Shareholder Letter

NEXTPOWER™

Q2 FY2027

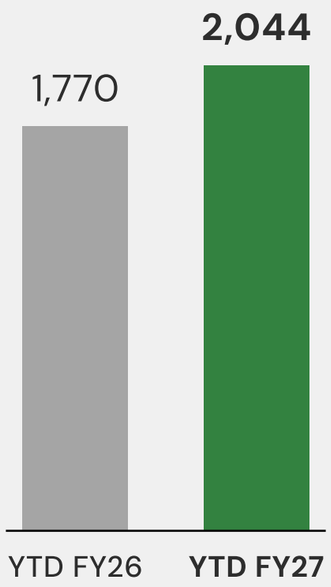
October 28, 2026

50 MW / 250 MWh Nextpower Energy Storage Salvador project in Atacama Region of Chile

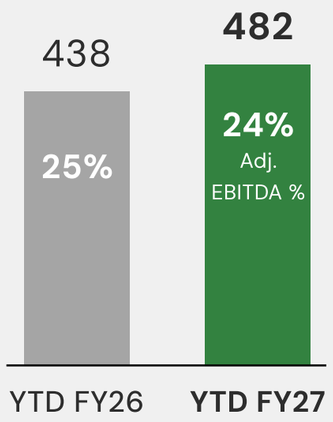
Financial Highlights

YTD Performance Through Q2 FY27

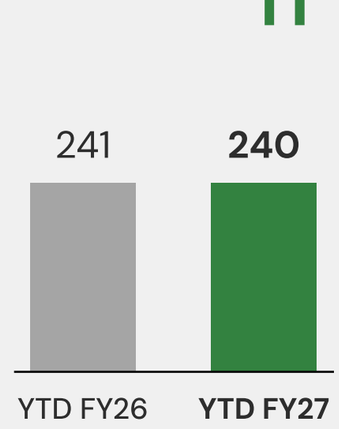
Revenue ($M)



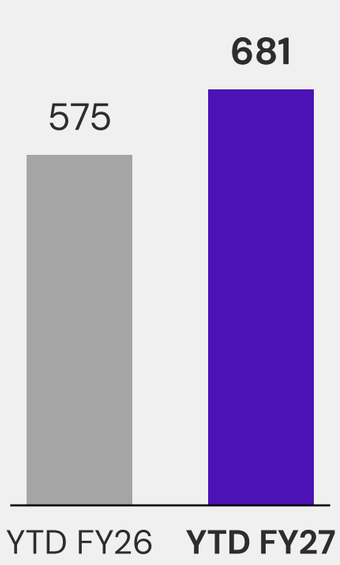
Adjusted EBITDA ($M)



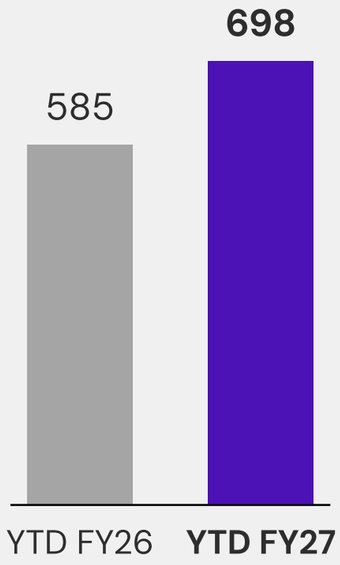
Adjusted Free Cash Flow ($M)



GAAP Gross Profit ($M)



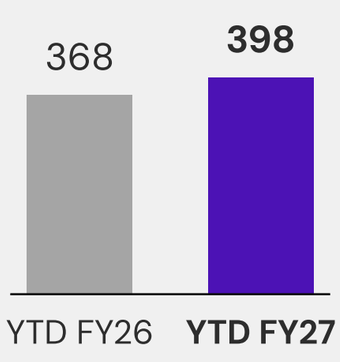
Adjusted Gross Profit ($M)



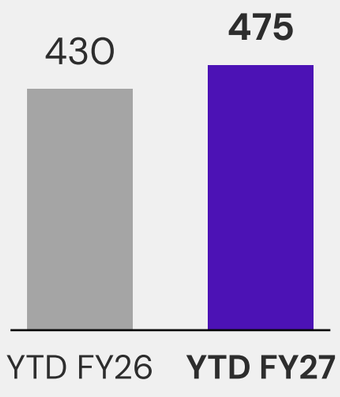
Financial Highlights

- Record quarterly revenue of over $1.1 billion up 23% year over year
- Record quarterly adjusted gross profit of approximately $355 million and adjusted EBITDA of approximately $250 million
- Strong balance sheet with over $1 billion in cash and cash equivalents and no debt
- Generated approximately $135 million of adjusted free cash flow
- Repurchased approximately $162 million of common stock during the quarter under our share repurchase program

GAAP Operating Income ($M)



Adjusted Operating Income ($M)



GAAP Diluted EPS ($)

Adjusted Diluted EPS ($)

See Appendix for reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

YoY change percentages are calculated using rounded numbers in thousands.

Keynote featuring Dan Shugar, Founder and CEO of Nextpower, at University of North Carolina's annual Cleantech Summit 2026

Dear Nextpower Shareholder,

We are pleased to share highlights from the second quarter of fiscal year 2027. On our earnings conference call, we will provide short opening remarks followed by a Q&A session. We look forward to speaking with you on our call, scheduled for October 28 at 2:00 p.m. PT.

In addition, we are hosting our Capital Markets Day in Las Vegas in conjunction with RE+ on November 16 at 3:00 p.m. PT. To register, please contact investor@nextpower.com. A live webcast of the event will be available on the Nextpower Investor Relations website for those that cannot attend in person. The replay of the webcast will be available shortly after the event concludes on the same website.

Nextpower delivered record financial results in the second quarter of FY27. Our core tracker business strengthened further, extending the momentum from the first quarter, while non-tracker businesses accelerated to approximately 22% of revenue. Energy storage contributed approximately $100 million of revenue and over $20 million of adjusted EBITDA, marking this product line's first contribution to our results and adding to the diversity and breadth of our technology platform.

That contribution included revenue recognized from a behind-the-meter (BTM) energy storage project, highlighting the range of customer applications our storage business can serve, from solar-plus-storage to grid reliability and BTM microgrids. Energy storage is a large and rapidly growing market, and we believe our differentiated system-level approach, combined with our power conversion roadmap, supply chain capabilities, software, and lifecycle services, positions us to create meaningful customer value and attractive long-term returns.

Our strategy remains grounded in the same customer-led approach that built our tracker leadership. Customers are seeking partners that can help them deliver electric power infrastructure faster, more reliably, with reduced project risk and improved economics, at scale. We are responding by expanding our participation across the project lifecycle—from foundations, trackers and module frames to eBOS, power conversion, energy storage, digital technologies, robotics, and lifecycle services. The objective is not product portfolio expansion for its own sake; but rather to solve customer problems via design and functional integration, increasing the value we provide our customers on each project, and expanding profit dollars while maintaining attractive structural margins.

This strategy is reflected in the continued growth of our foundations and eBOS businesses, both of which delivered record results this quarter, as well as in the increasing contribution from our newer businesses. Our market-leading tracker franchise remains the foundation of this opportunity, providing customer relationships, project insight, operating scale, and global reach that enable the increasing attach rate of our adjacent products and services.

The broader market backdrop remains favorable. Electricity demand is accelerating due to electrification, industrial growth, super intelligence, and data center expansion. Solar and storage are among the fastest, lowest cost, and most scalable ways to add new generation capacity, and customers increasingly demand solutions that are reliable, resilient, and available on an accelerated timeline. We believe Nextpower is well positioned to help customers meet these needs as the market moves toward terawatt-scale deployment.

We look forward to sharing an updated long-term outlook, including revised 2030 objectives, at our Capital Markets Day in Las Vegas on November 16, 2026, held in conjunction with RE+. Since we first shared our targets and objectives last year, our plans have accelerated meaningfully.

Thank you to our customers, partners, employees, and shareholders for your continued support.

Sincerely,

Dan Shugar
Founder & CEO

Howard Wenger
President

Chuck Boynton
Chief Financial Officer

Q2 FY2027 Results

Q2 revenue increased 23% year over year to over $1.1 billion, reflecting continued demand for our core tracker products and increasing contribution from our complementary platform technologies. Non-tracker revenue represented approximately 22% of total revenue. Geographic revenue mix was approximately 82% U.S. and 18% Rest of World.

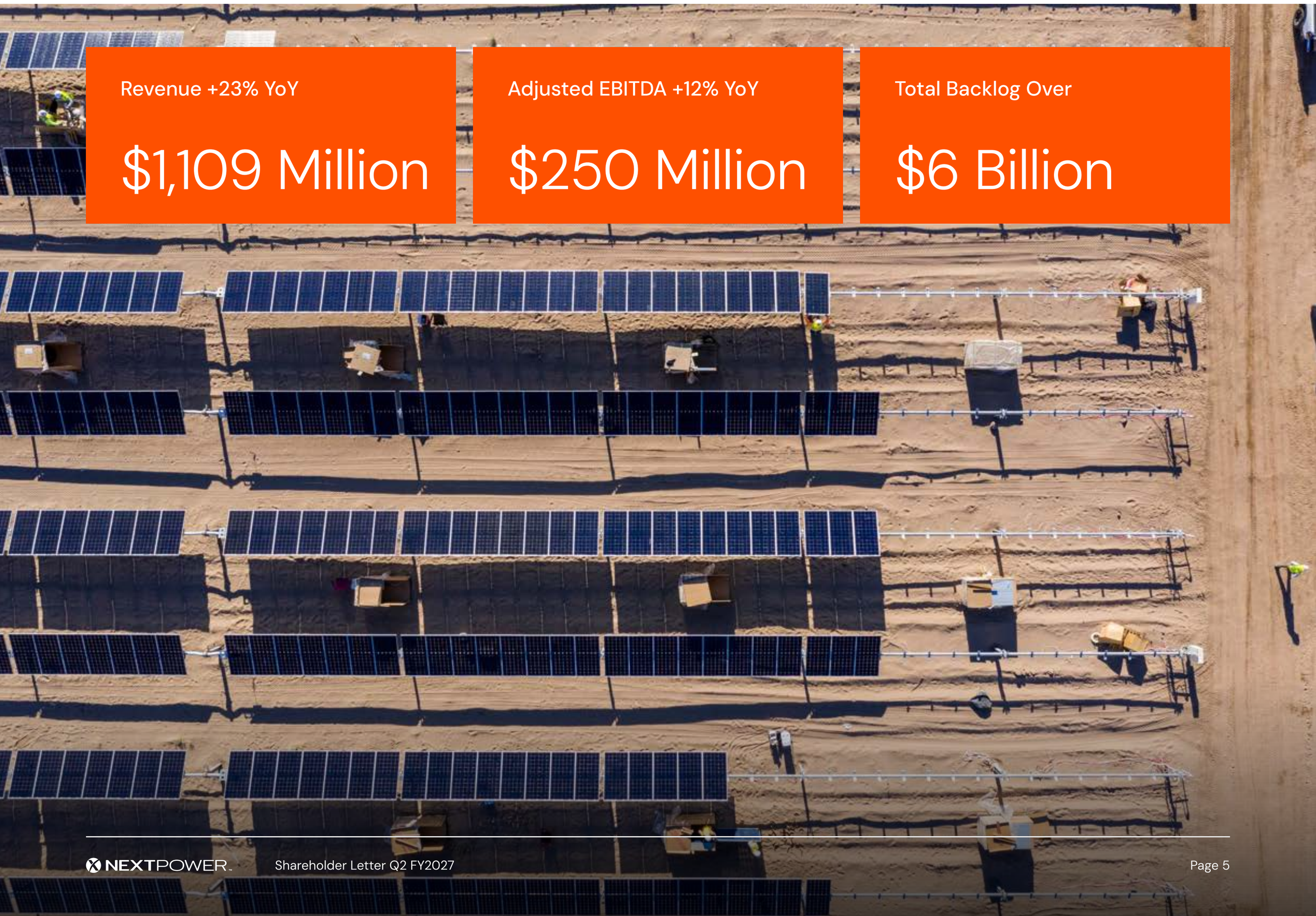
Adjusted EBITDA was approximately $250 million, with an adjusted EBITDA margin of approximately 23%. As our platform expands, we are managing the business with a focus on increasing EBITDA dollars and generating attractive returns while maintaining sustainable structural margins. The quarter included the initial contribution from Nextpower Energy Storage and the expected mix and timing effects associated with our newer businesses.

We generated adjusted free cash flow of $135 million and ended the quarter with over $1 billion of cash and cash equivalents and no debt. Our balance sheet and cash generation provide flexibility to invest in organic growth, support our operating businesses, return capital to shareholders and pursue disciplined strategic opportunities.

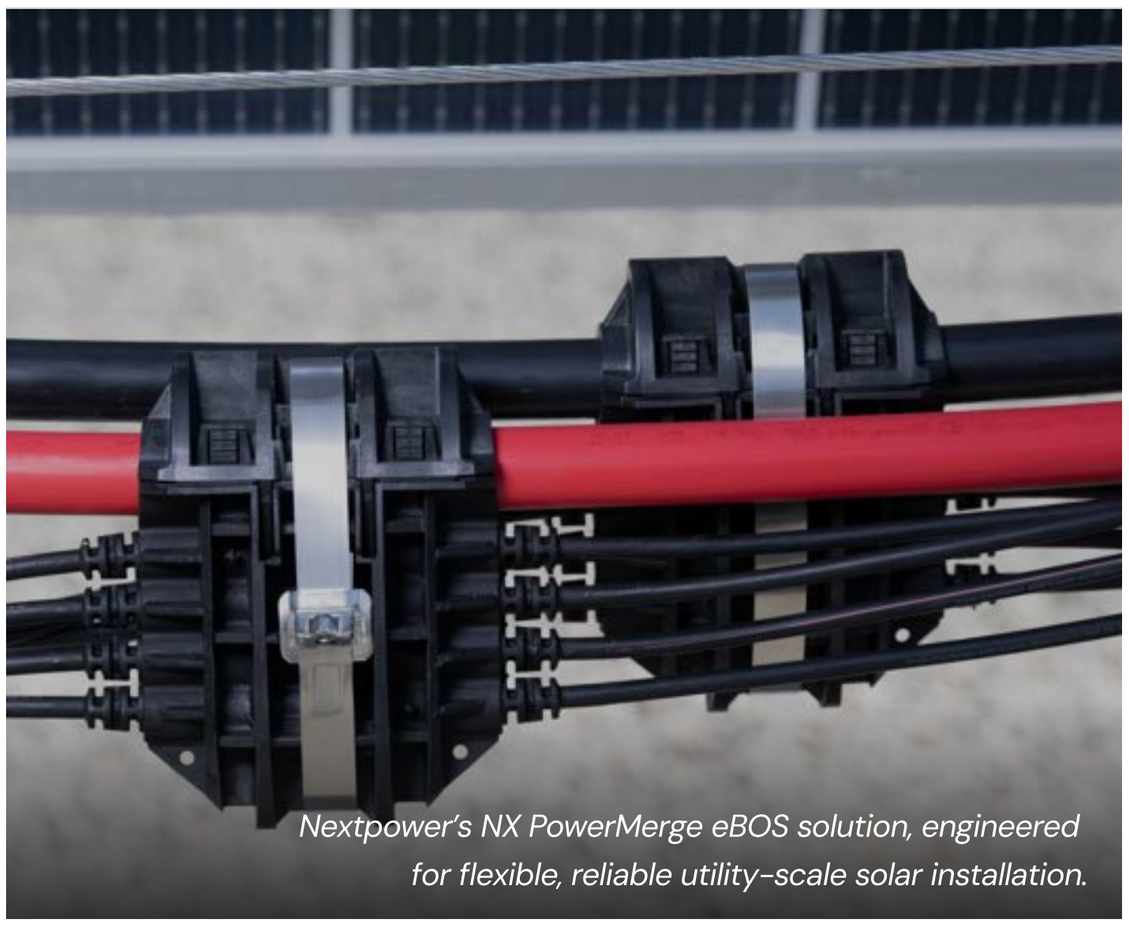
Our sales team delivered another quarter of record bookings, resulting in record backlog of over $6 billion. Backlog remains diversified across customers, geographies, products, and project timing, providing a strong foundation for continued growth.

See Appendix for reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

*Our backlog is defined as executed EPC or volume commitment agreement contracts or purchase orders with deposits of cash paid or financial equivalents, identified named project sites, product and volume requirements, and ship dates.



Business Highlights



Nextpower's NX PowerMerge eBOS solution, engineered for flexible, reliable utility-scale solar installation.

Company Highlights

- Delivered record quarterly results, including revenue of over $1.1 billion and adjusted EBITDA of approximately $250 million.
- Completed the Zimmermann PV-Steel Group acquisition for approximately €230 million, subject to customary working capital adjustments, with no stock or earnout.
- Announced Sarah Slusser and Michael Alvarez will join our Board, bringing experience across renewables, power generation, project operations, finance, and risk management.

Products and Innovation

- Deployed NX Earth Truss™ foundations with NX Horizon® trackers equipped with Hail Pro™, demonstrating complementary product integration across our technology platform.
- Secured a U.S. patent for NX PowerMerge™ , which is now in commercial deployment at scale, with more than 2 GW in backlog.
- Added fixed-tilt and structural solutions to our product portfolio through the Zimmermann acquisition.

Market and Sales Momentum

- Bookings reached a quarterly record and backlog exceeded $6 billion.
- Secured a 1.1 GW inverter framework agreement across five projects and shipped first NX Power Conversion systems to customers.
- eBOS bookings exceeded $100 million, a quarterly record; foundations also posted record quarterly bookings.
- Zimmermann acquisition adds an established European customer base for our complementary products, expands our reach into 15 additional countries, and brings our total presence to 68 countries.

See Appendix for reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

Fiscal Year 2027 Outlook

For FY27, we have increased our expected revenue outlook to be in the range of $4.2 billion to $4.45 billion. Adjusted EBITDA is now expected to be in the range of $890 million to $940 million, and adjusted diluted EPS is expected to be in the range of $4.61 to $4.87 per share. Based on current customer delivery schedules, we expect second-half revenue to be more heavily weighted toward Q4. We expect Q3 revenue to increase approximately 10% year over year but decline sequentially from Q2, partly due to expected adverse weather and the current scheduled timing of project deliveries.

We manage the business with a balanced focus on adjusted EBITDA dollars, cash generation, revenue growth and return on invested capital. For FY27, we continue to expect adjusted gross margins in the low 30s and adjusted EBITDA margins in the low 20s. Within that outlook, we expect second-half adjusted gross margin to be a few percentage points below the first half, primarily reflecting elevated steel, freight and logistics costs, as well as product and regional mix.

In Q3, we expect adjusted operating expenses to increase sequentially as a percentage of revenue as we accelerate our previously announced $50 million investment in power conversion. For the second half, we expect adjusted operating expenses to be 13% to 14% higher than in the first half. We expect Q3 adjusted EBITDA margin to be approximately 1 to 2 percentage points below Q4. For the full second half overall, we expect adjusted EBITDA margin to be about 4 to 5 percentage points below the first half, reflecting these operating expense investments and elevated steel, freight and logistics costs.

Cost increases can precede corresponding adjustments in customer pricing, creating margin headwinds in some periods and tailwinds in others. We expect current margin pressure to moderate as pricing adjusts over time. Our outlook assumes the current U.S. policy environment remains intact and that permitting processes and timelines remain consistent with historical levels.

Fiscal Year 2027 Outlook

	Updated Outlook	Previous Outlook
Revenue	$4.2 to $4.45B	$4.1 to $4.4B
GAAP Net Income	$559 to $598M	$540 to $573M
GAAP Diluted EPS	$3.62 to $3.87	$3.42 to $3.64
Adjusted EBITDA	$890 to $940M	$870 to $930M
Adjusted Diluted EPS	$4.61 to $4.87	$4.42 to $4.73

Additional Modeling Assumptions

- 45X incentives and tariffs will continue for the full fiscal year
- Other income, net of $30 to $35 million
- GAAP Effective Tax Rate of 22%, Adjusted Effective Tax Rate of 21%
- Weighted Average Shares Outstanding of approximately 154.5 million

See Appendix for reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

Howard Wenger, President of Nextpower™, speaking in a panel at California Energy Commission EPIC Symposium

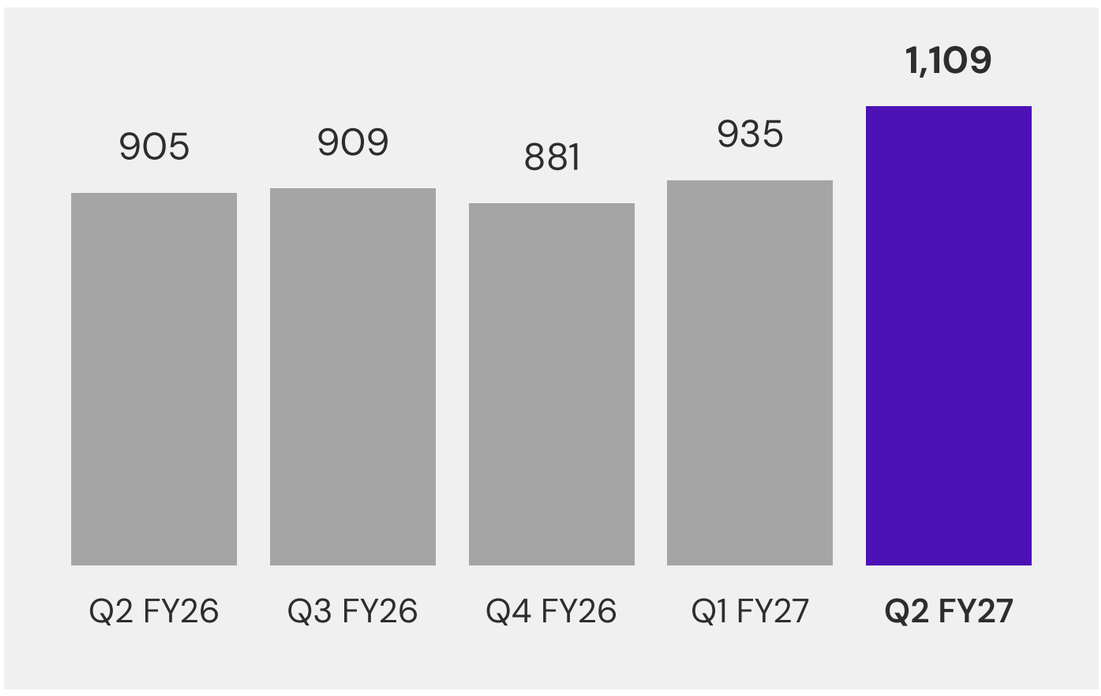
Financial Results

Financial Results

Q2 FY27 revenue increased to a record of over $1.1 billion, representing growth of 23% YoY and 19% sequentially. The geographic mix of total revenue for Q2 was 82% U.S. and 18% Rest of World.

Our revenue mix is comprised predominantly of solar tracker system sales. Storage contributed approximately $100 million of our company's total revenue and over $20 million of adjusted EBITDA. In addition, in Q2 we recognized revenue for eBOS, foundations, inverter, robotic solutions, steel frames, TrueCapture™, and other. In Q2 FY27, the growth in our non-tracker platform solutions sales was higher than our solar tracker system sales, a trend we expect to continue, driven by strong and expanding sales in our BESS, foundations, and eBOS offerings. Solar tracker system sales were approximately 78% of total revenue, and non-tracker sales were approximately 22% of total revenue.

Revenue ($M)



Revenue Mix

Revenue $M, except %	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27	Q2 FY27
U.S.	687	735	709	776	905
YoY Change	49%	63%	17%	29%	32%
RoW	218	174	171	160	205
YoY Change	26%	-24%	-46%	-40%	-6%
U.S. %	76%	81%	81%	83%	82%
RoW %	24%	19%	19%	17%	18%

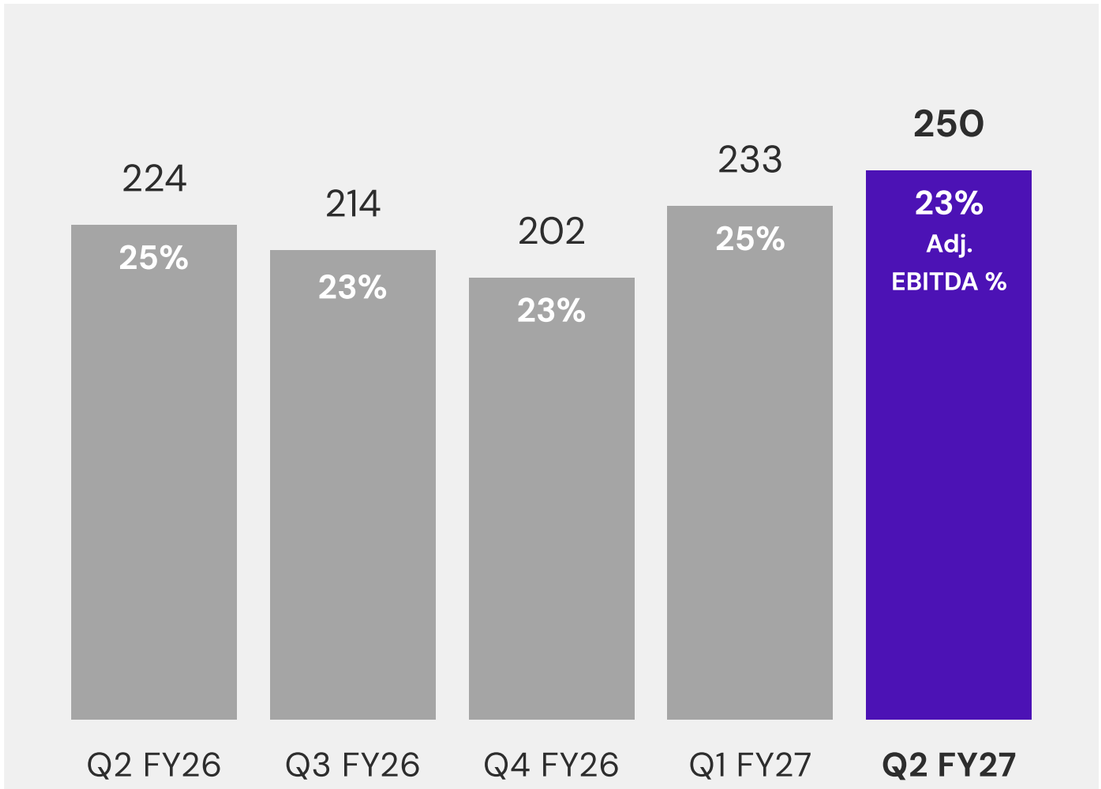
Nextpower's NX Ranger™ autonomous inspection robot uses AI-powered technology to inspect utility-scale solar plants, supporting quality, commissioning, and long-term operations.

See Appendix for reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

Financial Results

Q2 saw solid execution resulting in adjusted gross margin of 32% and adjusted EBITDA of approximately $250 million, representing a growth of 12% compared to the prior year driven by strong execution across all of our business offerings. Q2 adjusted EBITDA margin was 23%, compared to 25% in the prior-year quarter.

Adjusted EBITDA ($M)



Profitability

$M, except % and per share	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27	Q2 FY27
Adj. Gross Profit	300	295	304	342	355
YoY Change	31%	20%	-2%	20%	19%
Adj. Gross Margin	33%	32%	35%	37%	32%
Adj. EBITDA	224	214	202	233	250
YoY Change	29%	15%	-17%	8%	12%
Adj. EBITDA Margin	25%	23%	23%	25%	23%
Adj. Diluted EPS	$1.19	$1.10	$1.05	$1.20	$1.31
YoY Change	23%	7%	-19%	3%	10%

See Appendix for reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

Q2 FY26, Q3 FY26, Q4 FY26, Q1 FY27, and Q2 FY27 results include approximately $67 million, $53 million, $47 million, $99 million, and $99 million, respectively, of IRA 45X advanced manufacturing tax credit vendor rebates ('45X credits') and tariffs, net.

Financial Results

Adjusted operating expense, which includes adjusted R&D expense, was approximately 10% of total revenue in Q2, up approximately 1 percentage point YoY. Sequentially, our adjusted operating expense as a percent of revenue declined by approximately 2 percentage points, from 12% in Q1.

Our Q2 adjusted effective tax rate of approximately 21% benefited from an overall mix of profit at applicable tax rates across the regions we serve, executed tax credits related to acquisitions, and the implementation of transfer pricing strategies.

For Q2 FY27, weighted average diluted share count was approximately 154 million shares, and adjusted diluted EPS was $1.31, excluding stock-based compensation expense, intangible amortization, and acquisition-related and other costs of approximately $39 million, net of impacts for tax.

Our strong balance sheet, solid cash flow generation, and ample liquidity remain competitive advantages. We closed the quarter with over $1 billion in total cash and cash equivalents and no debt.

We operate a capital-efficient business and remain focused on maintaining and improving our cash conversion cycle. Our investment-grade credit rating speaks to the strength of our balance sheet and capital structure.

Operating cash flow was $158 million in Q2, and capital expenditures were $23 million, driving adjusted free cash flow of approximately $135 million.

Quarterly Results

$M, except % and per share	Q2 FY27	Q1 FY27	Q2 FY26	YoY Change	YTD FY27	YoY Change
Revenue	1,109	935	905	23%	2,044	16%
Adj. Gross Profit	355	342	300	19%	698	19%
Adj. Gross Margin	32%	37%	33%	-1 pts	34%	1 pts
Adj. SG&A	68	74	57	20%	142	29%
Adj. SG&A %	6%	8%	6%	0 pts	7%	1 pts
Adj. R&D	41	40	24	68%	81	84%
Adj. R&D %	4%	4%	3%	1 pts	4%	1 pts
Adj. Total Operating Expense	109	114	81	34%	223	44%
Adj. Total Operating Expense %	10%	12%	9%	1 pts	11%	2 pts
Adj. Operating Income	247	228	218	13%	475	10%
Adj. Operating Margin	22%	24%	24%	-2 pts	23%	-1 pts
Adj. EBITDA	250	233	224	12%	482	10%
Adj. EBITDA Margin	23%	25%	25%	-2 pts	24%	-1 pts
Adj. Net Income	202	186	181	12%	388	9%
Adj. Diluted EPS	$1.31	$1.20	$1.19	10%	$2.51	6%

See Appendix for reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

YoY change percentages are calculated using rounded numbers in thousands.

Financial Results

Our capital allocation priorities are consistent with our long-standing approach: investments in organic growth and M&A remain our top priorities. We have a disciplined M&A approach, focusing on our core competencies, technological differentiation, and value for customers. Return of capital to shareholders remains the third pillar of our capital allocation framework. We repurchased $162 million of our common stock, representing approximately 1.8 million shares, during the quarter. At quarter-end, $338 million remained available under our Board-approved $500 million share repurchase program.

Capital Allocation Priorities:

1. Organic Growth
2. M&A
3. Return to Shareholders

Balance Sheet and Cash Flow

$M, except % and CCC days	Q2 FY27	Q1 FY27	Q2 FY26	QoQ Change	YoY Change
Ending Cash & Cash Equivalents	1,030	1,214	845	-15%	22%
Debt, Current & Long-Term	-	-	-		
AR & Contract Assets	1,200	1,052	975	14%	23%
Inventories	264	262	221	1%	19%
AP & Accrued Expenses	791	649	657	22%	20%
Net Working Capital	655	688	474	-5%	38%
Cash Conversion Cycle	57	61	51	-6%	12%
Adj. Free Cash Flow Conversion	54%	45%	77%	9 pts	-23 pts
Cash From Operations	158	121	187	31%	-15%
Capital Expenditures	23	16	15	45%	49%
Adjusted Free Cash Flow	135	105	171	28%	-21%
Repurchase of Common Stock	162	-	-		

Net working capital defined as current assets minus total cash minus current liabilities excluding current portion of long-term debt.

Adjusted free cash flow conversion defined as adjusted free cash flow divided by adjusted EBITDA.

Adjusted free cash flow defined as cash from operations less capital expenditures.

QoQ and YoY change percentages are calculated using rounded numbers in thousands.

See Appendix for reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

Forward Looking Statements

This shareholder letter contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve substantial risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, including (but not limited to), statements regarding: our financial and operating outlook and guidance, including under the heading “Fiscal Year 2027 Outlook”; our strategies, mission, plans, objectives and goals; market demand for our products, solutions and services, (including, but not limited to, our trackers, foundations, eBOS, NX PowerMerge, fixed-tilt and structural solutions and other products and our bundled solutions); trends in energy demand and solar adoption; our ability to grow our core tracker and our other businesses; our bookings and backlog, including our ability to convert backlog into revenue; our competitiveness and global market share; our expansion into energy storage solutions, power conversion, data center power infrastructure and our ability to provide integrated solutions across solar, energy storage and data center applications; expected benefits of the acquisition of Zimmermann PV-Steel Group and other recent acquisitions, including benefits our customers may realize as a result of integrating these businesses and assets into Nextpower’s; the benefits of and the expansion of our international presence in Europe and beyond; expected benefits from our inverter framework agreement; our ability to compete in existing and new markets; projections regarding U.S. and global demand for electricity and solar power, and our addressable market; expectations regarding customer pricing and margin pressure; macroeconomic trends; growth opportunities and plans for future operations, products and services; anticipated benefits from our share repurchase program; and expectations regarding the impact of the U.S. policy and regulatory environment on our business, as well as other statements that address events or developments we expect or believe may occur in the future.

Terminology such as “will,” “may,” “should,” “could,” “would,” “believe,” “anticipate,” “intend,” “plan,” “expect,” “estimate,” “project,” “target,” “possible,” “potential,” “forecast” and “positioned” and similar references to future periods are intended to identify forward-looking statements, although not all forward-looking statements are accompanied by such words. Forward-looking statements are based on assumptions and assessments made by our management in light of their experience and perceptions of historical trends, current conditions, expected future developments and other factors they believe to be appropriate, and speak only as of the date of this shareholder letter.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or other events to be materially different from any future results, performance or other events expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on forward-looking statements. Our actual future results, performance or other events may be materially different from what we expect. Important factors that could cause actual results, performance or other events to differ materially from our expectations include: the demand for solar energy and, in turn, our products; competitive pressures within the solar industry; competition from conventional and other renewable energy sources; variability in our results of operations, including as a result of fluctuations in our customers’ businesses as well as seasonal weather-related disruptions; the impact of tariffs and import duties on our products and our customers; policy changes in the renewable energy industry under the current U.S. presidential administration; the reduction, elimination, alteration, or expiration of government incentives for regulations mandating or promoting the use of, renewable energy and solar energy; the near and long-term impacts on our business caused by the "One Big Beautiful Bill Act," Executive Orders, or other regulatory or public policy actions, including those related to permitting solar projects, "safe harbor" rules that influence investment decisions and project timelines, and restrictions on eligibility for 45X and investment tax credits relating to foreign entities of concern (FEOC); our reliance on our suppliers and any problems with our suppliers or disruptions in our supply chain, and supply chain capacity; unexpected increases in steel, freight, logistics and other costs; changes in the global trade environment, including the imposition of tariffs and import duties; an increase in interest rates, or a reduction in the availability of tax equity or project debt financing, impacting the ability of project developers and owners to finance the cost of energy systems; a loss of one or more of our significant customers, their inability to perform under their contracts, or their default in payment to us; defects or performance problems in our products; delays, disruptions or quality control problems in our product development operations; severe weather events, natural disasters and other catastrophic events; our ability to integrate our recently completed acquisitions and to realize their anticipated benefits and synergies; the market demand for our products, solutions and services and our ability to deliver them to customers; projections regarding the U.S. and global demand for electricity and solar power; electric utility industry policies and regulations; decreases in the price of electricity; our failure to protect our intellectual property and trade secrets or to successfully defend against third-party claims of infringement; cybersecurity or other data incidents; our ability to maintain our investment grade rating; and whether, to what extent, and when Nextpower will make further repurchases of our common stock under our share repurchase program.

For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to our business in general, see our periodic filings with the Securities and Exchange Commission (the "SEC"), including our Annual Report on Form 10-K for the fiscal year ended March 31, 2026, and when available, our Quarterly Report for the quarter ended October 2, 2026. Except as required by law, we assume no obligation and do not intend to update these forward-looking statements or to conform these statements to actual results or to changes in our expectations, even if new information becomes available in the future.

Use of Adjusted Financial Information

An explanation and reconciliation of non-GAAP financial measures to GAAP financial measures is presented in Schedules I, II, III, IV and V attached to this Shareholder Letter, and can be found, along with other financial information including the Q2 FY27 earnings press release, on the investor relations section of our website at investors.nextpower.com.

Channels for Disclosure of Information

Nextpower intends to announce material information to the public through the Nextpower Investor Relations website investors.nextpower.com, SEC filings, press releases, public conference calls, and public webcasts. Nextpower uses these channels to communicate with its investors, customers, and the public about the company, its offerings, and other issues. As such, Nextpower encourages investors, the media, and others to follow the channels listed above and to review the information disclosed through such channels.

Nextpower Inc.

Schedule I

Unaudited condensed consolidated statements of operations
(In thousands, except per share data

	Three-month periods ended	
	October 2, 2026	September 26, 2025
Revenue	$ 1,109,276	$ 905,268
Cost of sales	763,960	612,408
Gross profit	345,316	292,860
Selling, general and administrative expenses	92,202	84,626
Research and development	45,568	26,889
Operating income	207,546	181,345
Interest expense	350	730
Other income, net	(7,876)	(2,110)
Income before income taxes	215,072	182,725
Provision for income taxes	49,619	35,864
Net income	165,453	146,861
Earnings per share:		
Basic	$ 1.09	$ 0.99
Diluted	$ 1.08	$ 0.97
Weighted-average shares used in computing per share amounts:		
Basic	151,496	148,028
Diluted	153,909	152,018

Nextpower Inc.

Unaudited condensed consolidated statements of operations (continued)
(In thousands, except per share data)

	Six-month periods ended	
	October 2, 2026	September 26, 2025
Revenue	$ 2,044,446	$ 1,769,521
Cost of sales	1,363,277	1,194,935
Gross profit	681,169	574,586
Selling, general and administrative expenses	192,640	158,562
Research and development	90,076	48,449
Operating income	398,453	367,575
Interest expense	603	1,946
Other income, net	(16,147)	(8,063)
Income before income taxes	413,997	373,692
Provision for income taxes	83,189	69,648
Net income	330,808	304,044
Earnings per share:		
Basic	$ 2.19	$ 2.06
Diluted	$ 2.14	$ 2.01
Weighted-average shares used in computing per share amounts:		
Basic	151,131	147,480
Diluted	154,520	151,110

Nextpower Inc.

Schedule II

Unaudited condensed consolidated balance sheets
(In thousands)

	As of October 2, 2026	As of March 31, 2026
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,029,886	$ 1,094,976
Accounts receivable, net of allowance of $2,273 and $2,078, respectively	584,299	417,043
Contract assets	615,732	533,257
Inventories	264,136	262,276
Section 45X credit receivable	359,681	352,598
Other current assets	204,932	186,406
Total current assets	3,058,666	2,846,556
Property and equipment, net	108,639	78,356
Goodwill	653,594	488,950
Other intangible assets, net	233,382	78,046
Deferred tax assets	510,231	511,815
Other assets	74,950	69,489
Total assets	$ 4,639,462	$ 4,073,212
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 643,664	$ 533,490
Accrued expenses	147,052	130,133
Deferred revenue	413,762	307,492
Other current liabilities	169,007	192,747
Total current liabilities	1,373,485	1,163,862
Tax receivable agreement (TRA) liability	373,811	372,659
Long-term deferred revenue	100,826	102,493
Other liabilities	145,533	99,801
Total liabilities	1,993,655	1,738,815
Total stockholders' equity	2,645,807	2,334,397
Total liabilities and stockholders' equity	$ 4,639,462	$ 4,073,212

Nextpower Inc.

Schedule III

Unaudited condensed consolidated statements of cash flows
(In thousands)

	Three-month periods ended			Six-month periods ended	
	October 2, 2026	July 3, 2026	September 26, 2025	October 2, 2026	September 26, 2025
Cash flows from operating activities:					
Net income	$ 165,453	$ 165,355	$ 146,861	$ 330,808	$ 304,044
Depreciation and amortization of intangible assets	14,923	8,766	7,361	23,689	13,150
Changes in working capital and other, net	(22,274)	(53,062)	32,657	(75,336)	(48,991)
Net cash provided by operating activities	158,102	121,059	186,879	279,161	268,203
Cash flows from investing activities:					
Payment for business acquisitions, net of cash acquired	(132,455)	—	(21,933)	(132,455)	(108,346)
Purchases of property and equipment	(23,127)	(15,899)	(15,474)	(39,026)	(26,732)
Other investing activities	(2,000)	(6,000)	(7,043)	(8,000)	(7,443)
Net cash used in investing activities	(157,582)	(21,899)	(44,450)	(179,481)	(142,521)
Cash flows from financing activities:					
Repurchase of common stock	(162,068)	—	—	(162,068)	—
Proceeds from exercises of options awards	6,812	26,008	—	32,820	—
TRA payment	(19,381)	—	(24,483)	(19,381)	(27,427)
Payment of acquisition deferred purchase price	(9,895)	(6,246)	(14,013)	(16,141)	(14,013)
Distribution to former non-controlling interest holder	—	—	—	—	(3,010)
Payment of revolver issuance costs	—	—	(1,993)	—	(1,993)
Net cash (used in) provided by financing activities	(184,532)	19,762	(40,489)	(164,770)	(46,443)
Net (decrease) increase in cash and cash equivalents	(184,012)	118,922	101,940	(65,090)	79,239
Cash and cash equivalents beginning of period	1,213,898	1,094,976	743,402	1,094,976	766,103
Cash and cash equivalents end of period	$ 1,029,886	$ 1,213,898	$ 845,342	$ 1,029,886	$ 845,342

	Three-month periods ended			Six-month periods ended	
Adjusted free cash flow	October 2, 2026	July 3, 2026	September 26, 2025	October 2, 2026	September 26, 2025
Net cash provided by operating activities	$ 158,102	$ 121,059	$ 186,879	$ 279,161	$ 268,203
Purchases of property and equipment	(23,127)	(15,899)	(15,474)	(39,026)	(26,732)
Adjusted free cash flow	$ 134,975	$ 105,160	$ 171,405	$ 240,135	$ 241,471
Adjusted free cash flow conversion (1)	54.1%	45.2%	76.7%	49.8%	55.1%

(1) Adjusted free cash flow conversion is calculated by dividing adjusted free cash flow by adjusted EBITDA for the same period. Refer to Schedule IV for the reconciliation of GAAP net income to adjusted EBITDA.

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Schedule IV

Reconciliation of GAAP to Non-GAAP financial measures
(In thousands, except percentages and per share data)

	Three-month periods ended									
	October 2, 2026		July 3, 2026		March 31, 2026		December 31, 2025		September 26, 2025	
GAAP gross profit & margin	$ 345,316	31.1%	$ 335,853	35.9%	$ 297,377	33.8%	$ 288,132	31.7%	$ 292,860	32.4%
Stock-based compensation expense	5,602		4,445		4,530		4,851		5,077	
Intangible amortization	4,513		1,985		1,958		1,976		1,649	
Adjusted gross profit & margin	$ 355,431	32.0%	$ 342,283	36.6%	$ 303,865	34.5%	$ 294,959	32.4%	$ 299,586	33.1%
GAAP operating income & margin	$ 207,546	18.7%	$ 190,907	20.4%	$ 153,586	17.4%	$ 176,105	19.4%	$ 181,345	20.0%
Stock-based compensation expense	29,936		29,638		32,480		33,855		31,653	
Intangible amortization	8,958		3,375		3,718		3,272		2,918	
Acquisition related costs	206		4,148		6,276		398		2,577	
Adjusted operating income & margin	$ 246,646	22.2%	$ 228,068	24.4%	$ 196,060	22.3%	$ 213,630	23.5%	$ 218,493	24.1%
GAAP net income & margin	$ 165,453	14.9%	$ 165,355	17.7%	$ 150,603	17.1%	$ 131,236	14.4%	$ 146,861	16.2%
Stock-based compensation expense	29,936		29,638		32,480		33,855		31,653	
Intangible amortization	8,958		3,375		3,718		3,272		2,918	
Adjustment for taxes	(2,601)		(16,254)		(32,719)		857		(3,420)	
Acquisition related costs	206		4,148		6,276		398		2,577	
Other	—		—		1,385		—		—	
Adjusted net income & margin	$ 201,952	18.2%	$ 186,262	19.9%	$ 161,743	18.4%	$ 169,618	18.7%	$ 180,589	19.9%
GAAP net income & margin	$ 165,453	14.9%	$ 165,355	17.7%	$ 150,603	17.1%	$ 131,236	14.4%	$ 146,861	16.2%
Interest, net	(9,612)		(9,159)		(8,679)		(9,565)		(5,911)	
Debt extinguishment cost	—		—		—		—		5,121	
Provision for income taxes	49,619		33,570		9,032		49,263		35,864	
Depreciation expense	5,965		5,391		5,298		5,164		4,443	
Intangible amortization	8,958		3,375		3,718		3,272		2,918	
Stock-based compensation expense	29,936		29,638		32,480		33,855		31,653	
Acquisition related costs	206		4,148		6,276		398		2,577	
Other tax related loss, net	—		—		1,254		—		—	

Other	(819)		235		1,817		—		—	
Adjusted EBITDA & margin	$ 249,706	22.5%	$ 232,553	24.9%	$ 201,799	22.9%	$ 213,623	23.5%	$ 223,526	24.7%
GAAP selling, general and administrative expenses	$ 92,202	8.3%	$ 100,438	10.7%	$ 100,625	11.4%	$ 82,733	9.1%	$ 84,626	9.3%
Intangible amortization	4,445		1,390		1,760		1,296		1,269	
Stock-based compensation expense	19,642		21,168		24,398		25,075		24,039	
Acquisition related costs	206		4,148		6,276		398		2,577	
Adjusted selling, general and administrative expenses	$ 67,909	6.1%	$ 73,732	7.9%	$ 68,191	7.7%	$ 55,964	6.2%	$ 56,741	6.3%
GAAP research and development	$ 45,568	4.1%	$ 44,508	4.8%	$ 43,166	4.9%	$ 29,294	3.2%	$ 26,889	3.0%
Stock-based compensation expense	4,692		4,025		3,552		3,929		2,537	
Adjusted research and development	$ 40,876	3.7%	$ 40,483	4.3%	$ 39,614	4.5%	$ 25,365	2.8%	$ 24,352	2.7%
GAAP operating expenses	$ 137,770	12.4%	$ 144,946	15.5%	$ 143,791	16.3%	$ 112,027	12.3%	$ 111,515	12.3%
Intangible amortization	4,445		1,390		1,760		1,296		1,269	
Stock-based compensation expense	24,334		25,193		27,950		29,004		26,576	
Acquisition related costs	206		4,148		6,276		398		2,577	
Adjusted total operating expenses	$ 108,785	9.8%	$ 114,215	12.2%	$ 107,805	12.2%	$ 81,329	8.9%	$ 81,093	9.0%
Diluted earnings per share										
GAAP diluted earnings per share	$ 1.08		$ 1.07		$ 0.97		$ 0.85		$ 0.97	
Earnings per share attributable to Non-GAAP adjustments	0.23		0.13		0.08		0.25		0.22	
Adjusted diluted earnings per share	$ 1.31		$ 1.20		$ 1.05		$ 1.10		$ 1.19	
Diluted shares used in computing per share amounts	153,909		155,142		154,664		153,921		152,018	

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Reconciliation of GAAP to Non-GAAP financial measures (continued)
(In thousands, except percentages and per share data)

	Six-month periods ended			
	October 2, 2026		September 26, 2025	
GAAP gross profit & margin	$ 681,169	33.3%	$ 574,586	32.5%
Stock-based compensation expense	10,047		7,315	
Intangible amortization	6,498		2,808	
Adjusted gross profit & margin	$ 697,714	34.1%	$ 584,709	33.0%
GAAP operating income & margin	$ 398,453	19.5%	$ 367,575	20.8%
Stock-based compensation expense	59,574		53,963	
Intangible amortization	12,333		4,977	
Acquisition related costs	4,354		3,656	
Adjusted operating income & margin	$ 474,714	23.2%	$ 430,171	24.3%
GAAP net income & margin	$ 330,808	16.2%	$ 304,044	17.2%
Stock-based compensation expense	59,574		53,963	
Intangible amortization	12,333		4,977	
Adjustment for taxes	(18,855)		(10,549)	
Acquisition related costs	4,354		3,656	
Adjusted net income & margin	$ 388,214	19.0%	$ 356,091	20.1%
GAAP net income & margin	$ 330,808	16.2%	$ 304,044	17.2%
Interest, net	(18,771)		(11,282)	
Debt extinguishment cost	—		5,121	
Provision for income taxes	83,189		69,648	
Depreciation expense	11,356		8,173	
Intangible amortization	12,333		4,977	
Stock-based compensation expense	59,574		53,963	
Acquisition related costs	4,354		3,656	
Other	(584)		—	
Adjusted EBITDA & margin	$ 482,259	23.6%	$ 438,300	24.8%
GAAP selling, general and administrative expenses	$ 192,640	9.4%	$ 158,562	9.0%
Intangible amortization	5,835		2,169	
Stock-based compensation expense	40,810		42,531	
Acquisition related costs	4,354		3,656	
Adjusted selling, general and administrative expenses	$ 141,641	6.9%	$ 110,206	6.2%
GAAP research and development	$ 90,076	4.4%	$ 48,449	2.7%
Stock-based compensation expense	8,717		4,117	
Adjusted research and development	$ 81,359	4.0%	$ 44,332	2.5%
GAAP operating expenses	$ 282,716	13.8%	$ 207,011	11.7%

Intangible amortization		5,835		2,169	
Stock-based compensation expense		49,527		46,648	
Acquisition related costs		4,354		3,656	
Adjusted total operating expenses	$	223,000	10.9%	$ 154,538	8.7%
Diluted earnings per share					
GAAP diluted earnings per share	$	2.14		$ 2.01	
Earnings per share attributable to Non-GAAP adjustments		0.37		0.35	
Adjusted diluted earnings per share	$	2.51		$ 2.36	
Diluted shares used in computing per share amounts		154,520		151,110	

Notes

To supplement Nextpower's unaudited selected financial data presented consistent with U.S. Generally Accepted Accounting Principles ("GAAP"), the Company discloses certain non-GAAP financial measures that exclude certain charges and gains, including adjusted earnings before interest, taxes, depreciation, and amortization ("Adjusted EBITDA"), adjusted EBITDA margin, adjusted gross profit, adjusted gros margin, adjusted operating income, adjusted operating margin, adjusted net income, adjusted net income margin, adjusted selling, general and administrative expenses, adjusted research and development, adjusted total operating expenses, adjusted diluted earnings per share, adjusted free cash flow, and adjusted free cash flow conversion. These supplemental measures exclude certain legal and other charges, stock-based compensation expense and intangible amortization, other discrete events as applicable and the related tax effects. These non-GAAP measures are not in accordance with or an alternative for GAAP and may be different from non-GAAP measures used by other companies. We believe that these non-GAAP measures have limitations in that they do not reflect all the amounts associated with Nextpower's results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate Nextpower's results of operations in conjunction with the corresponding GAAP measures. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the most directly comparable GAAP measures. We compensate for the limitations of non-GAAP financial measures by relying upon GAAP results to gain a complete picture of the Company's performance.

In calculating non-GAAP financial measures, we exclude certain items to facilitate a review of the comparability of the Company's operating performance on a period-to-period basis because such items are not, in our view, related to the Company's ongoing operational performance. We use non-GAAP measures to evaluate the operating performance of our business, for comparison with forecasts and strategic plans, for calculating return on investment, and for benchmarking performance externally against competitors. In addition, management's incentive compensation is determined using certain non-GAAP measures. Since we find these measures to be useful, we believe that investors benefit from seeing results "through the eyes" of management in addition to seeing GAAP results. We believe that these non-GAAP measures, when read in conjunction with the Company's GAAP financials, provide useful information to investors by

offering:

- the ability to make more meaningful period-to-period comparisons of the Company's ongoing operating results;
- the ability to better identify trends in the Company's underlying business and perform related trend analysis;
- a better understanding of how management plans and measures the Company's underlying business; and
- an easier way to compare the Company's operating results against analyst financial models and operating results of competitors that supplement their GAAP results with non-GAAP financial measures.

The following are explanations of each of the adjustments that we incorporate into non-GAAP measures, as well as the reasons for excluding each of these individual items in the reconciliations of these non-GAAP financial measures:

Stock-based compensation expense consists of non-cash charges for the estimated fair value of unvested restricted share unit and stock option awards granted to employees. The Company believes that the exclusion of these charges provides for more accurate comparisons of its operating results to peer companies due to the varying available valuation methodologies, subjective assumptions, and the variety ofaward types. In addition, the Company believes it is useful to investors to understand the specific impact stock-based compensation expense has on its operating results.

Intangible amortization consists primarily of non-cash charges that can be impacted by, among other things, the timing and magnitude of acquisitions. The Company considers its operating results without these charges when evaluating its ongoing performance and forecasting its earnings trends, and therefore excludes such charges when presenting non-GAAP financial measures. The Company believes that the assessment of its operations excluding these costs is relevant to its assessment of internal operations and comparisons to the performance of its competitors.

Acquisition costs consist primarily of nonrecurring transaction costs, including integration and diligence activities.

Adjustment for taxes relates to the tax effects of the various adjustments that we incorporate into non-GAAP measures to provide a more meaningful measure on non-GAAP net income and certain adjustments related to non-recurring settlements of tax contingencies or other non-recurring tax charges, when applicable.

Debt extinguishment cost consists of nonrecurring costs for the termination of our prior credit agreement related to the revolver credit facilities originally entered into on February 13, 2023.

Other includes an immaterial amount of non-cash equity in loss for the Nextpower Arabia joint venture which is accounted for under the equity method investment accounting