereto, the Company paid an aggregate purchase price of $700,000 to Hia's stockholders on the Closing Date. Further contingent consideration will consist of amounts payable upon achievement of certain development and commercialization milestones, which consideration is estimated to be up to $500,000. The first milestone was achieved and contingent consideration in the amount of $250,000 was paid on January 17, 2023 and was accrued in the fourth quarter of 2022. The Company is also obligated to pay a royalty of $1,500 for each magnetic bar sold through December 31, 2030. If at any time prior to December 31, 2030, the Company effects a change of control or a sale, license, transfer or other disposition to a third party (other than an affiliate of Intevac) of all or substantially all of the assets or rights associated with the magnetic bars, then, upon the closing of such transaction, a payment of $1.7 million (minus any royalty payments previously paid) will immediately become due and payable, which payment shall fulfill the Company's royalty obligations. Transaction costs incurred in connection with the Hia acquisition totaled $63,000, which are included as a component of the purchase price paid in connection with the Hia acquisition.

The Company determined this transaction represented an asset acquisition as substantially all of the value was in the technology intangible assets of Hia. Contingent consideration is not recorded in an asset acquisition until the contingency is resolved (when the contingent consideration is paid or

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becomes payable) or when probable and reasonably estimable. The first milestone was achieved and contingent consideration in the amount of $250,000 was paid on January 17, 2023. The technology intangible assets are being amortized on a straight-line basis over a period of 8.3 years. Total amortization expense during the three and six months ended June 29, 2024 was $34,000 and $68,000, respectively. Total amortization expense during the three and six months ended July 1, 2023 was $34,000 and $68,000, respectively. Annual amortization expense related to the acquired technology intangible assets in each of the succeeding years is estimated to be approximately $68,000 for the remainder of fiscal 2024 and approximately $136,000 per year from fiscal 2025 through fiscal 2030.

The following table represents the carrying amount of the Hia technology intangible assets at June 29, 2024 and December 30, 2023 (in thousands):

	June 29, 2024	December 30, 2023
	(In thousands)	
Gross carrying amount	$ 1,132	$ 1,132
Accumulated amortization	(247)	(178)
Net carrying amount	$ 885	$ 954

15. Commitments and Contingencies

From time to time, Intevac may have certain contingent liabilities that arise in the ordinary course of its business activities. Intevac accounts for contingent liabilities when it is probable that future expenditures will be made and such expenditures can be reasonably estimated.

Legal Matters

From time to time, Intevac receives notification from third parties, including customers and suppliers, seeking indemnification, litigation support, payment of money or other actions in connection with claims made against them. In addition, from time to time, Intevac receives notification from third parties claiming that Intevac may be or is infringing their intellectual property or other rights. Intevac also is subject to various other legal proceedings and claims, both asserted and unasserted, that arise in the ordinary course of business. Although the outcome of these claims and proceedings cannot be predicted with certainty, Intevac does not believe that any existing proceedings or claims will have a material adverse effect on its consolidated financial condition or results of operations.

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

This Quarterly Report on Form 10-Q contains forward-looking statements, which involve risks and uncertainties. Words such as "believes," "expects," "anticipates" and the like indicate forward-looking statements. These forward-looking statements include comments related to Intevac's shipments, projected revenue recognition, product costs, gross margin, operating expenses, interest income, income taxes, cash balances and financial results in 2024 and beyond; projected customer requirements for Intevac's new and existing products, and when, and if, Intevac's customers will place orders for these products; the timing of delivery and/or acceptance of the systems and products that comprise Intevac's backlog for revenue and the Company's ability to achieve cost savings. Intevac's actual results may differ materially from the results discussed in the forward-looking statements for a variety of reasons, including those set forth under "Risk Factors" and in other documents we file from time to time with the Securities and Exchange Commission, including our Annual Report on Form 10-K filed on February 15, 2024, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K.

Intevac's trademarks include the following: "200 Lean®," and "INTEVAC TRIO™."

Overview

Intevac is a leading provider of thin-film process technology and manufacturing platforms for high-volume manufacturing environments. With over 30 years of leadership in designing, developing, and manufacturing high-productivity, thin-film processing systems, the Company leverages its technology and know-how to provide process manufacturing equipment solutions to the hard disk drive ("HDD") and advanced coatings ("ADVC") markets (formerly known as the display cover panel ("DCP") market). Intevac's customers include HDD and DCP manufacturers. Intevac operates in a single segment: Thin-film Equipment ("TFE"). Product development and manufacturing activities occur in North America and Asia. Intevac also has field offices in Asia to support its customers. Intevac's products are highly technical and are sold primarily through Intevac's direct sales force.

Intevac's results of operations are driven by a number of factors including success in its equipment growth initiatives in the ADVC market and by worldwide demand for HDDs. Demand for HDDs depends on the growth in digital data creation and storage, the rate of areal density improvements, and the end-user demand for personal computers ("PCs"), enterprise data storage, nearline "cloud" applications, video players and video game consoles that include such drives. Intevac continues to execute its strategy of diversification beyond the HDD industry by focusing on the Company's ability to provide proprietary tools to enhance scratch protection and durability for the ADVC market and by working to develop the next generation of high volume ADVC manufacturing equipment. Intevac believes that its renewed focus on the ADVC market will result in incremental equipment revenues for Intevac and decrease Intevac's dependence on the HDD industry. Intevac's equipment business is subject to cyclical industry conditions, as demand for manufacturing equipment and services can change depending on supply and demand for HDDs and cell phones, as well as other factors such as global economic conditions and technological advances in fabrication processes.

In December 2021, the Company sold its Photonics business. As a result of the disposition, the results of operations from the Photonics reporting segment are reported as "Net income from discontinued operations, net of taxes" in the condensed consolidated financial statements in Item 1 of this Quarterly Report on Form 10-Q.

In March 2022, the Company realigned its operational focus and eliminated several research and development ("R&D") programs and product offerings for the ADVC, photovoltaic solar cell and advanced semiconductor packaging industries and instead started a focused effort to develop TRIO™, a modular platform that can be configured to handle a variety of form factors, including two-dimensional and three-dimensional shapes and both small and large surface area substrates.

In December 2022, the Company entered a joint development agreement (the "JDA") with Corning Incorporated ("Corning"), a major provider of glass and glass ceramic materials, for the development of TRIO for consumer device applications. In December 2023, the Company successfully completed the qualification of its first TRIO system with Corning. On December 31, 2023, the JDA expired by its terms. Intevac expects to continue to develop additional customer relationships for TRIO for other glass coating applications.

The following table presents certain significant measurements for the three and six months ended June 29, 2024 and July 1, 2023:

	Three Months Ended			Six Months Ended		
	June 29, 2024	July 1, 2023	Change over prior period	June 29, 2024	July 1, 2023	Change over prior period
	(In thousands, except percentages and per share amounts)					
Net revenues	$14,526	$10,301	$ 4,225	$24,156	$21,843	$ 2,313
Gross profit	$ 5,548	$ 2,570	$ 2,978	$ 9,752	$ 7,289	$ 2,463
Gross margin percent	38.2%	24.9%	13.3 points	40.4%	33.4%	7.0 points
Loss from operations	$ (3,271)	$ (5,452)	$ 2,181	$ (7,716)	$ (9,906)	$ 2,190
Loss from continuing operations	$ (3,263)	$ (4,918)	$ 1,655	$ (5,964)	$ (9,086)	$ 3,122
Income from discontinued operations	$ —	$ 40	$ (40)	$ 1,095	$ 317	$ 778
Net loss	$ (3,263)	$ (4,878)	$ 1,615	$ (4,869)	$ (8,769)	$ 3,900
Net loss per diluted share	$ (0.12)	$ (0.19)	$ 0.07	$ (0.18)	$ (0.34)	$ 0.16

Net revenues increased during the three and six months ended June 29, 2024 compared to the same periods in the prior year primarily due to higher upgrade sales, offset in part by lower system sales. We did not recognize revenue on any system sales in the first half of fiscal 2024. We recognized revenue on one 200 Lean HDD system and one refurbished 200 Lean HDD system in the second quarter of 2023. Higher gross margin in the three and six months ended June 29, 2024, versus the same periods in the prior year, reflected increased margin contribution from higher margin HDD upgrade sales, offset in part by increased inventory charges. Excess and obsolete inventory charges for the three and six months ended June 29, 2024 included $1.1 million in charges to reduce a TRIO tool currently undergoing evaluation at a customer facility to its estimated net realizable value. Gross margin in the three and six months ended July 1, 2023 reflected the lower-margin contributions from the 200 Lean HDD system and the refurbished 200 Lean HDD system. During the six months ended June 29, 2024, we amended certain payroll tax filings and applied for a refund of $2.4 million in ERC benefits. The refund is recorded as $1.5 million in other income (expense), net and $933,000 in discontinued operations in our condensed consolidated statements of operations for the six months ended June 29, 2024. The Company reported a smaller net loss for the three months ended June 29, 2024 compared to same period in the prior year due to higher revenues and higher gross profit, offset in part by higher operating costs. The Company reported a smaller net loss for the six months ended June 29, 2024 compared to same period in the prior year due to higher revenues and higher gross profit and due to the ERC benefits, offset in part by higher operating costs.

We believe fiscal 2024 will continue to be a challenging year, and we do not expect to be profitable in fiscal 2024. In fiscal 2024, we expect to begin recognizing revenue from our TRIO platform as the product completes qualifications. However, we expect that HDD equipment sales and upgrades for magnetic disk production in fiscal 2024 will be lower than fiscal 2023 levels. In addition, our results of operations and growth prospects could be impacted by macroeconomic conditions such as a global economic slowdown, global economic instability and political conflicts, wars, and public health crises. In addition, continued inflation and high interest rates may impact demand for our products and services and our cost to provide products and services.

Results of Operations

Net revenues

	Three Months Ended			Six Months Ended		
	June 29, 2024	July 1, 2023	Change over prior period	June 29, 2024	July 1, 2023	Change over prior period
	(In thousands)					
Net revenues	$14,526	$10,301	$ 4,225	$24,156	$21,843	$ 2,313

Revenue for the three and six months ended June 29, 2024 increased compared to the same periods in the prior year as a result of higher HDD upgrade sales, higher spare parts sales and higher field service sales, offset in part by lower systems sales. Revenue for the three and six months ended June 29, 2024 did not include revenue recognized for any systems. We recognized revenue on one 200 Lean HDD system and one refurbished 200 Lean HDD system during the three and six months ended July 1, 2023.

Backlog

	June 29, 2024	December 30, 2023	July 1, 2023
		(In thousands)	
Backlog	$42,486	$ 42,415	$58,157

Backlog at both June 29, 2024 and December 30, 2023 did not include any 200 Lean HDD systems. Backlog at July 1, 2023 included two 200 Lean HDD systems. In May 2023, we recorded a backlog reduction of $54.6 million due to customer cancellation of an order for eight 200 Lean HDD systems. In December 2023, we recorded a backlog reduction of $11.4 million due to customer cancellation of an order for two 200 Lean HDD systems. On June 29, 2024, we had $42.5 million of backlog, of which we expect to recognize as revenue: 48.4% in 2024 and 51.6% in 2025. However, our customers may cancel their contracts with us prior to contract completion. In the case of a termination for convenience, we would not receive anticipated future revenues, but would generally be permitted to recover all or a portion of our incurred costs and fees for work performed.

Revenue by geographic region

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
	(In thousands)			
United States	$ 178	$ 662	$ 660	$ 2,276
Asia	14,348	9,628	23,496	19,556
Europe	—	11	—	11
Total net revenues	$14,526	$10,301	$24,156	$21,843

International sales include products shipped to overseas operations of U.S. companies. The decrease in sales to the U.S. region in the three months ended June 29, 2024 versus the same period in the prior year reflected lower HDD upgrade sales and lower spare parts sales, offset in part by higher field service sales. The decrease in sales to the U.S. region in the six months ended June 29, 2024 versus the same period in the prior year reflected lower HDD upgrade sales, lower spare parts sales and lower field service sales. The increase in sales to the Asia region in the three and six months ended June 29, 2024 versus the same periods in the prior year reflected higher HDD upgrade sales, higher spare parts sales and higher field service sales, offset by lower HDD system sales. Sales to the Asia region in the three and six months ended June 29, 2024 did not include any systems. Sales to the Asia region in the three and six months ended July 1, 2023 included one 200 Lean HDD system and one refurbished 200 Lean HDD system.

Gross profit

	Three Months Ended			Six Months Ended		
	June 29, 2024	July 1, 2023	Change over prior period	June 29, 2024	July 1, 2023	Change over prior period
	(In thousands, except percentages)					
Gross profit	$5,548	$2,570	$ 2,978	$9,752	$7,289	$ 2,463
% of net revenues	38.2%	24.9%		40.4%	33.4%	

Cost of net revenues consists primarily of purchased materials, and also includes fabrication, assembly, test and installation labor and overhead, customer-specific engineering costs, warranty costs, shipping and tariff costs, provisions for inventory reserves and scrap.

Gross margin was 38.2% in the three months ended June 29, 2024 compared to 24.9% in the three months ended July 1, 2023 and was 40.4% in the six months ended June 29, 2024 compared to 33.4% in the six months ended July 1, 2023. The increase in the gross margin percentage for the three and six months ended June 29, 2024 compared to the same periods in the prior year was due primarily to the higher-margin contributions from HDD upgrades, offset in part by increased excess and obsolete inventory charges. Excess and obsolete inventory charges for the three and six months ended June 29, 2024 included $1.1 million in charges to reduce a TRIO tool currently undergoing evaluation at a customer facility to its estimated net realizable value. Gross margin in the three and six months ended July 1, 2023 reflected the lower-margin contributions from the 200 Lean HDD system and the refurbished 200 Lean HDD system. Gross margins will vary depending on a number of factors, including revenue levels, product mix, product cost, system configuration and pricing, factory utilization, and provisions for excess and obsolete inventory.

Research and development expense

	Three Months Ended			Six Months Ended		
	June 29 2024	July 1, 2023	Change over prior period	June 29 2024	July 1, 2023	Change over prior period
	(In thousands)					
Research and development expense	$3,511	$3,647	$ (136)	$7,880	$7,620	$ 260

Research and development spending during the three months ended June 29, 2024 decreased compared to the same period in the prior year primarily due to lower spending on HDD R&D programs. Research and development spending during the six months ended June 29, 2024 increased compared to the same period in the prior year primarily due to higher spending on TRIO R&D programs, offset in part by lower spending on HDD R&D programs. R&D spending during the six months ended June 29, 2024 included a $523,000 charge related to the disposal of certain lab equipment.

Selling, general and administrative expense

	Three Months Ended			Six Months Ended		
	June 29, 2024	July 1, 2023	Change over prior period	June 29, 2024	July 1, 2023	Change over prior period
	(In thousands)					
Selling, general and administrative expense	$5,308	$4,375	$ 933	$9,588	$9,575	$ 13

Selling, general and administrative expense consists primarily of selling, marketing, customer support, financial and management costs. Selling, general and administrative expense for the three months ended June 29, 2024 increased compared to the same period in the prior year as higher variable compensation expenses, higher legal fees, higher rent, higher marketing expenses, higher training costs and higher travel expenses were offset in part by lower salaries and wages and lower stock-based compensation expenses. Selling, general and administrative expense for the six months ended June 29, 2024 increased compared to the same period in the prior year as higher variable compensation expenses, higher legal fees, higher rent, higher marketing expenses, higher training costs and higher travel expenses were offset in part by lower salaries and wages, lower stock-based compensation expenses and lower consulting fees. Selling, general and administrative expense for the three and six months ended June 29, 2024 also included $364,000 in charges to support a customer evaluation for a TRIO system at a leading display cover glass manufacturer.

Interest income and other income (expense), net

	Three months ended			Six months ended		
	June 29, 2024	July 1, 2023	Change over prior period	June 29, 2024	July 1, 2023	Change over prior period
	(In thousands)					
Interest income and other, income (expense), net	$ 759	$ 650	$ 109	$2,979	$1,322	$ 1,657

Interest income and other income (expense), net in the three months ended June 29, 2024 included $726,000 of interest income on investments and $34,000 of foreign currency gains, offset in part by $1,000 of various other expense. Interest income and other income (expense), net in the six months ended June 29, 2024 included $1.4 million of interest income on investments, $1.5 million of other income and $104,000 of foreign currency gains. Interest income and other income (expense), net in the three months ended July 1, 2023 included $567,000 of interest income on investments, $24,000 of various other income and $59,000 of foreign currency gains. Interest income and other income (expense), net in the six months ended July 1, 2023 included $1.3 million of interest income on investments and $64,000 of various other income, offset in part by $19,000 of foreign currency losses. The increase in interest income in the three and six months ended June 29, 2024 compared to the same periods in the prior year resulted from higher invested balances. During the six months ended June 29, 2024, we amended certain fiscal year 2021 payroll tax filings and applied for a refund of $2.4 million in ERC benefits. The refund is recorded as $1.5 million in other income (expense), net and $933,000 in discontinued operations in our condensed consolidated statements of operations for the six months ended June 29, 2024.

Provision for income taxes

	Three Months Ended			Six Months Ended		
	June 29, 2024	July 1, 2023	Change over prior period	June 29, 2024	July 1, 2023	Change over prior period
	(In thousands)					
Provision for income taxes	$ 751	$ 116	$ 635	$1,227	$ 502	$ 725

Intevac recorded income tax provisions of $751,000 and $1.2 million for the three and six months ended June 29, 2024, respectively, and income tax provisions of $116,000 and $502,000 for the three and six months ended July 1, 2023, respectively. The income tax provisions for these three and six month periods are based upon estimates of annual income (loss), annual permanent differences and statutory tax rates in the various jurisdictions in which Intevac operates. For the three and six months ended June 29, 2024, Intevac recorded income tax provisions on profits of its international subsidiaries of $512,000 and $856,000, respectively, and recorded $236,000 and $371,000, respectively, for withholding taxes on royalties paid to the United States from Intevac's Singapore subsidiary as discrete items. For the three months ended July 1, 2023, Intevac recorded a $44,000 income tax benefit on losses of its international subsidiaries and recorded $158,000 for withholding taxes on royalties paid to the United States from Intevac's Singapore subsidiary as a discrete item. For the six months ended July 1, 2023, Intevac recorded a $180,000 income tax provision on income of its international subsidiaries and recorded $320,000 for withholding taxes on royalties paid to the United States from Intevac's Singapore subsidiary as a discrete item. For all periods presented, Intevac utilized net operating loss carry-forwards to offset the impact of global intangible low-taxed income. Intevac's tax rate differs from the applicable statutory rates due primarily to the establishment of a valuation allowance, the utilization of deferred and current credits and the effect of permanent differences and adjustments of prior permanent differences. Intevac's future effective income tax rate depends on various factors, including the level of Intevac's projected earnings, the geographic composition of worldwide earnings, tax regulations governing each region, net operating loss carry-forwards, availability of tax credits and the effectiveness of Intevac's tax planning strategies. Management carefully monitors these factors and timely adjusts the effective income tax rate.

The income tax expense consists primarily of income taxes in foreign jurisdictions in which we conduct business and foreign withholding taxes. We maintain a full valuation allowance for domestic deferred tax assets, including net operating loss carry-forwards and certain domestic tax credits. Intevac's effective tax rate differs from the U.S. statutory rate in both fiscal 2024 and fiscal 2023 primarily due to the Company not recognizing an income tax benefit on the domestic loss.

Income from discontinued operations, net of taxes

	Three Months Ended			Six Months Ended		
	June 29, 2024	July 1, 2023	Change over prior period	June 29, 2024	July 1, 2023	Change over prior period
	(In thousands)					
Income from discontinued operations, net of taxes	$ —	$ 40	$ (40)	$1,095	$ 317	$ 778

The income from discontinued operations consists primarily of the results of operations of the Photonics business which was sold to EOTECH on December 30, 2021. Income from discontinued operations for the six months ended June 29, 2024 is comprised of $933,000 in ERC benefits and the $162,000 reversal of certain charges associated with the completion of the lease subsidy in March 2024. Income from discontinued operations for the three months ended July 1, 2023 is comprised primarily of accretion on the lease liability that was assigned to EOTECH. Income from discontinued operations for the six months ended July 1, 2023 is comprised primarily of a stock-based compensation forfeiture benefit recognized upon the termination of employment of certain mutual employees of both the Company and EOTECH upon the completion of the assignment and novation of all government contracts to EOTECH in the first quarter of fiscal 2023.

Liquidity and Capital Resources

At June 29, 2024, Intevac had $70.4 million in cash, cash equivalents, restricted cash and investments, compared to $72.2 million at December 30, 2023. During the first six months of fiscal 2024, cash, cash equivalents, restricted cash and investments decreased by $1.8 million due primarily to cash used by operating activities, purchases of leasehold improvements and equipment, and tax payments on net share settlements, offset in part by cash received from the sale of Intevac common stock to Intevac's employees through Intevac's employee benefit plans.

Cash, cash equivalents, restricted cash and investments consist of the following:

	June 29, 2024	December 30, 2023
	(In thousands)	
Cash and cash equivalents	$37,562	$ 51,441
Restricted cash	700	700
Short-term investments	27,221	17,405
Long-term investments	4,919	2,687
Total cash, cash equivalents, restricted cash and investments	$70,402	$ 72,233

Operating activities used cash of $612,000 during the first six months of fiscal 2024 compared to cash used of $33.4 million during the first six months of fiscal 2023.

Accounts receivable decreased to $17.6 million at June 29, 2024 compared to $18.6 million at December 30, 2023 as a result of collections, offset in part by second quarter sales. Accounts receivable at June 29, 2024 includes the $2.4 million claim for ERC benefits. Inventories increased to $45.6 million at June 29, 2024 compared to $43.8 million at December 30, 2023 primarily due to increased purchases of TRIO inventory. Accounts payable decreased to $4.4 million at June 29, 2024 from $5.8 million at December 30, 2023. Accrued payroll and related liabilities increased to $4.0 million at June 29, 2024 compared to $3.5 million at December 30, 2023 primarily due to the accrual of 2024 bonuses, offset in part by the settlement of 2023 bonuses. Other accrued liabilities increased to $2.5 million at June 29, 2024 compared to $1.8 million at December 30, 2023 primarily due to increased deferred revenue. Customer advances increased from $21.9 million at December 30, 2023 to $23.1 million at June 29, 2024 primarily as a result of new orders.

Investing activities used cash of $13.2 million during the first six months of fiscal 2024. Purchases of investments, net of proceeds from sales and maturities of investments totaled $11.7 million. Capital expenditures for the six months ended June 29, 2024 were $1.5 million.

Financing activities generated cash of $90,000 in the first six months of fiscal 2024. Cash generated from the sale of Intevac common stock to Intevac's employees through Intevac's employee benefit plans was $462,000. Tax payments related to the net share settlement of restricted stock units was $372,000.

Intevac's investment portfolio consists principally of investment grade money market mutual funds, U.S. Treasury and agency securities, certificates of deposit, asset-backed securities, commercial paper, municipal bonds and corporate bonds. Intevac regularly monitors the credit risk in its investment portfolio and takes measures, which may include the sale of certain securities, to manage such risks in accordance with its investment policies.

As of June 29, 2024, approximately $21.4 million of cash and cash equivalents and $18.6 million of investments were domiciled in foreign tax jurisdictions. Intevac expects a significant portion of these funds to remain offshore in the short term. If the Company chose to repatriate these funds to the United States, it would be required to accrue and pay additional taxes on any portion of the repatriation subject to foreign withholding taxes.

We believe that our existing cash, cash equivalents and investments and cash flows from operating activities will be adequate to meet our liquidity needs for the next twelve months and for the foreseeable future beyond the next twelve months. Our significant funding requirements include procurement of manufacturing inventories, operating expenses, non-cancelable operating lease obligations, capital expenditures, contingent consideration payments, and variable compensation. We have flexibility over some of these uses of cash, including capital expenditures and discretionary operating expenses, to preserve our liquidity position. Capital expenditures for the remainder of fiscal 2024 are projected to be approximately $2.1 million related to network infrastructure and security, and laboratory and test equipment to support our R&D programs.

Off-Balance Sheet Arrangements

Off-balance sheet firm commitments relating to outstanding letters of credit amounted to approximately $700,000 as of June 29, 2024. These letters of credit and bank guarantees are collateralized by $700,000 of restricted cash. We do not maintain any other off-balance sheet arrangements, transactions, obligations, or other relationships that would be expected to have a material current or future effect on the consolidated financial statements.

Climate Change

We believe that neither climate change, nor governmental regulations related to climate change, have had any material effect on our business, financial condition or results of operations.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make judgments, assumptions and estimates that affect the amounts reported. Intevac's significant accounting policies are described in Note 1 to the consolidated financial statements included in Item 8 of Intevac's Annual Report on Form 10-K for the year ended December 30, 2023, filed with the SEC on February 15, 2024. Certain of these significant accounting policies are considered to be critical accounting policies, as defined below. There have been no material changes to our critical accounting policies during the six months ended June 29, 2024.

A critical accounting policy is defined as one that is both material to the presentation of Intevac's financial statements and requires management to make difficult, subjective or complex judgments that could have a material effect on Intevac's financial conditions and results of operations. Specifically, critical accounting estimates have the following attributes: 1) Intevac is required to make assumptions about matters that are highly uncertain at the time of the estimate; and 2) different estimates Intevac could reasonably have used, or changes in the estimate that are reasonably likely to occur, would have a material effect on Intevac's financial condition or results of operations.

Estimates and assumptions about future events and their effects cannot be determined with certainty. Intevac bases its estimates on historical experience and on various other assumptions believed to be applicable and reasonable under the circumstances. These estimates may change as new events occur, as additional information is obtained and as Intevac's operating environment changes. These changes have historically been minor and have been included in the consolidated financial statements as soon as they become known. In addition, management is periodically faced with uncertainties, the outcomes of which are not within its control and will not be known for prolonged periods of time. Many of these uncertainties are discussed in the section below entitled "Risk Factors." Based on a critical assessment of Intevac's accounting policies and the underlying judgments and uncertainties affecting the application of those policies, management believes that Intevac's consolidated financial statements are fairly stated in accordance with US GAAP, and provide a meaningful presentation of Intevac's financial condition and results of operations.

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

Not applicable to smaller reporting companies.

Item 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

Intevac maintains a set of disclosure controls and procedures that are designed to ensure that information relating to Intevac required to be disclosed in periodic filings under the Securities Exchange Act of 1934, or Exchange Act, is recorded, processed, summarized and reported in a timely manner under the Exchange Act. In connection with the filing of this Quarterly Report on Form 10-Q for the quarter ended June 29, 2024, as required under Rule 13a-15(e) of the Exchange Act, an evaluation was carried out under the supervision and with the participation of management, including the Chief Executive Officer (the "CEO") and Chief Financial Officer (the "CFO"), of the effectiveness of Intevac's disclosure controls and procedures as of the end of the period covered by this quarterly report. Based on this evaluation, Intevac's CEO and CFO concluded that our disclosure controls and procedures were effective as of June 29, 2024.

Attached as exhibits to this Quarterly Report on Form 10-Q are certifications of the CEO and the CFO, which are required in accordance with Rule 13a-14 of the Exchange Act. This Controls and Procedures section includes the information concerning the controls evaluation referred to in the certifications, and it should be read in conjunction with the certifications for a more complete understanding of the topics presented.

Definition of Disclosure Controls

Disclosure controls are controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act, such as this Quarterly Report on Form 10-Q, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls are also designed to ensure that such information is accumulated and communicated to our management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. Our disclosure

controls include components of our internal control over financial reporting, which consists of control processes designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles in the U.S. To the extent that components of our internal control over financial reporting are included within our disclosure controls, they are included in the scope of our quarterly controls evaluation.

Limitations on the Effectiveness of Controls

Intevac's management, including the CEO and CFO, does not expect that Intevac's disclosure controls or Intevac's internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within Intevac have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, Intevac's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. ***Legal Proceedings***

From time to time, Intevac is involved in claims and legal proceedings that arise in the ordinary course of business. Intevac expects that the number and significance of these matters will increase as Intevac's business expands. Any claims or proceedings against us, whether meritorious or not, could be time consuming, result in costly litigation, require significant amounts of management time, result in the diversion of significant operational resources, or require us to enter into royalty or licensing agreements which, if required, may not be available on terms favorable to us or at all. Intevac is not presently a party to any lawsuit or proceeding that, in Intevac's opinion, is likely to seriously harm Intevac's business. See "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Item 1A. ***Risk Factors***

The following factors could materially affect Intevac's business, financial condition or results of operations and should be carefully considered in evaluating the Company and its business, in addition to other information presented elsewhere in this report.

Risks Related to Our Business

The industries we serve are cyclical, volatile and unpredictable.

A significant portion of our revenue is derived from the sale of equipment used to manufacture commodity technology products such as disk drives and cell phones. This subjects us to business cycles, the timing, length and volatility of which can be difficult to predict. When demand for commodity technology products exceeds production capacity, then demand for new capital equipment such as ours tends to be amplified. Conversely, when supply of commodity technology products exceeds demand, then demand for new capital equipment such as ours tends to be depressed. We cannot predict with any certainty when these cycles will begin or end. For example, our sales of systems for magnetic disk production increased in 2016 as a customer began upgrading the technology level of its manufacturing capacity. Sales of systems and upgrades for magnetic disk production in 2017 and 2018 were higher than in 2016 as this customer's technology upgrade continued. However, sales of systems and upgrades for magnetic disk production in each of 2019, 2020, 2021, 2022 and 2023 were down from the levels in 2018 as this customer took delivery of fewer or no (in the case of 2021 and 2022) systems. In 2023, this customer cancelled orders for ten 200 Lean HDD systems due to the customer postponing previously planned media capacity additions, and we recorded a backlog reduction of $66.0 million. We expect sales of systems and upgrades for magnetic disk production in 2024 will be lower than the levels in 2023.

Our equipment represents only a portion of the capital expenditure that our customers incur when they upgrade or add production capacity. Accordingly, our customers generally commit to making large capital expenditures far in excess of the cost of our systems alone when they decide to purchase our systems. The magnitude of these capital expenditures requires our customers to have access to large amounts of capital. Our customers generally reduce their level of capital investment during downturns in the overall economy or during a downturn in their industries. Reductions in capital investment could be particularly pronounced during periods of higher interest rates due to the increased cost of obtaining capital.

We must effectively manage our resources and production capacity to meet rapidly changing demand. Our business experiences rapid growth and contraction, which stresses our infrastructure, internal systems and managerial resources. During periods of increasing demand for our products, we must have sufficient manufacturing capacity and inventory to meet customer demand; attract, retain and motivate a sufficient number of qualified individuals; and effectively manage our supply chain. During periods of decreasing demand for our products, we must be able to align our cost structure with prevailing market conditions; motivate and retain key employees; and effectively manage our supply chain.

We are exposed to risks associated with a highly concentrated customer base.

Historically, a significant portion of our revenue in any particular period has been attributable to sales of our disk sputtering systems to a limited number of customers. Our reliance on sales to relatively few customers has increased with the disposition of our Photonics business in December 2021, and we expect that sales of our products to relatively few customers will continue to account for a high percentage of our revenues in the foreseeable future. This concentration of customers, when combined with changes in the customers' specific capacity plans and market share shifts, can lead to extreme variability in our revenue and financial results from period to period. The concentration of our customer base may also enable our customers to demand pricing and other terms unfavorable to Intevac and makes us more vulnerable to changes in demand by or issues with a given customer. The loss of one or more of these large customers, or delays in purchasing by any of them, would have a material and adverse effect on our revenues.

Sales of our equipment are primarily dependent on our customers' upgrade and capacity expansion plans and whether our customers select our equipment.

We have no control over our customers' upgrade and capacity expansion plans, and we cannot be sure they will select, or continue to select, our equipment when they upgrade or expand their capacity. The sales cycle for our equipment systems can be a year or longer, involving individuals from many different areas of Intevac and numerous product presentations and demonstrations for our prospective customers. Our sales process also commonly includes production of samples and customization of our products. We do not typically enter into long-term contracts with our customers, and until an order is actually submitted by a customer there is no binding commitment to purchase our systems. In some cases, orders are also subject to customer acceptance or other criteria even in the case of a binding agreement.

As of June 29, 2024, our total backlog was $42.5 million, which was primarily attributable to two customers. Our backlog includes orders under contracts that can extend for several years. Our backlog can be significantly affected by the timing of large orders. We may not realize all of the revenue included in our total backlog in the future. For example, in fiscal 2023, we removed $66.0 million from backlog upon receiving notices from a customer of the cancellation of orders for ten 200 Lean HDD systems due to the customer postponing previously planned media capacity additions. There can also be no assurance that our backlog will result in revenue in any particular period because the actual receipt, timing and amount of revenue under contracts included in backlog are subject to various contingencies, many of which are beyond our control. If our customers terminate, reduce or defer orders, we may be protected from certain costs and losses, but our sales will nevertheless be adversely affected, and we may not generate the revenue we expect.

Sales of new manufacturing systems are also dependent on obsolescence and replacement of the installed base of our customers' existing equipment with newer, more capable equipment. If upgrades are developed that extend the useful life of the installed base of systems, then we tend to sell more upgrade products and fewer new systems, which can significantly reduce total revenue.

Our 200 Lean HDD customers also experience competition from companies that produce alternative storage technologies like flash memory, which offer smaller size, lower power consumption and more rugged designs. These storage technologies are being used increasingly in enterprise applications and smaller form factors such as tablets, smart-phones, ultra-books, and notebook PCs instead of hard disk drives. Tablet computing devices and smart-phones have never contained, nor are they likely in the future to contain, a disk drive. Products using alternative technologies, such as flash memory, optical storage and other storage technologies are becoming increasingly common and could become a significant source of competition to particular applications of the products of our 200 Lean HDD customers, which could adversely affect our results of operations. If alternative technologies, such as flash memory, replace hard disk drives as a significant method of digital storage, then demand for our hard disk manufacturing products would decrease.

Our results of operations could be materially harmed if we are unable to accurately forecast demand for our products and manage product inventory in an effective and efficient manner.

To ensure adequate inventory supply, we must forecast inventory needs and place orders with our suppliers before orders are placed by our customers. Factors that could affect our ability to accurately forecast demand for our products include: (1) an increase or decrease in customer demand for our products; (2) a failure to accurately forecast consumer acceptance for our new products such as the TRIO platform; (3) product introductions by competitors; (4) unanticipated changes in general market conditions or other factors (for example, because of effects on inventory supply and consumer demand caused by high inflation rates or other adverse macroeconomic conditions); (5) the uncertainties and logistical challenges that accompany operations on a global scale; and (6) terrorism or acts of war, or the threat thereof, political or labor instability or unrest, or public health crises.

If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of product to deliver to our customers. Inventory levels in excess of customer demand may result in inventory write-downs or write-offs, and the sale of excess inventory at discounted prices, which could harm our gross margin. Conversely, if we underestimate the demand for our products, we may not be able to produce products to meet our customer requirements, which could result in delays in the shipment of our products, negatively impact our ability to recognize revenue, generate lost sales, and cause damage to our reputation and relationships with our customers. Challenges in forecasting demand can also make it difficult to estimate future results of operations and financial condition from period to period and meet investor expectations. A failure to accurately predict the level of demand for our products or manage product inventory in an effective and efficient manner could adversely impact our results of operations and cause us not to achieve our expected financial results.

We are dependent on certain suppliers for parts used in our products.

We are a manufacturing business. Purchased parts constitute the largest component of our product cost. Our ability to manufacture depends on the timely delivery of parts, components and subassemblies from suppliers. We obtain some of the key components and subassemblies used in our products from a single supplier or a limited group of suppliers. If any of our suppliers fail to deliver quality parts on a timely basis, we may experience delays in manufacturing, which could result in delayed product deliveries, increased costs to expedite deliveries or develop alternative suppliers, or require redesign of our products to accommodate alternative suppliers. Some of our suppliers are thinly capitalized and may be vulnerable to failure, particularly during economic downturns and periods of higher interest rates and inflation.

Supply chain and shipping disruptions could result in shipping delays, and increased product costs which may have a material adverse effect on our business, financial condition and results of operations.

Supply chain disruptions have impacted, and may continue to impact, us and our suppliers. These disruptions have resulted in longer lead times and increased product costs and shipping expenses. While we have taken steps to minimize the impact of these increased costs by working closely with our suppliers and customers, prolonged supply chain disruptions could interrupt product manufacturing, increase lead times, increase product costs and continue to increase shipping costs, all of which could have a material adverse effect on our business, financial condition and results of operations.

We operate in an intensely competitive marketplace, and our competitors have greater resources than we do.

In the market for our disk sputtering systems, we experience competition primarily from Canon Anelva, which has sold a substantial number of systems worldwide. Some of our competitors have substantially greater financial, technical, marketing, manufacturing and other resources than we do, especially in the ADVC market. Our competitors may develop enhancements to, or future generations of, competitive products that offer superior price or performance features, and new competitors may enter our markets and develop such enhanced products. Moreover, competition for our customers is intense, and our competitors have historically offered substantial pricing concessions and incentives to attract our customers or retain their existing customers.

Our operating results fluctuate significantly from quarter to quarter, which can lead to volatility in the price of our common stock.

Our quarterly revenues and common stock price have fluctuated significantly. We anticipate that our revenues, operating margins and common stock price will continue to fluctuate for a variety of reasons, including: (1) changes in the demand, due to seasonality, cyclicality and other factors, in the markets for computer systems, storage subsystems and consumer electronics containing disks, as well as cell phones; (2) delays or problems in the introduction and acceptance of our new products, or delivery of existing products; (3) timing of orders, acceptance of new systems by our customers or cancellation or delay of those orders; (4) new products, services or technological innovations by our competitors or us; (5) changes in our manufacturing costs and operating expense; (6) changes in general economic, political, stock market and industry conditions; and (7) any failure of our operating results to meet the expectations of investment research analysts or investors.

Any of these, or other factors, could lead to volatility and/or a rapid change in the trading price of our common stock. In the past, securities class action litigation has been instituted against companies following periods of volatility in the market price of their securities. Any such litigation, if instituted against Intevac, could result in substantial costs and diversion of management time and attention.

Our success depends on international sales and the management of global operations.

A significant portion of our revenue comes from regions outside the United States, and we expect that international sales will continue to account for a significant portion of our total revenue in future years. Most of our international sales are to customers in Asia, which includes products shipped to overseas operations of U.S. companies. We currently have manufacturing facilities in California and Singapore and international customer support offices in Singapore, China, and Malaysia. Certain of our suppliers are also located outside the United States.

Managing our global operations presents challenges including, but not limited to, those arising from: (1) global trade issues; (2) variations in protection of intellectual property and other legal rights in different countries; (3) concerns of U.S. governmental agencies regarding possible national commercial and/or security issues posed by manufacturing businesses in Asia; (4) fluctuation of interest rates, raw material costs, labor and operating costs, and exchange rates; (5) variations in the ability to develop relationships with suppliers and other local businesses; (6) changes in the laws and regulations of the United States, including export restrictions, and other countries, as well as their interpretation and application; (7) the need to provide technical and spare parts support in different locations; (8) political and economic instability; (9) cultural differences; (10) varying government incentives to promote development; (11) shipping costs and delays; (12) adverse conditions in capital and credit markets; (13) variations in tariffs, quotas, tax codes and other market barriers; and (14) barriers to movement of cash.

We must regularly assess the size, capability and location of our global infrastructure and make appropriate changes to address these issues. Our failure to manage the risks and challenges associated with global operations could have a material adverse effect on our business.

Our success is dependent on recruiting and retaining a highly talented work force.

Our employees are vital to our success, and our key management, engineering and other employees are difficult to replace. We do not maintain key person life insurance on any of our employees. The expansion of high technology companies worldwide has increased demand and competition for qualified personnel and has made companies increasingly protective of prior employees. It may be difficult for us to locate employees who are not subject to non-competition agreements and other restrictions.

The majority of our U.S. operations are located in California where the cost of living and of recruiting employees is high. Our operating results depend, in large part, upon our ability to retain and attract qualified management, engineering, marketing, manufacturing, customer support, sales and administrative personnel. Furthermore, we compete with industries such as the hard disk drive, semiconductor, and solar industries for skilled employees. Failure to retain existing key personnel, or to attract, assimilate or retain additional highly qualified employees to meet our needs in the future, could have a material and adverse effect on our business, financial condition and results of operations.

Risks Related to Our Intellectual Property

Our growth depends on development of technically advanced new products and processes.

We have invested heavily, and continue to invest, in the development of new products, such as our 200 Lean HDD and our TRIO platform. Our development efforts have included, and may in the future include, entry into joint development and evaluation arrangements with our customers. These arrangements may include lengthy product qualification or evaluation processes and may not be successful or result in future product sales. Our success in developing and selling new products depends upon a variety of factors, including our ability to: (1) predict future customer requirements; (2) make technological advances; (3) achieve a low total cost of ownership for our products; (4) introduce new products on schedule; (5) manufacture products cost-effectively including transitioning production to volume manufacturing; (6) commercialize and attain customer acceptance of our products; and (7) achieve acceptable and reliable performance of our new products in the field. Our new product decisions and development commitments must anticipate continuously evolving industry requirements significantly in advance of sales. In addition, we are attempting to expand into new or related markets, including the ADVC market. Our expansion into the ADVC market is dependent upon the success of our customers' development plans. To date we have not recognized material revenue from such products. Failure to correctly assess the size of the market, successfully develop products on a timely basis, successfully develop cost effective products to address the market, or establish effective sales and support of new products would have a material adverse effect on future revenues and profits. In addition, if we invest in products for which the market does not develop as anticipated, we may incur significant charges related to such investments.

Rapid technological change in our served markets requires us to rapidly develop new technically advanced products. Our future success depends in part on our ability to develop and offer new products with improved capabilities and to continue to enhance our existing products. If new products have reliability or quality problems, our performance may be impacted by reduced orders, higher manufacturing costs, delays in acceptance and payment for new products and additional service and warranty expenses.

Our business depends on the integrity of our intellectual property rights.

The success of our business depends upon the integrity of our intellectual property rights, and we cannot ensure that: (1) any of our pending or future patent applications will be allowed or that any of the allowed applications will be issued as patents or will issue with claims of the scope we sought; (2) any of our patents will not be invalidated, deemed unenforceable, circumvented or challenged; (3) the rights granted under our patents will provide competitive advantages to us; (4) other parties will not develop similar products, duplicate our products or design around our patents; or (5) our patent rights, intellectual property laws or our agreements will adequately protect our intellectual property or competitive position.

From time to time, we have received claims that we are infringing third parties' intellectual property rights or seeking to invalidate our rights. We cannot ensure that third parties will not in the future claim that we have infringed current or future patents, trademarks or other proprietary rights relating to our products. Any claims, with or without merit, could be time-consuming, result in costly litigation, cause product shipment delays or require us to enter into royalty or licensing agreements. Such royalty or licensing agreements, if required, may not be available on terms acceptable to us.

Risks Related to Government Regulation

We are subject to risks of non-compliance with environmental and other governmental regulations.

We are subject to a variety of governmental regulations relating to the use, storage, discharge, handling, emission, generation, manufacture, treatment and disposal of toxic or otherwise hazardous substances, chemicals, materials or waste. If we fail to comply with current or future regulations, such failure could result in suspension of our operations, alteration of our manufacturing process, remediation costs or substantial civil penalties or criminal fines against us or our officers, directors or employees. Additionally, these regulations could require us to acquire expensive remediation or abatement equipment and incur substantial expenses to comply with them.

In addition, climate change legislation is a significant topic of recent discussion and has generated and may continue to generate federal, international or other regulatory responses in the near future. If we or our suppliers, customers or partners fail to timely comply with applicable legislation, certain customers may refuse to purchase our products or we may face increased operating costs as a result of taxes, fines or penalties, or incur legal liability and reputational damage, which could harm our business, financial condition and results of operations.

General Risk Factors

Global economic conditions may harm our industry, business and results of operations.

We operate globally and as a result our business, revenue and profitability are impacted by global macroeconomic conditions. The success of our activities is affected by general economic and market conditions, including, among others, inflation, interest rates, tax rates, economic uncertainty, political instability, changes in laws, and trade barriers and sanctions. Inflation and government efforts to combat inflation, such as raising the benchmark interest rate, have increased and could continue to increase market volatility and have an adverse effect on the financial market and global economy. Volatility and adverse conditions in the capital and credit markets have negatively affected levels of business and consumer spending, heightening concerns about the likelihood of a global recession and potential default of various national bonds and debt backed by individual countries. Such developments, as well as the politics impacting these, could adversely affect our financial results. Uncertainty about worldwide economic conditions poses a risk as businesses may further reduce or postpone spending in response to reduced budgets, tight credit, negative financial news and declines in income or asset values, which could adversely affect our business, financial condition and results of operations. Geopolitical destabilization could continue to impact global currency exchange rates, commodity prices, trade and movement of resources, which may adversely affect the ability of our customers and potential customers to incur the capital expenditures necessary to purchase our products and services.

Our business could be negatively impacted by cyber and other security threats or disruptions.

We face various cyber and other security threats, including attempts to gain unauthorized access to sensitive information and networks. Although we utilize various procedures and controls to monitor and mitigate the risk of these threats, there can be no assurance that these procedures and controls will be sufficient. These threats could lead to losses of sensitive information or capabilities; financial liabilities and damage to our reputation. If we are unable to maintain compliance with security standards applicable to defense contractors, we could lose business or suffer reputational harm. Cyber

threats to businesses are evolving and include, but are not limited to, malicious software, destructive malware, attempts to gain unauthorized access to data, disruption or denial of service attacks, and other electronic security breaches that could lead to disruptions in our systems, unauthorized release of confidential, personal or otherwise protected information (ours or that of our employees, customers or partners), and corruption of data, networks or systems. We have experienced cybersecurity threats and incidents involving our systems and expect these incidents to continue. While none of the cybersecurity events have been material to date, a successful breach or attack could have a material adverse effect on our results of operations, financial condition or business, harm our reputation and relationships with our customers, business partners, employees or other third parties, and subject us to consequences such as litigation and direct costs associated with incident response. In addition, we could be impacted by cyber threats or other disruptions or vulnerabilities found in products we use or in our partners' or customers' systems that are used in connection with our business. These events, if not prevented or effectively mitigated, could damage our reputation, require remedial actions and lead to loss of business, regulatory actions, potential liability and other financial losses.

Changes to our effective tax rate affect our results of operations.

As a global company, we are subject to taxation in the United States, Singapore and various other countries. Significant judgment is required to determine and estimate worldwide tax liabilities. Our future effective tax rate could be affected by: (1) changes in tax laws; (2) the allocation of earnings to countries with differing tax rates; (3) changes in worldwide projected annual earnings in current and future years: (4) accounting pronouncements; or (5) changes in the valuation of our deferred tax assets and liabilities. Although we believe our tax estimates are reasonable, there can be no assurance that any final determination will not be different from the treatment reflected in our historical income tax provisions and accruals, which could result in additional payments by Intevac.

Difficulties in integrating past or future acquisitions or implementing strategic divestitures could adversely affect our business.

We have completed a number of acquisitions and dispositions during our operating history. We have spent and may continue to spend significant resources identifying and pursuing future acquisition opportunities. Acquisitions involve numerous risks including: (1) difficulties in integrating the operations, technologies and products of the acquired companies; (2) the diversion of our management's attention from other business concerns; and (3) the potential loss of key employees of the acquired companies. Failure to achieve the anticipated benefits of the prior and any future acquisitions or to successfully integrate the operations of the companies we acquire could have a material and adverse effect on our business, financial condition and results of operations. Any future acquisitions could also result in potentially dilutive issuance of equity securities, acquisition or divestiture-related write-offs or the assumption of debt and contingent liabilities. In addition, we have made and will continue to consider making strategic divestitures, such as the disposition of our Photonics business. With any divestiture, there are risks that future operating results could be unfavorably impacted if targeted objectives, such as cost savings or earnout payments associated with the financial performance of the divested business, are not achieved or if other business disruptions occur as a result of the divestiture or activities related to the divestiture.

We could be involved in litigation.

From time to time, we may be involved in litigation of various types, including litigation alleging infringement of intellectual property rights and other claims and customer disputes. For example, in 2022 we settled an action against us under the Private Attorneys General Act for $1.0 million. Litigation is expensive, subjects us to the risk of significant damages, requires significant management time and attention, and could have a material and adverse effect on our business, financial condition and results of operations.

Business interruptions could adversely affect our operations.

Our operations are vulnerable to interruption by fire, earthquake, floods or other natural disaster, quarantines or other disruptions associated with infectious diseases, national catastrophe, terrorist activities, war, disruptions in our computing and communications infrastructure due to power loss, telecommunications failure, human error, physical or electronic security breaches and computer viruses, and other events beyond our control. We do not have a detailed disaster recovery plan. Despite our implementation of network security measures, our tools and servers may be vulnerable to computer viruses, break-ins and similar disruptions from unauthorized tampering with our computer systems and tools located at customer sites. Political instability could cause us to incur increased costs in transportation, make such transportation unreliable, increase our insurance costs or cause international currency markets to fluctuate. All these unforeseen disruptions and instabilities could have the same effects on our suppliers and their ability to timely deliver their products. In addition, we do not carry sufficient business interruption insurance to compensate us for all losses that may occur, and any losses or damages incurred by us could have a material adverse effect on our business and results of operations. For example, we self-insure earthquake risks because we believe this is the prudent financial decision based on the high cost of the limited coverage available in the earthquake insurance market. An earthquake could significantly disrupt our operations, most of which are conducted in California. It could also significantly delay our research and engineering effort on new products, most of which is also conducted in California. We take steps to minimize the damage that would be caused by business interruptions, but there is no certainty that our efforts will prove successful.

We could be negatively affected as a result of a proxy contest and the actions of activist stockholders.

A proxy contest with respect to election of our directors, or other activist stockholder activities, could adversely affect our business because: (1) responding to a proxy contest and other actions by activist stockholders can be costly and time-consuming, disruptive to our operations and divert the attention of management and our employees; (2) perceived uncertainties as to our future direction caused by activist activities may result in the loss of

potential business opportunities, and may make it more difficult to attract and retain qualified personnel and business partners; and (3) if individuals are elected to our Board of Directors with a specific agenda, it may adversely affect our ability to effectively and timely implement our strategic plans.

We are required to evaluate our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002, and any adverse results from such evaluation could result in a loss of investor confidence in our financial reports and have an adverse effect on our stock price.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, our management must perform evaluations of our internal control over financial reporting. Although our assessment, testing, and evaluation resulted in our conclusion that as of December 30, 2023, our internal control over financial reporting was effective, we cannot predict the outcome of our testing in future periods. Ongoing compliance with this requirement is complex, costly and time-consuming. If we fail to maintain effective internal control over financial reporting, then we could be subject to restatement of previously reported financial results, regulatory sanctions and a decline in the public's perception of Intevac, which could have a material and adverse effect on our business, financial condition and results of operations.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

Repurchases of Intevac Common Stock

On November 21, 2013, Intevac announced that its Board of Directors approved a stock repurchase program authorizing up to $30.0 million in repurchases. On August 20, 2018, Intevac announced that its Board of Directors approved a $10.0 million increase to the original stock repurchase program for an aggregate authorized amount of $40.0 million. At June 29, 2024, $10.4 million remains available for future stock repurchases under the repurchase program. Intevac did not make any common stock repurchases during the three months ended June 29, 2024.

Item 3. ***Defaults upon Senior Securities***

None.

Item 4. ***Mine Safety Disclosures***

Not applicable.

Item 5. ***Other Information***

Securities Trading Plans of Directors and Executive Officers

During our last fiscal quarter, no director or officer, as defined in Rule 16a-1(f), adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," each as defined in Regulation S-K Item 408.

Item 6. ***Exhibits***

Exhibit Number	Description
10.1	Form of the 2024 PRSU Award Agreement under the 2020 Equity Incentive Plan (Grant 1)
10.2	Form of the 2024 PRSU Award Agreement under the 2020 Equity Incentive Plan (Grant 2)
10.3	Form of Outside Director Stock Option Agreement for 2020 Equity Incentive Plan
10.4	2020 Equity Incentive Plan, as amended February 15, 2024 (incorporated by reference to Appendix B to the Registrant's Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 10, 2024).
10.5	2003 Employee Stock Purchase Plan, as amended February 15, 2024 (incorporated by reference to Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 10, 2024).
10.6	2022 Inducement Equity Incentive Plan, as amended July 1, 2024.
10.7	Offer Letter, effective as of July 9, 2024, between Intevac and Cameron McAulay
10.8	Change in Control Agreement, effective as of July 9, 2024, between Intevac and Cameron McAulay
31.1	Certification of President and Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Executive Vice President, Finance and Administration, Chief Financial Officer, Treasurer and Secretary Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications Pursuant to U.S.C. 1350 Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *
101.INS	XBRL Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Schema Document
101.CAL	Inline XBRL Calculation Linkbase Document
101.DEF	Inline XBRL Definition Linkbase Document
101.LAB	Inline XBRL Label Linkbase Document
101.PRE	Inline XBRL Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* The certification attached as Exhibit 32.1 is deemed "furnished" and not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 and is not to be incorporated by reference into any filing of Intevac, Inc. under the Securities Exchange Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof, irrespective of any general incorporation by reference language contained in any such filing, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INTEVAC, INC.

Date: August 6, 2024

By: /s/ NIGEL HUNTON
Nigel Hunton
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 6, 2024

By: /s/ CAMERON MCAULAY
Cameron McAulay
Chief Financial Officer, Secretary and Treasurer
(Principal Financial and Accounting Officer)

[PERFORMANCE-BASED TRIO UNITS]

2020 EQUITY INCENTIVE PLAN

FIRST_NAME_MIDDLE_NAME_LAST_NAME
ADDRESS_LINE_1
ADDRESS_LINE_2
CITY_STATE_ZIPCODE

Dear FIRST_NAME_MIDDLE_NAME_LAST_NAME,

NOTICE OF RSU GRANT (PERFORMANCE-BASED)

Congratulations. We, Intevac, Inc. ("Intevac" or the "Company"), pursuant to our 2020 Equity Incentive Plan (the "Plan"), hereby grants you an award (the "award" or "Award") of restricted stock units (the "RSUs" or "Restricted Stock Units") to receive the number of Shares as set forth below. Unless otherwise stated, all capitalized terms within this Restricted Stock Unit Agreement (the "Agreement"), which includes this Notice of RSU Grant (Performance-Based) (the "Notice of Grant") and the Terms and Conditions of Restricted Stock Unit Grant – Performance-Based, shall be interpreted as defined in the Plan. The following documents are linked to this notification and are also available on the Intevac Portal under the Stock Plans page:

- Terms and Conditions of Restricted Stock Unit Grant – Performance-Based
- 2020 Equity Incentive Plan
- 2020 Equity Incentive Plan Prospectus

By accepting this Notice of Grant, you are agreeing to the electronic availability of the documents disclosed above. If you need a hard copy of any of the documents, please contact Janice Smith or myself, and one will be provided to you at no charge.

Name of Award Grantee:
Grantee Employee ID Number:
Award Number:
Date of Award Grant:
Maximum Number of RSUs Subject to Award:

Vesting Schedule:

Subject to you continuing to be a Service Provider through the applicable vesting date, the RSUs will vest in accordance with the following vesting criteria:

General

The number of RSUs subject to the Award that will become eligible for vesting as set forth below will depend upon the achievement of the applicable performance goal (the "Performance Goal") relating to the Cumulative TRIO Units Shipped (as defined below) for the Performance Period (as defined below) and will be determined in accordance with this Agreement. Vesting of the RSUs is contingent upon the satisfaction of the Operating Profit Requirement (as defined below) on or after the date the applicable RSUs become Eligible RSUs (as defined below).

Performance Period

The Award's performance period (the "Performance Period") will begin on the first day of the Company's 2024 Fiscal Year (the "Commencement Date") and will be scheduled to end on (and include) the last day of the Company's 2026 Fiscal Year (the "Scheduled End Date").

Notwithstanding the foregoing, in the event of a Change in Control that occurs prior to the Scheduled End Date, the Performance Period will be shortened to end on a date, as determined by the Human Capital Committee of the Board (the "Human Capital Committee") or the Board (in either case, as Administrator of the Plan) in its sole discretion, that occurs no earlier than ten (10) business days prior to the consummation of the Change in Control (the "Closing") and no later than the Closing (but prior to the Closing) (such date, the "Change in Control Performance Period End Date") for purposes of calculating the Cumulative TRIO Units Shipped and determining whether the Operating Profit Requirement has been satisfied with respect to the applicable Eligible RSUs, if any, and the treatment of the Award will be as set forth in this Agreement. The Scheduled End Date, or, if earlier, the Change in Control Performance Period End Date is referred to as the "Period End Date".

Service Requirement

If your status as a Service Provider terminates for any reason before you vest in the RSUs, the RSUs will terminate and be cancelled and forfeited for no consideration and you will have no further rights with respect to such RSUs or any of the underlying Shares. Any RSUs subject to the Award that are not determined to be Eligible RSUs as of the Final Determination Date (as defined below) will terminate and be cancelled and forfeited for no consideration and you will have no further rights with respect to such RSUs or any of the underlying Shares.

Performance Determination

The number of RSUs, if any, that become eligible to vest (the "Eligible RSUs") will be determined by the Administrator in its sole discretion within ten (10) days following the date the Administrator first receives notice that a Performance Goal has been achieved, but in all cases no later than sixty (60) days following the Scheduled End Date, or, in the event of a Change in Control, on a date on or following the Change in Control Performance Period End Date but in all cases prior to the Closing (the date the Administrator takes action to make such determination, the "Determination Date" and the final Determination Date that occurs no later than sixty (60) days following the Scheduled End Date, or if earlier, on a date on or following the Change in Control Performance Period End Date but in all cases prior to the Closing, the "Final Determination Date") and will depend upon the Company's Cumulative TRIO Units Shipped during the Performance Period as described herein.

"Cumulative TRIO Units Shipped" will be calculated as of each Determination Date and will be calculated based on the cumulative number of TRIO Units Shipped during the Performance Period as of such Determination Date. A TRIO Unit (as defined below) that has been shipped into the field during the Performance Period will be considered a "TRIO Unit Shipped" on the date that the Company recognizes revenue for such TRIO Unit during the Performance Period. For purposes of clarification, if a TRIO Unit is shipped during the Performance Period but the Company does not recognize income from such TRIO Unit during the Performance Period, such TRIO Unit will not be considered a TRIO Unit Shipped and will not be included in the calculation of the Cumulative TRIO Units Shipped. For purposes of this Agreement, a "Trio Unit" is any system enabled by one or more Cylindrical Magnetrons.

Eligible RSU Calculations (Cumulative TRIO Units Shipped):

Level *	Performance Goal	Percentage of Target RSUs that become Eligible RSUs**	Number of Eligible RSUs**
1.	[.....]	50%	
2.	[.....]	100%	
3.	[.....]	200%	

* The number of RSUs that will become Eligible RSUs will not be interpolated between levels 1 – 3.

** The percentages and numbers of Eligible RSUs shown are inclusive of, and not in addition to, any RSUs that previously became Eligible RSUs. For example, if on the first Determination Date, it is determined that […] Cumulative TRIO Units Shipped such that 50% of the Target RSUs became Eligible RSUs, and on the next Determination Date, it is determined that […] Cumulative TRIO Units Shipped, an additional 50% of the Target RSUs become Eligible RSUs, for a total amount of Eligible RSUs equal to 100% of the Target RSUs. Any partial shares of Common Stock will be rounded down to the nearest whole Share and any fractional Shares will be forfeited for no consideration.

"Target RSUs" means 50% of the Maximum Number of RSUs Subject to Award. In no event may more than 100% of the Maximum Number of RSUs Subject to Award be Eligible RSUs for the Performance Period.

Change in Control

In the event of a Change in Control that occurs prior to the Scheduled End Date, the Performance Period will terminate and the number of Eligible RSUs will equal the number of Eligible RSUs calculated pursuant to the terms of the Agreement based on the Cumulative TRIO Units Shipped, as applicable, during the Performance Period (as calculated through the Change in Control Performance Period End Date), with such Eligible RSUs eligible to vest in accordance with the vesting schedule set forth below.

Section 14(c) of the Plan shall not apply to this Award. Notwithstanding the provisions of any plan, policy or agreement, including, but not limited to, any employment agreement or Change in Control Agreement between you and the Company or any Subsidiary of the Company, existing as of the Date of Award Grant (which agreements will not apply to the Award), any RSUs that have not vested as of immediately prior to the Closing will be forfeited immediately, but contingent upon the Closing (without regard to whether any awards will be assumed or substituted for in connection with a Change in Control) and you will have no further rights with respect to those RSUs or any of the underlying Shares. For purposes of clarification, in the event a definitive agreement to which a Change in Control would otherwise become effective is executed, but the definitive agreement is later terminated and the transactions contemplated by the agreement are not consummated, then this Award will continue in effect in accordance with its terms without adjustment and you will not be entitled to any consideration under this Agreement as a result of the termination of the definitive agreement.

Termination of Service

In the event of cessation of your status as a Service Provider for any or no reason before you vest in the RSUs, the RSUs and your right to acquire any Shares hereunder will immediately terminate, unless specifically provided otherwise in this Agreement or other written agreement entered into after the Date of Award Grant between you and the Company or any of its Subsidiaries or Parents, as applicable. For the avoidance of doubt, the provisions of any plan, policy or agreement, including, but not limited to, any employment agreement or Change in Control Agreement between you and the Company or any Subsidiary of the Company, existing as of the Date of Award Grant, will not apply to the Award.

Vesting Requirements

If RSUs are determined to be Eligible RSUs on a Determination Date (including in the event of a Change in Control), then such Eligible RSUs will vest on the same Determination Date provided the Administrator has determined that the Operating Profit Requirement has been satisfied as of such Determination Date, subject to you remaining a Service Provider through the vesting date.

If RSUs are determined to be Eligible RSUs on a Determination Date (other than in the event of a Change in Control) and on such Determination Date the Administrator determines that the Operating Profit Requirement has not been satisfied, then such Eligible RSUs will vest, if at all, on the first date thereafter on which the Administrator determines that the Operating Profit Requirement has been satisfied, and subject to you remaining a Service Provider through such date.

If RSUs are determined to be Eligible RSUs on a Determination Date in connection with a Change in Control, and as of immediately prior to the Closing the Operating Profit Requirement has not been satisfied, then such Eligible RSUs and your right to acquire any Shares hereunder will terminate immediately prior to, but contingent upon, the Closing.

The "Operating Profit Requirement" will be satisfied (i) with respect to any given Eligible RSUs, on the Determination Date on which such RSUs are determined to be Eligible RSUs, if the Administrator determines on that Determination Date that the Company has reported an Operating Profit (as defined below) for each of the two most recently completed Company fiscal quarters preceding the Company fiscal quarter that includes such Determination Date, provided such completed Company fiscal quarters occur in the Performance Period, or (ii) with respect to any given Eligible RSUs, if the Operating Profit Requirement has not been met as of the Determination Date on which such RSUs are determined to be Eligible RSUs, the first date following such Determination Date on which the Administrator determines that the Company has reported an Operating Profit for any two consecutive, completed Company fiscal quarters that occur in the Performance Period. For purposes of clarification, if, on a Determination Date, the Operating Profit Requirement has not been satisfied because subsection (i) has not been satisfied, the Operating Profit Requirement may only be satisfied if, following such Determination Date, the Company reports an Operating Profit for any two consecutive, completed Company fiscal quarters in the remaining Performance Period.

Any determination as to whether the Operating Profit Requirement has been satisfied will be made by the Administrator in its sole discretion within ten (10) business days following the date the Company publicly reports the Operating Profit for the applicable fiscal quarter or on such other date determined by the Administrator.

"Operating Profit" means the Company's GAAP operating profit for the applicable fiscal quarter as reported in the Company's SEC filings.

The following examples illustrate the vesting of the Eligible RSUs:

- Assume that on a Determination Date the Performance Goal is satisfied as to […] Cumulative TRIO Units Shipped and 50% of the Target RSUs become Eligible RSUs. On such Determination Date, the Administrator determines that the Operating Profit Requirement has been satisfied. Subject to you remaining a Service Provider through such Determination Date, the Eligible RSUs will vest on such Determination Date.
- Assume that on a Determination Date the Performance Goal is satisfied as to […] Cumulative TRIO Units Shipped and 50% of the Target RSUs become Eligible RSUs. On such Determination Date, the Operating Profit Requirement has not been satisfied. Subject to you remaining a Service Provider through such vesting date, the Eligible RSUs will vest on the first date following such Determination Date on which the Administrator determines that the Operating Profit Requirement has been satisfied. If the Operating Profit Requirement is not satisfied during the Performance Period, the Eligible RSUs will not vest.
- Assume that on a Determination Date the Performance Goal is satisfied as to […] Cumulative TRIO Units Shipped and 50% of the Target RSUs become Eligible RSUs. On such Determination Date, the Operating Profit Requirement has not been satisfied. Further assume that on the next Determination Date (and prior to the Operating Profit Requirement being satisfied), the Performance Goal is satisfied as to […]

Cumulative TRIO Units Shipped and 100% of the Target RSUs become Eligible RSUs. Those Eligible RSUs will only vest if the Company reports an Operating Profit for two consecutive, completed Company fiscal quarters during the remaining Performance Period and provided that at least one of such two Company fiscal quarters was completed on or after the Determination Date on which the Administrator determined that the Performance Goal as to […] Cumulative TRIO Units Shipped was satisfied, subject to you remaining a Service Provider through such vesting date

- Assume that in the first and second fiscal quarters of the Company's 2025 Fiscal Year, the Company reports an Operating Profit, but no Performance Goal has been satisfied as of the end of the second fiscal quarter of the Company's 2025 Fiscal Year. Further, assume that in the third fiscal quarter of the Company's 2025 Fiscal Year, the Company does not report an Operating Profit and in the fourth quarter of the Company's 2025 Fiscal Year, the Performance Goal is satisfied as to […] Cumulative TRIO Units Shipped and 50% of the Target RSUs become Eligible RSUs. Those Eligible RSUs will only vest if the Company reports an Operating Profit for two consecutive, completed Company fiscal quarters during the remaining Performance Period and provided that at least one of such two Company fiscal quarters was completed on or after the Determination Date on which the Administrator determined that the Performance Goal was satisfied, subject to you remaining a Service Provider through such vesting date.

You acknowledge and agree that by accepting this Notice of Grant, it will act as your electronic signature to this Agreement and indicate your agreement and understanding that this award of RSUs is subject to all of the terms and conditions contained in the Plan and this Agreement.

You should retain a copy of your Agreement. You may obtain a paper copy at any time for no charge by contacting Janice Smith or Kevin Soulsby. If you would prefer not to electronically sign this Agreement, you may accept this Agreement by signing a paper copy of the Agreement and delivering it to Janice Smith or Kevin Soulsby. If you have any questions, please contact me at extension 2837 or stop by my office.

/s/ KEVIN SOULSBY

Kevin Soulsby, Interim Chief Financial Officer

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT (PERFORMANCE-BASED)

1. Grant. The Company hereby grants to the individual (the "***Participant***") named in the Notice of RSU Grant (the "***Notice of Grant***") under the Intevac, Inc. 2020 Equity Incentive Plan (the "***Plan***") an Award of Restricted Stock Units, subject to all of the terms and conditions in this Agreement and the Plan, which is incorporated herein by reference. Subject to Section 19 of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan will prevail. Unless otherwise defined herein, the terms defined in the Plan will have the same defined meanings in this Restricted Stock Unit Agreement (the "***Agreement***" or "***Award Agreement***"), which includes the Notice of Grant and Terms and Conditions of Restricted Stock Unit Grant (Performance-Based).

2. Company's Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3 or 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Units will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. Any Restricted Stock Units that vest in accordance with Sections 3 or 4 will be paid to Participant (or in the event of Participant's death, to his or her properly designated beneficiary or estate) in whole Shares, subject to Participant satisfying any applicable tax withholding obligations as set forth in Section 7. Subject to the provisions of Section 4, such vested Restricted Stock Units will be paid in whole Shares as soon as practicable after vesting but in each such case within sixty (60) days following the vesting date or, if earlier, within sixty (60) days from when the applicable Restricted Stock Units are no longer subject to a substantial risk of forfeiture for purposes of Section 409A. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of the payment of any Restricted Stock Units payable under this Agreement. No fractional Shares will be issued under this Agreement.

3. Vesting Schedule. Except as provided in Section 4, and subject to any acceleration provisions contained in the Plan or set forth in this Agreement, and subject to Section 5, the Restricted Stock Units awarded by this Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Restricted Stock Units scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Agreement unless Participant will have been continuously a Service Provider from the Date of Award Grant until the date such vesting occurs. In the event Participant ceases to be a Service Provider for any or no reason before Participant vests in the Restricted Stock Units, the Restricted Stock Units and Participant's right to acquire any Shares hereunder will immediately terminate.

4. Administrator Discretion; Section 409A.

(a) Administrator Discretion; Acceleration.

(i) The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Administrator. The payment of Shares vesting pursuant to this Section 4 shall in all cases be paid at a time or in a manner that is exempt from or complies with Section 409A.

(ii) Notwithstanding anything in the Plan or this Agreement to the contrary, if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in connection with Participant's termination as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to death**,** and if (x) Participant is a "specified employee" within the meaning of Section 409A at the time of such separation from service and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following Participant's separation from service, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of Participant's separation from service, unless the Participant dies following his or her termination as a Service Provider, in which case, the Restricted Stock Units will be paid in Shares to the Participant's estate as soon as practicable following his or her death. It is the intent of this Agreement that it and all payments and benefits hereunder be exempt from or comply with the requirements of Section 409A so that none of the Restricted Stock Units provided under this Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. Each payment payable under this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). For purposes of this Agreement, "***Section 409A***" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

(b) Section 409A. It is the intent of this Award Agreement that it and all issuances and benefits to U.S. taxpayers hereunder be exempt or excepted from the requirements of Section 409A pursuant to the "short-term deferral" exception under Section 409A, or otherwise be exempted or excepted from, or comply with, Section 409A, so that none of this Award Agreement, the Restricted Stock Units provided under this Award Agreement, or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or excepted, or to so comply. Each issuance upon settlement of the Award under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). In no event will the Company or any Service Recipient (as defined below) have any obligation or liability to reimburse, indemnify, or hold harmless Participant or any other person for any taxes, interest or penalties that may be imposed on Participant (or any other person), or other costs incurred by Participant (or any other person) as a result of Section 409A.

5. Forfeiture upon Termination of Status as a Service Provider. The balance of the Restricted Stock Units that have not vested as of the time of Participant's termination as a Service Provider for any or no reason and Participant's right to acquire any Shares hereunder will immediately terminate.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. Withholding of Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "***Employer***") or any Parent or Subsidiary to which Participant is providing services (together, the "***Service Recipients***"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, including, without limitation, (i) all federal, state, and local taxes (including Participant's Federal Insurance Contributions Act (FICA) obligations) that are required to be withheld by any Service Recipient or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant; (ii) Participant's and, to the extent required by any Service Recipient, the Service Recipient's fringe benefit tax liability, if any, associated with the grant, vesting, or settlement of the Restricted Stock Units or sale of Shares; and (iii) any other Service Recipient taxes the responsibility for which Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or settlement thereof or issuance of Shares thereunder) (collectively, the "***Tax Obligations***"), is and remains Participant's sole responsibility and may exceed the amount actually withheld by the applicable Service Recipient(s). Participant further acknowledges that no Service Recipient (A) makes any representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (B) makes any commitment to and is under any obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Award Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the applicable Service Recipient(s) (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares and may deem such Shares forfeited to the Company for no consideration.

Notwithstanding any contrary provision of this Agreement, no certificate representing the Shares will be issued to Participant, unless and until satisfactory arrangements (as determined by the Administrator) will have been made by Participant with respect to the payment of the Tax Obligations. Prior to vesting and/or settlement of the Restricted Stock Units, Participant will pay or make adequate arrangements satisfactory to the Service Recipient to satisfy all obligations of the Service Recipient for the Tax Obligations. In this regard, Participant authorizes the Service Recipient to withhold all applicable Tax Obligations legally payable by Participant from his or her wages or other cash compensation paid to Participant by the Service Recipient or from proceeds of the sale of Shares. Alternatively, or in addition, if permissible under applicable local law, the Company may, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit or require Participant to satisfy such Tax Obligations, in whole or in part (without limitation) by (a) paying cash (or cash equivalent), (b) electing to have the Company withhold otherwise deliverable cash or Shares having a fair market value equal to the minimum statutory amount required to be withheld or such greater amount as the Administrator may determine if such amount would not have adverse accounting consequences, as the Administrator determines in its sole discretion, (c) delivering to the Company already-owned Shares having a fair market value equal to the minimum statutory amount required to be withheld or such greater amount as the Administrator may determine if such amount would not have adverse accounting consequences, as the Administrator determines in its sole discretion, or (d) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld for Tax Obligations. The Company, in its sole discretion, will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant and, until determined otherwise by the Company, this will be the method by which such obligations for Tax Obligations are satisfied. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4 or Tax Obligations related to the Restricted Stock Units otherwise are due, Participant will permanently forfeit such Restricted Stock Units and any right to receive Shares thereunder and the Restricted Stock Units will be returned to the Company at no cost to the Company.

Participant has reviewed with his or her own tax advisers the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisers and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

8. Acknowledgements. In accepting this Award of Restricted Stock Units, Participant acknowledges, understands and agrees that:

(a) Participant acknowledges receipt of a copy of the Plan (including any applicable appendixes or sub-plans thereunder) and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Award of Restricted Stock Units subject to all of the terms and provisions thereof. Participant has reviewed the Plan (including any applicable appendixes or sub-plans thereunder) and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of the Award. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated in the Notice of Grant;

(b) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(c) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Administrator;

(d) Participant is voluntarily participating in the Plan;

(e) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not intended to replace any pension rights or compensation;

(f) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) the future value of the Shares underlying the Restricted Stock Units is unknown, indeterminable and cannot be predicted;

(h) for purposes of the Restricted Stock Units, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the Restricted Stock Units grant (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);

(i) unless otherwise provided in the Plan or by the Administrator in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(j) the following provisions apply only if Participant is providing services outside the United States:

(i) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not part of normal or expected compensation or salary for any purpose;

(ii) Participant acknowledges and agrees that no Service Recipient shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement; and

(iii) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Restricted Stock Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against any Service Recipient, waives his or her ability, if any, to bring any such claim, and releases each Service Recipient from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim

9. Data Privacy. Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement and any other Restricted Stock Unit grant materials by and among, as applicable, the Service Recipients for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and the Service Recipient may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data may be transferred to a stock plan service provider, as may be selected by the Company in the future, assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, the Service Recipients, any stock plan service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her status as a Service Provider and career with the Service Recipient will not be adversely affected. The only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

10. English Language. Participant has received the terms and conditions of this Agreement and any other related communications, and Participant consents to having received these documents in English. If Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

11. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

12. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY THROUGH ACHIEVEMENT OF THE PERFORMANCE GOALS SET FORTH IN THE NOTICE OF GRANT COUPLED WITH CONTINUATION AS A SERVICE PROVIDER AND, WHICH CONTINUATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, IS AT THE WILL OF THE APPLICABLE SERVICE RECIPIENT AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OF RESTRICTED STOCK UNITS OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF ANY SERVICE RECIPIENT TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

13. Address for Notices. Any notice to be given to the Company under the terms of this Agreement will be addressed to the Company, in care of its Secretary at Intevac, Inc., 3560 Bassett Street, Santa Clara CA 95054, or at such other address as the Company may hereafter designate in writing.

14. Grant is Not Transferable. Except to the limited extent provided in Section 6, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

15. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Agreement may be assigned only with the prior written consent of the Company.

16. Additional Conditions to Issuance of Stock. If at any time the Company determines, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or non-U.S. law, the tax code and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate or beneficiaries) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. If any such listing, registration, qualification, rule compliance, clearance, consent or approval has not been completed by the applicable deadline to remain exempt from Section 409A under the "short-term deferral" exemption with respect to a Restricted Stock Unit in a manner that would allow it to be settled by such deadline, such Restricted Stock Unit will be forfeited as of immediately following such deadline for no consideration and at no cost to the Company. Subject to the prior sentence, where the Company determines that the delivery of the payment of any Shares will violate federal securities laws or other applicable laws, the Company will defer delivery until the earliest date at which the Company reasonably anticipates that the delivery of Shares will no longer cause such violation. The Company will make all reasonable efforts to meet the requirements of any such state, federal or foreign law or securities exchange and to obtain any such consent or approval of any such governmental authority or securities exchange. Subject to the terms of this Award Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of a Restricted Stock Unit as the Administrator may establish from time to time for reasons of administrative convenience and any such certificate may be in book entry form.

17. Plan Governs. This Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Agreement and one or more provisions of the Plan, the provisions of the Plan will govern. Capitalized terms used and not defined in this Agreement will have the meaning set forth in the Plan.

18. Administrator Authority. The Administrator will have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement.

19. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or require Participant to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

20. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

21. Agreement Severable. In the event that any provision in this Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

22. Modifications to the Agreement. This Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Restricted Stock Units.

23. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

24. Governing Law. This Agreement will be governed by the laws of the State of California, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Award of Restricted Stock Units or this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California, and agree that such litigation will be conducted in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Award of Restricted Stock Units is made and/or to be performed.

25. No Waiver. Either party's failure to enforce any provision or provisions of this Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

26. Tax Consequences. Participant has reviewed with his or her own tax advisors the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

[PERFORMANCE-BASED OPERATING PROFIT]

2020 EQUITY INCENTIVE PLAN

FIRST_NAME_MIDDLE_NAME_LAST_NAME
ADDRESS_LINE_1
ADDRESS_LINE_2
CITY_STATE_ZIPCODE

Dear FIRST_NAME_MIDDLE_NAME_LAST_NAME,

NOTICE OF RSU GRANT (PERFORMANCE-BASED)

Congratulations. We, Intevac, Inc. ("Intevac" or the "Company"), pursuant to our 2020 Equity Incentive Plan (the "Plan"), hereby grants you an award (the "award" or "Award") of restricted stock units (the "RSUs" or "Restricted Stock Units") to receive the number of Shares as set forth below. Unless otherwise stated, all capitalized terms within this Restricted Stock Unit Agreement (the "Agreement"), which includes this Notice of RSU Grant (Performance-Based) (the "Notice of Grant") and the Terms and Conditions of Restricted Stock Unit Grant – Performance-Based, shall be interpreted as defined in the Plan. The following documents are linked to this notification and are also available on the Intevac Portal under the Stock Plans page:

- Terms and Conditions of Restricted Stock Unit Grant – Performance-Based
- 2020 Equity Incentive Plan
- 2020 Equity Incentive Plan Prospectus

By accepting this Notice of Grant, you are agreeing to the electronic availability of the documents disclosed above. If you need a hard copy of any of the documents, please contact Janice Smith or myself, and one will be provided to you at no charge.

Name of Award Grantee:
Grantee Employee ID Number:
Award Number:
Date of Award Grant:
Target Number of RSUs Subject to Award:
Maximum Number of RSUs Subject to Award: 200% of the Target Number of RSUs Subject to Award

Vesting Schedule:

Subject to you continuing to be a Service Provider through the applicable vesting date, the RSUs will vest in accordance with the following vesting criteria:

General

The number of RSUs subject to the Award that will become eligible for vesting as set forth below will depend upon the Company's Operating Profit Percentage (as defined below) for the Performance Period (as defined below) and will be determined in accordance with this Agreement. Vesting of the RSUs is contingent upon the satisfaction of the Cumulative TRIO Units Shipped Requirement (as defined below) during the Measurement Period (as defined below).

Performance Period

The Award's performance period (the "Performance Period") will begin on the first day of the Company's 2026 Fiscal Year (the "Commencement Date") and will be scheduled to end on (and include) the last day of the Company's 2026 Fiscal Year (the "Scheduled End Date").

Notwithstanding the foregoing, in the event of a Change in Control that occurs on or after the Commencement Date and prior to the Scheduled End Date, the Performance Period and the Measurement Period will be shortened to end on a date, as determined by the Human Capital Committee of the Board (the "Human Capital Committee") or the Board (in either case, as Administrator of the Plan) in its sole discretion, that occurs no earlier than ten (10) business days prior to the consummation of the Change in Control (the "Closing") and no later than the Closing (but prior to the Closing) (such

date, the "Change in Control Performance Period End Date") for purposes of calculating the Operating Profit Percentage and determining whether the Cumulative TRIO Units Shipped Requirement has been satisfied with respect to the applicable Eligible RSUs (as defined below), if any, and the treatment of the Award will be as set forth in this Agreement. The Scheduled End Date, or, if earlier, the Change in Control Performance Period End Date is referred to as the "Period End Date". For purposes of clarification, if, prior to the Commencement Date, a Closing occurs or if you cease to be a Service Provider for any reason, then the Performance Period will not commence and the RSUs will terminate and be cancelled and forfeited for no consideration and you will have no further rights with respect to such RSUs or any of the underlying Shares.

Service Requirement

If your status as a Service Provider terminates prior to the Determination Date (as defined below) for any reason, the RSUs will terminate and be cancelled and forfeited for no consideration and you will have no further rights with respect to such RSUs or any of the underlying Shares. Any RSUs subject to the Award that are not determined to be Eligible RSUs as of the Determination Date will terminate and be cancelled and forfeited for no consideration and you will have no further rights with respect to such RSUs or any of the underlying Shares.

Performance Determination

The number of RSUs, if any, that become eligible to vest (the "Eligible RSUs") will be determined by the Administrator in its sole discretion within sixty (60) days following the Scheduled End Date, or, in the event of a Change in Control, on a date on or following the Change in Control Performance Period End Date but in all cases prior to the Closing (the date the Administrator takes action to make such determination, the "Determination Date") and will depend upon the Company's Operating Profit Percentage during the Performance Period as described herein.

"Operating Profit Percentage" will be calculated as of the Period End Date and will be expressed as a percentage by dividing the Company's (i) GAAP operating profit for the Performance Period, by (ii) GAAP net total revenue for the Performance Period, both as reported in the Company's SEC filings.

Eligible RSU Calculations (Operating Profit Percentage):

Level *	Operating Profit Percentage During Performance Period	Percentage of Target RSUs that become Eligible RSUs**	Number of Eligible RSUs**
Maximum	[.....]	200%	[—]
Target	[.....]	100%	[—]
Threshold	[.....]	50%	[—]
	[.....]	0%	0

* The number of RSUs that will become Eligible RSUs will be interpolated on a linear basis between Threshold and Target and between Target and Maximum. The Percentage of Target RSUs that become Eligible RSUs will be expressed to the nearest tenth, with amounts rounded up to the nearest whole tenth.

** Any partial shares of Common Stock will be rounded down to the nearest whole Share and any fractional Shares will be forfeited for no consideration.

"Maximum RSUs" means 200% of the Target Number of RSUs Subject to Award. In no event may more than 100% of the Maximum Number of RSUs Subject to Award be Eligible RSUs for the Performance Period.

Change in Control

In the event of a Change in Control that occurs prior to the Scheduled End Date, the Performance Period will terminate and the number of Eligible RSUs will equal the number of Eligible RSUs calculated pursuant to the terms of the Agreement based on the Operating Profit Percentage, as applicable, generated during the Performance Period (as calculated through the Change in Control Performance Period End Date), with such Eligible RSUs eligible to vest in accordance with the vesting schedule set forth below, subject to the satisfaction of the Cumulative TRIO Units Shipped Requirement.

Section 14(c) of the Plan shall not apply to this Award. Notwithstanding the provisions of any plan, policy or agreement, including, but not limited to, any employment agreement or Change in Control Agreement between you and the Company or any Subsidiary of the Company, existing as of the Date of Award Grant (which agreements will not apply to the Award), any RSUs that have not vested as of the Determination Date on or following the Change in Control Performance Period End Date will be forfeited immediately, but contingent upon the Closing (without regard to whether any awards will be assumed or substituted for in connection with a Change in Control) and you will have no further rights with respect to those RSUs or any of the underlying Shares. For purposes of clarification, in the event a definitive agreement to which a Change in Control would otherwise become effective is executed, but the definitive agreement is later terminated and the transactions contemplated by the agreement are not consummated, then this Award will continue in effect in accordance with its terms without adjustment and you will not be entitled to any consideration under this Agreement as a result of the termination of the definitive agreement.

Termination of Service

In the event of cessation of your status as a Service Provider for any or no reason before you vest in the RSUs, the RSUs and your right to acquire any Shares hereunder will immediately terminate, unless specifically provided otherwise in this Agreement or other written agreement entered into after the Date of Award Grant between you and the Company or any of its Subsidiaries or Parents, as applicable. For the avoidance of doubt, the provisions of any plan, policy or agreement, including, but not limited to, any employment agreement or Change in Control Agreement between you and the Company or any Subsidiary of the Company, existing as of the Date of Award Grant, will not apply to the Award.

Vesting Requirements

On the Determination Date, the Administrator will determine, in its discretion, whether the Cumulative TRIO Units Shipped Requirement has been satisfied. If RSUs are determined to be Eligible RSUs on the Determination Date (including in the event of a Change in Control), then such Eligible RSUs will vest on the Determination Date provided the Administrator has determined that the Cumulative TRIO Units Shipped Requirement has been satisfied, in each case subject to you remaining a Service Provider through the Determination Date.

If RSUs are determined to be Eligible RSUs on the Determination Date (including in the event of a Change in Control), and the Administrator determines that the Cumulative TRIO Units Shipped Requirement has not been satisfied, then such Eligible RSUs and your right to acquire any Shares hereunder will terminate immediately.

The "Cumulative TRIO Units Shipped Requirement" will be satisfied if the Administrator determines that at least […] TRIO Units Shipped during the period beginning on the first day of the Company's 2024 Fiscal Year and ending on (and including) the Period End Date (the "Measurement Period"). A TRIO Unit (as defined below) that has been shipped into the field during the Measurement Period will be considered a "TRIO Unit Shipped" on the date that the Company recognizes revenue for such TRIO Unit during the Measurement Period. For purposes of clarification, if a TRIO Unit is shipped during the Measurement Period but the Company does not recognize income from such TRIO Unit during the Measurement Period, such TRIO Unit will not be considered a TRIO Unit Shipped and will not be included when determining whether the Cumulative TRIO Units Shipped Requirement has been satisfied. For purposes of this Agreement, a "TRIO Unit" is any system enabled by one or more Cylindrical Magnetrons.

You acknowledge and agree that by accepting this Notice of Grant, it will act as your electronic signature to this Agreement and indicate your agreement and understanding that this award of RSUs is subject to all of the terms and conditions contained in the Plan and this Agreement.

You should retain a copy of your Agreement. You may obtain a paper copy at any time for no charge by contacting Janice Smith or Kevin Soulsby. If you would prefer not to electronically sign this Agreement, you may accept this Agreement by signing a paper copy of the Agreement and delivering it to Janice Smith or Kevin Soulsby.

If you have any questions, please contact me at extension 2837 or stop by my office.

/s/ KEVIN SOULSBY

Kevin Soulsby, Interim Chief Financial Officer

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT (PERFORMANCE-BASED)

1. Grant. The Company hereby grants to the individual (the "***Participant***") named in the Notice of RSU Grant (the "***Notice of Grant***") under the Intevac, Inc. 2020 Equity Incentive Plan (the "***Plan***") an Award of Restricted Stock Units, subject to all of the terms and conditions in this Agreement and the Plan, which is incorporated herein by reference. Subject to Section 19 of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan will prevail. Unless otherwise defined herein, the terms defined in the Plan will have the same defined meanings in this Restricted Stock Unit Agreement (the "***Agreement***" or "***Award Agreement***"), which includes the Notice of Grant and Terms and Conditions of Restricted Stock Unit Grant (Performance-Based).

2. Company's Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3 or 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Units will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. Any Restricted Stock Units that vest in accordance with Sections 3 or 4 will be paid to Participant (or in the event of Participant's death, to his or her properly designated beneficiary or estate) in whole Shares, subject to Participant satisfying any applicable tax withholding obligations as set forth in Section 7. Subject to the provisions of Section 4, such vested Restricted Stock Units will be paid in whole Shares as soon as practicable after vesting but in each such case within sixty (60) days following the vesting date or, if earlier, within sixty (60) days from when the applicable Restricted Stock Units are no longer subject to a substantial risk of forfeiture for purposes of Section 409A. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of the payment of any Restricted Stock Units payable under this Agreement. No fractional Shares will be issued under this Agreement.

3. Vesting Schedule. Except as provided in Section 4, and subject to any acceleration provisions contained in the Plan or set forth in this Agreement, and subject to Section 5, the Restricted Stock Units awarded by this Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Restricted Stock Units scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Agreement unless Participant will have been continuously a Service Provider from the Date of Award Grant until the date such vesting occurs. In the event Participant ceases to be a Service Provider for any or no reason before Participant vests in the Restricted Stock Units, the Restricted Stock Units and Participant's right to acquire any Shares hereunder will immediately terminate.

4. Administrator Discretion; Section 409A.

(a) Administrator Discretion; Acceleration.

(i) The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Administrator. The payment of Shares vesting pursuant to this Section 4 shall in all cases be paid at a time or in a manner that is exempt from or complies with Section 409A.

(ii) Notwithstanding anything in the Plan or this Agreement to the contrary, if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in connection with Participant's termination as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to death**,** and if (x) Participant is a "specified employee" within the meaning of Section 409A at the time of such separation from service and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following Participant's separation from service, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of Participant's separation from service, unless the Participant dies following his or her termination as a Service Provider, in which case, the Restricted Stock Units will be paid in Shares to the Participant's estate as soon as practicable following his or her death. It is the intent of this Agreement that it and all payments and benefits hereunder be exempt from or comply with the requirements of Section 409A so that none of the Restricted Stock Units provided under this Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. Each payment payable under this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). For purposes of this Agreement, "***Section 409A***" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

(b) Section 409A. It is the intent of this Award Agreement that it and all issuances and benefits to U.S. taxpayers hereunder be exempt or excepted from the requirements of Section 409A pursuant to the "short-term deferral" exception under Section 409A, or otherwise be exempted or excepted from, or comply with, Section 409A, so that none of this Award Agreement, the Restricted Stock Units provided under this Award Agreement, or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or excepted, or to so comply. Each issuance upon settlement of the Award under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). In no event will the Company or any Service Recipient (as defined below) have any obligation or liability to reimburse, indemnify, or hold harmless Participant or any other person for any taxes, interest or penalties that may be imposed on Participant (or any other person), or other costs incurred by Participant (or any other person) as a result of Section 409A.

5. Forfeiture upon Termination of Status as a Service Provider. The balance of the Restricted Stock Units that have not vested as of the time of Participant's termination as a Service Provider for any or no reason and Participant's right to acquire any Shares hereunder will immediately terminate.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. Withholding of Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "***Employer***") or any Parent or Subsidiary to which Participant is providing services (together, the "***Service Recipients***"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, including, without limitation, (i) all federal, state, and local taxes (including Participant's Federal Insurance Contributions Act (FICA) obligations) that are required to be withheld by any Service Recipient or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant; (ii) Participant's and, to the extent required by any Service Recipient, the Service Recipient's fringe benefit tax liability, if any, associated with the grant, vesting, or settlement of the Restricted Stock Units or sale of Shares; and (iii) any other Service Recipient taxes the responsibility for which Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or settlement thereof or issuance of Shares thereunder) (collectively, the "***Tax Obligations***"), is and remains Participant's sole responsibility and may exceed the amount actually withheld by the applicable Service Recipient(s). Participant further acknowledges that no Service Recipient (A) makes any representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (B) makes any commitment to and is under any obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Award Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the applicable Service Recipient(s) (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares and may deem such Shares forfeited to the Company for no consideration.

Notwithstanding any contrary provision of this Agreement, no certificate representing the Shares will be issued to Participant, unless and until satisfactory arrangements (as determined by the Administrator) will have been made by Participant with respect to the payment of the Tax Obligations. Prior to vesting and/or settlement of the Restricted Stock Units, Participant will pay or make adequate arrangements satisfactory to the Service Recipient to satisfy all obligations of the Service Recipient for the Tax Obligations. In this regard, Participant authorizes the Service Recipient to withhold all applicable Tax Obligations legally payable by Participant from his or her wages or other cash compensation paid to Participant by the Service Recipient or from proceeds of the sale of Shares. Alternatively, or in addition, if permissible under applicable local law, the Company may, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit or require Participant to satisfy such Tax Obligations, in whole or in part (without limitation) by (a) paying cash (or cash equivalent), (b) electing to have the Company withhold otherwise deliverable cash or Shares having a fair market value equal to the minimum statutory amount required to be withheld or such greater amount as the Administrator may determine if such amount would not have adverse accounting consequences, as the Administrator determines in its sole discretion, (c) delivering to the Company already-owned Shares having a fair market value equal to the minimum statutory amount required to be withheld or such greater amount as the Administrator may determine if such amount would not have adverse accounting consequences, as the Administrator determines in its sole discretion, or (d) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld for Tax Obligations. The Company, in its sole discretion, will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant and, until determined otherwise by the Company, this will be the method by which such obligations for Tax Obligations are satisfied. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4 or Tax Obligations related to the Restricted Stock Units otherwise are due, Participant will permanently forfeit such Restricted Stock Units and any right to receive Shares thereunder and the Restricted Stock Units will be returned to the Company at no cost to the Company.

Participant has reviewed with his or her own tax advisers the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisers and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

8. Acknowledgements. In accepting this Award of Restricted Stock Units, Participant acknowledges, understands and agrees that:

(a) Participant acknowledges receipt of a copy of the Plan (including any applicable appendixes or sub-plans thereunder) and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Award of Restricted Stock Units subject to all of the terms and provisions thereof. Participant has reviewed the Plan (including any applicable appendixes or sub-plans thereunder) and this Agreement in their entirety,

has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of the Award. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated in the Notice of Grant;

(b) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(c) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Administrator;

(d) Participant is voluntarily participating in the Plan;

(e) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not intended to replace any pension rights or compensation;

(f) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) the future value of the Shares underlying the Restricted Stock Units is unknown, indeterminable and cannot be predicted;

(h) for purposes of the Restricted Stock Units, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the Restricted Stock Units grant (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);

(i) unless otherwise provided in the Plan or by the Administrator in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(j) the following provisions apply only if Participant is providing services outside the United States:

(i) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not part of normal or expected compensation or salary for any purpose;

(ii) Participant acknowledges and agrees that no Service Recipient shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement; and

(iii) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Restricted Stock Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against any Service Recipient, waives his or her ability, if any, to bring any such claim, and releases each Service Recipient from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim

9. <u>Data Privacy</u>. Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement and any other Restricted Stock Unit grant materials by and among, as applicable, the Service Recipients for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and the Service Recipient may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data may be transferred to a stock plan service provider, as may be selected by the Company in the future, assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, the Service Recipients, any stock plan service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her status as a Service Provider and career with the Service Recipient will not be adversely affected. The only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

10. English Language. Participant has received the terms and conditions of this Agreement and any other related communications, and Participant consents to having received these documents in English. If Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

11. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

12. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY THROUGH ACHIEVEMENT OF THE PERFORMANCE GOALS SET FORTH IN THE NOTICE OF GRANT COUPLED WITH CONTINUATION AS A SERVICE PROVIDER AND, WHICH CONTINUATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, IS AT THE WILL OF THE APPLICABLE SERVICE RECIPIENT AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OF RESTRICTED STOCK UNITS OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF ANY SERVICE RECIPIENT TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

13. Address for Notices. Any notice to be given to the Company under the terms of this Agreement will be addressed to the Company, in care of its Secretary at Intevac, Inc., 3560 Bassett Street, Santa Clara CA 95054, or at such other address as the Company may hereafter designate in writing.

14. Grant is Not Transferable. Except to the limited extent provided in Section 6, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

15. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Agreement may be assigned only with the prior written consent of the Company.

16. Additional Conditions to Issuance of Stock. If at any time the Company determines, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or non-U.S. law, the tax code and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate or beneficiaries) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. If any such listing, registration, qualification, rule compliance, clearance, consent or approval has not been completed by the applicable deadline to remain exempt from Section 409A under the "short-term deferral" exemption with respect to a Restricted Stock Unit in a manner that would allow it to be settled by such deadline, such Restricted Stock Unit will be forfeited as of immediately following such deadline for no consideration and at no cost to the Company. Subject to the prior sentence, where the Company determines that the delivery of the payment of any Shares will violate federal securities laws or other applicable laws, the Company will defer delivery until the earliest date at which the Company reasonably anticipates that the delivery of Shares will no longer cause such violation. The Company will make all reasonable efforts to meet the requirements of any such state, federal or foreign law or securities exchange and to obtain any such consent or approval of any such governmental authority or securities exchange. Subject to the terms of this Award Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of a Restricted Stock Unit as the Administrator may establish from time to time for reasons of administrative convenience and any such certificate may be in book entry form.

17. Plan Governs. This Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Agreement and one or more provisions of the Plan, the provisions of the Plan will govern. Capitalized terms used and not defined in this Agreement will have the meaning set forth in the Plan.

18. Administrator Authority. The Administrator will have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement.

19. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or require Participant to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

20. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

21. Agreement Severable. In the event that any provision in this Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

22. Modifications to the Agreement. This Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Restricted Stock Units.

23. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

24. Governing Law. This Agreement will be governed by the laws of the State of California, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Award of Restricted Stock Units or this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California, and agree that such litigation will be conducted in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Award of Restricted Stock Units is made and/or to be performed.

25. No Waiver. Either party's failure to enforce any provision or provisions of this Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

26. Tax Consequences. Participant has reviewed with his or her own tax advisors the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

Exhibit 10.3

2020 EQUITY INCENTIVE PLAN

FIRST_NAME_MIDDLE_NAME_LAST_NAME
ADDRESS_LINE_1
CITY_STATE_ZIPCODE

Dear FIRST_NAME_MIDDLE_NAME_LAST_NAME,

NOTICE OF STOCK OPTION GRANT

Congratulations. We, Intevac, Inc. (the "Company"), pursuant to our 2020 Equity Incentive Plan (the "Plan"), hereby grants you a Nonstatutory (or "Non-Qualified") Stock Option (the "Option") to purchase the number of Shares as set forth below. Unless otherwise stated, all capitalized terms within this Stock Option Agreement (the "Agreement") which includes this Notice of Stock Option Grant (the "Notice of Grant") and the Terms and Conditions of Stock Option Grant, shall be interpreted as defined in the Plan. The following documents are linked to this notification and are also available on the Intevac Portal under the Stock Plans page:

- Terms and Conditions of Stock Option Grant
- 2020 Equity Incentive Plan
- 2020 Equity Incentive Plan Prospectus

By accepting this Notice of Grant, you are agreeing to the electronic availability of the documents disclosed above. If you need a hard copy of any of the documents, please contact Janice Smith or myself, and one will be provided to you at no charge.

Name of Option Grantee:
Grantee Employee ID Number:
Grant Number:
Date of Grant:
Type of Option:
Total Number of Shares:
Exercise Price Per Share:

The total exercise price of the shares granted is:

Vesting Schedule: The shares will become fully vested in the following increments on the dates shown:

Vest Date	Vesting shares	Expiration

Except as provided by the following paragraph, in the event you cease to be a Director for any or no reason before you vest in the Option, your right to vest in the Option or purchase any shares under the then-unvested portion of the Option will immediately terminate.

Notwithstanding anything in the Plan or this Agreement to the contrary, if, on or following the six (6)-month anniversary of the Date of Grant, your service as a Director terminates under honorable circumstances, one hundred percent (100%) of the shares subject to the Option will vest immediately prior to such separation from service. The Board, excluding you for this purpose, will determine in its sole, good faith discretion, whether your termination as a Director was under honorable circumstances; provided, however, that the Board's determination that you willfully breached the Company's Director Code of Ethics, as in effect at the time of such breach, automatically will be deemed to be a determination that any termination of your service as a Director is not under honorable circumstances. For the avoidance of doubt, that your termination as a Director was not under honorable circumstances may be determined after your termination as a Director, and any shares under the then-outstanding and unexercised portion of the Option shall, upon such a determination, be immediately forfeited to the Company for no consideration.

You acknowledge and agree that by accepting this Notice of Grant, it will act as your electronic signature to this Agreement and indicate your agreement and understanding that this Option is subject to all of the terms and conditions contained in the Plan and this Agreement.

You should retain a copy of your Agreement. You may obtain a paper copy at any time for no charge by contacting Janice Smith or Kevin Soulsby. If you would prefer not to electronically sign this Agreement, you may accept this Agreement by signing a paper copy of the Agreement and delivering it to Janice Smith or Kevin Soulsby.

If you have any questions, please contact me at extension 2837 or stop by my office.

/s/ KEVIN SOULSBY

Kevin Soulsby, Chief Financial Officer

Exhibit 10.6

INTEVAC, INC.

2022 INDUCEMENT EQUITY INCENTIVE PLAN

As Amended July 1, 2024

1. Purposes of the Plan. The purposes of this Plan are to attract and retain the best available personnel for positions of substantial responsibility by providing an inducement material to individuals entering into employment with the Company or any Parent or Subsidiary of the Company.

The Plan permits the grant of Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units and Performance Shares. Each Award under the Plan is intended to qualify as an employment inducement award under NASDAQ Listing Rule 5635(c)(4), the official regulations and other official interpretive material and guidance issued under such rule (together, the "Inducement Listing Rule")

2. Definitions. As used herein, the following definitions will apply:

(a) "Administrator" means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 of the Plan.

(b) "Applicable Laws" means the legal and regulatory requirements relating to the administration of equity-based awards, including without limitation the related issuance of shares of Common Stock, including without limitation under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any non-U.S. country or jurisdiction where Awards are, or will be, granted under the Plan.

(c) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares.

(d) "Award Agreement" means the written or electronic agreement provided by the Company setting forth the terms and provisions applicable to an Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(e) "Award Transfer Program" means any program that would permit Participants the opportunity to transfer for value any outstanding Awards to a financial institution or other person or entity approved by the Administrator. A transfer for "value" will not be deemed to occur under this Plan where an Award is transferred by a Participant for bona fide estate planning purposes to a trust or other testamentary vehicle approved by the Administrator. Pursuant to the provisions of Section 6, the Administrator may not institute an Award Transfer Program.

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

(g) "Change in Control" means the occurrence of any of the following events:

(i) Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, the acquisition of additional stock by any one Person, who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control. Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of fifty percent (50%) or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event will not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership will include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

(ii) Change in Effective Control of the Company. A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this subsection (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) Change in Ownership of a Substantial Portion of the Company's Assets. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such Person) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of

the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (x) its primary purpose is to change the jurisdiction of the Company's incorporation, or (y) its primary purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(h) "Code" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code or regulation thereunder will include such section or regulation, any valid regulation or other official guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(i) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board, or a duly authorized committee of the Board, in accordance with Section 4 hereof.

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

(k) "Company" means Intevac, Inc., a Delaware corporation, or any successor thereto.

(l) "Consultant" means any natural person, including an advisor, engaged by the Company or a Parent or Subsidiary of the Company to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital-raising transaction, and (ii) do not directly promote or maintain a market for the Company's securities, in each case, within the meaning of Form S-8 promulgated under the Securities Act, and provided, further, that a Consultant will include only those persons to whom the issuance of Shares may be registered under Form S-8 promulgated under the Securities Act.

(m) "Director" means a member of the Board.

(n) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(o) "Employee" means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company. However, for the avoidance of doubt, a person who already is serving as a Director prior to becoming an Employee will not be eligible to be granted an Award under the Plan unless permitted under the Inducement Listing Rule. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. For purposes of an individual's rights, if any, under the Plan as of the time of the Company's determination, all such determinations by the Company shall be final, binding and conclusive, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination.

(p) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(q) "Exchange Program" means a program under which (i) outstanding awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower exercise prices and different terms), awards of a different type, and/or cash, (ii) Participants would have the opportunity to participate in an Award Transfer Program, and/or (iii) the exercise price of an outstanding Award is reduced. Pursuant to the provisions of Section 6, the Administrator may not institute an Exchange Program.

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

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market of The Nasdaq Stock Market, or the New York Stock Exchange,

its Fair Market Value will be the closing sales price for such stock (or, if no closing sales price was reported on that date, as applicable, on the last Trading Day such closing sales price was reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the day of determination (or, if no bids and asks were reported on that date, as applicable, on the last Trading Day such bids and asks were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

The determination of fair market value for purposes of tax withholding may be made in the Administrator's discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

(s) "Fiscal Year" means the fiscal year of the Company.

(t) "Incentive Stock Option" means an Option intended to qualify, and actually qualifies, as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(u) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(v) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(w) "Option" means a stock option granted pursuant to the Plan. All Options granted under the Plan will be Nonstatutory Stock Options.

(x) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(y) "Participant" means the holder of an outstanding Award.

(z) "Performance Share" means an Award denominated in Shares which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine pursuant to Section 11.

(aa) "Performance Unit" means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 11.

(bb) "Period of Restriction" means the period (if any) during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, continued service, the achievement of target levels of performance, the achievement of performance goals, or the occurrence of other events as determined by the Administrator.

(cc) "Plan" means this 2022 Inducement Equity Incentive Plan.

(dd) "Restricted Stock" means Shares issued pursuant to a Restricted Stock award under Section 8 of the Plan, or issued pursuant to the early exercise of an Option.

(ee) "Restricted Stock Unit" means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 9. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(ff) "Rule 16b-3" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(gg) "Section 16(b)" means Section 16(b) of the Exchange Act.

(hh) "Section 409A" means Section 409A of the Code, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder, from time to time, or any state law equivalent.

(ii) "Securities Act" means the Securities Act of 1933, as amended.

(jj) "Service Provider" means an Employee, Director or Consultant.

(kk) "Share" means a share of the Common Stock, as adjusted in accordance with Section 14 of the Plan.

(ll) "Stock Appreciation Right" or "SAR" means an Award, granted alone or in connection with an Option, that pursuant to Section 10 is designated as a Stock Appreciation Right.

(mm) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

(nn) "Trading Day" means a day that the primary stock exchange, national market system, or other trading platform, as applicable, upon which the Common Stock is listed is open for trading.

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be issued under the Plan is 1,800,000 Shares. In addition, Shares may become available for issuance under the Plan pursuant to Section 3(b). The Shares may be authorized, but unissued, or reacquired Common Stock.

(b) Lapsed Awards. If an Award expires or becomes unexercisable without having been exercised in full, or, with respect to Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares, is forfeited to or repurchased by the Company due to failure to vest, then the unpurchased Shares (or for Awards other than Options or Stock Appreciation Rights, the forfeited or repurchased Shares), which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). Upon exercise of a Stock Appreciation Right settled in Shares, the gross number of Shares covered by the portion of the Award so exercised, whether or not actually issued pursuant to such exercise will cease to be available under the Plan. Shares that actually have been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units are repurchased by the Company or are forfeited to the Company due to failure to vest, such Shares will become available for future grant under the Plan. Shares used to pay the exercise price or purchase of an Award or to satisfy the tax withholding obligations related to an Award will not become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan.

(c) Share Reserve. The Company, at all times during the term of this Plan, will reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Employees or Participants may administer the Plan.

(ii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iii) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(iv) Approval. Awards granted under the Plan must be approved by a majority of the Company's "Independent Directors" (as defined under the NASDAQ Listing Rules) or the Compensation Committee of the Board, in each case acting as the Administrator.

(v) Delegation of Authority for Day-to-Day Administration. Except to the extent prohibited by Applicable Law and except to the extent provided by subsection 4(a)(iv), the Administrator may delegate to one or more individuals the day-to-day administration of the Plan and any of the functions assigned to it in this Plan. Such delegation may be revoked at any time.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion, to:

(i) determine the Fair Market Value;

(ii) select the individuals to whom Awards may be granted hereunder, subject to Section 5 (which Awards will be intended as a material inducement to the individual becoming an Employee);

(iii) determine the number of Shares to be covered by each Award granted hereunder;

(iv) approve forms of Award Agreement for use under the Plan;

(v) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. The terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vi) construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(vii) prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable non-U.S. laws or for qualifying for favorable tax treatment under applicable non-U.S. laws;

(viii) modify or amend each Award (subject to Section 6 and Section 19 of the Plan), including without limitation the discretionary authority to extend the post-service exercisability period of Awards; provided, however, that in no event will the term of an Option or Stock Appreciation Right be extended beyond its original maximum term;

(ix) allow Participants to satisfy tax withholding obligations in a manner prescribed in Section 15 of the Plan;

(x) authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xi) temporarily suspend the exercisability of an Award if the Administrator deems such suspension to be necessary or appropriate for administrative purposes or to comply with Applicable Laws, provided that such suspension must be lifted prior to the expiration of the maximum term and post-service exercisability period of an Award, unless doing so would not comply with Applicable Laws;

(xii) allow a Participant, to defer the receipt of the payment of cash or the delivery of Shares that otherwise would be due to the Participant under an Award;

(xiii) determine whether Awards will be settled in Shares, cash or in any combination thereof;

(xiv) impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by a Participant or other subsequent transfers by the Participant of any Shares issued as a result of or under an Award, including without limitation, (A) restrictions under an insider trading policy, and (B) restrictions as to the use of a specified brokerage firm for such resales or other transfers; and

(xv) make all other determinations deemed necessary or advisable for administering the Plan.

(c) No Exchange Program. Notwithstanding anything herein to the contrary, the Administrator may not institute an Exchange Program.

(d) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards and will be given the maximum deference permitted by Applicable Laws.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units may be granted to Employees so long as the following requirements are met:

(a) The Employee was not previously an Employee or Director, or the Employee is to become employed by the Company or any of its Parents or Subsidiaries following a bona fide period of non-employment (within the meaning of the Inducement Listing Rule); and

(b) The grant of the Award or Awards is an inducement material to the Employee's entering into employment with the Company (or any of its Parents or Subsidiaries, as applicable) in accordance with the Inducement Listing Rule.

6. Limitations.

(a) Exchange Program / Award Transfer Program. The Administrator may not institute an Exchange Program and/or Award Transfer Program.

(b) Dividends. Dividends or other distributions payable with respect to Shares subject to Awards will not be paid before and unless the underlying Shares vest, and will be subject to the same forfeitability provisions as the underlying Shares. No dividends or other distributions will be paid with respect to Shares that are subject to unexercised Options or Stock Appreciation Rights, provided that nothing in this Section 6(b) shall preclude the Administrator from exercising its powers and authority under Section 14.

7. Stock Options.

(a) Grant of Option. The Administrator, in its sole discretion and subject to the terms and conditions of the Plan, including without limitation the eligibility requirements of Section 5, may grant Options to any individual as a material inducement to the individual becoming an Employee, which grant shall become effective only if the individual actually becomes an Employee.

(b) Stock Option Agreement. Each Award of an Option will be evidenced by an Award Agreement that will specify the exercise price, the number of Shares subject to the Option, the exercise restrictions, if any, applicable to the Option, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(c) Number of Shares. Subject to the terms and conditions of the Plan, the Administrator will have complete discretion to determine the number of Shares subject to an Option granted to any Employee.

(d) Term of Option. The term of each Option will be stated in the Award Agreement.

(e) Option Exercise Price and Consideration.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, but will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. Such consideration may consist entirely of, without limitation: (1) cash; (2) check; (3) promissory note, to the extent permitted by Applicable Laws; (4) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (5) consideration received by the Company under a broker-assisted (or other) cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (6) by reduction in the amount of any Company liability to the Participant; (7) by net exercise; (8) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (9) any combination of the foregoing methods of payment.

(f) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) notice of exercise (in accordance with the procedures that the Administrator may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with any applicable tax withholdings). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 14 of the Plan.

Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) Cessation of Status as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the cessation of the Participant's Service Provider status as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of cessation of the Participant's Service Provider status (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following cessation of the Participant's Service Provider status. Unless otherwise provided by the Administrator, if on the date of cessation of the Participant's Service Provider status the Participant is not vested as to his or

her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If, after cessation of the Participant's Service Provider status, the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of cessation of the Participant's Service Provider status (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following cessation of the Participant's Service Provider status. Unless otherwise provided by the Administrator, if on the date of cessation of the Participant's Service Provider status the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If, after cessation of the Participant's Service Provider status, the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the Option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's designated beneficiary, provided such beneficiary has been designated prior to the Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following the Participant's death. Unless otherwise provided by the Administrator, if at the time of death, the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(v) Expiration. A Participant's Award Agreement may also provide that:

(1) if the exercise of the Option following the cessation of the Participant's status as a Service Provider (other than upon the Participant's death or Disability) would result in liability under Section 16(b), then the Option will terminate on the earlier of (A) the expiration of the term of the Option set forth in the Award Agreement, or (B) the tenth (10^{th}) day after the last date on which such exercise would result in liability under Section 16(b); or

(2) if the exercise of the Option following the cessation of the Participant's status as a Service Provider (other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of Shares would violate the registration requirements under the Securities Act, then the Option will terminate on the earlier of (A) the expiration of the term of the Option or (B) the expiration of a period of thirty (30) days after the cessation of the Participant's status as a Service Provider during which the exercise of the Option would not be in violation of such registration requirements.

8. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and conditions of the Plan, including without limitation the eligibility requirements of Section 5, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to any individual as a material inducement to the individual becoming an Employee, which grant shall become effective only if the individual actually becomes an Employee, in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Subject to the limitations contained in Section 6(b) of the Plan, each Award of Restricted Stock will be evidenced by an Award Agreement that will specify any applicable Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 8 or the Award Agreement, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of any applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate. The Administrator may set restrictions based upon continued employment or service, the achievement of specific performance objectives (Company-wide, departmental, divisional, business unit, or individual), applicable federal or state securities laws, or any other basis determined by the Administrator in its discretion.

(e) Removal of Restrictions. Except as otherwise provided in this Section 8, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of any applicable Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During any applicable Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During any applicable Period of Restriction, and subject to Section 6(b) of the Plan, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and, subject to Section 3, again will become available for grant under the Plan.

9. Restricted Stock Units.

(a) Grant. Subject to the terms and conditions of the Plan, including without limitation the eligibility requirements of Section 5, the Administrator, at any time and from time to time, may grant Restricted Stock Units to any individual as a material inducement to the individual becoming an Employee, which grant shall become effective only if the individual actually becomes an Employee, in such amounts as the Administrator, in its sole discretion, will determine. After the Administrator determines that it will grant Restricted Stock Units under the Plan, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon continued employment or service, the achievement of specific performance objectives (Company-wide, departmental, divisional, business unit, or individual goals (including, but not limited to, continued employment or service)), applicable federal or state securities laws or any other basis determined by the Administrator in its discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may settle earned Restricted Stock Units only in cash, Shares, or a combination of both.

(e) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company and, subject to Section 3, again will become available for grant under the Plan.

10. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, including without limitation the eligibility requirements of Section 5, a Stock Appreciation Right may be granted to any individual as a material inducement to the individual becoming an Employee, which grant shall become effective only if the individual actually becomes an Employee, at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. Subject to the terms and conditions of the Plan, the Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Employee.

(c) Exercise Price and Other Terms. The per share exercise price for the Shares to be issued pursuant to exercise of a Stock Appreciation Right will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

(d) Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire upon the date as determined by the Administrator, in its sole discretion, and set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Section 7(d) relating to the term and Section 7(f) relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined as the product of:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; and

(ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon exercise of a Stock Appreciation Right may be in cash, in Shares of equivalent value, or in some combination of both.

11. Performance Units and Performance Shares.

(a) Grant of Performance Units/Shares. Subject to the terms and conditions of the Plan, including without limitation the eligibility requirements of Section 5, Performance Units and Performance Shares may be granted to any individual as a material inducement to the individual becoming an Employee, which grant shall become effective only if the individual actually becomes an Employee, at any time and from time to time, as will be determined by the Administrator, in its sole discretion. Subject to the terms and conditions of the Plan, the Administrator will have complete discretion in determining the number of Performance Units and Performance Shares granted to each Participant.

(b) Value of Performance Units/Shares. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions (including, without limitation, continued status as a Service Provider) in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units/Shares that will be paid out to the Service Providers. The time period during which the performance objectives or other vesting provisions must be met will be called the "Performance Period." Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator may set vesting criteria based upon continued employment or service, the achievement of specific performance objectives (Company-wide, departmental, divisional, business unit, or individual goals (including, but not limited to, continued employment or service)), applicable federal or state securities laws or any other basis determined by the Administrator in its discretion.

(d) Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made as soon as practicable after the expiration of the applicable Performance Period. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(f) Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and, subject to Section 3, again will be available for grant under the Plan.

12. Leaves of Absence/Transfer Between Locations. Unless the Administrator provides otherwise or as otherwise required by Applicable Law, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence, such that vesting will cease on the first day of any unpaid leave of absence and will only recommence upon return to active service. A Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, or any of its Subsidiaries.

13. Transferability of Awards. Unless determined otherwise by the Administrator (and subject to the provisions of Section 6), an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent and distribution, and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate.

14. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, reclassification, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs (other than any ordinary dividends or other ordinary distributions), the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of shares of stock that may be delivered under the Plan and/or the number, class, and price of shares of stock covered by each outstanding Award and the numerical Share limits in Section 3 of the Plan. Notwithstanding the preceding, the number of Shares subject to any Award always will be a whole number.

(b) Dissolution or Liquidation. In the event of a proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised (with respect to an Option or SAR) or vested (with respect to an Award other than an Option or SAR), an Award will terminate immediately prior to the consummation of such proposed action.

(c) Merger or Change in Control. In the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding Award will be treated as the Administrator determines (subject to the provisions of the following paragraph) without a Participant's consent, including, without limitation, that (i) Awards will be assumed, or substantially equivalent awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof) with appropriate adjustments as to the number and kind of shares and prices; (ii) upon written notice to a Participant, that the Participant's Awards will terminate upon or immediately prior to the consummation of such merger or Change in Control; (iii) outstanding Awards will vest and become exercisable, realizable, or payable, or restrictions applicable to an Award will lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iv) (A) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Administrator determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment), or (B) the replacement of such Award with other rights or property selected by the Administrator in its sole discretion; or (v) any combination of the foregoing. In taking any of the actions permitted under this Section 14(c), the Administrator will not be obligated to treat all Awards, all Awards held by a Participant, all Awards of the same type, or all portions of Awards, similarly.

In the event that the successor corporation does not assume or substitute for the Award (or portion thereof), the Participant will fully vest in and have the right to exercise the Participant's outstanding Option and Stock Appreciation Right (or portion thereof) that is not assumed or substituted for, including Shares as to which such Award would not otherwise be vested or exercisable, all restrictions on Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units (or portions thereof) not assumed or substituted for will lapse, and, with respect to such Awards with performance-based vesting (or portions thereof) not assumed or substituted for, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met, in each case, unless specifically provided otherwise by the Administrator or under the applicable Award Agreement or other written agreement authorized by the Administrator between the Participant and the Company or any of its Subsidiaries or Parents, as applicable. In addition, unless specifically provided otherwise by the Administrator or under the applicable Award Agreement or other written agreement authorized by the Administrator between the Participant and the Company or any of its Subsidiaries or Parents, as applicable, if an Option or Stock Appreciation Right (or portion thereof) is not assumed or substituted for in the event of a merger or Change in Control, the Administrator will notify the Participant in writing or electronically that such Option or Stock Appreciation Right (or its applicable portion) will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right (or its applicable portion) will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the merger or Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the merger or Change in Control, the consideration (whether stock, cash, or other securities or property) received in the merger or Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Unit or Performance Share, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the merger or Change in Control. For the avoidance of doubt, the Administrator may determine that, for purposes of this Section 14(c), the Company is the successor corporation with respect to some or all Awards.

Notwithstanding anything in this subsection (c) to the contrary, and unless otherwise provided by the Administrator or in an Award Agreement or other written agreement authorized by the Administrator between the Participant and the Company or any of its Subsidiaries or Parents, as applicable, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

Notwithstanding anything in this subsection (c) to the contrary, if a payment under an Award Agreement is subject to Section 409A and if the change in control definition contained in the Award Agreement or other written agreement related to the Award does not comply with the definition of "change in control" for purposes of a distribution under Section 409A, then any payment of an amount that otherwise is accelerated under this Section will be delayed until the earliest time that such payment would be permissible under Section 409A without triggering any penalties applicable under Section 409A.

15. Tax.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof) or such earlier time as any tax withholding obligations are due, the Company (or any of its Subsidiaries, Parents or affiliates employing or retaining the services of a Participant, as applicable) will have the power and the right to deduct or withhold, or require a Participant to remit to the Company (or any of its Subsidiaries, Parents or affiliates, as applicable), an amount sufficient to satisfy U.S. federal, state, and local, non-U.S., and other taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (i) paying cash, check or other cash equivalents; (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a fair market value equal to the minimum statutory amount required to be withheld or such greater amount as the Administrator may determine if such amount would not have adverse accounting consequences, as the Administrator determines in its sole discretion; (iii) delivering to the Company already-owned Shares having a fair market value equal to the statutory amount required to be withheld or such greater amount as the Administrator may determine, in each case, provided the delivery of such Shares will not result in any adverse accounting consequences, as the Administrator determines in its sole discretion; (iv) selling a sufficient number of Shares otherwise deliverable to the Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld or such greater amount as the Administrator may determine, in each case, provided the delivery of such Shares will not result in any adverse accounting consequences, as the Administrator determines in its sole discretion; (v) such other consideration and method of payment for the meeting of tax withholding obligations as the Administrator may determine to the extent permitted by Applicable Laws; or (vi) any combination of the foregoing methods of payment. The withholding amount will be deemed to include any amount which the Administrator agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state or local marginal income tax rates applicable to the Participant with respect to the Award on the date that the amount of tax to be withheld is to be determined or such greater amount as the Administrator may determine if such amount would not have adverse accounting consequences, as the Administrator determines in its sole discretion. The fair market value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

(c) Compliance With Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A, except as otherwise determined in the sole discretion of the Administrator. Each payment or benefit under this Plan and under each Award Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. The Plan, each Award and each Award Agreement under the Plan is intended to be exempt from or otherwise meet the requirements of Section 409A and will be construed and interpreted including but not limited with respect to ambiguities and/or ambiguous terms, in accordance with such intent, except as otherwise specifically determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A. In no event will the Company or any of its Subsidiaries or Parents have any obligation or liability under the terms of this Plan to reimburse, indemnify, or hold harmless any Participant or any other person in respect of Awards, for any taxes, interest or penalties imposed, or other costs incurred, as a result of Section 409A.

16. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider, nor interfere in any way with the Participant's right or the right of the Company and its Subsidiaries or Parents, as applicable, to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

17. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

18. Term of Plan. The Plan will become effective upon its adoption by the Board or its designated Committee (as applicable). It will continue in effect for a term of ten (10) years from the date of the initial action by Board or its designated Committee (as applicable) to adopt the Plan unless terminated earlier under Section 19 of the Plan.

19. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Administrator may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent that the Administrator (in its discretion) determines such approval is necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will materially impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

20. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

21. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction or to complete or comply with the requirements of any registration or other qualification of the Shares under any U.S. state or federal law or non-U.S. law or under the rules and regulations of the Securities and Exchange Commission, the stock exchange on which Shares of the same class are then listed, or any other governmental or regulatory body, which authority, registration, qualification or rule compliance is deemed by the Company's counsel to be necessary or advisable for the issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority, registration, qualification or rule compliance will not have been obtained.

22. Forfeiture Events. The Administrator may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award will be subject to reduction, cancellation, forfeiture, recoupment, reimbursement, or reacquisition upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Notwithstanding any provisions to the contrary under this Plan, an Award will be subject to the Company's clawback policy as may be established and/or amended from time to time to comply with Applicable Laws (including without limitation pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as may be required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Clawback Policy"). The Administrator may require a Participant to forfeit, return or reimburse the Company all or a portion of the Award and any amounts paid thereunder pursuant to the terms of the Clawback Policy or as necessary or appropriate to comply with Applicable Laws. Unless this Section 22 specifically is mentioned and waived in an Award Agreement or other document, no recovery of compensation under a Clawback Policy or otherwise will constitute an event that triggers or contributes to any right of a Participant to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or any Parent or Subsidiary of the Company.

Exhibit 10.7

INTEVAC

3560 Bassett Street, Santa Clara, CA 95054-2704 www.intevac.com T 408-986-9888

July 9, 2024

Mr. Cameron McAulay

Dear Cameron:

I am pleased to confirm our offer for the position of Chief Financial Officer **r**eporting to Nigel Hunton, Chief Executive Officer and President. Your starting date will be July 10, 2024, and your base salary will be $340,000 on an annualized basis. In addition, you are eligible to participate in Intevac's Incentive Program. You will be eligible to receive an annual target bonus of up to 60% of your then current Base Salary (the "**Bonus**"). To the extent that you or the Company exceed or fall short of the target performance, the actual bonus payment may be more or less than the target bonus. The achievement of your bonus will be based on the Company meeting its financial targets and accomplishment of Executive MBOs.

As a material inducement to you joining Intevac CEO Nigel Hunton will make a recommendation to the Board of Directors that you be granted 48,000 RSUs of Intevac stock, which will vest in equal instalments over three years.

Additionally, as a material inducement to you for accepting employment with the Company, and subject to your continued employment on the grant date, the Company will recommend that you be granted an award of 72,000 Performance RSUs ("PRSU"), with up to a maximum grant of 144,000 PRSUs. The PRSUs will vest upon the achievement of Intevac targets, over a three-year performance period. The performance period will end on December 31, 2026.

As a regular Intevac employee, you will be eligible to participate in a benefits package, which includes medical/dental/vision/life/disability insurance, 401(k) plan, stock purchase plan, and educational reimbursement for approved courses. This package also provides for 11 paid holidays' each year and accrual of Personal Time-Off (PTO) at a rate of twenty (20) days per year at the inception of your employment.

If you would like to view our benefits online please go to: http://intevacinc.benergy4.com

*User ID**: Intevac** and Password: **Benefits** (case sensitive)*

Intevac employs its employees on an "at–will" basis, meaning that either you or the Company may terminate the employment relationship at any time, with or without cause and with or without notice. Should you join us, Intevac will employ you on an at-will basis and apply to you the same policies and procedures applicable to its employees generally. We may, in our discretion, establish other terms and conditions of your employment, and may modify any terms and conditions of employment at any time.

This offer of employment does not imply or give cause for any claim to employment tenure, rights, or benefits not stated herein or specifically provided for in writing hereafter. Either party to this agreement may terminate the agreement at any time for any reason or no reason. This at will nature of employment cannot be altered, except upon written agreement signed by the president of Intevac.

This offer is contingent on your execution of the Company's standard Proprietary Information and Inventions Agreement, which is attached. If you accept this offer, the terms described in this letter and the Proprietary Information and Inventions Agreement shall be the terms of your employment. No other promises, representations or terms have been agreed to by Intevac.

In order to comply with the Federal Immigration Reform Act, your employment pursuant to this offer is contingent on you providing the legally required proof of your identity and authorization to work in the United States.

We look forward to having you join the Intevac team on Wednesday July 10, 2024. Please sign the enclosed copy in the space provided, execute the enclosed Proprietary Information Agreement and return to me.

Sincerely,
Nigel Hunton
Chief Executive Officer

/s/ Nigel Hunton	July 9, 2024
Signature	Date

I have read and accept this offer of employment:

/s/ Cameron McAulay	July 9, 2024
Signature	Date

Change in Control Agreement

Intevac, Inc. (hereafter referred to as "Intevac" or the "Company") employs you, Cameron McAulay, and desires to provide certain benefits to you in the event of a Change in Control as described herein and your employment terminates thereafter under certain conditions. Accordingly, you and the Company agree as follows:

1.1 For purposes of this Change in Control Agreement (the "Agreement"), the term "Change in Control" has the meaning assigned to it in the Company's 2020 Equity Incentive Plan.

1.2 Termination after a Change in Control. In the event that within twelve (12) months following a Change in Control, the Company terminates your employment without Cause (as defined below) or you resign for Good Reason (as defined below) (a "Change in Control Termination"), (a) the Company will provide you with severance in the amount of six (6) months of your then existing base salary, paid, less payroll deductions and all required withholdings, in equal installments on the Company's normal payroll schedule over a period of six (6) months following your termination of employment with the Company, and (b) immediate vesting of each of your then-outstanding Company equity awards as to 100% of the then unvested number of shares subject to each such Company equity award; provided, however, that any Company equity award held by you that, at any time such Company equity award was outstanding, was subject to performance-based vesting, will instead be treated as provided in the award agreement related to such Company equity award. As a precondition of receiving the payments and benefits under this paragraph, you must, upon or following your separation from service, first sign and allow to become effective a general release of claims in favor of the Company in a form acceptable to the Company (the "Release") and such Release must become effective and irrevocable no later than sixty (60) days following the Change in Control Termination (such deadline, the "Release Deadline").

If the Release does not become effective by the Release Deadline, or if you do not comply with the terms of the Release, you will forfeit any rights to severance payments or benefits under this Agreement. In no event will severance payments or benefits be paid or provided until the Release actually becomes effective. Notwithstanding the foregoing, your employment with the Company will not be considered to have terminated, and you shall not be entitled to any of the payments and benefits under this paragraph, if you simultaneously or with no break in service are rehired or become an employee of another Intevac Entity; for the avoidance of doubt, in connection with any such simultaneous rehire or transfer, the terms of this Section 1.2 with respect to the termination of your employment with the Company shall apply to your employment with Intevac or such Intevac Entity, as applicable.

1.3 Definition of "Cause". For purposes of this Agreement, "Cause" shall mean the occurrence of one or more of the following: (a) your indictment or conviction of any felony or crime involving moral turpitude or dishonesty; (b) your participation in any fraud against the Company or its successor; (c) breach of your duties to the Company or its successor, including, without limitation, persistent unsatisfactory performance of job duties; (d) intentional damage to any property of the Company or its successor; (e) willful conduct that is demonstrably injurious to the Company or its successor, monetarily or otherwise; (f) breach of any agreement with the Company or its successor, including your Proprietary information and Inventions Agreement; or (g) conduct by you that in the good faith and reasonable determination of the Company demonstrates gross unfitness to serve. Physical or mental disability or death shall not constitute Cause hereunder.

1.4 Definition of "Good Reason". For purposes of this Agreement, your voluntary termination of employment with the company will be considered a termination for "Good Reason" if you resign your employment because one of the following events occurs without your consent: (a) a reduction of your then existing annual base salary by more than ten percent (10%), unless the then existing base salaries of other executive officers of the Company are accordingly reduced; (b) a material reduction in the package of benefits and incentives, taken as a whole, provided to you (not including raising of employee contributions to the extent of any cost increases imposed by third parties), except to the extent that such benefits and incentives of the other executive officers of the Company are similarly reduced; (c) assignment to you of any duties or any limitation of your responsibilities substantially inconsistent with your position, duties, responsibilities and status with the company immediately prior to the date of the Change in Control; or (d) relocation of the principal place of your employment to a location that is more than sixty (60) miles from your principal place of employment immediately prior to the date of the Change in Control. In order for an event to qualify as Good Reason, you must not resign without first providing the Company with written notice of the acts or omissions constituting the grounds for Good Reason and a reasonable cure period of fifteen (15) days following the date of such notice, and such grounds must not have been cured during such time.

1.5 Limitation on Payments. If any payment or benefit you 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 Internal Revenue Code of 1986, as amended (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 shall be equal to the Reduced Amount. The "Reduced Amount" shall 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 your receipt, on the 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 shall occur in the following order: (i) first, any cash payments shall be reduced in reverse chronological order (that is, the cash payment owed on the latest date following the occurrence of the event triggering the Excise Tax will be the first cash payment to be reduced); (ii) next, any equity

awards that were granted "contingent on a change in ownership or control" within the meaning of Section 280G of the Code shall be reduced (if two or more equity awards are granted on the same date, each equity award will be reduced on a pro-rata basis); (iii) next, any accelerated vesting of other equity awards shall be reduced in the reverse order of date of grant (i.e., the vesting of the most recently granted equity awards will be reduced first, and if more than one equity award was granted to you on the same date, all such awards will have their acceleration of vesting reduced pro rata); and (iv) finally, reduction of other employee benefits paid or provided to you in reverse chronological order (i.e., the benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first benefit to be reduced). In no event will you have any discretion with respect to the ordering of payment reductions The Company or an accounting firm engaged by the Company, as determined in the sole discretion of the Company shall perform the calculations described above (the Company or accounting firm performing such calculations, the "Calculation Team"). The Company shall bear all expenses with respect to the determinations required to be made hereunder. The Calculation Team engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to you and the Company within fifteen (15) calendar days after the date on which your right to a Payment is triggered (if requested at the time by you or the Company) or such other time as requested by you or the Company. If the Calculation Team determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it shall furnish you and the Company with an opinion reasonably acceptable to you that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the Calculation Team made hereunder shall be final, binding and conclusive upon you and the Company.

2.0 General Timing of Payments

2.1 Any severance payments and benefits under this Agreement will be paid on, or, in the case of installments, will not commence until the sixtieth (60th) day following your separation from service, or, if later, such time as required by Section 3.2 below; provided, however, that any acceleration of vesting of options and restricted stock will be provided on the Release effectiveness date. Except as required by Section 3.2 below, any installment payments or benefits that would have been made to you during the sixty (60) day period immediately following your separation from service but for the preceding sentence will be paid to you on the sixtieth (60th) day following your separation from service and the remaining payments shall be made as provided in the Agreement. In no event will you have discretion to determine the taxable year of payment of any severance payments or benefits.

3.0 Section 409A

3.1 Notwithstanding anything to the contrary in this Agreement, no Deferred Payments will be paid or otherwise provided until you have a "separation from service" from Intevac within the meaning of Section 409A. Similarly, no severance payment or benefit payable to you, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until you have a "separation from service" from Intevac within the meaning of Section 409A. In no event will you have discretion to determine the taxable year of payment of any Deferred Payments.

3.2 Notwithstanding anything to the contrary in this Agreement, if you are a "specified employee" within the meaning of Section 409A at the time of your separation from service from Intevac (other than due to death), then the Deferred Payments, if any, that are payable within the first six (6) months following your separation from service from Intevac, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of your separation from service from Intevac. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if you die following your separation from service from Intevac, but before the six (6) month anniversary of such separation from service, then any payments delayed in accordance with this Section 3.2 will be payable in a lump sum as soon as administratively practicable after the date of your death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment, installment and benefit payable under this Agreement is intended to constitute a separate payment under Section 1.409A-2(b)(2) of the Treasury Regulations.

3.3 Any amount paid, or benefit provided under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute a Deferred Payment for purposes of this Agreement. Any amount paid or benefit provided under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit (as defined below) will not constitute a Deferred Payment for purposes of this Agreement. Any payments or benefits due under this Agreement will be paid as provided under this Agreement, but in no event later than the last day of your second taxable year following your taxable year in which your separation from service from the Company occurs.

3.4 For purposes of this Agreement, the term "Section 409A" means Section 409A of the Code, and any final regulations and guidance thereunder and any applicable state law equivalent, as each may be amended or promulgated from time to time.

3.5 For purposes of this Agreement, "Deferred Payments" means any severance pay or benefits to be paid or provided to you pursuant to this Agreement and any other severance payments or separation benefits, that in each case, when considered together, are considered deferred compensation under Section 409A.

3.6 For purposes of this Agreement "Section 409A Limit" means two (2) times the lesser of: (x) your annualized compensation based upon the annual rate of pay paid to you during your taxable year preceding your taxable year of your termination of employment as determined under, and with such adjustments as are set forth in, Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto, or (y) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which your employment is terminated.

3.7 The foregoing provisions are intended to comply with or be exempt from the requirements of Section 409A so that none of the payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be exempt or so comply. You and the Company agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition before actual payment to you under Section 409A. In no event will the Company or any successor have any liability or obligation to reimburse or indemnify or hold you harmless for any taxes or costs that may be imposed on or incurred by you as a result of Section 409A.

4.0 General Provisions

4.1 Severability. Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but such invalid, illegal or unenforceable provision will be reformed, construed and enforced in such jurisdiction so as to render it valid, legal and enforceable consistent with the intent of the parties insofar as Possible.

4.2 Entire Agreement. This Agreement, together with the Proprietary Information and Inventions Agreement, constitutes the entire and exclusive agreement between you and the Company, and it supersedes any prior agreement, promise, representation, or statement, written or otherwise, between you and the Company with regard to this subject matter. This Agreement is entered into without reliance or any promise, representation, statement or agreement other than those expressly contained or incorporated herein, and it cannot be modified or amended except in writing signed by you and a duly authorized officer of the Company.

4.3 Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by you, the company and your and its respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties hereunder and you may not assign any of your rights hereunder without the written consent of the Company, which shall not be withheld unreasonably.

4.4 Governing Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of California as applied to contracts made and to be performed entirely within California.

To indicate your acceptance of the Company's offer of employment, please sign and date this Agreement and return the signed document to me.

Sincerely,

/s/ Nigel Hunton

Nigel Hunton
President/CEO
Intevac Inc.

Accepted and agreed:
/s/ Cameron McAulay

Signature July 9, 2024

Exhibit 31.1

I, Nigel Hunton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Intevac, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2024

/s/ NIGEL HUNTON

Nigel Hunton
President and Chief Executive Officer

Exhibit 31.2

I, Cameron McAulay

1. I have reviewed this Quarterly Report on Form 10-Q of Intevac, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2024

/s/ CAMERON MCAULAY

Cameron McAulay
Chief Financial Officer, Secretary and Treasurer

Exhibit 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

I, Nigel Hunton, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Intevac, Inc. on Form 10-Q for the quarterly period ended June 29, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of Intevac, Inc.

Date: August 6, 2024

/s/ NIGEL HUNTON
Nigel Hunton
President and Chief Executive Officer

I, Cameron McAulay, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Intevac, Inc. on Form 10-Q for the quarterly period ended June 29, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of Intevac, Inc.

Date: August 6, 2024

/s/ CAMERON MCAULAY
Cameron McAulay
Chief Financial Officer, Secretary and Treasurer

A signed original of this written statement required by Section 906 has been provided to Intevac, Inc. and will be retained by Intevac, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Intevac, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.