UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 27, 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: 001-41617

Nextracker Inc.

(Exact name of registrant as specified in its charter)

Delaware	**36-5047383**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6200 Paseo Padre Parkway, Fremont, California 94555
(Address, including zip code of registrant's principal executive offices)

(510) 270-2500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.0001 par value	NXT	The Nasdaq Stock Market LLC

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐						

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

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

As of October 28, 2024, there were 143,639,646 shares of the registrant's Class A common stock outstanding and 1,908,827 shares of the registrant's Class B common stock outstanding.

TABLE OF CONTENTS

		Page
	PART I. FINANCIAL INFORMATION	
Item 1.	Financial Statements:	2
	Unaudited Condensed Consolidated Balance Sheets as of September 27, 2024 and March 31, 2024	3
	Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income for the three-month and six-month periods ended September 27, 2024 and September 29, 2023	4
	Unaudited Condensed Consolidated Statements of Stockholders' Equity (Deficit) and Redeemable Interest for the three-month and six-month periods ended September 27, 2024 and September 29, 2023	5
	Unaudited Condensed Consolidated Statements of Cash Flows for the six-month periods ended September 27, 2024 and September 29, 2023	7
	Notes to the Unaudited Condensed Consolidated Financial Statements	8
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	18
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	30
Item 4.	Controls and Procedures	31
	PART II. OTHER INFORMATION	
Item 1.	Legal Proceedings	32
Item 1A.	Risk Factors	32
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	60
Item 3.	Defaults Upon Senior Securities	60
Item 4.	Mine Safety Disclosures	60
Item 5.	Other Information	60
Item 6.	Exhibits	62
Signatures		63

PART I. FINANCIAL INFORMATION

ITEM 1. ***FINANCIAL STATEMENTS***

Nextracker Inc.

Unaudited condensed consolidated balance sheets

(In thousands, except share and per share amounts)

	As of September 27, 2024	As of March 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 561,884	$ 474,054
Accounts receivable, net of allowance of $4,825 and $3,872, respectively	357,586	382,687
Contract assets	360,013	397,123
Inventories	179,251	201,736
Other current assets	326,000	312,635
Total current assets	1,784,734	1,768,235
Property and equipment, net	47,158	9,236
Goodwill	370,613	265,153
Other intangible assets, net	49,283	1,546
Deferred tax assets	472,400	438,272
Other assets	44,471	36,340
Total assets	$ 2,768,659	$ 2,518,782
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 406,546	$ 456,639
Accrued expenses	77,139	82,410
Deferred revenue	236,882	225,539
Current portion of long-term debt	5,625	3,750
Other current liabilities	80,086	123,148
Total current liabilities	806,278	891,486
Long-term debt, net of current portion	140,503	143,967
Tax receivable agreement (TRA) liability	399,054	391,568
Other liabilities	140,506	99,733
Total liabilities	1,486,341	1,526,754
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Class A common stock, $0.0001 par value, 900,000,000 shares authorized, 143,620,486 shares and 140,773,223 shares issued and outstanding, respectively	14	14
Class B common stock, $0.0001 par value, 500,000,000 shares authorized, 1,908,827 shares and 3,856,175 shares issued and outstanding, respectively	—	—
Accumulated deficit	(2,829,487)	(3,066,578)
Additional paid-in-capital	4,096,658	4,027,560
Accumulated other comprehensive (loss) income	(1,186)	17
Total Nextracker Inc. stockholders' equity	1,265,999	961,013
Non-controlling interest	16,319	31,015
Total stockholders' equity	1,282,318	992,028
Total liabilities and stockholders' equity	$ 2,768,659	$ 2,518,782

The accompanying notes are an integral part of these condensed consolidated financial statements.

Nextracker Inc.

Unaudited condensed consolidated statements of operations and comprehensive income

(In thousands, except share and per share amounts)

	Three-month periods ended		Six-month periods ended	
	September 27, 2024	**September 29, 2023**	**September 27, 2024**	**September 29, 2023**
Revenue	$ 635,571	$ 573,357	$ 1,355,492	$ 1,052,900
Cost of sales	410,776	424,247	893,257	790,046
Gross profit	224,795	149,110	462,235	262,854
Selling, general and administrative expenses	72,127	47,872	132,954	82,107
Research and development	19,193	7,146	35,712	12,775
Operating income	133,475	94,092	293,569	167,972
Interest expense	3,665	3,646	6,945	6,748
Other (income) expense, net	(7,382)	5,038	(2,514)	3,070
Income before income taxes	137,192	85,408	289,138	158,154
Provision for income taxes	19,928	3,999	47,080	13,100
Net income and comprehensive income	117,264	81,409	242,058	145,054
Less: Net income attributable to non-controlling interests and redeemable non-controlling interests	1,873	42,156	4,967	85,372
Net income attributable to Nextracker Inc.	$ 115,391	$ 39,253	$ 237,091	$ 59,682
Earnings per share attributable to Nextracker Inc. common stockholders				
Basic	$ 0.80	$ 0.64	$ 1.66	$ 1.10
Diluted	$ 0.79	$ 0.55	$ 1.62	$ 0.99
Weighted-average shares used in computing per share amounts:				
Basic	143,478,959	61,721,709	142,785,176	54,070,140
Diluted	149,079,198	147,141,142	149,150,663	147,008,353

The accompanying notes are an integral part of these condensed consolidated financial statements.

Nextracker Inc.

Unaudited condensed consolidated statements of stockholders' equity (deficit) and redeemable interest

(In thousands, except share amounts)

	Class A common stock		Class B common stock							
Three-month period ended September 27, 2024	**Shares outstanding**	**Amounts**	**Shares outstanding**	**Amounts**	**Additional paid-in-capital**	**Accumulated deficit**	**Accumulated other comprehensive income (loss)**	**Total Nextracker Inc. stockholders' equity**	**Non-controlling interests**	**Total stockholders' equity**
BALANCE AT JUNE 28, 2024	143,391,305	$ 14	1,908,827	$ —	$4,066,773	$(2,944,878)	$ (522)	$ 1,121,387	$ 15,244	$ 1,136,631
Net income	—	—	—	—	—	115,391	—	115,391	1,873	117,264
Stock-based compensation expense	—	—	—	—	29,885	—	—	29,885	—	29,885
Vesting of Nextracker Inc. RSU awards	229,181	—	—	—	—	—	—	—	—	—
Tax distribution	—	—	—	—	—	—	—	—	(798)	(798)
Total other comprehensive loss	—	—	—	—	—	—	(664)	(664)	—	(664)
BALANCE AT SEPTEMBER 27, 2024	143,620,486	$ 14	1,908,827	$ —	$4,096,658	$(2,829,487)	$ (1,186)	$ 1,265,999	$ 16,319	$ 1,282,318

		Class A common stock		Class B common stock				
Three-month period ended September 29, 2023	**Redeemable non-controlling interests**	**Shares outstanding**	**Amounts**	**Shares outstanding**	**Amounts**	**Additional paid-in-capital**	**Accumulated deficit**	**Total stockholders' deficit**
BALANCE AT JUNE 30, 2023	$ 3,909,522	46,422,308	$ 5	98,204,522	$ 10	$ —	$ (3,352,390)	$ (3,352,375)
Net income	42,156	—	—	—	—	—	39,253	39,253
Stock-based compensation expense and other	—	—	—	—	—	18,216	—	18,216
Vesting of Nextracker Inc. RSU awards	—	42,605	—	—	—	—	—	—
Issuance of Class A common stock sold in follow-on offering	—	15,631,562	1		—	552,008		552,009
Use of Follow-on proceeds as consideration for Yuma's transfer of LLC common units	—	—	—	(15,631,562)	(2)	(552,007)	—	(552,009)
Value adjustment of tax receivable agreement	—	—	—		—	18,337	—	18,337
Reclassification of redeemable non-controlling interest	(622,292)	—	—		—	622,292	—	622,292
Redemption value adjustment	(13,256)	—	—	—	—	13,256	—	13,256
BALANCE AT SEPTEMBER 29, 2023	$ 3,316,130	62,096,475	$ 6	82,572,960	$ 8	$ 672,102	$ (3,313,137)	$ (2,641,021)

Nextracker Inc.

Unaudited condensed consolidated statements of stockholders' equity (deficit) and redeemable interest (continued)

(In thousands, except share amounts)

	Class A common stock		Class B common stock							
Six-month period ended September 27, 2024	**Shares outstanding**	**Amounts**	**Shares outstanding**	**Amounts**	**Additional paid-in-capital**	**Accumulated deficit**	**Accumulated other comprehensive income (loss)**	**Total Nextracker Inc. stockholders' equity**	**Non-controlling interests**	**Total stockholders' equity**
BALANCE AT MARCH 31, 2024	140,773,223	$ 14	3,856,175	$ —	$4,027,560	$(3,066,578)	$ 17	$ 961,013	$ 31,015	$ 992,028
Net income	—	—	—	—	—	237,091	—	237,091	4,967	242,058
Stock-based compensation expense	—	—	—	—	51,786	—	—	51,786	—	51,786
Vesting of Nextracker Inc. RSU awards	899,915	—	—	—	—	—	—	—	—	—
Shares exchanged by non-controlling interest holders	1,947,348	—	(1,947,348)	—	13,551	—	—	13,551	(13,551)	—
TRA revaluation	—	—	—	—	3,761	—	—	3,761	—	3,761
Tax distribution	—	—	—	—	—	—	—	—	(6,112)	(6,112)
Total other comprehensive loss	—	—	—	—	—	—	(1,203)	(1,203)	—	(1,203)
BALANCE AT SEPTEMBER 27, 2024	143,620,486	$ 14	1,908,827	$ —	$4,096,658	$(2,829,487)	$ (1,186)	$ 1,265,999	$ 16,319	$ 1,282,318

		Class A common stock		Class B common stock				
Six-month period ended September 29, 2023	**Redeemable non-controlling interests**	**Shares outstanding**	**Amounts**	**Shares outstanding**	**Amounts**	**Additional paid-in-capital**	**Accumulated deficit**	**Total stockholders' deficit**
BALANCE AT MARCH 31, 2023	$ 3,560,628	45,886,065	$ 5	98,204,522	$ 10	$ —	$ (3,075,782)	$ (3,075,767)
Net income	85,372	—	—	—	—	—	59,682	59,682
Stock-based compensation expense and other	—	—	—	—	—	26,857	—	26,857
Vesting of Nextracker Inc. RSU awards	—	578,848	—	—	—	—	—	—
Issuance of Class A common stock sold in follow-on offering	—	15,631,562	1	—	—	552,008	—	552,009
Use of Follow-on proceeds as consideration for Yuma's transfer of LLC common units	—	—	—	(15,631,562)	(2)	(552,007)	—	(552,009)
Value adjustment of tax receivable agreement	—	—	—	—	—	18,337	—	18,337
Reclassification of redeemable non-controlling interest	(622,292)	—	—	—	—	622,292	—	622,292
Redemption value adjustment	292,422	—	—	—	—	4,615	(297,037)	(292,422)
BALANCE AT SEPTEMBER 29, 2023	$ 3,316,130	62,096,475	$ 6	82,572,960	$ 8	$ 672,102	$ (3,313,137)	$ (2,641,021)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Nextracker Inc.
Unaudited condensed consolidated statements of cash flows
(In thousands)

	Six-month periods ended	
	September 27, 2024	**September 29, 2023**
Cash flows from operating activities:		
Net income	$ 242,058	$ 145,054
Depreciation and amortization	3,883	2,020
Changes in working capital and other, net	28,686	105,603
Net cash provided by operating activities	274,627	252,677
Cash flows from investing activities:		
Purchases of property and equipment	(14,900)	(1,406)
Payment for business acquisitions, net of cash acquired	(144,675)	—
Net cash used in investing activities	(159,575)	(1,406)
Cash flows from financing activities:		
Repayment of bank borrowings	(1,875)	—
Net proceeds from issuance of Class A shares	—	552,009
Purchase of LLC common units from Yuma, Inc.	—	(552,009)
Payment of revolver issuance cost	(3,715)	—
TRA payment	(15,520)	—
Distribution to non-controlling interest holders	(6,112)	—
Net transfers to Flex	—	(8,335)
Other financing activities	—	(26)
Net cash used in financing activities	(27,222)	(8,361)
Net increase in cash and cash equivalents	87,830	242,910
Cash and cash equivalents beginning of period	474,054	130,008
Cash and cash equivalents end of period	$ 561,884	$ 372,918
Non-cash investing and financing activities:		
Unpaid purchases of property and equipment	$ 1,482	$ 1,059
Right-of-use assets obtained in exchange of lease liabilities	8,498	—
TRA revaluation	3,761	18,337
Unpaid debt issuance cost	2,300	—
Reclassification of redeemable non-controlling interest	—	622,292

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. Description of business and organization of Nextracker Inc.

Nextracker Inc. and its subsidiaries ("Nextracker," "we," the "Company") is a leading provider of intelligent, integrated solar tracker, foundations, and software solutions used in utility-scale and ground-mounted distributed generation solar projects around the world. Nextracker's products enable solar PV power plants to follow the sun's movement across the sky and optimize plant performance. Nextracker has operations in the United States, Brazil, Argentina, Peru, Mexico, Spain and other countries in Europe, India, Australia, the Middle East and Africa.

2. Summary of accounting policies

Variable interest entities ("VIE") and consolidation

The Company's sole material asset is its member's interest in Nextracker LLC. In accordance with the Nextracker LLC Operating Agreement, the Company was named the managing member of Nextracker LLC. As a result, the Company has all management powers over the business and affairs of Nextracker LLC and to conduct, direct and exercise full control over the activities of Nextracker LLC. The Company has concluded that Nextracker LLC is a VIE. Due to the Company's power to control the activities most directly affecting the results of Nextracker LLC, the Company is considered the primary beneficiary of the VIE. Accordingly, the Company consolidates the financial results of Nextracker LLC and its subsidiaries. On January 2, 2024, Flex Ltd. ("Flex") closed the spin-off of all its remaining interests in Nextracker LLC common units held by Yuma, Inc., a Delaware corporation ("Yuma"), Yuma Subsidiary, Inc., a Delaware corporation and wholly-owned subsidiary of Yuma ("Yuma Sub"), to Flex shareholders. As a result of the spin-off, Flex no longer directly or indirectly holds a financial interest in the Company. Nextracker LLC common units held by Yuma, Yuma Sub, TPG Rise Flash, L.P. ("TPG Rise") and the following affiliates of TPG Inc. ("TPG"): TPG Rise Climate Flash Cl BDH, L.P., TPG Rise Climate BDH, L.P. and The Rise Fund II BDH, L.P. (collectively, the "TPG Affiliates") were presented on the consolidated balance sheets as temporary equity under the caption "Redeemable non-controlling interests," up until January 2, 2024 as redemption was outside of the control of the Company. Post January 2, 2024, redemption is no longer outside the control of the Company subsequent to the spin-off from Flex and, therefore, the non-controlling interests owned by the TPG Affiliates are now presented on the consolidated balance sheets as permanent equity under the caption "non-controlling interests."

Basis of presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and pursuant to the rules and regulations of the SEC for reporting financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements, and should be read in conjunction with the Company's audited consolidated financial statements as of and for the fiscal year ended March 31, 2024, contained in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024 (the "Form 10-K"). In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary to present the Company's financial statements fairly have been included. Operating results for the three and six-month periods ended September 27, 2024 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2025 or any future period. The condensed consolidated balance sheet as of March 31, 2024 was derived from the Company's audited consolidated financial statements included in the Form 10-K. All intercompany transactions and accounts within Nextracker have been eliminated.

The first quarters for fiscal years 2025 and 2024 ended on June 28, 2024 (89 days) and June 30, 2023 (91 days), respectively. The second quarters for fiscal years 2025 and 2024 ended on September 27, 2024 (91 days) and September 29, 2023 (91 days), respectively.

Translation of foreign currencies

The reporting currency of the Company is the United States dollar ("USD"). The functional currency of the Company and its subsidiaries is primarily the USD. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in other (income) expense, net in the accompanying condensed consolidated statements of operations and comprehensive income when realized. The Company recognized foreign currency exchange gains of $2.4 million during the three-month period ended September 27, 2024 driven by favorable exchange rate fluctuations in Europe. Additionally, during the six-month period ended September 27, 2024, the Company recognized foreign currency exchange losses of $7.4 million due to unfavorable exchange rate fluctuations primarily in Latin

America. The Company recognized $3.0 million and $2.6 million foreign currency exchange losses during the three and six-month periods ended September 29, 2023, respectively, due to unfavorable exchange rate fluctuations in certain currencies.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates. Estimates are used in accounting for, among other things: impairment of goodwill, impairment of long-lived assets, allowance for credit losses, provision for excess or obsolete inventories, valuation of deferred tax assets, warranty reserves, contingencies, operation-related accruals, fair values of awards granted under stock-based compensation plans and fair values of assets obtained and liabilities assumed in business combinations. Due to geopolitical conflicts (including the Russian invasion of Ukraine and the Israel-Hamas conflict), there has been and will continue to be uncertainty and disruption in the global economy and financial markets. The Company has made estimates and assumptions taking into consideration certain possible impacts due to the Russian invasion of Ukraine and the Israel-Hamas conflict. These estimates may change as new events occur and additional information is obtained. Actual results may differ from previously estimated amounts, and such differences may be material to the condensed consolidated financial statements. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period they occur. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the condensed consolidated financial statements.

Accounting for business acquisitions

From time to time, the Company pursues business acquisitions. The fair value of the net assets acquired and the results of the acquired businesses are included in the Company's condensed consolidated financial statements from the acquisition dates forward. The Company is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and results of operations during the reporting period. Estimates are used in accounting for, among other things, the fair value of acquired net operating assets, property and equipment, intangible assets, contingent earnout, useful lives of plant and equipment and amortizable lives for acquired intangible assets. Any excess of the purchase consideration over the fair value of the identified assets and liabilities acquired is recognized as goodwill.

The Company estimates the preliminary fair value of acquired assets and liabilities as of the date of acquisition based on information available at that time. The valuation of these tangible and identifiable intangible assets and liabilities is subject to further review from management and may change materially between the preliminary allocation and end of the purchase price allocation period. Any changes in these estimates may have a material effect on the Company's condensed consolidated financial position and results of operations.

Product warranty

Nextracker offers an assurance type warranty for its products against defects in design, materials and workmanship for a period ranging from five to ten years, depending on the component. For these assurance type warranties, a provision for estimated future costs related to warranty expense is recorded when they are probable and reasonably estimable, which is typically when products are delivered. The estimated warranty liability is based on our warranty model, which relies on historical warranty claim information and assumptions based on the nature, frequency and average cost of claims for each product line by project. When little or no experience exists, the estimate is based on comparable product lines and/or estimated potential failure rates. These estimates are based on data from Nextracker specific projects. Estimates related to the outstanding warranty liability are re-evaluated on an ongoing basis using best-available information and revisions are made as necessary.

The following table summarizes the activity related to the estimated accrued warranty reserve for the six-month periods ended September 27, 2024 and September 29, 2023:

	Six-month periods ended	
	September 27, 2024	September 29, 2023
	(In thousands)	
Beginning balance	$ 12,511	$ 22,591
Provision (release) for warranties issued	5,268	(2,614)
Payments	(2,879)	(883)
Ending balance	$ 14,900	$ 19,094

Inventories

Inventories are stated at the lower of cost, determined on a weighted average basis, or net realizable value. Nextracker's inventory primarily consists of finished goods to be used and to be sold to customers, including components procured to complete the tracker system projects.

Other current assets

Other current assets includes short-term deposits and advances of $74.3 million and $104.7 million as of September 27, 2024 and March 31, 2024, respectively, primarily related to advance payments to certain vendors for procurement of inventory. In addition, it includes $167.2 million and $125.4 million as of September 27, 2024 and March 31, 2024, respectively, in vendor rebates receivable related to the 45X Credit as described under the section "*Inflation Reduction Act of 2022 Vendor Rebates*" of Note 2 in the notes to the consolidated financial statements in the Form 10-K.

Deferred tax assets

Deferred tax assets of $472.4 million and $438.3 million as of September 27, 2024 and March 31, 2024, respectively, are primarily related to the Company's investment in Nextracker LLC as described in Note 13 in the notes to the consolidated financial statements included in the Form 10-K and release of valuation allowance related to the acquired foundations business acquisitions described in Note 11.

Accrued expenses

Accrued expenses include accruals primarily for freight and tariffs of $50.6 million and $43.2 million as of September 27, 2024 and March 31, 2024, respectively. In addition, it includes $26.5 million and $39.2 million of accrued payroll as of September 27, 2024 and March 31, 2024, respectively.

TRA liability

TRA liability related to the amount expected to be paid to Flex, TPG and the TPG Affiliates pursuant to the Tax Receivable Agreement, were $399.1 million and $391.6 million, as of September 27, 2024 and March 31, 2024, respectively. During the three-month period ended September 27, 2024, a payment of $15.5 million was made to Flex, TPG and the TPG Affiliates, which is presented as financing activity on the condensed consolidated statement of cash flows.

Other liabilities

Other liabilities primarily consist of the long-term portion of standard product warranty liabilities of $6.3 million and $6.4 million, and the long-term portion of deferred revenue of $95.5 million and $69.3 million as of September 27, 2024 and March 31, 2024, respectively.

Recently issued accounting pronouncement

Accounting Standards Update 2023-07, Segment Reporting—Improvement to Reportable Segment Disclosures: In November 2023, the Financial Accounting Standards Board issued a new accounting standard which updates reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses and information used to assess

segment performance. The annual reporting requirements of the new standard is effective for the Company beginning in fiscal year 2025 and interim reporting requirements beginning in the first quarter of fiscal year 2026, with early adoption permitted. The Company expects to adopt the new guidance in the fourth quarter of fiscal year 2025 with an immaterial impact on its consolidated financial statements.

3. Revenue

Based on Accounting Standards Codification ("ASC") 606 provisions, the Company disaggregates its revenue from contracts with customers by those sales recorded over time and sales recorded at a point in time. The following table presents Nextracker's revenue disaggregated based on timing of transfer-point in time and over time for the three and six-month periods ended September 27, 2024 and September 29, 2023:

	Three-month periods ended		Six-month periods ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
	(In thousands)			
Timing of Transfer				
Point in time	$ 20,286	$ 21,263	$ 31,006	$ 26,904
Over time	615,285	552,094	1,324,486	1,025,996
Total revenue	$ 635,571	$ 573,357	$ 1,355,492	$ 1,052,900

Contract balances

The timing of revenue recognition, billings and cash collections results in contract assets and contract liabilities (deferred revenue) on the condensed consolidated balance sheets. Nextracker's contract amounts are billed as work progresses in accordance with agreed-upon contractual terms, which generally coincide with the shipment of one or more phases of the project. When billing occurs subsequent to revenue recognition, a contract asset results. Contract assets of $360.0 million and $397.1 million as of September 27, 2024 and March 31, 2024, respectively, are presented in the condensed consolidated balance sheets, of which $143.9 million and $141.4 million, respectively, will be invoiced at the end of the projects as they represent funds withheld until the products are installed by a third party, arranged by the customer, and the project is declared operational. The remaining unbilled receivables will be invoiced throughout the project based on a set billing schedule such as milestones reached or completed rows delivered. Contract assets decreased $37.1 million from March 31, 2024 to September 27, 2024 due to fluctuations in the timing and volume of billings for the Company's revenue recognized over time.

During the six-month periods ended September 27, 2024 and September 29, 2023, Nextracker converted $133.4 million and $119.2 million of deferred revenue to revenue, respectively, which represented 45% and 56%, respectively, of the beginning period balance of deferred revenue.

Remaining performance obligations

As of September 27, 2024, Nextracker had $332.3 million of the transaction price allocated to the remaining performance obligations. The Company expects to recognize revenue on approximately 71% of these performance obligations in the next 12 months. The remaining long-term unperformed obligation primarily relates to extended warranty and deposits collected in advance on certain tracker projects.

4. Goodwill and intangible assets

Goodwill

During the six-month period ended September 27, 2024, the addition in the Company's goodwill is driven by its acquisitions of Ojjo, Inc. ("Ojjo") and the solar foundations business held by Solar Pile International ("SPI") as further described in Note 11.

The following table summarizes the activity in the Company's goodwill during the six-month period ended September 27, 2024 (in thousands):

Balance as of March 31, 2024	$ 265,153
Additions	103,565
Purchase accounting adjustments	1,895
Balance as of September 27, 2024	$ 370,613

Other intangible assets

During the six-month period ended September 27, 2024, the total gross value of other intangible assets increased by $49.7 million as a result of the Company's initial estimated value of other intangible assets from its business acquisitions, which contributed an additional $31.7 million of developed technology and $18.0 million of customer relationships. Refer to Note 11 for additional information.

The components of identifiable intangible assets are as follows:

	As of September 27, 2024			As of March 31, 2024		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
	(In thousands)					
Developed technology	$ 31,700	$ (809)	$ 30,891	$ —	$ —	$ —
Customer relationships	18,000	(979)	17,021	—	—	—
Trade name and other intangibles	3,000	(1,629)	1,371	3,000	(1,454)	1,546
Total	$ 52,700	$ (3,417)	$ 49,283	$ 3,000	$ (1,454)	$ 1,546

The gross carrying amount of other intangible assets are removed when fully amortized. Total intangible asset amortization expense recognized in operations was immaterial for the periods presented.

The estimated future annual amortization expense for other intangible assets is as follows:

Fiscal year ending March 31,	Amount
	(In thousands)
2025 (1)	$ 3,560
2026	7,120
2027	7,120
2028	7,091
2029	6,945
Thereafter	17,447
Total amortization expense	$ 49,283

(1) Represents estimated amortization for the remaining fiscal six-month period ending March 31, 2025.

5. Stock-based compensation

The Company adopted the First Amended and Restated 2022 Nextracker LLC Equity Incentive Plan in April 2022 (the "LLC Plan"), which provides for the issuance of options, unit appreciation rights, performance units, performance incentive units, restricted incentive units and other unit-based awards to employees, directors and consultants of the Company. Additionally, in connection with the Company's initial public offering in February 2023 (the "IPO"), the Company approved the Second Amended and Restated 2022 Nextracker Inc. Equity Incentive Plan (together with the LLC Plan, the "2022 Plan") to reflect, among other things, that the underlying equity interests with respect to awards issued under the LLC Plan shall, in lieu of

common units of Nextracker LLC, relate to Class A common stock of Nextracker for periods from and after the closing of the IPO.

The following table summarizes the Company's stock-based compensation expense:

	Three-month periods ended		Six-month periods ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
	(In thousands)			
Cost of sales	$ 2,481	$ 3,245	$ 6,261	$ 5,171
Selling, general and administrative expenses	25,417	14,971	40,704	21,686
Research and development	1,987	—	4,821	—
Total stock-based compensation expense	$ 29,885	$ 18,216	$ 51,786	$ 26,857

During the six-month period ended September 27, 2024, the Company granted 1.6 million time-based unvested restricted share units ("RSU") awards to certain of its employees under the 2022 Plan. The vesting for these unvested RSU awards is contingent upon time-based vesting with continued service over a three-year period from the grant date, with a portion of the awards vesting at the end of each year. The weighted average fair value per share of the RSUs granted during the period was estimated to be $41.68 per award.

In addition, the Company also granted 0.4 million performance-based vesting ("PSU") awards whereby vesting is generally contingent upon (i) time-based vesting with continued service through March 31, 2027, and (ii) the achievement of certain metrics specific to the Company, which could result in a range of 0-300% of such PSUs ultimately vesting. The weighted average fair value per share of the PSUs granted during the period was estimated to be $58.30 per award. The fair value of these PSU awards granted during the six-month period ended September 27, 2024 was determined using Monte-Carlo simulation models, which is a probabilistic approach for calculating the fair value of the awards. Also, 0.3 million PSU awards related to the third tranche of performance-based awards granted in fiscal year 2023 met the criteria for a grant date under ASC 718 as the performance metrics for these awards were determined during the six-month period ended September 27, 2024. The weighted average fair value per share of these PSU awards granted in fiscal year 2023 was estimated to be $111.56 per award, determined using a Monte-Carlo simulation model.

Further, the Company granted 0.3 million option awards that will cliff-vest on the third anniversary of the grant date, subject generally to continuous service through such vesting date. The exercise price for the shares underlying such option is equal to $47.05 per award, which corresponds to the Company's closing price per share as of the grant date of the awards. The fair value of these option awards granted during the six-month period ended September 27, 2024 was estimated to be $29.05 based on a Black-Scholes option pricing model.

Additionally, during the six-month period ended September 27, 2024, an immaterial number of awards were forfeited due to employee terminations.

The total unrecognized compensation expense related to unvested awards under the 2022 Plan as of September 27, 2024 was approximately $161.0 million, which is expected to be recognized over a weighted-average period of approximately 1.7 years.

6. Earnings per share

Basic earnings per share excludes dilution and is computed by dividing net income attributable to Nextracker Inc. common stockholders by the weighted-average number of shares of Class A common stock outstanding during the applicable periods.

Diluted earnings per share reflects the potential dilution from stock-based compensation awards. The potential dilution from awards was computed using the treasury stock method based on the average fair market value of the Company's common stock for the period. Additionally, the potential dilution impact of Class B common stock convertible into Class A common stock was also considered in the calculation.

The computation of earnings per share and weighted average shares outstanding of the Company's common stock for the period is presented below:

	Three-month periods ended					
	September 27, 2024			September 29, 2023		
	Income Numerator	Weighted average shares outstanding Denominator	Per share Amount	Income Numerator	Weighted average shares outstanding Denominator	Per share Amount
	(In thousands, except share and per share amounts)					
Basic EPS						
Net income attributable to Nextracker Inc. common stockholders	$ 115,391	143,478,959	$ 0.80	$ 39,253	61,721,709	$ 0.64
Effect of Dilutive Impact						
Common stock equivalents from Options awards (1)		1,159,734			1,013,988	
Common stock equivalents from RSUs (2)		1,294,584			1,106,310	
Common stock equivalents from PSUs (3)		1,237,094			382,624	
Income attributable to non-controlling interests and common stock equivalent from Class B common stock	$ 1,873	1,908,827		$ 42,156	82,916,511	
Diluted EPS						
Net income	$ 117,264	149,079,198	$ 0.79	$ 81,409	147,141,142	$ 0.55

(1) During the three-month periods ended September 27, 2024 and September 29, 2023, approximately 0.8 million and 0.5 million of Options awards, respectively, were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted-average ordinary share equivalents.

(2) During the three-month periods ended September 27, 2024 and September 29, 2023, approximately 0.8 million and 0.4 million of RSU awards, respectively, were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted-average ordinary share equivalents.

(3) During the three-month periods ended September 27, 2024 and September 29, 2023, approximately 0.7 million and 0.4 million of PSU awards, respectively, were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted-average ordinary share equivalents.

	Six-month periods ended					
	September 27, 2024			September 29, 2023		
	Income Numerator	Weighted average shares outstanding Denominator	Per share Amount	Income Numerator	Weighted average shares outstanding Denominator	Per share Amount
	(In thousands, except share and per share amounts)					
Basic EPS						
Net income attributable to Nextracker Inc. common stockholders	$ 237,091	142,785,176	$ 1.66	$ 59,682	54,070,140	$ 1.10
Effect of Dilutive Impact						
Common stock equivalents from Options awards (1)		1,273,829			955,488	
Common stock equivalents from RSUs (2)		1,378,883			996,010	
Common stock equivalents from PSUs (3)		1,235,060			426,199	
Income attributable to non-controlling interests and common stock equivalent from Class B common stock	$ 4,967	2,477,715		$ 85,372	90,560,516	
Diluted EPS						
Net income	$ 242,058	149,150,663	$ 1.62	$ 145,054	147,008,353	$ 0.99

(1) During the six-month periods ended September 27, 2024 and September 29, 2023, approximately 0.8 million and 0.5 million of Options awards, respectively, were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted-average ordinary share equivalents.

(2) During the six-month periods ended September 27, 2024 and September 29, 2023, approximately 0.5 million and 0.4 million of RSU awards, respectively, were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted-average ordinary share equivalents.

(3) During the six-month periods ended September 27, 2024 and September 29, 2023, approximately 0.7 million and 0.4 million of PSU awards, respectively, were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted-average ordinary share equivalents.

7. Bank borrowings and long-term debt

On June 21, 2024, the Company and Nextracker LLC (the "LLC"), as the borrower, entered into an amendment (the "Amendment") to the credit agreement, dated as of February 13, 2023 ("2023 Credit Agreement" and, together with the Amendment, the "Amended 2023 Credit Agreement"). The Amendment amended the 2023 Credit Agreement to, among other things: (i) increase the aggregate revolving commitments from $500.0 million to $1.0 billion; (ii) provide for a $1.0 billion secured debt basket for surety bonds; (iii) increase the letter of credit capacity from $300.0 million to $500.0 million; and (iv) update various covenants, baskets and thresholds to provide more financing capacity and operational flexibility to the Company and the LLC. Subject to the satisfaction of certain conditions, the LLC may be permitted to request incremental term loan facilities under the credit facility from one or more lenders. As a result of the Amendment, the Company capitalized $6.0 million of issuance cost for the revolver included in other assets in the condensed consolidated balance sheets. As of September 27, 2024, no amounts were drawn under the revolving facility, and the Company was in compliance with all applicable covenants under its Amended 2023 Credit Agreement, the term loan and the revolving credit facility.

8. Commitments and contingencies

Litigation and other legal matters

Nextracker has accrued for a loss contingency to the extent it believes that losses are probable and estimable. The amounts accrued are not material, but it is reasonably possible that actual losses could be in excess of Nextracker's accrual. Any related

excess loss could have a material adverse effect on Nextracker's results of operations or cash flows for a particular period or on Nextracker's financial condition.

On February 6, 2024, pursuant to the Third Amended and Restated Limited Liability Company Agreement of Nextracker LLC (the "LLC Agreement"), Nextracker LLC made pro rata tax distributions in an aggregate amount of $94.3 million to the common members of the LLC, including an aggregate of $48.5 million to Yuma Acquisition Sub LLC and Yuma Subsidiary, Inc. As of the date of the tax distribution, Yuma Acquisition Sub LLC and Yuma Subsidiary Inc. were wholly-owned subsidiaries of Nextracker Inc. On February 1, 2024, Flex sent a dispute notice to Nextracker Inc. asserting that Flex is entitled to the distribution that was subsequently made to Yuma Acquisition Sub LLC and Yuma Subsidiary, Inc. and demanding payment of that amount to Flex. It is too early to determine the likelihood that the Company will be required to make any such payments to Flex in the future.

9. Income taxes

The Company follows the guidance under ASC 740-270, "Interim Reporting," which requires a company to calculate the income tax associated with ordinary income using an estimated annual effective tax rate ("AETR"). At the end of each interim period, the Company applies the AETR to year-to-date ("YTD") ordinary income (or loss) to arrive at the YTD income tax expense. The Company records the tax effect of discrete items in the quarter in which the discrete events occur.

The following table presents income tax expense recorded by the Company along with the respective consolidated effective tax rates for each period presented. For the three and six-month periods ended September 27, 2024, the difference between the effective tax rate and the U.S. statutory corporate tax rate of 21% is primarily attributable to the benefit of the foreign derived intangible income deduction and foreign tax credits, partially offset by U.S. state and local income taxes and jurisdictional mix of income between the U.S. and other operating jurisdictions.

During the three-month period ended September 27, 2024, the Company drafted its transfer pricing documentation with respect to the economic arrangement between Ojjo and Nextracker LLC, whereby Ojjo is compensated for the services that it provides on behalf of Nextracker LLC. Therefore, during the three-month period ended September 27, 2024, Ojjo updated its forecasted pre-tax earnings to account for the draft of the economic arrangement between these parties, which reflects forecasted profits into the future. Due to the transfer pricing methodology, Ojjo is effectively guaranteed a profit going forward. As a result, the Company released the valuation allowance recorded against Ojjo's deferred tax assets given that it is more likely than not that the deferred tax assets will be realized. A $7.9 million income tax benefit was recorded as a discrete item in the three-month period ended September 27, 2024 as it relates to a change in management's assertion related to the realization of deferred tax assets in periods beyond the current tax year. An immaterial amount of income tax benefit related to the utilization of deferred tax assets with a valuation allowance in the current period is appropriately running through the computation of the annual effective tax rate.

For the three and six-month periods ended September 29, 2023, the difference between the effective tax rate and the U.S. statutory corporate tax rate of 21% is primarily attributable to certain non-controlling interests in Nextracker LLC, which is not taxable to Nextracker Inc. and its subsidiaries, partially offset by U.S. state and local income taxes and the jurisdictional mix of income between the U.S. and other operating jurisdictions. In addition, there was a change in accounting estimate related to the Tax Receivable Agreement which resulted in a discrete benefit of $6.7 million.

	Three-month periods ended		Six-month periods ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
	(In thousands, except percentages)			
Income tax	19,928	3,999	47,080	13,100
Effective tax rates	14.5%	4.7%	16.3%	8.3%

The increase in tax expense as well as effective tax rate from the three and six-month periods ended September 29, 2023 to the three and six-month periods ended September 27, 2024 is driven by an increase in income before income taxes for the corresponding period and an increase in tax rate due to the separation from Flex as further described in Note 6 in the notes to the consolidated financial statements in the Form 10-K.

Tax distributions

During the six-month period ended September 27, 2024, and pursuant to the LLC Agreement, Nextracker LLC made pro rata tax distributions to its non-controlling interest holder (TPG) in the aggregate amount of approximately $6.1 million.

10. Segment reporting

Operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the Chief Operating Decision Maker ("CODM"), or a decision-making group, in deciding how to allocate resources and in assessing performance. Resource allocation decisions and Nextracker's performance are assessed by its Chief Executive Officer, identified as the CODM.

For all periods presented, Nextracker has one operating and reportable segment. The following table sets forth geographic information of revenue based on the locations to which the products are shipped:

	Three-month periods ended		Six-month periods ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
Revenue:		*(In thousands)*		
U.S.	$ 461,806	$ 382,160	$ 973,288	$ 652,498
Rest of the World	173,765	191,197	382,204	400,402
Total	$ 635,571	$ 573,357	$ 1,355,492	$ 1,052,900

The United States is the principal country of domicile.

11. Business acquisitions

Foundations business

During the six-month period ended September 27, 2024, the Company completed two acquisitions. On June 20, 2024, as part of an all-cash transaction, the Company acquired 100% of the interest in Ojjo, a renewable energy company specializing in foundations technology and services used in ground-mount applications for solar power generation. Additionally, on July 31, 2024, the Company closed the acquisition of the solar foundations business held by SPI through the purchase of Spinex Systems Inc. and assets held by other SPI affiliates.

The acquisitions of Ojjo and the foundations business of SPI ("Foundations acquisitions") expand the Company's foundations offering by accelerating its capability to offer customers a more complete integrated solution for solar trackers and foundations. The development of any utility-scale project is a long and complex process. Foundations are a key part of every utility-scale solar project installation. In addition, projects are often confronted with unique challenges related to land use considerations and exceptional variation in subsurface conditions. The Company believes there is additional value for its customers in combining tracker systems and foundations to form an integrated solution, particularly for difficult and unique soil conditions.

The aggregate cash consideration of the Foundations acquisitions was approximately $144.7 million, net of $4.4 million cash acquired. Additionally, the aggregate total purchase price of $164.7 million includes $14.0 million of deferred consideration expected to be paid within a 12-month period, a $3.4 million release of a loan obligation previously owed by the seller and a $2.6 million contingent earnout.

The contingent earnout has a maximum possible consideration of $6.0 million upon the achievement of future revenue performance targets, measured in megawatts ("MW"), over a four-year period starting October 1, 2024. The fair value of the contingent earnout liability as of the acquisition date was estimated to be $2.6 million based on a Monte-Carlo simulation model, which is a probabilistic approach used to simulate future revenue and calculate the potential contingent consideration payments for each simulated path. The inputs are unobservable in the market and therefore categorized as Level 3 inputs in the fair value measurement.

The Company incurred approximately $3.7 million of acquisition costs which are presented as selling, general and administrative expenses on the condensed consolidated statement of operations and comprehensive income. The preliminary allocation of the purchase price to the tangible and identifiable intangible assets acquired and liabilities assumed was based on their preliminary estimated fair values as of the date of acquisitions. The excess of the purchase price over the tangible and identifiable intangible assets acquired and liabilities assumed has been allocated to goodwill. Goodwill is not deductible for

income tax purposes. The results of operations of the acquisitions were included in the Company's condensed consolidated financial statements beginning on the date of acquisition and were not material for all periods presented.

Additional information, which existed as of the acquisition dates, may become known to the Company during the remainder of the measurement period, a period not to exceed 12 months from the date of the relevant acquisition. Changes to amounts recorded as assets and liabilities may result in a corresponding adjustment to goodwill during the respective measurement period.

The following represents the Company's preliminary allocation of the Foundations acquisitions total aggregate purchase price to the acquired assets and liabilities (in thousands):

Current assets	$	5,547
Property and equipment		23,977
Intangible assets		49,700
Goodwill		105,460
Other assets		4,232
Total assets		188,916
Current liabilities		17,467
Other liabilities, non-current		6,732
Total purchase price, net of cash acquired	$	164,717

Intangible assets are comprised of $31.7 million of developed technology to be amortized over an estimated useful life of ten years, and $18.0 million of customer relationships to be amortized over an estimated useful life of five years. The fair value assigned to the identified intangible assets was estimated based on an income approach, which provides an indication of fair value based on the present value of cash flows that the acquired business is expected to generate in the future. Key assumptions used in the valuation included forecasted revenues, cost of sales and operating expenses, royalty rate, discount rate and weighted average cost of capital. The useful life of the acquired intangible assets for amortization purposes was determined by considering the period of expected cash flows used to measure the fair values of the asset, adjusted for certain factors that may limit the useful life.

Pro-forma results of operations have not been presented because the effects were not material to the Company's condensed consolidated financial results for all periods presented.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context requires otherwise, references in this Management's Discussion and Analysis of Financial Condition and Results of Operations to "Nextracker," the "Company," "we," "us" and "our" shall mean, prior to the IPO, both Nextracker LLC ("Nextracker LLC" or the "LLC") and its consolidated subsidiaries, and following the IPO and the related transactions completed in connection with the IPO, to Nextracker Inc. and its consolidated subsidiaries. References in this Management's Discussion and Analysis of Financial Condition and Results of Operations to "Flex" refer to Flex Ltd., a Singapore incorporated public company limited by shares and having a registration no. 199002645H, and its consolidated subsidiaries, unless the context otherwise indicates.

This Management's Discussion and Analysis of Financial Condition and Results of Operations is designed to provide a reader of our unaudited condensed consolidated financial statements with a narrative from the perspective of the Company's management. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q for the three-month period ended September 27, 2024 (this "Quarterly Report") and our audited consolidated financial statements and the related notes and other information included in our Annual Report on Form 10-K for the year ended March 31, 2024, filed with the SEC on May 28, 2024, as amended by our Annual Report on Form 10-K/A, filed with the SEC on June 6, 2024. In addition to historical financial information, the following discussion and analysis contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the

"Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such statements are based upon current expectations that involve risks, uncertainties and assumptions. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, the words "believes," "anticipates," "plans," "expects," "intends" and similar expressions are intended to identify forward-looking statements. Our actual results and timing of selected events may differ materially from those results anticipated and discussed in the forward-looking statements as a result of many factors. Factors that might cause such a discrepancy include, but are not limited to, those discussed under the sections below titled "Liquidity and Capital Resources" and "Risk Factors." All forward-looking statements in this document are based on information available to us as of the date of this Quarterly Report and we assume no obligation to update any such forward-looking statements, except as required by law.

OVERVIEW

We are a leading provider of intelligent, integrated solar tracker, foundations, and software solutions used in utility-scale and ground-mounted distributed generation solar projects around the world. Our products enable solar PV power plants to follow the sun's movement across the sky and optimize plant performance. With power plants operating in more than 40 countries worldwide, we offer solar tracker technologies that increase energy production while reducing costs for significant plant return on investment ("ROI"). We are the global market leader based on gigawatts ("GW") shipped for eight consecutive years.

We were founded in 2013 by our Chief Executive Officer, Dan Shugar, and were acquired by Flex in 2015. In 2016, Flex acquired BrightBox Technologies on our behalf to further our machine learning capabilities. On January 2, 2024, Flex closed the spin-off of all its remaining interests in Nextracker to Flex shareholders and we are now a fully independent company. Over time, we have developed new and innovative hardware and software products and services to scale our capabilities.

We have shipped more than 100 GW of solar tracker systems as of September 27, 2024 to projects on six continents for use in utility-scale and distributed generation solar applications. Our customers include engineering, procurement and construction firms ("EPCs"), as well as solar project developers and owners. Developers originate projects, select and acquire sites, obtain permits, select contractors, negotiate power offtake agreements and oversee the building of projects. EPCs design and optimize the system, procure components, build and commission the plant and operate the plant for a limited time until transfer to a long-term owner. Owners, which are often independent power producers, own and operate the plant, typically as part of a portfolio of similar assets. Owners generate cash flows through the sale of electricity to utilities, wholesale markets or end users.

For the majority of our projects, our direct customer is the EPC. We also engage with project owners and developers and enter into master supply agreements that cover multiple projects. We are a qualified, preferred provider to some of the largest solar EPCs, project owners and developers in the world. We had revenues of $1.4 billion for the six-month period ended September 27, 2024 and $2.5 billion for fiscal year 2024.

Business acquisitions

During the six-month period ended September 27, 2024, we completed two acquisitions. On June 20, 2024, as part of an all-cash transaction, we acquired 100% of the interest in Ojjo, Inc. ("Ojjo"), a renewable energy company specializing in foundations technology and services used in ground-mount applications for solar power generation. Additionally, on July 31, 2024, we closed the acquisition of the solar foundations business held by Solar Pile International ("SPI") through the purchase of Spinex Systems Inc. and assets held by other SPI affiliates.

The acquisitions of Ojjo and the foundations business of SPI ("Foundations acquisitions") expand our foundations offering by accelerating our capability to offer customers a more complete integrated solution for solar trackers and foundations. The development of any utility-scale project is a long and complex process. Foundations are a key part of every utility-scale solar project installation. In addition, projects are often confronted with unique challenges related to land use considerations and exceptional variation in subsurface conditions. We believe there is additional value for our customers in combining tracker systems and foundations to form an integrated solution, particularly for difficult and unique soil conditions.

The aggregate cash consideration of the Foundations acquisitions was approximately $144.7 million, net of $4.4 million cash acquired. Additionally, the aggregate total purchase price of $164.7 million includes $14.0 million of deferred consideration expected to be paid within a 12-month period, a $3.4 million release of a loan obligation previously owed by the seller and a $2.6 million contingent earnout. See Note 11 in the notes to the unaudited condensed consolidated financial statements for further detail on these acquisitions.

Inflation Reduction Act of 2022 ("IRA")

On August 16, 2022, the IRA was enacted into law, which includes a new corporate minimum tax, a stock repurchase excise tax, numerous green energy credits, other tax provisions and significantly increased enforcement resources. The Section 45X of the Internal Revenue Code of 1986, as amended Advanced Manufacturing Production Credit ("45X Credit"), which was established as part of the IRA, is a per-unit tax credit earned over time for each clean energy component domestically produced and sold by a manufacturer.

We have executed agreements with certain suppliers to ramp up our U.S. manufacturing footprint. These suppliers produce 45X Credit eligible parts, including torque tubes and structural fasteners, that will then be incorporated into a solar tracker. The 45X Credit was eligible for domestic parts manufactured after January 1, 2023. We have contractually agreed with these suppliers to share a portion of the economic value of the credit related to our purchases in the form of a vendor rebate. We account for these vendor rebate amounts as a reduction of the purchase price of the parts acquired from the vendor and therefore a reduction of inventory until the control of the part is transferred to the customer, at which point we recognize such amounts as a reduction of cost of sales on the consolidated statements of operations and comprehensive income. During the fourth quarter of fiscal 2024, we determined the amount and collectability of the 45X Credit vendor rebates we expect to receive in accordance with the vendor contracts and recognized a cumulative reduction to cost of sales of $121.4 million related to 45X Credit vendor rebates earned on production of eligible components shipped to projects starting on January 1, 2023 through March 31, 2024.

The following tables set forth geographic information of revenue based on the locations to which the products are shipped:

	Three-month periods ended				Six-month periods ended			
	September 27, 2024		September 29, 2023		September 27, 2024		September 29, 2023	
Revenue:	*(In thousands, except percentages)*							
U.S.	$ 461,806	73%	$ 382,160	67%	$ 973,288	72%	$ 652,498	62%
Rest of the World	173,765	27%	191,197	33%	382,204	28%	$ 400,402	38%
Total	$ 635,571		$ 573,357		$ 1,355,492		$ 1,052,900	

The following table sets forth the revenue from customers that individually accounted for greater than 10% of our revenue during the periods included below:

	Three-month periods ended		Six-month periods ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
	(In millions)			
Customer G	$ 83.4	$ 90.9	$ 192.7	$ 137.3

Critical accounting policies and significant management estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates. Estimates are used in accounting for, among other things: impairment of goodwill, impairment of long-lived assets, allowance for credit losses, provision for excess or obsolete inventories, valuation of deferred tax assets, warranty reserves, contingencies, operation-related accruals, fair values of awards granted under stock-based compensation plans and fair values of assets obtained and liabilities assumed in business combinations. We periodically review estimates and assumptions, and the effects of our revisions are reflected in the period they occur. We believe that these estimates and assumptions provide a reasonable basis for the fair presentation of the unaudited condensed consolidated financial statements.

Refer to the critical accounting policies and significant management estimates under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2024 (the "Form 10-K"), where we discussed our more significant policies and estimates used in the preparation of the unaudited condensed consolidated financial statements. There have been no material changes to the Company's critical accounting estimates since the Form 10-K, other than our accounting for business acquisitions as disclosed below.

Accounting for business acquisitions

From time to time, we pursue business acquisitions. The fair value of the net assets acquired and the results of the acquired businesses are included in our unaudited condensed consolidated financial statements from the acquisition dates forward. We are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and results of operations during the reporting period. Estimates are used in accounting for, among other things, the fair value of acquired net operating assets, property and equipment, intangible assets, contingent earnout, useful lives of plant and equipment and amortizable lives for acquired intangible assets. Any excess of the purchase consideration over the fair value of the identified assets and liabilities acquired is recognized as goodwill.

We estimate the preliminary fair value of acquired assets and liabilities as of the date of acquisition based on information available at that time. The valuation of these tangible and identifiable intangible assets and liabilities is subject to further review from management and may change materially between the preliminary allocation and end of the purchase price allocation period. Any changes in these estimates may have a material effect on our unaudited condensed consolidated financial position and results of operations.

Key components of our results of operations

The following discussion describes certain line items in our unaudited condensed consolidated statements of operations and comprehensive income.

Revenue

We derive our revenue from the sale of solar trackers and software products to our customers. Our revenue growth is dependent on (i) our ability to maintain and expand our market share, (ii) total market growth and (iii) our ability to develop and introduce new products driving performance enhancements and cost efficiencies throughout the solar power plant.

Cost of sales and gross profit

Cost of sales consists primarily of purchased components net of any incentives or rebates earned from our suppliers, shipping and other logistics costs, applicable tariffs, standard product warranty costs, amortization of certain acquired intangible assets, stock-based compensation and direct labor. Direct labor costs represent expenses of personnel directly related to project execution such as supply chain, logistics, quality, tooling, operations and customer satisfaction. Amortization of intangibles consists of developed technology and certain acquired patents over its expected period of use and is also included under cost of sales.

Steel prices, cost of transportation and labor costs in countries where our suppliers perform manufacturing activities affect our cost of sales. Our ability to lower our cost of sales depends on implementation and design improvements to our products as well as on driving more cost-effective manufacturing processes with our suppliers. We generally do not directly purchase raw materials such as steel or electronic components and do not hedge against changes in their price. Most of our cost of sales are directly affected by sales volume. Personnel costs related to our supply chain, logistics, quality, tooling and operations are not directly impacted by our sales volume.

Operating expenses

Selling, general and administrative expenses

Selling, general and administrative expenses consist primarily of personnel-related costs associated with our administrative and support functions. These costs include, among other things, personnel costs, stock-based compensation, facilities charges including depreciation associated with administrative functions, professional services, travel expenses and allowance for bad debt. Professional services include audit, legal, tax and other consulting services. We have expanded our sales organization and expect to continue growing our sales headcount to support our planned growth. We have incurred and expect to continue to incur on an ongoing basis certain new costs related to the requirements of being a publicly traded company, including insurance, accounting, tax, legal and other professional services costs, which could be material. Amortization of intangibles consists of customer relationships and trade names over their expected period of use and is also included under selling, general and administrative expenses.

Research and development

Research and development expenses consist primarily of personnel-related costs associated with our engineering employees, stock-based compensation, as well as third-party consulting. Research and development activities include improvements to our existing products, development of new tracker products and software products. We expense substantially all research and development expenses as incurred. We expect that the dollar amount of research and development expenses will increase in amount over time.

Income tax expense

Our taxable income is primarily from the allocation of taxable income from the LLC. The provision for income taxes primarily represents the LLC's U.S. federal, state and local income taxes as well as foreign income taxes payable by its subsidiaries. The LLC owns 100% of all foreign subsidiaries. We expect to receive a tax benefit for foreign tax credits in the United States for our distributive shares of the foreign tax paid.

RESULTS OF OPERATIONS

The financial information and the discussion below should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report.

In addition, reference should be made to our audited consolidated financial statements and notes thereto and related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2024.

	Three-month periods ended			Six-month periods ended		
	September 27, 2024	September 29, 2023	% Change	September 27, 2024	September 29, 2023	% Change
Unaudited Condensed Statement of Operations and Comprehensive Income Data:	*(In thousands, except percentages)*					
Revenue	$ 635,571	$ 573,357	11 %	$ 1,355,492	$ 1,052,900	29 %
Cost of sales	410,776	424,247	(3)	893,257	790,046	13
Gross profit	224,795	149,110	51	462,235	262,854	76
Selling, general and administrative expenses	72,127	47,872	51	132,954	82,107	62
Research and development	19,193	7,146	169	35,712	12,775	180
Operating income	133,475	94,092	42	293,569	167,972	75
Interest expense	3,665	3,646	1	6,945	6,748	3
Other (income) expense, net	(7,382)	5,038	(247)	(2,514)	3,070	(182)
Income before income taxes	137,192	85,408	61	289,138	158,154	83
Provision for income taxes	19,928	3,999	398	47,080	13,100	259
Net income and comprehensive income	$ 117,264	$ 81,409	44 %	$ 242,058	$ 145,054	67 %

Non-GAAP Financial Measures

We present Adjusted gross profit, Adjusted operating income, Adjusted net income, Adjusted EBITDA, Adjusted gross margin, Adjusted net income margin and Adjusted EBITDA margin as supplemental measures of our performance. We define Adjusted gross profit as gross profit plus stock-based compensation expense and intangible amortization. We define Adjusted operating income as operating income plus stock-based compensation expense, intangible amortization and non-recurring integration activities related to our current year acquisitions. We define Adjusted net income as net income (loss) plus stock-based compensation expense, intangible amortization, non-recurring integration activities related to acquisitions and certain nonrecurring legal costs and other discrete events as applicable, net of their tax effects. We define Adjusted EBITDA as net

income (loss) plus (i) interest, net, (ii) provision for income taxes, (iii) depreciation expense, (iv) intangible amortization, (v) stock-based compensation expense, (vi) various non-recurring tax adjustments and (vii) certain nonrecurring legal costs, integration activities related to acquisitions and other discrete events as applicable. We define Adjusted gross margin as the percentage derived from Adjusted gross profit divided by revenue. We define Adjusted net income margin as the percentage derived from Adjusted net income divided by revenue. We define Adjusted EBITDA margin as the percentage derived from Adjusted EBITDA divided by revenue.

Adjusted gross profit, Adjusted operating income, Adjusted net income, Adjusted EBITDA, Adjusted gross margin, Adjusted net income margin and Adjusted EBITDA margin are intended as supplemental measures of performance that are neither required by, nor presented in accordance with, U.S. GAAP. We present these Adjusted financial measures because we believe they assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, we may use all or any combination of Adjusted gross profit, Adjusted operating income, Adjusted net income, Adjusted EBITDA, when determining incentive compensation and to evaluate the effectiveness of our business strategies.

Among other limitations, Adjusted gross profit, Adjusted operating income, Adjusted net income, Adjusted EBITDA, Adjusted net income margin, Adjusted gross margin and Adjusted EBITDA margin do not reflect our cash expenditures or future capital expenditures or contractual commitments (including under the Tax Receivable Agreement, as defined below), do not reflect the impact of certain cash or non-cash charges resulting from matters we consider not to be indicative of our ongoing operations and do not reflect the associated income tax expense or benefit related to those charges. In addition, other companies in our industry may calculate Adjusted gross profit, Adjusted operating income, Adjusted net income, Adjusted EBITDA, Adjusted gross margin, Adjusted net income margin and Adjusted EBITDA margin differently from us, which further limits their usefulness as comparative measures.

Because of these limitations, Adjusted gross profit, Adjusted operating income, Adjusted net income, Adjusted EBITDA, Adjusted gross margin, Adjusted net income margin and Adjusted EBITDA margin should not be considered in isolation or as substitutes for performance measures calculated in accordance with U.S. GAAP. We compensate for these limitations by relying primarily on our U.S. GAAP results and using Adjusted financial measures on a supplemental basis. You should review the reconciliation to the most directly comparable U.S. GAAP measure of Adjusted gross profit, Adjusted operating income, Adjusted net income, Adjusted EBITDA, Adjusted gross margin, Adjusted net income margin and Adjusted EBITDA margin below and not rely on any single financial measure to evaluate our business.

	Three-month periods ended		Six-month periods ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
Other Financial Information:	*(In thousands, except percentages)*			
Adjusted gross profit	$ 228,172	$ 152,417	$ 469,480	$ 268,150
Adjusted operating income	167,412	112,370	350,975	194,954
Adjusted net income	144,927	96,031	283,546	167,155
Adjusted EBITDA	172,651	110,198	347,627	194,051
Adjusted gross margin	35.9%	26.6%	34.6%	25.5%
Adjusted net income margin	22.8%	16.7%	20.9%	15.9%
Adjusted EBITDA margin	27.2%	19.2%	25.6%	18.4%

The following table provides a reconciliation of gross profit to Adjusted gross profit, operating income to Adjusted operating income, net income to Adjusted net income, net income to Adjusted EBITDA, gross margin to Adjusted gross margin, net income margin to Adjusted net income margin, and net income margin to Adjusted EBITDA margin for each period presented. The Adjusted measures presented in the table are inclusive of non-controlling interests and redeemable non-controlling interests.

	Three-month periods ended				Six-month periods ended			
	September 27, 2024		September 29, 2023		September 27, 2024		September 29, 2023	
Reconciliation of GAAP to Non-GAAP Financial Measures:	*(In thousands, except percentages)*							
GAAP gross profit & margin	$ 224,795	35.4%	$ 149,110	26.0%	$ 462,235	34.1%	$ 262,854	25.0%
Stock-based compensation expense	2,481		3,245		6,261		5,171	
Intangible amortization	896		62		984		125	
Adjusted gross profit & margin	$ 228,172	35.9%	$ 152,417	26.6%	$ 469,480	34.6%	$ 268,150	25.5%
GAAP operating income & margin	$ 133,475	21.0%	$ 94,092	16.4%	$ 293,569	21.7%	$ 167,972	16.0%
Stock-based compensation expense	29,885		18,216		51,786		26,857	
Intangible amortization	1,875		62		1,963		125	
Acquisition related costs (1)	2,177		—		3,657		—	
Adjusted operating income & margin	$ 167,412	26.3%	$ 112,370	19.6%	$ 350,975	25.9%	$ 194,954	18.5%
GAAP net income & margin	$ 117,264	18.5%	$ 81,409	14.2%	$ 242,058	17.9%	$ 145,054	13.8%
Stock-based compensation expense	29,885		18,216		51,786		26,857	
Intangible amortization	1,875		62		1,963		125	
Adjustment for taxes	(6,274)		(3,656)		(15,918)		(4,881)	
Acquisition related costs (1)	2,177		—		3,657		—	
Adjusted net income & margin	$ 144,927	22.8%	$ 96,031	16.7%	$ 283,546	20.9%	$ 167,155	15.9%
GAAP net income & margin	$ 117,264	18.5%	$ 81,409	14.2%	$ 242,058	17.9%	$ 145,054	13.8%
Interest, net	455		(86)		(837)		1,334	
Provision for income taxes	19,928		3,999		47,080		13,100	
Depreciation expense	1,067		912		1,920		1,895	
Intangible amortization	1,875		62		1,963		125	
Stock-based compensation expense	29,885		18,216		51,786		26,857	
Acquisition related costs (1)	2,177		—		3,657		—	
Other tax related income, net	—		5,686		—		5,686	
Adjusted EBITDA & margin	$ 172,651	27.2%	$ 110,198	19.2%	$ 347,627	25.6%	$ 194,051	18.4%

(1) Represents transaction and integration costs incurred in relation to our Foundations acquisitions. We do not believe that the acquisition transaction costs are normal, recurring operating expenses indicative of our core operating performance, nor were these charges taken into account as factors in evaluating management's performance when determining incentive compensation or to evaluate the effectiveness of our business strategies.

The data below, and discussion that follows, represents our results from operations.

Comparison of the three-month periods ended September 27, 2024 and September 29, 2023

Revenue

Revenue increased by $62.2 million, or 11%, for the three-month period ended September 27, 2024 compared to the three-month period ended September 29, 2023, resulting primarily from a 27% increase in gigawatts delivered, most notably in the U.S. driven by increased demand coupled with an acceleration of deliveries to meet customers' updated project schedules, partially offset by continued declines in average selling prices resulting from declining costs per watt. Revenue increased approximately $79.6 million, or 21%, in the U.S. during the three-month period ended September 27, 2024 compared to the

three-month period ended September 29, 2023 while decreasing $17.4 million, or 9%, in the Rest of the World during the same period, primarily due to a reduction in shipments in Latin America. Quarterly variability occurs based on specific project timing and may be impacted negatively by delays in construction caused by multiple factors including permitting, interconnection, weather and labor issues.

Cost of sales and gross profit

Cost of sales decreased by $13.5 million, or 3%, during the three-month period ended September 27, 2024 compared to the three-month period ended September 29, 2023, primarily driven by the impact from the 45X Credit. As noted in the overview, we now recognize a reduction in cost of sales for 45X Credit earned on components manufactured in the U.S. During the three-month period ended September 27, 2024, we recognized approximately $50.7 million of reduction to cost of sales related to the 45X Credit earned on production of eligible components shipped during the period. Additional incremental cost savings, primarily related to materials we procured from our vendors, were achieved through our expanded global supply chain that allows us to source local material and provides better lead times for customers. Freight and logistics costs remained flat as a percentage of revenue during the three-month period ended September 27, 2024 compared to the three-month period ended September 29, 2023.

Gross profit increased by $75.7 million, or 51%, during the three-month period ended September 27, 2024 compared to the three-month period ended September 29, 2023, primarily resulting from the impact from the 45X Credit recognized in the period. Additional margin improvement was driven by a slightly higher mix of U.S. revenue that generally carries a higher margin profile than the Rest of the World coupled with incremental cost savings achieved through our global supply chain.

Selling, general and administrative expenses

Selling, general and administrative expenses increased $24.3 million, or 51%, to $72.1 million for the three-month period ended September 27, 2024 from approximately $47.9 million for the three-month period ended September 29, 2023 while also increasing approximately 300 basis points from approximately 8% to approximately 11% as a percentage of revenue during the same period. The increase in selling, general and administrative expenses was primarily the result of an increase in stock-based compensation expense of $10.4 million incurred in conjunction with our 2022 equity incentive plan, the remaining increase in costs of approximately $13.9 million related to our continued expansion of our sales organization in line with the growth in the global market and the expansion of our supporting functions also required to support our planned growth.

Research and development

Research and development expenses increased $12.0 million, or 169%, to $19.2 million for the three-month period ended September 27, 2024 from approximately $7.1 million during the three-month period ended September 29, 2023 as a result of our commitment to product innovation and development, including software enhancements and additional headcount, coupled with an increase in stock-based compensation expense of $2.0 million.

Interest expense

Interest expense remained relatively flat at approximately $3.7 million for both three-month periods ended September 27, 2024 and September 29, 2023, respectively.

Other (income) expense, net

Other (income) expense, net was a $7.4 million income for the three-month period ended September 27, 2024, which primarily included $3.3 million of interest income and $2.4 million of favorable foreign currency exchange gains. Other (income) expense, net was a $5.0 million expense for the three-month period ended September 29, 2023, which primarily included $5.7 million tax related expense as a result of an increase in our liability under the Tax Receivable Agreement, and $3.0 million of unfavorable foreign currency exchange losses, partially offset by $3.7 million of interest income.

Provision for income taxes

We accrue and pay income taxes according to the laws and regulations of each jurisdiction in which we operate. Most of our revenue and profits are generated in the United States with a statutory income tax rate of approximately 21% for the three-month periods ended September 27, 2024 and September 29, 2023. For the three-month periods ended September 27, 2024 and

September 29, 2023, we recorded total income tax expense of $19.9 million and $4.0 million, respectively, which reflected consolidated effective income tax rates of 15% and 5%, respectively. The increase in tax expense as well as effective tax rate from the three-month period ended September 29, 2023 to the three-month period ended September 27, 2024 is driven by an increase in income before income taxes for the corresponding period and an increase in tax rate due to the separation from Flex as further described in Note 6 in the notes to the consolidated financial statements in the Form 10-K.

During the three-month period ended September 27, 2024, the Company drafted its transfer pricing documentation with respect to the economic arrangement between Ojjo and Nextracker LLC, whereby Ojjo is compensated for the services that it provides on behalf of Nextracker LLC. Therefore, during the three-month period ended September 27, 2024, Ojjo updated its forecasted pre-tax earnings to account for the draft of the economic arrangement between these parties, which reflects forecasted profits into the future. Due to the transfer pricing methodology, Ojjo is effectively guaranteed a profit going forward. As a result, the Company released the valuation allowance recorded against Ojjo's deferred tax assets given that it is more likely than not that the deferred tax assets will be realized. A $7.9 million income tax benefit was recorded as a discrete item in the three-month period ended September 27, 2024 as it relates to a change in management's assertion related to the realization of deferred tax assets in periods beyond the current tax year. An immaterial amount of income tax benefit related to the utilization of deferred tax assets with a valuation allowance in the current period is appropriately running through the computation of the annual effective tax rate.

From time to time, we are subject to income and non-income based tax audits in the jurisdictions in which we operate. The calculation of tax liabilities involves dealing with uncertainties in the application of complex tax rules and regulations in a number of jurisdictions. Due to such complexity of these uncertainties, the ultimate resolution may result in a payment or refund that is materially different from our estimates.

Comparison of the six-month periods ended September 27, 2024 and September 29, 2023

Revenue

Revenue increased by $302.6 million, or 29%, for the six-month period ended September 27, 2024 compared to the six-month period ended September 29, 2023, driven by a 44% increase in GW delivered, most notably in the U.S. driven by increased demand coupled with an acceleration of deliveries to meet customers updated project schedules. The revenue increase from additional GW delivered was slightly offset by a reduction in revenue per watt due to declining costs per watt compared to the six-month period ended September 29, 2023. Revenue increased approximately $320.8 million, or 49%, in the U.S. during the six-month period ended September 27, 2024 compared to the six-month period ended September 29, 2023 as more projects came on line, Rest of the World decreased $18.2 million, or 5%, primarily from reduced shipments to Latin America.

Cost of sales and gross profit

Cost of sales increased by $103.2 million, or 13%, during the six-month period ended September 27, 2024 compared to the six-month period ended September 29, 2023, primarily driven by the 44% increase in GW delivered noted above, partially offset by the impact from the 45X Credit. As noted in the overview, we now recognize a reduction in cost of sales for the 45X Credit earned on components manufactured in the U.S. During the first half of fiscal year 2025, we recognized approximately $98.0 million of reduction to cost of sales related to the 45X Credit earned on production of eligible components shipped during the period. Additional incremental cost savings, primarily related to materials we procured from our vendors, were achieved through our expanded global supply chain that allows us to source local materials and provide better lead times for customers. Freight and logistics costs remained flat as a percentage of revenue during the six-month period ended September 27, 2024 compared to the six-month period ended September 29, 2023.

Gross profit increased by $199.4 million, or 76%, during the six-month period ended September 27, 2024 compared to the six-month period ended September 29, 2023, primarily resulting from the U.S. revenue growth noted above and the impact from the 45X Credit recognized in the first half of fiscal year 2025. In addition, throughout fiscal year 2024 and into fiscal year 2025, we continue to implement enhancements to our overall margin structure that include maintaining pricing discipline, expanding our global supply chain and other innovations that drive cost savings. As a percentage of revenue, these efforts increased gross margins by approximately 200 basis points during the six-month period ended September 27, 2024 compared to the six-month period ended September 29, 2023 and were net of the impact from competitive pressures that have lowered prices.

Selling, general and administrative expenses

Selling, general and administrative expenses increased $50.8 million, or 62%, to $133.0 million for the six-month period ended September 27, 2024 from approximately $82.1 million for the six-month period ended September 29, 2023 while also increasing approximately 201 basis points from approximately 8% to over 10% as a percentage of revenue during the same period. The increase in selling, general and administrative expenses was primarily the result of an increase in stock-based compensation expense of $19.0 million incurred in conjunction with our 2022 equity incentive plan, the remaining increase in costs of approximately $31.8 million related to our continued expansion of our sales organization in line with the growth in the global market and the expansion of our supporting functions also required to support our planned growth.

Research and development

Research and development expenses increased $22.9 million, or 180%, to $35.7 million for the six-month period ended September 27, 2024 from approximately $12.8 million during the six-month period ended September 29, 2023 as a result of our commitment to product innovation and development including software enhancements and additional headcount, coupled with an increase in stock-based compensation expense of $4.8 million.

Interest expense

Interest expense modestly increased $0.2 million, or 3%, to $6.9 million, for the six-month period ended September 27, 2024 from $6.7 million during the six-month period ended September 29, 2023.

Other (income) expense, net

Other (income) expense, net was $2.5 million income for the six-month period ended September 27, 2024, which primarily included $8.0 million interest income, partially offset by $7.4 million of unfavorable foreign currency exchange losses. Other (income) expense, net was $3.1 million expense for the six-month period ended September 29, 2023, which primarily included $5.7 million tax related expense as a result of an increase in our liability under the Tax Receivable Agreement and $2.6 million of unfavorable foreign currency exchange losses, partially offset by $5.3 million of interest income during the period.

Provision for income taxes

We accrue and pay income taxes according to the laws and regulations of each jurisdiction in which we operate. Most of our revenue and profits are generated in the United States with a statutory income tax rate of approximately 21% for the six-month periods ended September 27, 2024 and September 29, 2023. For the six-month periods ended September 27, 2024 and September 29, 2023, we recorded total income tax expense of $47.1 million and $13.1 million, respectively, which reflected consolidated effective income tax rates of 16% and 8%, respectively. The increase in tax expense as well as effective tax rate from the six-month period ended September 29, 2023 to the six-month period ended September 27, 2024 is driven by an increase in income before income taxes for the corresponding period and an increase in tax rate due to the separation from Flex as further described in Note 6 in the notes to the consolidated financial statements in the Form 10-K.

LIQUIDITY AND CAPITAL RESOURCES

Our principal uses of cash have been to fund our operations and invest in research and development and our cash flow generation and credit facilities have continued to provide adequate liquidity for our business.

Credit Facilities

On June 21, 2024, Nextracker Inc. and the LLC, as the borrower, entered into the Amendment to the 2023 Credit Agreement. The Amendment amended the 2023 Credit Agreement to, among other things: (i) increase the aggregate commitments of the revolving credit facility (the "RCF") from $500.0 million to $1.0 billion; (ii) provide for a $1.0 billion secured debt basket for surety bonds; (iii) increase the letter of credit capacity from $300.0 million to $500.0 million; and (iv) update various covenants, baskets and thresholds to provide more financing capacity and operational flexibility to Nextracker Inc. and the LLC. Subject to the satisfaction of certain conditions, the LLC may be permitted to request incremental term loan facilities under the credit facility from one or more lenders.

The RCF under the 2023 Credit Agreement is available in U.S. dollars, euros and such currencies as mutually agreed on a revolving basis during the five-year period through February 11, 2028. A portion of the RCF not to exceed $500.0 million is

available for the issuance of letters of credit. A portion of the RCF not to exceed $50.0 million is available for swing line loans. Subject to the satisfaction of certain conditions, the LLC will be permitted to incur incremental term loan facilities or increase the RCF commitment in an aggregate principal amount equal to $257.5 million plus an additional amount such that the secured net leverage ratio or total net leverage ratio, as applicable, is equal to or less than a specified threshold after giving pro forma effect to such incurrence.

The obligations of the LLC under the Amended 2023 Credit Agreement and related loan documents are jointly and severally guaranteed by Nextracker Inc., certain other holding companies (collectively, the "Guarantors") and, subject to certain exclusions, certain of the LLC's existing and future direct and indirect wholly-owned domestic subsidiaries.

As of the closing of the Amended 2023 Credit Agreement, all obligations of the LLC and the Guarantors were secured by certain equity pledges by the LLC and the Guarantors. However, if the LLC's total net leverage ratio exceeds a specified threshold, the collateral will include substantially all the assets of the LLC and the Guarantors and, if the LLC meets certain investment grade conditions, such lien will be released.

The term loan facility ("Term Loan") under the 2023 Credit Agreement requires quarterly principal payments beginning on June 30, 2024, in an amount equal to 0.625% of the original aggregate principal amount of the Term Loan. From June 30, 2025, the quarterly principal payment will increase to 1.25% of the original aggregate principal amount of the Term Loan. The remaining balance of the Term Loan and the outstanding balance of any RCF loans will be repayable on February 11, 2028. Borrowings under the Amended 2023 Credit Agreement are prepayable and commitments subject to being reduced in each case at the LLC's option without premium or penalty. The Amended 2023 Credit Agreement contains certain mandatory prepayment provisions in the event that the LLC or its restricted subsidiaries incur certain types of indebtedness or, subject to certain reinvestment rights, receive net cash proceeds from certain asset sales or other dispositions of property.

Borrowings in U.S. dollars under the Amended 2023 Credit Agreement bear interest at a rate based on either (a) a term secured overnight financing rate ("SOFR") based formula (including a credit spread adjustment of 10 basis points) plus a margin of 162.5 basis points to 200 basis points, depending on the LLC's total net leverage ratio, or (b) a base rate formula plus a margin of 62.5 basis points to 100 basis points, depending on the LLC's total net leverage ratio. Borrowings under the RCF in euros bear interest based on the adjusted EURIBOR rate plus a margin of 162.5 basis points to 200 basis points, depending on the LLC's total net leverage ratio. The LLC is required to pay a quarterly commitment fee on the undrawn portion of the RCF commitments of 20 basis points to 35 basis points, depending on the LLC's total net leverage ratio. The interest rate for the Term Loan was 6.53% (SOFR rate of 4.80% plus a margin of 1.73%) as of September 27, 2024.

The Amended 2023 Credit Agreement contains certain affirmative and negative covenants that, among other things and subject to certain exceptions, limit the ability of the LLC and its restricted subsidiaries to incur additional indebtedness or liens, to dispose of assets, change their fiscal year or lines of business, pay dividends and other restricted payments, make investments and other acquisitions, make optional payments of subordinated and junior lien debt, enter into transactions with affiliates and enter into restrictive agreements. In addition, the Amended 2023 Credit Agreement requires the LLC to maintain a consolidated total net leverage ratio below a certain threshold. As of September 27, 2024, we were in compliance with all applicable covenants under the Amended 2023 Credit Agreement, the Term Loan and the RCF.

Tax Receivable Agreement

In connection with the IPO, on February 13, 2023, Nextracker Inc. also entered into a Tax Receivable Agreement (the "Tax Receivable Agreement") that provided for the payment by us to Flex, TPG Rise and the following affiliates of TPG Rise: TPG Rise Climate Flash Cl BDH, L.P., TPG Rise Climate BDH, L.P. and The Rise Fund II BDH, L.P. (collectively, the "TPG Affiliates") (or certain permitted transferees thereof) of 85% of the tax benefits, if any, that we are deemed to realize under certain circumstances, as more fully described in the Form 10-K. There may be a material negative effect on our liquidity if, as a result of timing discrepancies or otherwise, the payments under the Tax Receivable Agreement exceed the actual benefits we realize in respect of the tax attributes subject to the Tax Receivable Agreement or distributions to us by the LLC are not sufficient to permit us to make payments under the Tax Receivable Agreement after we have paid taxes. Prior to the separation from Flex, Yuma and Yuma Sub assigned their respective rights under the Tax Receivable Agreement to an entity that remains an affiliate of Flex.

We believe that our cash provided by operations and other existing and committed sources of liquidity, including our RCF, will provide adequate liquidity for ongoing operations, planned capital expenditures and other investments, potential debt service requirements and payments under the Tax Receivable Agreement for at least the next 12 months.

Cash Flows Analysis

	Six-month periods ended	
	September 27, 2024	**September 29, 2023**
	(In thousands)	
Net cash provided by operating activities	$ 274,627	$ 252,677
Net cash used in investing activities	(159,575)	(1,406)
Net cash used in financing activities	(27,222)	(8,361)

Six-month period ended September 27, 2024

Net cash provided by operating activities was $274.6 million during the six-month period ended September 27, 2024. Total cash provided during the period was driven by net income of $242.1 million adjusted for non-cash charges of approximately $57.2 million primarily related to stock-based compensation expense, depreciation and amortization and provision for credit losses, partially offset by deferred income taxes associated with the Tax Receivable Agreement. Cash from net income was further decreased by the overall increase in our net operating assets and liabilities, primarily our net working capital accounts, resulting in an outflow of approximately $24.6 million. Accounts payable decreased $53.3 million, partially associated with timing and a decrease in payment cycle, other liabilities decreased $67.2 million primarily due to decrease in accrued expense, and other assets increased $16.1 million driven by advance payments to suppliers. Partially offsetting the cash outflows were decreases in inventory of $27.2 million as we continue to transfer production to the U.S. and shrink lead times, decreases in account receivable, contract assets in the aggregate of $61.6 million due to a reduction in revenue, the timing of billings and deliveries, and increases in deferred revenue of $23.3 million driven primarily by increased deposits on higher bookings during the period.

Net cash used in investing activities was approximately $159.6 million and directly attributable to the $144.7 million payment for the Foundations acquisitions net of cash acquired, coupled with the purchase of property and equipment.

Net cash used in financing activities was $27.2 million primarily resulting from a $15.5 million payment to Flex, TPG and the TPG Affiliates pursuant to the Tax Receivable Agreement, $6.1 million of tax distributions to our non-controlling interest holders pursuant to the LLC Agreement and a $3.7 million payment of the RCF issuance costs.

Six-month period ended September 29, 2023

Net cash provided by operating activities was $252.7 million during the six-month period ended September 29, 2023. Total cash provided during the period was driven by net income of $145.1 million adjusted for non-cash charges of approximately $2.0 million primarily related to depreciation and amortization. Cash from net income was increased by the overall decrease in our net operating assets and liabilities, primarily our net working capital accounts, resulting in an inflow of approximately $105.6 million. Accounts payable increased approximately $191.4 million, partially associated with timing and increase in our payment cycles. Deferred revenue increased approximately $82.1 million driven primarily by increased deposits on higher bookings during the quarter. Offsetting the cash inflows were increases in accounts receivable and contract assets in aggregate of approximately $82.3 million during the six-month period ended September 29, 2023, resulting from shorter billing and collection periods and lower sequential revenue, and increases in inventories of approximately $58.2 million due to strong demand. Other net assets increased approximately $99.2 million driven by advance payments to suppliers to secure product with longer lead times and drive growth of our U.S. manufacturing footprint.

Net cash used in investing activities was $1.4 million and directly attributable to the purchase of property and equipment.

Net cash used in financing activities was $8.4 million resulting from our repayment to Flex for the cash pool payable outstanding to Flex. After repaying such amount to Flex, no such cash pool payable is outstanding as of September 29, 2023.

Cash management and financing

We had a total liquidity of over $1.5 billion as of September 27, 2024, primarily related to unutilized amounts under the RCF net of cumulative letters of credit issued in conjunction with our customer contracts, and our cash and cash equivalents balance as of September 27, 2024.

Contractual obligations and commitments

As discussed in the "Credit Facilities" section above, in June 2024, we entered into an amendment to the 2023 Credit Agreement, which, among other things, increased our revolving commitment.

Information regarding our debt obligation, operating lease commitments and other commitments is provided in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Form 10-K.

There were no material changes in our contractual obligations and commitments as of September 27, 2024.

Recently adopted accounting pronouncements

None during the six-month period ended September 27, 2024.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in commodity prices, such as steel and customer concentrations. We do not hold or issue financial instruments for trading purposes and had $146.1 million outstanding under our Term Loan, net of issuance costs as of September 27, 2024.

There were no material changes in our exposure to market risks for changes in interest and foreign currency exchange rates for the six-month period ended September 27, 2024 as compared to the fiscal year ended March 31, 2024.

Concentration of major customers

Our customer base consists primarily of EPCs, as well as solar project owners and developers. We do not require collateral on our trade receivables. The loss of any one of our top five customers could have a materially adverse effect on our revenue and profits.

The following table sets forth the revenue from our customers that exceeded 10% of our total revenue and the total revenue from our five largest customers by percentage of our total revenue during the periods included below:

	Three-month periods ended		Six-month periods ended	
	September 27, 2024	**September 29, 2023**	**September 27, 2024**	**September 29, 2023**
Customer G	13%	16%	14%	13%
Top five largest customers	39%	46%	39%	38%

Our trade accounts receivables and contract assets are from companies within the solar industry and, as such, we are exposed to normal industry credit risks. We periodically evaluate our reserves for potential credit losses and establish reserves for such losses.

The following table sets forth the total accounts receivable, net of allowance for credit losses and contract assets, from our largest customers that exceeded 10% of such total, and the total accounts receivable and contract assets, net of allowance for credit losses, from our top five customers by percentage during the periods included below:

	As of September 27, 2024	**As of March 31, 2024**
Customer A	9%	12%
Customer G	14%	16%
Top five largest customers	42%	47%

Commodity price risk

We are subject to risk from fluctuating market prices of certain commodity raw materials, such as steel, that are used in our products. Prices of these raw materials may be affected by supply restrictions or other market factors from time to time, and we do not enter into hedging arrangements to mitigate commodity risk. Significant price changes for these raw materials could

reduce our operating margins if we are unable to recover such increases from our customers, and could harm our business, financial condition and results of operations.

In addition, we are subject to risk from fluctuating logistics costs. As a result of disruptions caused by geopolitical conflicts, consumer and commercial demand for shipped goods has increased across multiple industries, which in turn has reduced the availability and capacity of shipping containers and available ships worldwide. These disruptions caused, and may in the future cause, increased logistics costs and shipment delays affecting the timing of our project deliveries, the timing of our recognition of revenue and our profitability.

Foreign currency exchange risk

We transact business in various foreign countries and are, therefore, subject to risk of foreign currency exchange rate fluctuations. We have established a foreign currency risk management policy to manage this risk. We intend to manage our foreign currency exposure by evaluating and using non-financial techniques, such as currency of invoice, leading and lagging payments and receivables management.

Based on our overall currency rate exposures as of September 27, 2024 and March 31, 2024, including the derivative financial instruments intended to hedge the nonfunctional currency-denominated monetary assets, liabilities and cash flows, and other factors, a 10% appreciation or depreciation of the U.S. dollar from its cross-functional rates would not be expected, in the aggregate, to have a material effect on our financial position, results of operations and cash flows in the near-term.

ITEM 4. CONTROLS AND PROCEDURES

a. Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Principal Financial Officer, to allow timely decisions regarding required disclosure. The design of any disclosure controls and procedures also is based in part upon 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.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of September 27, 2024. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

b. *Changes in Internal Control Over Financial Reporting*

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended September 27, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

c. Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are 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, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can 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 also is based in part upon 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 the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the ordinary course of conducting our business, we have in the past and may in the future become involved in various legal actions and other claims. We may also become involved in other judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of our businesses. Some of these matters may involve claims of substantial amounts. In addition, from time to time, third parties may assert intellectual property infringement claims against us in the form of letters and other forms of communication. These legal proceedings may be subject to many uncertainties and there can be no assurance of the outcome of any individual proceedings. We do not believe that these matters, and we are not a party to any other legal proceedings that we believe, if determined adversely to us, would have a material adverse effect on our business, financial condition or results of operations.

For more information, see Note 8 “Commitments and contingencies” in the notes to the unaudited condensed consolidated final statements included elsewhere in this Quarterly Report.

ITEM 1A. RISK FACTORS

Our business and our ability to execute our strategy are subject to many risks. These risks and uncertainties include, but are not limited to, the following:

Summary of Risk Factors

- The demand for solar energy and, in turn, our products is impacted by many factors outside of our control, and if such demand does not continue to grow or grows at a slower rate than we anticipate, our business and prospects will suffer.
- Competitive pressures within our industry may harm our business, results of operations, financial condition and prospects.
- We face competition from conventional and other renewable energy sources that may offer products and solutions that are less expensive or otherwise perceived to be more advantageous than solar energy solutions.
- Delays in construction projects and any failure to manage our inventory could have a material adverse effect on us.
- Our results of operations may fluctuate from quarter to quarter, which could make our future performance difficult to predict and could cause our results of operations for a particular period to fall below expectations.
- The reduction, elimination or expiration of government incentives for, or regulations mandating the use of, renewable energy and solar energy specifically could reduce demand for solar energy systems and harm our business.

- International regulation of and incentives for solar projects vary by jurisdiction and may change or be eliminated.
- Our failure to maintain appropriate environmental, social and governance practices and disclosures could result in reputational harm, a loss of customer and investor confidence, and adversely affect our business and financial results.
- We rely heavily on our suppliers and our operations could be disrupted if we encounter problems with our suppliers or if there are disruptions in our supply chain.
- Economic, political and market conditions can adversely affect our business, financial condition and results of operations.
- Our business and industry, including our customers and suppliers, are subject to risks of severe weather events, natural disasters, climate change and other catastrophic events.
- Our business, operating results and financial condition could be materially harmed by evolving regulatory uncertainty or obligations applicable to our products and services.
- Changes in the global trade environment, including the imposition of import tariffs, could adversely affect the amount or timing of our revenues, results of operations or cash flows.
- We may not be able to convert our orders in backlog into revenue**.**
- A further increase in interest rates, or a reduction in the availability of tax equity or project debt financing, could make it difficult for project developers and owners to finance the cost of a solar energy system and could reduce the demand for our products.
- A loss of one or more of our significant customers, their inability to perform under their contracts, or their default in payment, could harm our business and negatively impact our revenue, results of operations and cash flows.
- Defects or performance problems in our products could result in loss of customers, reputational damage and decreased revenue, and we may face warranty, indemnity and product liability claims arising from defective products.
- We may experience delays, disruptions or quality control problems in our product development operations.
- Our continued expansion into new markets could subject us to additional business, financial, regulatory and competitive risks.
- Electric utility industry policies and regulations may present technical, regulatory and economic barriers to the purchase and use of solar energy systems that could significantly reduce demand for our products or harm our ability to compete.
- A drop in the price of electricity sold may harm our business, financial condition and results of operations.
- Technological advances in the solar components industry could render our systems uncompetitive or obsolete.
- If we fail to, or incur significant costs in order to, obtain, maintain, protect, defend or enforce our intellectual property, our business and results of operations could be materially harmed.
- Cybersecurity or other data security incidents could harm our business, expose us to liability and cause reputational damage.
- We are required to pay others for certain tax benefits that we are deemed to realize under the Tax Receivable Agreement, and the amounts we may pay could be significant.
- Our indebtedness could adversely affect our financial flexibility and our competitive position.

Investing in our Class A common stock involves a high degree of risk. If any of the following risks occur, it could have a material adverse effect on our business, financial condition, results of operations or prospects. Risks that are not presently known to us or that we do not currently consider material could also have a material adverse effect on our business, financial condition and results of operations. If any of these or the following risks occur, the trading price of our Class A common stock could decline, and you could lose part or all of your investment. Some statements in this Quarterly Report, including statements in the following risk factors, constitute forward-looking statements. See the section entitled “Special note regarding forward-looking statements.”

Risks related to our business and our industry

The demand for solar energy and, in turn, our products is impacted by many factors outside of our control, and if such demand does not continue to grow or grows at a slower rate than we anticipate, our business and prospects will suffer.

Our future success depends on continued demand for utility-scale solar energy. Solar energy is a rapidly evolving and competitive market that has experienced substantial changes in recent years, and we cannot be certain that EPCs, developers, owners and operators of solar projects will remain active in the market or that new potential customers will pursue solar energy as an energy source at levels sufficient to grow our business. The demand for solar energy, and in turn, our products, may be affected by many factors outside of our control, including:

- availability, scale and scope of government subsidies, government and tax incentives and financing sources to support the development and commercialization of solar energy solutions;
- levels of investment by project developers and owners of solar energy products, which tend to decrease when economic growth slows;
- the emergence, continuance or success of, or increased government support for, other alternative energy generation technologies and products;
- local, state and federal permitting and other regulatory requirements related to environmental, land use and transmission issues, each of which can significantly impact the feasibility and timelines for solar projects;
- technical and regulatory limitations regarding the interconnection of solar energy systems to the electrical grid;
- the cost and availability of raw materials and components necessary to produce solar energy, such as steel, polysilicon and semiconductor chips; and
- regional, national or global macroeconomic trends, including increased interest rates or a reduction in the availability of project debt financing, which could affect the demand for new energy resources and customers' abilities to finance new projects.

If demand for solar energy fails to continue to grow, demand for our products will plateau or decrease, which would have an adverse impact on our ability to increase our revenue and grow our business. If we are not able to mitigate these risks and overcome these difficulties successfully, our business, financial condition and results of operations could be materially and adversely affected.

Competitive pressures within our industry may harm our business, results of operations, financial condition and prospects.

We face intense competition from a large number of solar tracker companies in nearly all of the markets in which we compete. The solar tracker industry is currently fragmented. This may result in price competition which could adversely affect our revenue and margins.

Some of our competitors are developing or are currently manufacturing products based on different solar power technologies that may ultimately have costs similar to or lower than our projected costs. In addition, some of our competitors have or may in the future have lower costs of goods sold, lower operating costs, greater name and brand recognition in specific markets in which we compete or intend to sell our products, greater market shares, access to larger customer bases, greater resources and significantly greater economies of scale than we do. Additionally, new competitors may enter our market as a result of, among other factors, lower research and development costs.

We may also face adverse competitive effects from other participants in the solar industry. For example, the price for solar panels has experienced significant declines in several markets globally in recent periods. Substantial pricing declines for panels can make the returns on investment for tracker technology less competitive in comparison to fixed tilt racking systems. In addition, other risks include EPCs subjecting their subcontractors who compete for their business, such as us, to contractual clauses that carry higher contractual risk to us, such as "pay if paid" clauses that requires an EPC to pay us only when the EPC's end customer pays the EPC, higher liquidated damages amounts, increased contractual liabilities above 100% of the contract value and more limited force majeure clauses, among others.

In addition, part of our strategy is to continue to grow our revenues from international markets. Any new geographic market could have different characteristics from the markets in which we currently sell products, and our ability to compete in such

markets will depend on our ability to adapt properly to these differences. We may also face competition from lower cost providers in any new markets we enter, which could decrease the demand for our products or cause us to reduce the cost of our products in order to remain competitive. Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

We face competition from conventional and other renewable energy sources that may offer products and solutions that are less expensive or otherwise perceived to be more advantageous than solar energy solutions.

We face significant competition from providers of conventional and renewable energy alternatives such as coal, nuclear, natural gas and wind. We compete with conventional energy sources primarily based on price, predictability of price and energy availability, environmental considerations and the ease with which customers can use electricity generated by solar energy projects. If solar energy systems cannot offer a compelling value to customers based on these factors, then our business growth may be impaired.

Conventional energy sources generally have substantially greater financial, technical, operational and other resources than solar energy sources, and as a result may be able to devote more resources to research, development, promotion and product sales or respond more quickly to evolving industry standards and changes in market conditions than solar energy systems. Conventional and other renewable energy sources may be better suited than solar for certain locations or customer requirements and may also offer other value-added products or services that could help them compete with solar energy sources. In addition, the source of a majority of conventional energy electricity is non-renewable, which may in certain markets allow them to sell electricity more cheaply than electricity generated by solar generation facilities. Non-renewable generation is typically available for dispatch at any time, as it is not dependent on the availability of intermittent resources such as sunlight. The cost-effectiveness, performance and reliability of solar energy products and services, compared to conventional and other renewable energy sources, could materially and adversely affect the demand for our products and services, which could have a material adverse effect on our business, financial condition and results of operations.

Delays in construction projects and any failure to manage our inventory could have a material adverse effect on us.

Many of our products are used in large-scale projects, which generally require a significant amount of planning and preparation and which can be delayed and rescheduled for a number of reasons, including customer or partner labor availability, difficulties in complying with environmental and other government regulations or obtaining permits, interconnection delays, financing issues, changes in project priorities, additional time required to acquire rights-of-way or property rights, unanticipated soil conditions, or health-related shutdowns or other work stoppages. These delays may result in unplanned downtime, increased costs and inefficiencies in our operations, and increased levels of excess inventory.

Our results of operations may fluctuate from quarter to quarter, which could make our future performance difficult to predict and could cause our results of operations for a particular period to fall below expectations.

Our quarterly results of operations are difficult to predict and may fluctuate significantly in the future. Because we recognize revenue on projects as legal title to equipment is transferred from us to the customer, any delays in large projects from one quarter to another may cause our results of operations for a particular period to fall below expectations. We have experienced seasonal and quarterly fluctuations in the past as a result of fluctuations in our customers' businesses, changes in local and global market trends, as well as seasonal weather-related disruptions. For example, our customers' ability to install solar energy systems is affected by weather, such as during the winter months. Inclement weather may also affect our logistics and operations by causing delays in the shipping and delivery of our materials, components and products which may, in turn, cause delays in our customers' solar projects.

Further, given that we operate in a rapidly growing industry, the true extent of these fluctuations may have been masked by our recent growth rates and consequently may not be readily apparent from our historical results of operations and may be difficult to predict. Our financial performance, sales, working capital requirements and cash flows may fluctuate, and our past quarterly results of operations may not be good indicators of future performance or prospects. Any substantial fluctuation in revenues could have an adverse effect on our financial condition, results of operations, cash flows and stock price for any given period. In addition, revenue and other operating results in future fiscal quarters may fall short of the expectations of investors and financial analysts, which could have an adverse effect on the price of our common stock.

The reduction, elimination or expiration of government incentives for, or regulations mandating the use of, renewable energy and solar energy specifically could reduce demand for solar energy systems and harm our business.

Federal, state, local and foreign government bodies provide incentives to owners, end users, distributors and manufacturers of solar energy systems to promote solar electricity in the form of tax credits, rebates, subsidies and other financial incentives. The range and duration of these incentives varies widely by jurisdiction. Our customers typically use our systems for grid-connected applications wherein solar power is sold under a power purchase agreement or into an organized electric market. This segment of the solar industry has historically depended in large part on the availability and size of government incentives supporting the use of renewable energy. Consequently, the reduction, elimination or expiration of government incentives for grid-connected solar electricity may negatively affect the competitiveness of solar electricity relative to conventional and non-solar renewable sources of electricity, and could harm or halt the growth of the solar electricity industry and our business. These reductions, eliminations or expirations could occur without warning. Any changes to the existing framework of these incentives could cause fluctuations in our results of operations.

The IRA made significant changes to the federal income tax credits available to solar energy projects, including the investment tax credit ("ITC") under Section 48 of the Internal Revenue Code (the "IRC") for certain energy property. Guidance issued by the U.S. Treasury Department regarding the availability of ITC has changed in the past and is subject to change in the future. Investments in certain solar projects may qualify for a domestic content bonus credit amount if the solar energy project satisfies certain "domestic content" requirements.

On May 12, 2023, the U.S. Treasury Department and the IRS released Notice 2023-38 providing guidance with respect to the IRA's domestic content bonus credit. In Notice 2023-38, the Treasury Department and the IRS announced their intent to propose regulations in the future that will apply to taxable years ending after May 12, 2023, and provided that in the interim, taxpayers may rely on the rules described in Notice 2023-38 for the domestic content bonus credit requirements for any qualified solar energy project the construction of which begins before the date that is 90 days after the date of publication of the forthcoming proposed regulations in the *Federal Register*.

On June 21, 2023, the U.S. Treasury Department and the IRS issued notices of proposed rulemaking and public hearing and temporary regulations providing initial guidance on the elective payment of applicable credits under Section 6417 of the IRC and the transfer of certain credits under Section 6418 of the IRC. The proposed Treasury regulations were subsequently finalized. The Section 6417 Treasury regulations are effective as of May 10, 2024, while the Section 6418 Treasury regulations became effective on July 1, 2024.

On December 15, 2023, the U.S. Treasury Department and the IRS issued a notice of proposed rulemaking and public hearing providing initial guidance on the advanced manufacturing production credit under Section 45X of the IRC, established by the IRA (the "Section 45X Credit") which is a per-unit tax credit that is earned over time for each clean energy component domestically produced and sold by a manufacturer.

On May 16, 2024, the U.S. Treasury Department and the IRS released Notice 2024-41 providing additional guidance with respect to the IRA's domestic content bonus credit, which provides a new elective safe harbor that taxpayers may elect to use to classify applicable project components and calculate the domestic cost percentage in an applicable project to qualify for the domestic content bonus credit amounts.

Generally, a qualified facility or energy project seeking a domestic content bonus credit must satisfy certain U.S. domestic sourcing or production requirements for iron, steel and manufactured products. In addition, the United States taxpayer reporting a domestic content bonus credit must satisfy certain certification, recordkeeping and substantiation requirements.

In lieu of the ITC, as a result of changes made by the IRA, United States taxpayers may also be allowed to elect to receive a production tax credit ("PTC") under Section 45 of the IRC for qualified solar facilities if the construction begins before January 1, 2025 and the facility is placed in service for federal income tax purposes after 2021.

The PTC is available for electricity produced by a qualifying solar project and sold to unrelated persons during the ten years following the qualifying solar project's placement in service and is equal to an inflation-adjusted amount of 3.00 cents per kilowatt hour during calendar year 2024 (for projects placed in service after 2021), for every kilowatt-hour of electricity produced by a qualifying solar project and sold to unrelated persons, which inflation-adjusted amount is updated annually. The available credit amount is increased by up to 10% if the domestic content requirements described above are satisfied. The amounts of any PTCs or ITCs are subject to change by order of the IRS.

Under the IRA, for certain qualifying projects placed in service after 2024, each of the ITC and PTC will be replaced by similar "technology neutral" tax credit incentives that mimic the ITC and PTC, but also require that projects satisfy a "zero greenhouse gas emissions" standard in order to qualify for the tax credits. This new tax credit regime will continue to apply to projects that begin construction prior to the end of 2033, at which point the credits will become subject to a phase-out schedule.

While these changes are intended to encourage investments in new solar projects, the impact these changes will have on our results of operations is unclear. For example, if we are unable to meet the domestic content requirements necessary for customers using our tracker products to qualify for the incremental domestic content bonus credit and our competitors are able to do so, we might experience a decline in sales for U.S. projects.

The U.S. Treasury Department has provided certain guidance on the domestic content requirements; however, further clarifications may be forthcoming and it is possible customers may impose certain domestic content requirements on us as a result. Such domestic content requirements may increase our production costs. Further, the timing and nature of the U.S. Treasury Department's eventual proposed and final implementing regulations, which are expected to supersede Notice 2023-38 and Notice 2024-41, remain uncertain. When final implementing regulations for domestic content requirements are released, we may not have an adequate supply of tracker products satisfying the domestic content requirements to meet customer demand. In addition, compliance with domestic content requirements may significantly increase our record-keeping, accounting and production costs. As a result of these risks, the domestic content requirements may have a material adverse impact on our U.S. sales, business and results of operations.

If our customers are unable to satisfy their respective prevailing wage and apprenticeship requirements under the IRA, for projects that establish the beginning of construction on or after January 29, 2023, the tax credits available to the customers will be lower than the credits available prior to the IRA. If a significant portion of our customers are unable to satisfy prevailing wage and apprenticeship requirements under the IRA, demand for our tracker products may be adversely impacted by the reduced tax credits available to our customers, which could have a material adverse effect on our business, financial condition and results of operations.

On October 28, 2024, the U.S. Treasury Department and the IRS published final Treasury regulations (the "45X Treasury regulations") regarding the Section 45X Credit, which become effective on December 27, 2024. The 45X Treasury regulations retain the same basic structure as the proposed Treasury regulations issued on December 15, 2023 with certain revisions. In particular, the 45X Treasury regulations confirm a solar tracker is not a solar energy component that is an eligible component under Section 45X of the IRC, but torque tubes and structural fasteners may qualify as eligible components. While we believe that certain of our products, namely our torque tubes and a portion of our structural fasteners, should qualify under Section 45X, our ability to ultimately benefit from Section 45X and other IRA tax credits is not guaranteed.

Certain provisions of the IRA have been the subject of substantial public interest and have been subject to debate, and there are divergent views on potential implementation, guidance, rules and regulatory principles by a diverse group of interested parties. There can be no assurance that the Company's products will fully qualify for the benefits under the IRA or that competitors will not disproportionately benefit or gain competitive advantages as a result of the IRA's implementation or interpretation. In addition, if our customers or suppliers incorrectly interpret the requirements of the IRA's tax credits and it is later determined that the tax credits were incorrectly claimed, we may be penalized.

As a result, the final interpretation and implementation of the provisions in the IRA could have a material adverse impact on the Company. Furthermore, future legislative enactments or administrative actions could limit, amend, repeal or terminate IRA policies or other incentives that the Company currently hopes to leverage. Any reduction, elimination, or discriminatory application or expiration of the IRA may materially adversely affect the Company's future operating results and liquidity.

Changes to tax laws and regulations that are applied adversely to us or our customers could materially adversely affect our business, financial condition, results of operations and prospects, including our ability to optimize those changes brought about by the passage of the IRA.

In addition, federal, state, local and foreign government bodies have implemented additional policies that are intended to promote or mandate renewable electricity generally or solar electricity in particular. For example, many U.S. states have adopted procurement requirements for renewable energy production and/or a renewable portfolio standard ("RPS") that requires regulated utilities to procure a specified percentage of total electricity delivered to customers in the state from eligible renewable energy sources, including utility-scale solar power generation facilities, by a specified date. While the recent trend has been for jurisdictions with RPSs to maintain or expand them, there have been certain exceptions and there can be no assurances that RPSs or other policies supporting renewable energy will continue. Proposals to extend compliance deadlines,

reduce renewable requirements or solar set-asides, or entirely repeal RPSs emerge from time to time in various jurisdictions. Reduction or elimination of RPSs, as well as changes to other renewable-energy and solar-energy policies, could reduce the potential growth of the solar energy industry and materially and adversely affect our business.

Moreover, changes in policies of recent U.S. presidential administrations have created regulatory uncertainty in the renewable energy industry, including the solar energy industry, and have adversely affected and may continue to adversely affect our business. For example, in the span of less than six years, the United States joined, withdrew from, and then rejoined the 2015 Paris Agreement on climate change mitigation following changes in administration between U.S. Presidents Obama, Trump and Biden. The change in administration following the 2024 U.S. presidential election could further impact policies relating to renewable energy. In addition, the U.S. Supreme Court's decision on June 30, 2022 in West Virginia v. EPA, holding that the U.S. Environmental Protection Agency ("EPA") exceeded its authority in enacting a subsequently repealed rule that would have allowed electric utility generation facility owners to reduce emissions with "outside the fence measures" may limit EPA's ability to address greenhouse gas emissions comprehensively without specific authorization from Congress.

International regulation of and incentives for solar projects vary by jurisdiction and may change or be eliminated.

The international markets in which we operate or may operate in the future may have or may put in place policies to promote renewable energy, including solar. These incentives and mechanisms vary from country to country. In seeking to achieve growth internationally, we may make investments that, to some extent, rely on governmental incentives and support in a new market.

There is no assurance that these governments will provide or continue to provide sufficient incentives and support to the solar industry or that the industry in any particular country will not suffer significant downturns in the future as the result of changes in public policies or government interest in renewable energy, any of which would adversely affect demand for our solar products.

Our failure to maintain appropriate environmental, social and governance ("ESG") practices and disclosures could result in reputational harm, a loss of customer and investor confidence, and adversely affect our business and financial results.

Governments, customers, investors, and employees are enhancing their focus on ESG practices and disclosures, and expectations in this area are rapidly evolving and increasing. Failure to adequately maintain appropriate ESG practices that meet diverse stakeholder expectations may result in an inability to attract customers, the loss of business, diluted market valuation, and an inability to attract and retain top talent. In addition, standards, processes and governmental requirements for disclosing sustainability metrics may change over time, resulting in inconsistent data, or could result in significant revisions to our sustainability commitments or our ability to achieve them. As governments impose greenhouse gas emission reporting requirements and other ESG-related laws, we are subject to at least some of these rules and concomitant regulatory risk exposure. ESG compliance and reporting could be costly, and we could be at a disadvantage compared to companies that do not have similar reporting requirements.

For example, recently published rules by the SEC could require significantly expanded climate-related disclosures in our periodic reporting, which may require us to incur significant additional costs to comply, including the implementation of significant additional internal controls regarding matters that have not been subject to such controls in the past. In addition, California recently enacted climate disclosure laws that may require companies to report on greenhouse gas emissions, climate-related financial risks, and the use of carbon offsets and emissions reduction claims. Similarly, we may be subject to the requirements of the EU Corporate Sustainability Reporting Directive (and its implementing laws and regulations) and other EU and EU member state regulations, or disclosure requirements on various sustainability topics. These requirements vary across jurisdictions, which may result in increased complexity and cost, for compliance. Furthermore, industry and market practices continue to evolve, and we may have to expend significant efforts and resources to keep up with market trends and stay competitive among our peers, which could result in higher associated compliance costs and penalties for failure to comply with applicable laws and regulations.

We rely heavily on our suppliers and our operations could be disrupted if we encounter problems with our suppliers or if there are disruptions in our supply chain.

We purchase our components through arrangements with various suppliers located across the globe. We depend on our suppliers to source materials and manufacture critical components for our products. Our reliance on these suppliers makes us vulnerable to possible capacity constraints and reduced control over component availability, delivery schedules and costs which

could disrupt our ability to procure these components in a timely and cost-efficient manner. Any shortages of components or raw materials for these products could affect our ability to timely deliver our products to our customers, which may result in liquidated damages or contractual disputes with our customers, harm our reputation and lead to a decrease in demand for our products.

For example, our products are manufactured from steel and, as a result, our business is significantly affected by the price of steel. When steel prices are higher, the prices that we charge customers for our products may increase, which may decrease demand for our products. Conversely, if steel prices decline, customers may demand lower prices and our competitors' responses to those demands could result in lower sale prices or lower sales volume and, consequently, negatively affect our profitability. A significant portion of the steel used to produce our products is derived directly or indirectly from steel mills located in China. At times, pricing and availability of steel can be volatile due to numerous factors beyond our control, including domestic and international economic conditions, global steel capacity, import levels, fluctuations in the costs of raw materials necessary to produce steel, sales levels, competition, consolidation of steel producers, labor costs, transportation costs, import duties and tariffs and foreign currency exchange rates. The volatility in the availability and cost of steel may impact our business.

Further, if any of our suppliers were unable or unwilling to manufacture the components that we require for our products in sufficient volumes or at sufficiently high quality levels or to renew existing terms under supply agreements, we would need to identify, qualify and select acceptable alternative suppliers. An alternative supplier may not be available to us when needed or may not be in a position to satisfy our quality or production requirements on commercially reasonable terms, including price. Any significant disruption to our ability to procure our components, and our suppliers' ability to procure materials to manufacture components for our products could increase the production cost of our products or reduce or delay our ability to perform under our contracts and could thereby adversely affect our business, financial condition and results of operations.

In addition, as noted above, the IRA provides incremental tax credits for U.S. solar projects satisfying domestic content requirements. While the impact of these requirements on us remains fluid and uncertain pending customer response and any future or final implementing regulations, if we are unable to provide our tracker products in a manner that satisfies applicable domestic content requirements, we might experience a decline in sales for U.S. projects, especially if our competitors are able to satisfy such domestic content requirements. In addition, compliance with these requirements may increase our production costs. In light of the foregoing, our U.S. sales, profitability and results of operations in the United States may be adversely affected by applicable domestic content requirements which must be satisfied in order for solar projects to be eligible for these incremental credits.

Further, disruption in our supply chain and transportation channels, including changes by carriers and transportation companies relating to delivery schedules, shortages in available cargo capacity or labor availability, payment terms and frequency of service and pricing as well as cargo ship, shipping channel disruptions or work stoppages or strikes could impact our ability to timely deliver our products to our customers or increase delivery costs. For example, many shipping companies have paused shipments through the Suez Canal and the Red Sea as a result of attacks against commercial vessels in the area, causing rerouting of commercial vessels. As a result, we may experience increased costs and delivery delays.

Economic, political and market conditions can adversely affect our business, financial condition and results of operations.

Macroeconomic developments, such as the global or regional economic effects resulting from the current Russia-Ukraine conflict and current Middle East instability, including the Israel-Hamas conflict (including the disruption of transporting goods through the Suez Canal), further increases in inflation and related economic curtailment initiatives, evolving trade policies or the occurrence of similar events that lead to uncertainty or instability in economic, political or market conditions, could have a material adverse effect on our business, financial condition and results of operations. Local political issues and conflicts could have a material adverse effect on our results of operations and financial condition if they affect geographies in which we do business or obtain our components. A local conflict, such as the Ukraine-Russian War or the Middle East conflict, could also have a significant adverse impact on regional or global macroeconomic conditions, give rise to regional instability or result in heightened economic tariffs, sanctions and import-export restrictions in a manner that adversely affects us, including to the extent that any such actions cause material business interruptions or restrict our ability to conduct business with certain suppliers. Additionally, such conflict or sanctions may significantly devalue various global currencies and have a negative impact on economies in geographies in which we do business. The financial markets and the global economy may also be adversely affected by the impact or anticipated impact of the upcoming presidential election in the United States.

Adverse macroeconomic conditions, including slow growth or recession, high unemployment, labor shortages, ongoing or increasing inflation, tighter credit, higher interest rates and currency fluctuations, may cause current or potential customers to reduce or eliminate their budgets and spending, which could cause customers to delay, decrease or cancel projects with us.

Our business and industry, including our customers and suppliers, are subject to risks of severe weather events, natural disasters, climate change and other catastrophic events.

Our headquarters and testing facilities, which conduct functional and reliability testing for our components and products, are located in the Bay Area of Northern California and our solar projects are located in the U.S. and around the world. A severe weather event or other catastrophe impacting our headquarters or testing facilities could cause significant damage and disruption to our business operations. In addition, a severe weather event or other catastrophe could significantly impact our supply chain by causing delays in the shipping and delivery of our materials, components and products which may, in turn, cause delays in our customers' solar projects. Our customers' ability to install solar energy systems is also affected by weather events, such as during the winter months, and other catastrophic events.

In addition, our operations and facilities and those of the third parties on which we rely are subject to the risk of interruption by fire, power shortages, nuclear power plant accidents and other industrial accidents, terrorist attacks and other hostile acts, cybersecurity attacks and other data security incidents, labor disputes, including labor shortages, public health issues, including pandemics such as the COVID-19 pandemic, and other events beyond our and their control. Any damage and disruption in any locations in which we have offices or in which our customers or suppliers operate, which are caused by severe weather events (such as extreme cold weather, hail, hurricanes, tornadoes and heavy snowfall), seismic activity, fires, floods and other natural disasters or catastrophic events could result in a delay or even a complete cessation of our worldwide or regional operations and could cause severe damage to our products and equipment used in our solar projects. Global climate change is increasing the frequency and intensity of certain types of severe weather events. Even if our tracker products are not damaged, severe weather, natural disasters and catastrophic events may cause damage to the solar panels that are mounted to our tracker products, which could result in decreased demand for our products, loss of customers and the withdrawal of coverage for solar panels and solar tracking systems by insurance companies. Any of these events would negatively impact our ability to deliver our products and services to our customers and could result in reduced demand for our products and services, and any damage to our products and equipment used for our solar projects could result in large warranty claims which could, individually or in the aggregate, exceed the amount of insurance available to us, all of which would have a material adverse effect on our business, financial condition and results of operations.

Our business, operating results and financial condition could be materially harmed by evolving regulatory uncertainty or obligations applicable to our products and services.

Changes in regulatory requirements applicable to the industries and sectors in which we operate, in the United States and in other countries, could materially affect the sales and use of our products and services. In particular, economic sanctions and changes to export and import control requirements may impact our ability to sell and support our products and services in certain jurisdictions. If we were to fail to comply with export controls laws and regulations, U.S. economic sanctions or other similar laws, including restrictions from the international community, or conflict mineral regulations, we could be subject to both civil and criminal penalties, including substantial fines, possible incarceration for employees and managers for willful violations and the possible loss of our export or import privileges.

Obtaining the necessary export license for a particular sale or transaction may not be possible and may be time-consuming and may result in the delay or loss of sales opportunities. Further, U.S. export control laws and economic sanctions in many cases prohibit the export of services to certain U.S. embargoed or sanctioned countries, governments and persons, as well as for prohibited end-uses. Even though we take precautions to ensure that we comply with all relevant export control laws and regulations, including restrictions from the international community, any failure to comply with such laws and regulations could have negative consequences for us, including reputational harm, government investigations and penalties.

Changes in the global trade environment, including the imposition of import tariffs, could adversely affect the amount or timing of our revenues, results of operations or cash flows.

Escalating trade tensions, particularly between the United States and China, have led to increased tariffs and trade restrictions, including tariffs applicable to certain materials and components for our products such as steel, or for products used in solar energy projects more broadly, such as solar modules and solar cells.

More specifically, the United States has imposed tariffs and quotas on steel imports as well as tariffs on imported solar modules and cells. We use international suppliers of steel and the steel tariffs could result in interruptions in the supply chain and impact our costs and our gross margins. There currently is a safeguard tariff on most imported solar modules pursuant to Section 201 of the Trade Act of 1974. The Section 201 tariff on solar modules is set at 14.25% until February 6, 2025, at which point it will drop to 14% until February 6, 2026. The prior Section 201 tariff exemption for bifacial panels has been revoked, subjecting bifacial panels to the Section 201 tariff.

There also are tariffs on various solar equipment, including solar cells and modules, inverters and power optimizers, imported from China under Section 301 of the Trade Act of 1974, and antidumping and countervailing duty ("AD/CVD") duties on imported solar cells and modules.

Effective September 27, 2024, Section 301 tariffs on certain Chinese steel products increased to 25%, Section 301 tariffs on Chinese solar cells and modules increased to 50%, and Section 301 tariffs on parts of lead-acid storage batteries (including separators thereof) increased to 25%. Effective January 1, 2026, Section 301 tariffs on Chinese lithium-ion non-EV batteries are scheduled to increase to 25%.

Our products contain steel and certain Section 301 steel tariffs are applicable to us. Additionally, while the Section 201 and Section 301 tariffs on solar modules and/or cells are not directly applicable to our products, they may indirectly affect us by increasing the costs of components of solar energy projects, thereby adversely impacting the financial viability of solar energy projects in which our products are used, which could lead to decreased demand for our products.

Following the November 2024 U.S. presidential election, trade policies affecting materials and components for our products such as steel or for products used in solar energy projects more broadly, such as solar modules and lithium-ion batteries, are subject to change. The Biden Administration previously announced that the Department of Energy and the Department of Commerce ("Commerce") will closely monitor solar module import patterns to ensure the U.S. market does not become oversaturated and will explore all available measures to take action against unfair practices. Consequently, U.S. trade policies continue to be in flux, and trade policies implemented by the Biden Administration or subsequent administrations could have an adverse effect on our business, financial condition and results of operations.

On August 18, 2023, Commerce issued a final affirmative determination of circumvention with respect to certain crystalline solar photovoltaic ("CSPV") cells and modules produced in Cambodia, Malaysia, Thailand and Vietnam using parts and components from China. As a result, CSPV cells and modules covered by the circumvention determination are now subject to AD/CVD orders on CSPV cells and modules from China that have been in place since 2012. Imports of CSPV cells and modules from the four Southeast Asian countries covered by the circumvention determination that entered the United States prior to June 6, 2024 are not subject to AD/CVD cash deposit requirements provided the cells or modules are utilized (i.e., withdrawn from a warehouse and affixed to a structure or system in the United States) prior to December 3, 2024. Imports of CSPV cells and modules from the four Southeast Asian countries covered by the circumvention determination that entered the United States on or after June 6, 2024 are subject to AD/CVD cash deposit requirements and, ultimately, to AD/CVD duties. Cash deposit rates for CSPV modules covered by the China AD/CVD orders vary significantly depending on the producer and exporter of the modules and may amount to over 250% of the entered value of the imported merchandise.

Additionally, on May 14, 2024, Commerce initiated AD and CVD investigations covering CSPV cells and modules produced in Cambodia, Malaysia, Thailand and Vietnam that are not covered by the circumvention proceeding finalized in August 2023. On October 1, 2024, Commerce publicly issued affirmative preliminary countervailing duty determinations in the new CVD investigations and imposed cash deposit requirements ranging from 0% to 293% on CSPV cells and modules imported from the four Southeast Asian countries and covered by the new investigations. Commerce is expected to issue its preliminary determinations in the parallel AD cases in late November 2024.

AD/CVD cash deposits and duties collected on imports of CSPV cells and modules could adversely impact our business by adversely impacting the projects incorporating our products. Such impacts are largely out of our control and may include the timing and economics of customer project delays or cancellations.

Imports of solar modules produced in China or incorporating cells or other materials produced in whole or in part in China may be detained at the U.S. border by U.S. Customs and Border Protection ("CBP") under the Uyghur Forced Labor Prevention Act (Public Law No. 117-78). To the extent that such detentions occur, solar modules may not reach project sites, which may result in significant delays in the development and entry into operation of solar energy projects.

The ultimate severity or duration of the expected solar panel supply chain disruption or its effects on our clients' solar project development and construction activities, and associated consequences on our business, is uncertain. More broadly, recent revisions to U.S. regulations governing AD/CVD proceedings may make it easier for domestic companies to obtain affirmative determinations in such proceedings, which could result in future successful petitions and administrative decisions that limit imports from Asia and other regions.

Existing tariffs and duties, the possibility of additional or increased tariffs or duties in the future, and the detention by CBP of solar modules all have created uncertainty in the solar industry. If the price of solar systems increases, the use of solar systems could become less economically feasible and could reduce our gross margins or reduce the demand for solar systems, which in turn may decrease demand for our products.

Additionally, existing or future tariffs and CBP detentions of solar modules may negatively affect key customers and suppliers, and other supply chain partners. Such outcomes could adversely affect the amount or timing of our revenues, results of operations or cash flows, and continuing uncertainty could cause sales volatility, price fluctuations or supply shortages or cause our customers to advance or delay their purchase of our products. It is difficult to predict what further trade-related actions governments may take, which may include additional or increased tariffs and trade restrictions, and we may be unable to quickly and effectively react to such actions. While we have taken actions with the intention of, among other things, mitigating the effect of steel tariffs on our business by reducing our reliance on China-origin steel, we may not be able to do so broadly or on attractive terms.

Any of the foregoing risks could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to convert our orders in backlog into revenue.

Backlog can be subject to large variations from quarter to quarter and comparisons of backlog from period to period are not necessarily indicative of future revenue. The contracts comprising our backlog may not result in actual revenue in any particular period or at all, and the actual revenue from such contracts may differ from our backlog estimates. The timing of receipt of revenue, if any, on projects included in backlog could change because many factors affect the scheduling of projects. Cancellation of or adjustments to contracts may occur.

The failure to realize all amounts in our backlog could adversely affect our future revenue and gross margins. As a result, our backlog as of any particular date may not be an accurate indicator of our future financial performance.

A further increase in interest rates, or a reduction in the availability of tax equity or project debt financing, could make it difficult for project developers and owners to finance the cost of a solar energy system and could reduce the demand for our products.

Many solar project owners depend on financing to fund the initial capital expenditure required to construct a solar energy project. As a result, a further increase in interest rates, or a reduction in the supply of project debt or tax equity financing, could reduce the number of solar projects that receive financing or otherwise make it difficult for project owners to secure the financing necessary to construct a solar energy project on favorable terms, or at all, and thus lower demand for our products which could limit our growth or reduce our sales. In addition, we believe that a significant percentage of project owners construct solar energy projects as an investment, funding a significant portion of the initial capital expenditure with financing from third parties. A further increase in interest rates could lower an investor's return on investment on a solar energy project, increase equity requirements or make alternative investments more attractive relative to solar energy projects, and, in each case, could cause these project owners to seek alternative investments.

A loss of one or more of our significant customers, their inability to perform under their contracts, or their default in payment, could harm our business and negatively impact our revenue, results of operations and cash flows.

For the year ended March 31, 2024, our largest customer constituted 17% of our total revenues. The loss of any one of our significant customers, their inability to perform under their contracts, or their default in payment, could have a substantial effect on our revenues and profits. Further, our trade accounts receivable and unbilled receivable ("contract assets") are from companies within the solar industry, and, as such, we are exposed to normal industry credit risks. As of March 31, 2024, our largest customer constituted 15.5% of our total trade accounts receivable and contract assets balances. Accordingly, loss of a significant customer or a significant reduction in pricing or order volume from a significant customer could substantially reduce our revenue and could have a material adverse effect on our business, financial condition and results of operations.

Defects or performance problems in our products could result in loss of customers, reputational damage and decreased revenue, and we may face warranty, indemnity and product liability claims arising from defective products.

Our products may contain undetected errors or defects, especially when first introduced or when new generations are released. Errors, defects or poor performance can arise due to design flaws, defects in raw materials or components or manufacturing difficulties, which can affect both the quality and the yield of the product. Any actual or perceived errors, defects or poor performance in our products could result in the replacement or recall of our products, shipment delays, rejection of our products, damage to our reputation, lost revenue, diversion of our engineering personnel from our product development efforts and increases in customer service and support costs, all of which could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, defective components may give rise to warranty, indemnity or product liability claims against us that exceed any revenue or profit we receive from the affected products. Our limited warranties cover defects in materials and workmanship of our products under normal use and service conditions. As a result, we bear the risk of warranty claims long after we have sold products and recognized revenue. While we have accrued reserves for warranty claims, our estimated warranty costs for previously sold products may change to the extent the warranty claims profile of future products is not comparable with that of earlier generation products under warranty. Our warranty accruals are based on our assumptions and we do not have a long history of making such assumptions. As a result, these assumptions could prove to be materially different from the actual performance of our systems, causing us to incur substantial unanticipated expense to repair or replace defective products in the future or to compensate customers for defective products. Our failure to accurately predict future claims could result in unexpected volatility in, and have a material adverse effect on our business, financial condition and results of operations.

If one of our products were to cause injury to someone or cause property damage, including as a result of product malfunctions, defects or improper installation, then we could be exposed to product liability claims. Any such claim could cause us to incur significant costs and could divert management's attention and harm our reputation.

We may experience delays, disruptions or quality control problems in our product development operations.

Our product development and testing processes are complex and require significant technological expertise. Such processes involve a number of precise steps from design to production. Any change in our processes could cause one or more production errors, requiring a temporary suspension or delay in our suppliers' production lines until the errors can be researched, identified, and properly addressed and rectified. This may occur particularly as we introduce new products, modify our engineering techniques and/or expand our capacity. The commercialization of any new products may also fail to achieve market adoption or may experience downward pricing pressure, which would have a material impact on our gross margins and results of operations. Further, the installation of our products involves various risks and complications which may increase as our products evolve and develop, and any such increase in risks and complications may have a negative effect on our gross margins. In addition, our failure to maintain appropriate quality assurance processes could result in increased product failures, loss of customers, increased warranty reserve, increased production and logistics costs, and delays. Any of these developments could have a material adverse effect on our business, financial condition and results of operations.

Our continued expansion into new markets could subject us to additional business, financial, regulatory and competitive risks.

Part of our strategy is to continue to grow our revenues from international markets, including entering new geographic markets to expand our current international presence. Our products and services to be offered in these regions may differ from our current products and services in several ways, such as the consumption and utilization of local raw materials, components and logistics, the re-engineering of select components to meet region-specific requirements and region-specific customer training, site commissioning, warranty remediation and other technical services. Any of these differences or required changes to our products and services to meet the requirements of local laws and regulations may increase the cost of our products, reduce demand and result in a decrease in our gross margins. We may also face competition from lower cost providers in any new markets we enter which could decrease the demand for our products or cause us to reduce the cost of our products in order to remain competitive.

Any new geographic market could have different characteristics from the markets in which we currently sell products, and our success in such markets will depend on our ability to adapt properly to these differences. These differences may include differing regulatory requirements, including local manufacturing content requirements, tax laws, trade laws, labor regulations, corporate formation laws and requirements, tariffs, export quotas, customs duties or other trade restrictions, limited or

unfavorable intellectual property protection, international political or economic conditions, restrictions on the repatriation of earnings, longer sales cycles, warranty expectations, product return policies and cost, performance and compatibility requirements. In addition, expanding into new geographic markets will increase our exposure to presently existing risks, such as fluctuations in the value of foreign currencies and difficulties and increased expenses in complying with U.S. and foreign laws, regulations and trade standards, including the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), as well as relevant anti-money laundering laws.

Failure to develop new products successfully or to otherwise manage the risks and challenges associated with our continued expansion into new geographic markets could have a material adverse effect on our business, financial condition and results of operations.

Electric utility industry policies and regulations may present technical, regulatory and economic barriers to the purchase and use of solar energy systems that could significantly reduce demand for our products or harm our ability to compete.

Federal, state, local, and foreign government policies and regulations concerning the broader electric utility industry, as well as internal policies and regulations promulgated by electric utilities and organized electric markets with respect to fees, practices and rate design, heavily influence the market for electricity generation products and services. These policies and regulations often affect electricity pricing and the interconnection of generation facilities and can be subject to frequent modifications by governments, regulatory bodies, utilities and market operators. For example, changes in fee structures, electricity pricing structures and system permitting, regional market rules, interconnection and operating requirements can deter purchases of renewable energy products, including solar energy systems, by reducing anticipated revenues or increasing costs or regulatory burdens for would-be system purchasers. The resulting reductions in demand for solar energy systems could harm our business, financial condition and results of operations.

A significant development in renewable-energy pricing policies in the United States occurred when the Federal Energy Regulatory Commission ("FERC") issued a final rule amending regulations that implement the Public Utility Regulatory Policies Act ("PURPA") on July 16, 2020, which FERC upheld on rehearing on November 19, 2020. Among other requirements, PURPA mandates that electric utilities buy the output of certain renewable generators, including qualifying solar energy facilities, below established capacity thresholds. PURPA also requires that such sales occur at a utility's "avoided cost" rate. FERC's PURPA reforms include modifications (1) to how regulators and electric utilities may establish avoided cost rates for new contracts, (2) that reduce from 20 MW to 5 MW the capacity threshold above which a renewable-energy qualifying facility is rebuttably presumed to have non-discriminatory market access, thereby removing the requirement for utilities to purchase its output, (3) that require regulators to establish criteria for determining when an electric utility incurs a legally enforceable obligation to purchase from a PURPA facility and (4) that reduce barriers for third parties to challenge PURPA eligibility. These new regulations took effect on February 16, 2021, but the net effect of these changes is uncertain, as they have only been effective for a short time, and some changes will not become fully effective until states and other jurisdictions implement the new authorities provided by FERC. In general, however, FERC's PURPA reforms have the potential to reduce prices for the output from certain new renewable generation projects while also narrowing the scope of PURPA eligibility for new projects. These effects could reduce opportunities and demand for PURPA-eligible solar energy systems, which could have a material adverse effect on our business, financial condition and results of operations.

FERC is also taking steps to encourage the integration of new forms of generation into the electric grid and remove barriers to grid access, which could have positive impacts on the solar energy industry. For example, on July 28, 2023 FERC issued a final rule, designated as Order No. 2023, to reform procedures and agreements that electric transmission providers use to integrate new generating facilities into the existing transmission system.

Changes in other federal, state and local current laws or regulations applicable to us or the imposition of new laws, regulations or policies in the jurisdictions in which we do business could have a material adverse effect on our business, financial condition and results of operations. Any changes to government, utility or electric market regulations or policies that favor non-solar generation or other market participants, remove or reduce renewable procurement standards and goals or that make construction or operation of new solar generation facilities more expensive or difficult, could reduce the competitiveness of solar energy systems and cause a significant reduction in demand for our products and services and adversely impact our growth. Moreover, there may be changes in regulations that impact access to supply chains related to cybersecurity threats to the electric grid that could have a disproportionate impact on solar energy system components. In addition, changes in export and import laws and implementing regulations may create delays in the introduction of new products in international markets, prevent our customers

from deploying our products internationally or, in some cases, prevent the export or import of our products to certain countries altogether. Any such event could have a material adverse effect on our business, financial condition and results of operations.

A drop in the price of electricity sold may harm our business, financial condition and results of operations.

Decreases in the price of electricity, whether in organized electric markets or with contract counterparties, may negatively impact the owners of the solar energy projects, make the purchase of solar energy systems less economically attractive and would likely lower sales of our products. The price of electricity could decrease as a result of many factors, including but not limited to:

- construction of a significant number of new, lower-cost power generation plants;
- relief of transmission constraints that enable distant, lower-cost generation to transmit energy less expensively or in greater quantities;
- reductions in the price of natural gas or other fuels;
- utility rate adjustment and customer class cost reallocation;
- decreased electricity demand, including from energy conservation technologies, public initiatives to reduce electricity consumption or a reduction in economic activity due to a localized or macroeconomic downturn;
- development of smart-grid technologies that lower the peak energy requirements;
- development of new or lower-cost customer-sited energy storage technologies that have the ability to reduce a customer's average cost of electricity by shifting load to off-peak times; and
- development of new energy generation technologies that provide less expensive energy.

Moreover, if the cost of electricity generated by solar energy installations incorporating our systems is high relative to the cost of electricity from other sources, it could have a material adverse effect on our business, financial condition and results of operations.

Technological advances in the solar components industry or developments in alternative technologies could render our systems uncompetitive or obsolete.

The solar industry is characterized by its rapid adoption and application of technological advances. Our competitors may develop technologies more advanced and cost-effective than ours, or broader solar panel design could change resulting in our products no longer being compatible. Additionally, significant developments in alternative technologies, such as advances in other forms of solar tracking systems, could have a material adverse effect on our business, financial condition and results of operations. We will need to invest substantially in research and development to maintain our market position and effectively compete in the future.

Our failure to further refine or enhance our technologies, or adopt new or enhanced technologies or processes, could render our technologies uncompetitive or obsolete, which could reduce our market share and cause our revenues to decline.

In addition, we may invest in and implement newly developed, less-proven technologies in our project development or in maintaining or enhancing our existing projects. There is no guarantee that these new technologies will perform or generate customer demand as anticipated. The failure of our new technologies to perform as anticipated could have a material adverse effect on our business, financial condition and results of operations.

If we fail to, or incur significant costs in order to, obtain, maintain, protect, defend or enforce our intellectual property, our business and results of operations could be materially harmed.

Our success depends to a significant degree on our ability to protect our intellectual property. We rely on a combination of patent, trademark, copyright, trade secret and unfair competition laws, as well as confidentiality and license agreements and other contractual provisions, to establish and protect our intellectual property. Such means may afford only limited protection of our intellectual property and may not (i) prevent our competitors or manufacturing suppliers from duplicating our processes or technology; (ii) prevent our competitors or manufacturing suppliers from gaining access to our proprietary information or technology; or (iii) permit us to gain or maintain a competitive advantage.

We generally seek or apply for patent protection as and if we deem appropriate, based on then-current facts and circumstances. We cannot guarantee that any of our pending patent applications or other applications for intellectual property registrations will be issued or granted or that our existing or future intellectual property rights will be sufficiently broad to protect our proprietary technology. Even if we are to obtain issuance of further patents or registration of other intellectual property, such intellectual property could be subject to attacks on ownership, validity, enforceability or other legal attacks. Any such impairment or other failure to obtain sufficient intellectual property protection could impede our ability to market our products, negatively affect our competitive position and harm our business and operating results, including forcing us to, among other things, rebrand or re-design our affected products.

In addition to patent protection, we rely heavily on nondisclosure agreements to protect our proprietary information, know-how, technology and trade secrets. However, we cannot guarantee that we have entered into such agreements with each party that has or may have had access to our proprietary information, know-how, technology and trade secrets, including employees, contractors, third-party manufacturers, other suppliers, customers, other stakeholders involved in solar projects, or other business partners or prospective partners. Moreover, no assurance can be given that these agreements will be effective in controlling access to, distribution, use, misuse, misappropriation or disclosure of our proprietary information, know-how, technology and trade secrets. Similarly, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own, such agreements may be breached or may not be self-executing, we may not have adequate remedies for any such breach, and we may be subject to claims that such employees or contractors misappropriated relevant rights from their previous employers.

In countries where we have not applied for patent protection or trademark or other intellectual property registration or where effective patent, trademark, trade secret, and other intellectual property laws and judicial systems may not be available to the same extent as in the United States, we may be at greater risk that our proprietary rights will be circumvented, misappropriated, infringed or otherwise violated.

We have initiated, and may in the future need to initiate, infringement claims or litigation in order to try to protect or enforce our intellectual property rights, but such litigation can be expensive and time-consuming and may divert the efforts of our management and other personnel, may provoke third parties to assert counterclaims against us and may not result in favorable outcomes.

Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

We use "open source" software, and any failure to comply with the terms of one or more open source licenses could adversely affect our business, financial condition and results of operations.

Our products and services use certain software licensed by its authors or other third parties under so-called "open source" licenses. Some of these open source licenses may contain requirements that we make available source code for modifications or derivative works that we create based upon the open source software, and that we license such modifications or derivative works under the terms of a particular open source license or other license granting third parties rights with respect to such software. In certain circumstances, if we combine our proprietary software with certain open source software, we could be required to release the source code for such proprietary software. Additionally, to the extent that we do not comply with the terms of the open source licenses to which we are subject, or such terms are interpreted by a court in a manner different than our own interpretation of such terms, then we may be required to disclose certain of our proprietary software or take other actions that could adversely impact our business. Further, the use of open source software can lead to vulnerabilities that may make our software susceptible to attack, and open source licenses generally do not provide warranties or controls on the origin of the software. While we attempt to utilize open source software in a manner that helps alleviate these risks, our attempts may not be successful. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Cybersecurity or other data security incidents could harm our business, expose us to liability and cause reputational damage.

Cybersecurity attacks designed to gain access to personal, sensitive or confidential information or disrupt our operations are constantly evolving, and high profile cybersecurity breaches leading to unauthorized disclosure of confidential information, including trade secrets, as well as breaches of personal information, have occurred recently at a number of major U.S. companies, including in the energy, manufacturing and technology sectors. Our or our third-party vendors' computer systems and networks are potentially vulnerable to cybersecurity attacks and other data security incidents, including among other things, malicious intrusion, computer viruses, ransomware attacks, software errors, defects or bugs, acts of vandalism and theft, denial-of-service attacks, social engineering attacks, phishing attacks, fraud or malice on the part of our employees, contractors or service providers, human error and other system disruptions caused by unauthorized third parties, server malfunctions, software or hardware failures and other similar incidents, any of which may result in the misappropriation, corruption, unavailability, loss, unauthorized access to or release of personal, sensitive or confidential information or data assets or business interruption.

We increasingly rely on commercially available systems, software, sensors, tools (including encryption technology) and monitoring to provide security and oversight for the transmission, storage, protection and other processing of personal, sensitive and confidential information. Despite advances in security hardware, software and encryption technologies, and our own information security program and safeguards, there is no guarantee that our defenses and cybersecurity program will be adequate to safeguard against all cybersecurity attacks and other data security incidents. Moreover, because techniques used to obtain unauthorized access to personal, sensitive and confidential information or sabotage systems and networks change frequently and generally are not identified until they are launched against a target, we and our suppliers may be unable to anticipate these techniques or to implement adequate preventative or mitigation measures. We may also experience security breaches and other incidents that may remain undetected for an extended period and therefore may have a greater impact on our products and the networks and systems used in our business. Such threats and attacks also may see their frequency increased, and effectiveness enhanced by the use of artificial intelligence.

We regularly defend against and respond to data security incidents. We expect to incur significant costs in our efforts to detect and prevent cybersecurity attacks and other data security incidents, and we may face increased costs in the event of an actual or perceived cybersecurity attack or other data security incident. While we generally perform cybersecurity diligence on our key service providers, we do not control our service providers and vendors and our ability to monitor their cybersecurity is limited, so we cannot ensure the cybersecurity measures they take will be sufficient to protect any information we share with them. We cannot assure you that our vendors or other third-party service providers with access to our or our customers' or employees' personal, confidential or sensitive information in relation to which we are responsible will not breach contractual obligations imposed by us, or that they will not experience cybersecurity attacks or other data security incidents, which could have a corresponding effect on our business, including putting us in breach of our privacy and data protection obligations.

Additionally, we cannot be certain that our insurance coverage will be adequate for cybersecurity liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that our insurer will not deny coverage as to any future claim.

A cybersecurity attack or other data security incident in our systems or networks (or in the systems or networks of third parties with which we do business) could result in the unauthorized release of personal information regarding employees or other individuals or other sensitive data, serious disruption of our operations, financial losses from containment and remedial actions, loss of business or potential liability, including possible punitive damages. As a result of cybersecurity attacks or other data security incidents, we could be subject to demands, claims and litigation by private parties, and investigations, related actions and penalties by regulatory authorities, along with potential costs of notification to impacted individuals. Finally, any perceived or actual unauthorized access to, or use or disclosure of, such information could harm our reputation, substantially impair our ability to attract and retain customers and have an adverse impact on our business, financial condition and results of operations.

Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Failure to comply with current or future federal, state, local and foreign laws, regulations, rules and industry standards relating to privacy and data protection could adversely affect our business, financial condition, results of operations and prospects.

We are or may become subject to a variety of laws, regulations, rules and industry standards in the U.S. and abroad that involve matters central to our business, including privacy and data protection. Many of these laws, regulations, rules and industry

standards are in considerable flux and rapidly evolving, and it is possible that they may be interpreted and applied in a manner that is inconsistent with our current operating practices. Existing and proposed laws, regulations, rules and industry standards can be costly to comply with and can delay or impede the development of new products and services, significantly increase our operating costs, require significant time and attention of management and technical personnel and subject us to inquiries or investigations, claims or other remedies, including fines or demands that we modify or cease existing business practices.

In addition to various privacy and data protection laws and regulations already in place, many jurisdictions are increasingly adopting laws and regulations imposing comprehensive privacy and data protection obligations, which may be more stringent, broader in scope, or offer greater individual rights with respect to personal information than existing laws and regulations, and such laws and regulations may differ from each other, which may complicate compliance efforts and increase compliance costs. See Item 1. "Business—Privacy and Data Protection Laws and Regulation" of the Form 10-K for more information regarding applicable privacy and data protection laws and regulations.

Further, while we strive to publish and prominently display privacy policies that are accurate, comprehensive and compliant with local laws, regulations, rules and industry standards, we cannot ensure that our privacy policies and other statements regarding our practices will be sufficient to protect us from claims, proceedings, liability or adverse publicity relating to privacy and data protection. Although we endeavor to comply with our privacy policies, we may at times fail to do so or be alleged to have failed to do so. If our public statements about our use, collection, disclosure and other processing of personal information, whether made through our privacy policies, information provided on our website, press statements or otherwise, are alleged to be deceptive, unfair or misrepresentative of our actual practices, we may be subject to potential government or legal investigation or action, including by the Federal Trade Commission or applicable state attorneys general.

Any failure, or perceived failure, by us to comply with our posted privacy policies or with any applicable privacy and data protection standards or contractual obligations, or any compromise of security that results in unauthorized access to, or unauthorized loss, destruction, use, modification, acquisition, disclosure, release or transfer of personal information may result in claims, fines, sanctions, penalties, investigations, proceedings or actions against us by governmental entities, customers, suppliers or others or other liabilities or may require us to change our operations and/or cease using certain data. Any of the foregoing could harm our reputation, brand and business, force us to incur significant expenses in defense of such claims, proceedings, investigations or actions, distract our management, increase our costs of doing business, result in a loss of customers or suppliers and result in the imposition of monetary penalties. We may also be contractually required to indemnify and hold harmless third parties from the costs and consequences of non-compliance with any laws, regulations or other legal obligations relating to privacy and data protection or any inadvertent or unauthorized use or disclosure of data that we store, handle or otherwise process as part of operating our business. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

We invest significant time, resources and management attention to identifying and developing project leads that are subject to our sales and marketing focus and if we are unsuccessful in converting such project leads into binding purchase orders, our business, financial condition and results of operations could be materially adversely affected.

The commercial contracting and bidding process for solar project development is long and has multiple steps and uncertainties. We closely monitor the development of potential sales leads through this process. Project leads may fail to be converted into binding purchase orders at any stage of the bidding process because either (i) a competitors' product is selected to fulfill some or all of the order due to price, functionality or other reasons or (ii) the project does not progress to the stage involving the purchase of tracker systems. If we fail to convert a significant number of project leads that are subject to our sales and marketing focus into binding purchase orders, our business or results of operations could be materially adversely affected.

Our growth depends in part on the success of our strategic relationships with third parties on whom we rely for new projects and who provide us with valuable customer feedback that helps guide our innovation.

In order to continue to win business, we must maintain and enhance our long-term strategic relationships with leading EPCs, developers, owners and operators of solar projects. These relationships enable us to serve as strategic advisors to each of these stakeholders in a solar project, increasing the probability that our product will be selected by these stakeholders in future projects. These stakeholders also provide us with valuable customer feedback that allows us to innovate on our products to meet the demands of our customers.

Any loss of these relationships could result in the potential loss of new projects, and the potential loss of innovation guidance, which could have a material adverse effect on our business, financial condition and results of operations.

We may need to defend ourselves against third-party claims that we are infringing, misappropriating or otherwise violating others' intellectual property rights, which could divert management's attention, cause us to incur significant costs, and prevent us from selling or using the technology to which such rights relate.

Our competitors and other third parties hold numerous patents related to technology used in our industry, and may hold or obtain patents, copyrights, trademarks or other intellectual property rights that could prevent, limit, or interfere with our ability to make, use, develop, sell or market our products and services. From time to time we may be subject to claims of infringement, misappropriation or other violation of patents or other intellectual property rights and related litigation. Regardless of their merit, responding to such claims can be time consuming, can divert management's attention and resources, and may cause us to incur significant expenses in litigation or settlement and face negative publicity, and we cannot be certain that we would be successful in defending against any such claims in litigation or other proceedings. If we do not successfully defend or settle an intellectual property claim, we could be liable for significant monetary damages and could be prohibited from continuing to use certain technology, business methods, content or brands, and from making, selling or incorporating certain components or intellectual property into the products and services we offer. As a result, we could be forced to redesign our products and services, and/or to establish and maintain alternative branding for our products and services. To avoid litigation or being prohibited from marketing or selling the relevant products or services, we could seek a license from the applicable third party, which could require us to pay significant royalties, licensing fees, or other payments, increasing our operating expenses. If a license is not available at all or not available on reasonable terms, we may be required to develop or license a non-violating alternative, either of which could be infeasible or require significant effort and expense. If we cannot license or develop a non-violating alternative, we would be forced to limit or stop sales of our offerings and may be unable to effectively compete. Moreover, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our Class A common stock. Any of the foregoing could result in substantial costs, negative publicity and diversion of resources and management attention, any of which could have a material adverse effect on our business, financial condition and results of operations.

Failure by our manufacturers or our component or raw material suppliers to use ethical business practices and comply with applicable laws and regulations may adversely affect our business, financial condition and results of operations.

We do not control our manufacturers or suppliers or their business practices. Accordingly, we cannot guarantee that they follow ethical business practices such as fair wage practices and compliance with environmental, safety, labor and other laws. A lack of demonstrated compliance could lead us to seek alternative manufacturers or suppliers, which could increase our costs and result in delayed delivery of our products, product shortages or other disruptions of our operations. If our suppliers, manufacturers, or retail partners fail to comply with applicable laws, regulations, safety codes, employment practices, human rights standards, quality standards, environmental standards, production practices, or other obligations, norms, or ethical standards, our reputation and brand image could be harmed, and we could be exposed to litigation, investigations, enforcement actions, monetary liability and additional costs that could have a material adverse effect on our business, financial condition and results of operations.

We could be adversely affected by any violations of the FCPA and other foreign anti-bribery laws.

The FCPA generally prohibits companies and their intermediaries from making, promising, authorizing or offering improper payments or other things of value to foreign government officials for the purpose of obtaining or retaining business. The FCPA also requires that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. Other countries in which we operate also have anti-bribery laws, some of which prohibit improper payments to government and non-government persons and entities. Our policies mandate compliance with these anti-bribery laws. However, we currently operate in and intend to further expand into many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. It is possible that our third-party manufacturers, other suppliers, employees, subcontractors, agents or partners may take actions in violation of our policies or applicable anti-bribery laws. Any such violation, even if unauthorized and prohibited by our policies, could subject us to investigations, settlements, criminal or civil penalties or other sanctions, or negative media coverage and cause harm to our reputation, which could have a material adverse effect on our business, financial condition and results of operations.

We may incur obligations, liabilities or costs under environmental, health and safety laws, which could have an adverse impact on our business, financial condition and results of operations.

Our suppliers' operations involve the use, handling, generation, storage, discharge and disposal of hazardous substances, chemicals and wastes. As a result, our suppliers are required to comply with national, state and local laws and regulations regarding the protection of the environment and health and safety. We are also required to comply with general national, state, local and foreign health and safety laws and regulations in every location that we have operations, employees and workers. Adoption of more stringent laws and regulations in the future, including restriction or prohibition on the use of raw materials currently utilized by our suppliers to manufacture products, could cause our suppliers to incur additional costs, which could increase the cost we pay for their products. Moreover, new environmental laws requiring changes to our suppliers' use of raw materials could adversely impact the quality or performance of products we currently purchase. In addition, violations of, or liabilities under, these laws and regulations by our suppliers could result in our being subject to adverse publicity, reputational damage, substantial fines, penalties, criminal proceedings, third-party property damage or personal injury claims, cleanup costs or other costs. Further, the facilities of our suppliers, including suppliers who manufacture our products, components and materials, are located on properties with a history of use involving hazardous materials, chemicals and wastes and may be contaminated. We may become liable under certain environmental laws and regulations for costs to investigate or remediate contamination at such properties and under common law for bodily injury or property damage claims arising from the alleged impact of such contamination. Liability under environmental laws and regulations for investigating and remediating contamination can be imposed on a joint and several basis and without regard to fault or the legality of the activities giving rise to the contamination conditions. In addition, future developments such as more aggressive enforcement policies from the Biden Administration or subsequent administrations, relevant foreign authorities or the discovery of presently unknown environmental conditions may require expenditures that could have a material adverse effect on our business, financial condition and results of operations.

Fluctuations in foreign currency exchange rates could increase our operating costs and impact our business.

The majority of our sales and cash are denominated in U.S. dollars, however we do have certain contracts with third parties that are denominated in, or otherwise affected by, other currencies. Therefore, fluctuations in exchange rates, particularly between the U.S. dollar and the Brazilian real, Mexican peso, Australian dollar, Chilean peso and euro, may result in foreign exchange gains or losses for us. As a result, we are exposed to fluctuations in these currencies impacting our operating results.

Currency exchange rates fluctuate daily as a result of a number of factors, including changes in a country's political and economic policies. The primary impact of currency exchange fluctuations is on cash, payables and expenses related to transactions in currencies denominated in other than the U.S. dollar. As part of our currency hedging strategy, we may use financial instruments such as forward exchange, swap contracts and options to hedge our foreign currency exposure in order to reduce the short-term impact of foreign currency rate fluctuations on our operating results. If our hedging activities are not successful or if we change or reduce these hedging activities in the future, we may experience unexpected fluctuations in our operating results as a result of changes in exchange rates.

Furthermore, volatility in foreign exchange rates affects our ability to plan our pricing strategy. To the extent that we are unable to pass along increased costs and other financial effects resulting from exchange rate fluctuations to our customers, our profitability may be adversely impacted. As a result, fluctuations in non-U.S. dollar currencies and the U.S. dollar could have a material adverse effect on our business, financial condition and results of operations.

We have only operated as a separate, publicly traded company since our IPO and significant changes occurred in our cost structure, management, financing and business operations as a result of operating as a company separate from Flex.

Prior to the Transactions (as defined in Note 6 in the notes to the consolidated financial statements included in the Form 10-K), our business was operated by Flex as part of its broader corporate organization, rather than as a separate, publicly traded company.

Flex or one of its affiliates performed various business functions for us such as legal, finance, treasury, accounting, auditing, tax, human resources, investor relations, corporate affairs, compliance support, logistics and bonding support, procurement and planning services, as well as the provision of leased facilities and business software and IT systems. Our cost related to such functions have increased relative to costs prior to the IPO date, and may continue to increase as we reduce our reliance on Flex business functions going forward.

Additionally, certain aspects of our business were historically integrated with the other businesses of Flex and we have shared economies of scope and scale in costs, employees and vendor relationships. Although we have entered into transition agreements with Flex and continue to rely on Flex for certain business functions pursuant to such agreements, these arrangements may not fully capture the benefits that we have enjoyed as a result of being integrated with Flex and may result in us paying higher charges than in the past for these services. Further, such agreements will eventually terminate given the completion of the Spin Transactions (as defined in Note 6 in the notes to the consolidated financial statements included in the Form 10-K) and we will need to provide the services provided under such agreements internally or obtain them from unaffiliated third parties, which may divert management's attention from other aspects of our business operations. This could have an adverse effect on our results of operations and financial condition relative to periods prior to the IPO. In addition, Flex entities are the direct contracting parties with respect to our business in Brazil and we receive the benefits of those arrangements from the relevant Flex entity. If we are unable to continue to operate our business in Brazil through Flex and its subsidiaries, we would need to establish alternative arrangements, and any such alternative arrangements, if available, may cause us to incur additional costs relating to that business.

Moreover, our working capital requirements and capital for our general corporate purposes, including acquisitions and capital expenditures, were historically satisfied as part of the corporate-wide cash management policies of Flex. In connection with the Transactions, we incurred a substantial amount of indebtedness in the form of senior credit facilities comprised of (i) a term loan in an aggregate principal amount of $150.0 million, and (ii) the Amended 2023 Credit Agreement (as defined in Note 7 in the notes to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report). See the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Facilities.". In addition, we may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements.

Additionally, our cost of capital for our businesses may be higher than Flex's cost of capital prior to the IPO.

For additional information about the past financial performance of our businesses and the basis of presentation, refer to the unaudited condensed consolidated financial statements and accompanying notes included elsewhere in this Quarterly Report.

We are dependent on certain critical suppliers for certain components for our products.

We are dependent on certain critical suppliers for certain components of our products. Our self-powered controller ("SPC") and network control unit ("NCU") used in our tracker products are predominately manufactured by Flex. We have an agreement with Flex for the manufacturing of these components, but we operate on a purchase order basis for pricing. The processes to manufacture these SPCs and NCUs are highly complex, specialized and proprietary. Although we have recently added two suppliers who manufacture our SPCs, if Flex is unable or unwilling to manufacture controllers for us, or increases its pricing substantially, a substantial portion of our supply of these critical components would be interrupted or delayed and we may not be able to source substitute parts easily. We would incur increased expenses in establishing new relationships with alternative manufacturers at market prices. We may not be able to source alternative components on term acceptable to us or in a timely and cost-effective manner which may materially and adversely affect our business, financial condition, results of operations and profitability.

We are a holding company and our principal asset is our LLC common units in the LLC, and accordingly we are dependent upon distributions from the LLC to pay taxes and other expenses.

We are a holding company and, as a result of the Transactions and the IPO, our principal asset is our ownership of the LLC. The LLC is treated as a partnership for U.S. federal income tax purposes and, as such, is not subject to U.S. federal income tax. Instead, taxable income will be allocated to holders of its LLC common units, including us. We had no operations prior to the Transactions and had no independent means of generating revenue. As the managing member of the LLC, we intend to cause the LLC to make distributions to us according to the LLC Agreement to cover the taxes on our allocable share of the taxable income of the LLC, all applicable taxes payable by us, any payments we are obligated to make under the Tax Receivable Agreement and other costs or expenses. Distributions will generally be made on a pro rata basis among us and the other holders of LLC common units. However, certain laws and regulations may result in restrictions on the LLC's ability to make distributions to us or the ability of the LLC's subsidiaries to make distributions to it.

To the extent that we need funds and the LLC or its subsidiaries are restricted from making such distributions, we may not be able to obtain such funds on terms acceptable to us or at all and as a result could suffer an adverse effect on our liquidity and financial condition.

Tax authorities could challenge our historical and future tax positions.

Our taxable income comes primarily from the allocation of taxable income from the LLC. We are subject to federal and state income taxes in the United States on the taxable income allocated to us from the LLC. In addition, while the majority of the LLC's income comes from United States sources and will not be subject to LLC level income tax, the LLC has taxable income in some foreign subsidiaries that is subject to foreign country's corporate income tax. We may be entitled to foreign tax credits in the United States for our shares of the foreign tax we paid. As the LLC operates in a number of countries and relies on intercompany transfer pricing benchmarking analysis, judgment is required in determining our provision for income taxes. In the ordinary course of the LLC's business, there may be transactions or intercompany transfer prices where the ultimate tax determination is uncertain. Additionally, calculations of income taxes payable currently and on a deferred basis are based on our interpretations of applicable tax laws in the jurisdictions in which we and the LLC are required to file tax returns.

In certain circumstances, the LLC will be required to make distributions to us and the other holders of its common units, which may be substantial and in excess of our tax liabilities and obligations under the Tax Receivable Agreement.

As noted above, the LLC is treated as a partnership for U.S. federal income tax purposes and, as such, is not subject to U.S. federal income tax. Instead, taxable income is allocated to holders of its common units, including us. We anticipate that, pursuant to the tax rules under the Code and the regulations thereunder, in many instances these allocations of taxable income will not be made on a pro rata basis.

Notwithstanding that, pursuant to the LLC Agreement, the LLC generally is required from time to time to make pro rata cash distributions, or tax distributions, to the holders of LLC common units to help each of the holders of the LLC common units to pay taxes on such holder's allocable share of taxable income of the LLC. As a result of potential non pro rata allocations of net taxable income allocable to us and the other holders of LLC common units, the difference in tax rates applicable to corporations and individuals and the favorable tax benefits from the IPO, the subsequent follow-on offering in 2023, and certain related transactions, we expect that these tax distributions will be in amounts that exceed our tax liabilities and obligations to make payments under the Tax Receivable Agreement. To the extent, as currently expected, we do not distribute such cash balances as dividends on our Class A common stock and instead, for example, hold such cash balances or lend them to the LLC, the existing owners of the LLC would benefit from any value attributable to such accumulated cash balances as a result of an exchange of their LLC common units and corresponding shares of Class B common stock under the Exchange Agreement (as defined in Note 6 in the notes to the consolidated financial statements included in the Form 10-K).

We are required to pay others for certain tax benefits that we are deemed to realize under the Tax Receivable Agreement, and the amounts we may pay could be significant.

We used all of the net proceeds from the IPO to purchase LLC common units from Yuma and we used all of the net proceeds from the subsequent follow-on offering to purchase LLC common units from Yuma and TPG Rise, an affiliate of TPG. Additionally, we may be required from time to time to acquire additional LLC common units together with a corresponding number of shares of our Class B common stock in exchange for our Class A common stock (or cash) pursuant to the Exchange Agreement. See Note 6 in the notes to the consolidated financial statements included in the Form 10-K. We expect that basis adjustments resulting from these transactions, if they occur, among other tax benefits resulting from the Transactions, will reduce the amount of income tax we would otherwise be required to pay in the future.

We entered into a Tax Receivable Agreement with the LLC, Yuma, Yuma Sub, TPG Rise and the TPG Affiliates in connection with our IPO. Prior to the Spin Transactions, Yuma and Yuma Sub assigned their respective rights under the Tax Receivable Agreement to an entity that remains an affiliate of Flex. The Tax Receivable Agreement provides for the payment by us to Flex's affiliate, TPG and the TPG Affiliates (or certain permitted transferees thereof) of 85% of the tax benefits, if any, that we are deemed to realize under certain circumstances as a result of (i) our allocable share of existing tax basis in tangible and intangible assets resulting from exchanges or acquisitions of the LLC common units, including as part of the Transactions or under the Exchange Agreement, (ii) increases in tax basis resulting from exchanges or acquisitions of outstanding LLC common units and shares of Class B common stock (including as part of the Transactions, the subsequent follow-on offering or under the Exchange Agreement), (iii) certain pre-existing tax attributes of certain blocker corporations affiliated with TPG that each merged with a separate direct, wholly-owned subsidiary of us, as part of the Transactions, and (iv) certain other tax benefits related to our entering into the Tax Receivable Agreement, including tax benefits attributable to payments under the Tax Receivable Agreement.

There may be a material negative effect on our liquidity if, as a result of timing discrepancies or otherwise, the payments under the Tax Receivable Agreement exceed the actual benefits we realize in respect of the tax attributes subject to the Tax Receivable Agreement or distributions to us by the LLC are not sufficient to permit us to make payments under the Tax Receivable Agreement after we have paid taxes. Furthermore, our obligations to make payments under the Tax Receivable Agreement could make us a less attractive target for an acquisition, particularly in the case of an acquirer that cannot use some or all of the tax benefits that are deemed realized under the Tax Receivable Agreement.

In certain cases, our payments under the Tax Receivable Agreement to others may be accelerated and/or significantly exceed the actual benefits we realize in respect of the tax attributes subject to the Tax Receivable Agreement.

The Tax Receivable Agreement provides that upon certain circumstances we will be required to make an immediate payment equal to the present value of the anticipated future tax benefits, including upon certain mergers, asset sales, other forms of business combinations or other changes of control (with certain exceptions, such as the Spin Distribution and the Mergers (as such terms are defined in Note 6 in the notes to the consolidated financial statements included in the Form 10-K)), if we materially breach any of our material obligations under the Tax Receivable Agreement, or if, at any time, we elect an early termination of the Tax Receivable Agreement. The amount of any such payment would be based on certain assumptions, including that we (or our successor) would have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions and tax basis and other benefits related to entering into the Tax Receivable Agreement. As a result, we could be required to make payments under the Tax Receivable Agreement that are greater than or less than the percentage specified in the Tax Receivable Agreement of the actual benefits that we realize in respect of the tax attributes that are subject to the Tax Receivable Agreement and the upfront payment may be made years in advance of the actual realization of such future benefits (if any). Under certain circumstances, including an early termination of the Tax Receivable Agreement, our obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity, as well as our attractiveness as a target for an acquisition. In addition, we may not be able to finance our obligations under the Tax Receivable Agreement.

Payments under the Tax Receivable Agreement will generally be based on the tax reporting positions that we determine except with respect to the agreed tax treatment provided for in the Tax Receivable Agreement. The Tax Receivable Agreement and a related side letter (the "TRA Side Letter,"), which is treated as part of the Tax Receivable Agreement, provide that the parties will treat payments under the Tax Receivable Agreement and TRA Side Letter that are attributable to certain tax benefits from exchanges of LLC common units under the Exchange Agreement and from the purchase of LLC common units from Yuma and TPG (with the net proceeds of the IPO and follow-on) as upward purchase price adjustments to the extent permitted by law and other than amounts treated as interest under the Code. We will not be reimbursed for any payments previously made under the Tax Receivable Agreement, even if the tax benefits underlying such payment are disallowed (although future amounts otherwise payable under the Tax Receivable Agreement may be reduced as a result thereof). In addition, the actual state or local tax savings we realize may be different than the amount of such tax savings we are deemed to realize under the Tax Receivable Agreement, which will be based on an assumed combined state and local tax rate applied to our reduction in taxable income as determined for U.S. federal income tax purposes as a result of the Tax Receivable Agreement. As a result, in certain circumstances, payments could be made under the Tax Receivable Agreement in excess of the benefits that we actually realize in respect of the tax attributes subject to the Tax Receivable Agreement.

As a newly public company, we are subject to financial and other reporting and corporate governance requirements that may be difficult for us to satisfy, have resulted in increased costs and diverted resources and management attention from operating our business.

In February 2023, we completed our IPO. As a result, we are required to file with the SEC annual and quarterly information and other reports that are specified in the Exchange Act and SEC regulations. Thus, we will need to ensure that we have the ability to prepare, on a timely basis, financial statements that comply with SEC reporting requirements. We are also subject to other reporting and corporate governance requirements, including the listing standards of Nasdaq and the provisions of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and the regulations promulgated thereunder, which impose significant new compliance obligations upon us. As a public company, we are required, among other things, to:

- prepare and distribute periodic reports and other stockholder communications in compliance with our obligations under the federal securities laws and Nasdaq rules;
- define and expand the roles and the duties of our board of directors and its committees;

- institute more comprehensive compliance, investor relations and internal audit functions;
- evaluate and maintain our system of internal control over financial reporting in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act and related rules and regulations of the SEC and the Public Company Accounting Oversight Board; and
- involve and retain outside legal counsel and accountants in connection with the activities listed above.

Section 404 of the Sarbanes-Oxley Act requires our management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. We are also required to have our independent registered public accounting firm attest to, and issue an opinion on, the effectiveness of our internal control over financial reporting. If we are unable to assert that our internal control over financial reporting is effective, or if, when required, our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our Class A common stock to decline.

The changes necessitated by becoming a public company require a significant commitment of resources and management oversight that has increased and may continue to increase our costs and might place a strain on our systems and resources. As a result, our management's attention might be diverted from other business concerns.

We are subject to risks relating to litigation and regulatory investigations and proceedings, which may have a material adverse effect on our business.

From time to time, we are involved in various claims, suits, investigations and legal proceedings. Such legal claims or regulatory matters could involve matters relating to commercial disputes, government regulatory and compliance, intellectual property, antitrust, tax, employment or shareholder issues, product liability claims and other issues on a global basis. If we receive an adverse judgment in any such matter, we could be required to pay substantial damages and cease certain practices or activities. Regardless of the merits of the claims, litigation and other proceedings may be both time-consuming and disruptive to our business. The defense and ultimate outcome of any lawsuits or other legal proceedings may result in higher operating expenses and a decrease in operating margin, which could have a material adverse effect on our business, financial condition or results of operations.

Any existing or future lawsuits could be time-consuming, result in significant expense and divert the attention and resources of our management and other key employees, as well as harm our reputation, business, financial condition or results of operations.

Risks Related to Our Indebtedness and Financing

Our indebtedness could adversely affect our financial flexibility, financial condition and our competitive position.

In connection with the Transactions, we incurred substantial indebtedness under the Amended 2023 Credit Agreement. The obligations of the borrower, the LLC, under the Amended 2023 Credit Agreement and related loan documents are severally guaranteed by us and certain of the LLC's existing and future direct and indirect wholly-owned domestic subsidiaries, subject to certain exceptions. Our level of indebtedness increases the risk that we may be unable to generate cash sufficient to pay amounts due in respect of our indebtedness. Our indebtedness could have other important consequences to you and significant effects on our business. For example, it could:

- increase our vulnerability to adverse changes in general economic, industry and competitive conditions;
- require us to dedicate a substantial portion of our cash flow from operations to make payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- restrict us from exploiting business opportunities;
- make it more difficult to satisfy our financial obligations, including payments on our indebtedness;
- place us at a disadvantage compared to our competitors that have less debt; and

- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions, debt service requirements, execution of our business strategy or other general corporate purposes.

In addition, the Amended 2023 Credit Agreement contains, and the agreements evidencing or governing any other future indebtedness may contain, restrictive covenants that limit or will limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our indebtedness. In addition, a default by us under the Amended 2023 Credit Agreement or an agreement governing any other future indebtedness may trigger cross-defaults under any other future agreements governing our indebtedness. Upon the occurrence of an event of default or cross-default under any of the present or future agreements governing our indebtedness, the lenders could elect to declare all amounts outstanding to be due and payable and exercise other remedies as set forth in the agreements. If any of our indebtedness were to be accelerated, there can be no assurance that our assets would be sufficient to repay this indebtedness in full, which could have a material adverse effect on our ability to continue to operate as a going concern.

The Amended 2023 Credit Agreement contains, and the agreements evidencing or governing any other future indebtedness may contain, financial restrictions on us and our subsidiaries, including restrictions on our or our subsidiaries' ability to, among other things:

- place liens on our or our subsidiaries' assets;
- incur additional indebtedness;
- change the nature of our business; and
- change our or our subsidiaries' fiscal year or organizational documents.

Our indebtedness could adversely affect our financial condition.

Our indebtedness could limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions, debt service requirements, stock repurchases or other purposes. It may also increase our vulnerability to adverse economic, market and industry conditions, limit our flexibility in planning for, or reacting to, changes in our business operations or to our industry overall, and place us at a disadvantage in relation to our competitors that have lower debt levels. Any or all of the foregoing events and/or factors could have a material adverse effect on our business, financial condition and results of operations.

We may raise additional capital, which could have a dilutive effect on the existing holders of our common stock and adversely affect the market price of our common stock.

We periodically evaluate opportunities to access capital markets, taking into account our financial condition, regulatory capital ratios, business strategies, anticipated asset growth and other relevant considerations. It is possible that future acquisitions, organic growth or changes in regulatory capital requirements could require us to increase the amount or change the composition of our current capital, including our common equity. For all of these reasons and others, and always subject to market conditions, we may issue additional shares of common stock or other capital securities in public or private transactions.

The issuance of additional common stock, debt, or securities convertible into or exchangeable for our common stock or that represent the right to receive common stock, or the exercise of such securities, could be substantially dilutive to holders of our common stock. Holders of our common stock have no preemptive or other rights that would entitle them to purchase their pro rata share of any offering of shares of any class or series and, therefore, such sales or offerings could result in dilution of the ownership interests of our stockholders.

Because we do not intend to pay any cash dividends on our common stock in the near term, capital appreciation, if any, of our common stock will be your sole source of potential gain for the foreseeable future.

We do not intend to pay cash dividends on our common stock in the near term. We currently intend to retain all available funds and any future earnings for use in the operation and expansion of our future businesses and do not anticipate paying any cash dividends in the foreseeable future. Should we decide in the future to pay cash dividends on our common stock, as a holding company, our ability to pay dividends and meet other obligations depends upon the receipt of dividends or other payments from our subsidiaries. In addition, the Amended 2023 Credit Agreement restricts, and any future financing agreements may also restrict, our ability to pay dividends. In particular, the Amended 2023 Credit Agreement restricts our ability to pay dividends on

our common stock except where certain conditions are met. As a result, capital appreciation, if any, of our common stock will be your sole source of potential gain for the foreseeable future.

Servicing our debt requires cash, and we may not have sufficient cash flow from our business to pay our debt.

The LLC's ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

We may still incur substantially more debt or take other actions which would intensify the risks discussed above.

We and our subsidiaries may be able to incur substantial additional debt in the future, subject to the restrictions contained in our debt instruments, some of which may be secured debt. Our Amended 2023 Credit Agreement restricts our ability to incur additional indebtedness, including secured indebtedness, but if the facility matures or is repaid, we may not be subject to such restrictions under the terms of any subsequent indebtedness.

Risks related to our Class A common stock

The price of our Class A common stock may continue to fluctuate substantially, and you could lose all or part of your investment.

The market price of our Class A common stock has since the IPO fluctuated substantially, is highly volatile and may continue to fluctuate substantially due to many factors, including those described in this "Risk Factors" section, many of which are beyond our control and may not be related to operating performance. These fluctuations could cause you to lose all or part of your investment in our Class A common stock. Factors that could cause fluctuations in trading price of our common stock include the following:

- volume and customer mix for our products;
- the introduction of new products by us or others in our industry;
- disputes or other developments with respect to our or others' intellectual property rights;
- product liability claims or other litigation;
- quarterly variations in our results of operations or those of others in our industry;
- media exposure of our products or of those of others in our industry;
- changes in governmental regulations or in the status of our regulatory approvals or applications;
- changes in earnings estimates or recommendations by securities analysts;
- general market conditions and other factors, including factors unrelated to our operating performance or the operating performance of our competitors; and
- changes in our capital structure or dividend policy, including as a result of future issuances of securities, sales of large blocks of Class A common stock by our stockholders, TPG and our employees, or our incurrence of debt.

In recent years, the stock markets generally have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may significantly affect the market price of our Class A common stock, regardless of our actual operating performance.

In addition, in the past, class action litigation has often been instituted against companies whose securities have experienced periods of volatility in market price. Securities litigation brought against us following volatility in our stock price, regardless of

the merit or ultimate results of such litigation, could result in substantial costs, which would harm our financial condition and operating results and divert management's attention and resources from our business.

We cannot predict the effect our multi-class share structure may have on the market price of our Class A common stock.

We cannot predict whether our multi-class share structure will result in a lower or more volatile market price of our Class A common stock, adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multi-class share structures in certain of their indices. In July 2017, FTSE Russell announced that it would require new constituents of its indices to have greater than 5% of a company's voting rights in the hands of public stockholders. Under such policies, the multi-class structure of our common stock would make us ineligible for inclusion in certain indices and, as a result, mutual funds, exchange-traded funds, and other investment vehicles that attempt to track those indices would not invest in our Class A common stock. It is unclear what effect, if any, these policies will have on the valuations of publicly traded companies excluded from such indices, but it is possible that they may depress valuations, as compared to similar companies that are included. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. In addition, several stockholder advisory firms and large institutional investors oppose the use of multi-class share structures. As a result, our multi-class share structure may cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure, and may result in large institutional investors not purchasing shares of our Class A common stock. As a result of the foregoing factors, the market price and trading volume of our Class A common stock could be adversely affected.

Securities analysts may not publish favorable research or reports about our business or may publish no information at all, which could cause our stock price or trading volume to decline.

The trading market for our Class A common stock may be influenced to some extent by the research and reports that industry or financial analysts publish about us and our business. We do not control these analysts. As a newly public company, the analysts who publish information about our Class A common stock may have relatively little experience with us, which could affect their ability to accurately forecast our results and could make it more likely that we fail to meet their estimates. If any of the analysts who cover us provide inaccurate or unfavorable research or issue an adverse opinion regarding our stock price, our stock price could decline. If one or more of these analysts cease coverage of us or fail to publish reports covering us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline.

If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our operating results could fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. It is possible that interpretation, industry practice and guidance may evolve over time. If our assumptions change or if actual circumstances differ from our assumptions, our operating results may be adversely affected and could fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock.

Provisions in our corporate charter documents and under Delaware law could make an acquisition of us more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws may discourage, delay or prevent a merger, acquisition or other change in control of us that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our Class A common stock, thereby depressing the market price of our Class A common stock. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of

directors. Because our board of directors is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace current members of our management team.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the DGCL, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation specifies that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another state court in Delaware or the federal district court for the District of Delaware) will be the sole and exclusive forum for most legal actions involving actions brought against us by stockholders. Notwithstanding the foregoing, the exclusive forum provision will not apply to any claim to enforce any liability or duty created by the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction. Our amended and restated certificate of incorporation provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. We believe this exclusive forum provision benefits us by providing increased consistency in the application of Delaware law by chancellors particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. However, such provisions may have the effect of discouraging lawsuits against our directors and officers. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in such action.

Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Our amended and restated certificate of incorporation provides that we will indemnify our directors and officers to the fullest extent permitted by Section 145 of the DGCL.

In addition, as permitted by the DGCL, our amended and restated certificate of incorporation and our indemnification agreements that we have entered into with our directors and officers provide that:

- we will indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by applicable law. Such law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to our best interests and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful;
- we may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law;
- we are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification;
- the rights conferred in our amended and restated certificate of incorporation are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons; and
- we may not retroactively amend our amended and restated certificate of incorporation provisions to reduce our indemnification obligations to directors, officers, employees and agent.

Risks related to the Spin Transactions

Under the Tax Matters Agreement, Nextracker will be restricted from taking certain actions that could adversely affect the intended tax treatment of the Spin Distribution or the Mergers, and such restrictions could significantly impair Nextracker's ability to implement strategic initiatives that otherwise would be beneficial.

The Tax Matters Agreement was entered into by us, Yuma and Flex immediately prior to the Spin Distribution and which governs the rights, responsibilities and obligations of such parties with respect to taxes (including taxes arising in the ordinary course of business and taxes incurred as a result of the Tax Distributions, as defined in Note 6 in the notes to the consolidated financial statements included in the Form 10-K (the "Distributions"), and the Mergers), tax attributes, tax returns, tax contests and certain other matters (the "Tax Matters Agreement"), generally imposes certain restrictions on Nextracker that could adversely affect the intended tax treatment of the Spin Distribution or the Mergers, subject to certain exceptions. As a result of these restrictions, Nextracker's, ability to engage in certain transactions, such as the issuance or purchase of stock or certain business combinations, may be limited.

If we take any enumerated actions or omissions, or if certain events relating to us occur that would cause the Spin Distribution or the Mergers to become taxable, we may be required to bear the cost of any resulting tax liability under the Tax Matters Agreement. Any such indemnification obligation likely would be substantial and likely would have a material adverse effect on us. These restrictions may reduce our ability to engage in certain business transactions that otherwise might be advantageous to us, which could adversely affect our business, result of operations or financial condition.

General risk factors

If we fail to manage our future growth effectively, we may be unable to execute our business plan, maintain high levels of customer service or adequately address competitive challenges.

We have experienced significant growth in recent periods. We intend to continue to expand our business significantly within existing and new markets. This growth has placed, and any future growth may place, a significant strain on our management, operational and financial infrastructure. In particular, we will be required to expand, train and manage our growing employee base and scale and improve our IT infrastructure in tandem with that headcount growth. Our management will also be required to maintain and expand our relationships with customers, suppliers and other third parties and attract new customers and suppliers, as well as manage multiple geographic locations.

Our current and planned operations, personnel, IT and other systems and procedures might be inadequate to support our future growth and may require us to make additional unanticipated investment in our infrastructure. Our success and ability to further scale our business will depend, in part, on our ability to manage these changes in a cost-effective and efficient manner. If we cannot manage our growth effectively, we may be unable to take advantage of market opportunities, execute our business strategies or respond to competitive pressures. This could also result in declines in quality or customer satisfaction, increased costs, difficulties in introducing new offerings or other operational difficulties. Any failure to effectively manage growth could adversely impact our reputation and could have a material adverse effect on our business, financial condition and results of operations.

If we fail to retain our key personnel or if we fail to attract additional qualified personnel, we may not be able to achieve our anticipated level of growth and our business could suffer.

Our future success and ability to implement our business strategy depends, in part, on our ability to attract and retain key personnel, and on the continued contributions of members of our senior management team and key technical personnel, each of whom would be difficult to replace. All of our employees, including our senior management, are free to terminate their employment relationships with us at any time.

Competition for highly skilled individuals with technical expertise is extremely intense, and we face challenges identifying, hiring and retaining qualified personnel in many areas of our business. Integrating new employees into our team could prove disruptive to our operations, require substantial resources and management attention and ultimately prove unsuccessful. An inability to retain our senior management and other key personnel or to attract additional qualified personnel could limit or delay our strategic efforts, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Future acquisitions, strategic investments, partnerships, or alliances could be difficult to identify and integrate, divert the attention of key management personnel, disrupt our business, dilute stockholder value and adversely affect our business, financial condition and results of operations.

As part of our business strategy, we have, and in the future expect to continue to make, investments in and/or acquire complementary companies, services or technologies, such as our recent acquisitions of Ojjo and the foundations business of SPI. Our ability as an organization to acquire and integrate other companies, services or technologies in a successful manner in the future is not guaranteed. We may not be able to find suitable acquisition candidates, and we may not be able to complete such acquisitions on favorable terms, if at all. When we complete acquisitions, we may not ultimately strengthen our competitive position or ability to achieve our business objectives, and any acquisitions we complete could be viewed negatively by our end-customers or investors. In addition, our due diligence may fail to identify all of the problems, liabilities or other shortcomings or challenges of an acquired business, product or technology, including issues related to intellectual property, product quality or product architecture, regulatory compliance practices, revenue recognition or other accounting practices or issues with employees or customers. If we are unsuccessful at integrating such acquisitions, or the technologies associated with such acquisitions, into our company, the revenue and results of operations of the combined company could be adversely affected. Any integration process may require significant time and resources, and we may not be able to manage the process successfully. We may not successfully evaluate or utilize the acquired technology or personnel, or accurately forecast the financial impact of an acquisition transaction, causing unanticipated write-offs or accounting charges. We may have to pay cash, incur debt or issue equity securities to pay for any such acquisition, each of which could adversely affect our financial condition and the market price of our Class A common stock. The sale of equity or issuance of debt to finance any such acquisitions could result in dilution to our stockholders. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations.

ITEM 2. *UNREGISTERED SALE OF EQUITY SECURITIES AND USE OF PROCEEDS*

Recent Sales of Unregistered Securities; Purchases of Equity Securities by the Issuer or Affiliated Purchaser

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements

During the three-month period ended September 27, 2024, certain of our officers or directors listed below adopted or terminated trading arrangements for the purchase or sale of shares of our Class A common stock in amounts and prices determined in accordance with a formula set forth in each such plan:

Name and Title	Action	Date	Rule 10b5-1[1]	Non- Rule 10b5-1[2]	Aggregate Number of Securities/Total Dollar Value to be Purchased	Aggregate Number of Securities/Total Dollar Value to be Sold	Expiration
Dave Bennett, CAO	Adoption	September 12, 2024	X			Up to 19,602 shares[3]	December 31, 2025
Bruce Ledesma, President – Strategy & Administration	Adoption	September 10, 2024	X			Up to 323,497 shares[4]	March 16, 2027

Léah Schlesinger, General Counsel	Adoption	September 12, 2024	X		Up to 77,197 shares[5]	March 16, 2027
Howard Wenger, President	Adoption	September 10, 2024	X		Up to 33,971 shares[3]	December 31, 2025

(1) Intended to satisfy the affirmative defense conditions of Rule 10b5-1(c).

(2) Not intended to satisfy the affirmative defense conditions of Rule 10b5-1(c).

(3) Subject to minimum selling price thresholds established by the individual.

(4) Includes (i) the sale of up to 21,293 shares of our Class A common stock currently held outright and (ii) the sale of up to 302,204 shares of our Class A common stock resulting from option exercises (subject to vesting), which may commence in 2026, both of which as provided in the trading plan. In addition, the trading plan also provides for the sale of additional shares of our Class A common stock, representing specified percentages of the net number of shares of our Class A common stock received upon the vesting, if any, upon satisfaction of applicable service based and/or performance based vesting criteria, of restricted stock units and performance stock units in 2025 and 2026, after giving effect to tax withholdings. The foregoing sales of Class A common stock are subject to minimum selling price thresholds established by the individual.

(5) Includes (i) the sale of up to 3,629 shares of our Class A common stock currently held outright and (ii) the sale of up to 73,568 shares of our Class A common stock resulting from option exercises (subject to vesting) which may commence in 2026, both of which as provided in the trading plan. In addition, the trading plan also provides for the sale of additional shares of our Class A common stock, representing 30% of the net number of shares of our Class A common stock received upon the vesting, if any, upon satisfaction of applicable service based and/or performance based vesting criteria, of restricted stock units and performance stock units in 2025 and 2026, after giving effect to tax withholdings. The foregoing sales of Class A common stock are subject to minimum selling price thresholds established by the individual.

ITEM 6. EXHIBITS

Exhibit No.	Description	Filed Herewith	Incorporated by reference			
			Form	File No.	Exhibit	Filing Date
10.1†	Second Amended and Restated 2022 Nextracker Inc. Equity Incentive Plan, as amended and restated effective as of August 19, 2024.	X				
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X				
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X				
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X				
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X				
101.INS	Inline XBRL Instance Document.	X				
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X				
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).	X				

† Management contract or compensatory plan or arrangement.

** The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Form 10-Q and are not deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.*

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.

Nextracker Inc.

Date: November 1, 2024

By: /s/ Charles Boynton

Charles Boynton
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.1

SECOND AMENDED AND RESTATED 2022 NEXTRACKER INC.

EQUITY INCENTIVE PLAN

(As Amended and Restated, Effective as of June 14, 2024)

Article 1. PURPOSES OF THE PLAN.

The purposes of the Second Amended and Restated 2022 Nextracker Inc. Equity Incentive Plan (the "Plan") are to attract and retain the best available personnel, to provide additional incentives to Employees, Directors and Consultants, to give recognition to the contributions made or to be made by Outside Directors to the success of the Company and to promote the success of the Company's business by linking the personal interests of Employees, Directors and Consultants to those of the Company's stockholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Company's stockholders. The Plan was previously adopted effective February 1, 2022, and was amended and restated thereafter, effective April 6, 2022, as the First Amended and Restated 2022 Nextracker LLC Equity Incentive Plan (the "First Restatement"), and the First Restatement was amended pursuant to the First Amendment to the First Amended and Restated 2022 Nextracker LLC Equity Incentive Plan, effective January 30, 2023 (the "First Amendment"), in each case by Nextracker LLC, but in connection with the IPO, the Plan, as modified by the First Restatement and the First Amendment (collectively, the "Prior Plan"), was assumed by Nextracker Inc. and amended and restated in the form of the Plan. On June 14, 2024, the Plan was further amended and restated to increase the number of shares of Common Stock authorized for issuance pursuant to Awards under the Plan by an additional 11,100,000 shares of Common Stock, subject to stockholder approval.

Article 2. DEFINITIONS.

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronouns shall include the plural where the context so indicates.

2.1 "Affiliate" means any corporation or other entity which is, directly or indirectly through one (1) or more intermediary entities controlled by, or under common control with, the Company; provided, that the term "Affiliate" shall not include any Parent in connection with determining the eligibility of any Employee, Director and Consultant to receive grants of Awards under the Plan.

2.2 "Award" means an award of an Option, SAR, Performance Stock, Performance Stock Unit, Restricted Stock Unit, or any other right or benefit, including any other Stock-Based Award under Article 7, granted to a Participant pursuant to the Plan.

2.3 "Award Agreement" means any written agreement, contract, or other instrument or document evidencing the terms and conditions of an Award, including through electronic medium.

2.4 "Board" means the Board of Directors of the Company.

2.5 "Change of Control" shall mean (a) for awards granted prior to the Effective Date, the meaning ascribed to such term in the LLC Agreement and (b) for awards granted on or after the Effective Date, the occurrence of any of the following events:

(a) A transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, an employee benefit plan maintained by the Company or any of its Subsidiaries or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's securities outstanding immediately after such acquisition; or

(b) During any one (1)-year period, individuals who, at the beginning of such period, constitute the Board together with any new Director(s) (other than any one (1) or more Directors designated by any person who shall have entered into an agreement with the Company in connection with any transaction described in Section 2.5(a) or Section 2.5(c) hereof) whose election or appointment by the Board or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the Directors then still in office who either were Directors at the beginning of the one (1)-year period (other than vacant seats) or whose election or appointment or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board pursuant to a transaction or other mechanism outside of the normal election process of Directors under the applicable law and/or the Company's corporate governance policies; or

(c) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one (1) or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(i) Which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "Successor Entity")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(ii) All or substantially all of the individuals and entities who were the beneficial owners of the outstanding voting securities of the Company immediately prior to such transaction beneficially own, directly or indirectly, less than fifty percent (50%) of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction; or

(d) The Company's stockholders approve a liquidation or dissolution of the Company.

A transaction shall not constitute a Change of Control or other consolidating event if effected for the purpose of changing the place of incorporation or form of organization of the ultimate parent entity (including where the Company is succeeded by an issuer incorporated under the laws of another state, country or foreign government for such purpose and whether or not the Company remains in existence following such transaction) where all or substantially all of the persons or group that beneficially own all or substantially all of the combined voting power of the Company's voting securities immediately prior to the transaction beneficially own all or substantially all of the combined voting power of the Company in substantially the same proportions of their ownership after the transaction. The Committee shall have full and final authority, which shall be exercised in its discretion, to determine conclusively whether a Change of Control of the Company has occurred pursuant to the above definition, and the date of the occurrence of such Change of Control and any incidental matters relating thereto.

2.6 "Code" means the U.S. Internal Revenue Code of 1986, as amended.

2.7 "Committee" means the Compensation Committee of the Board, or such other committee appointed by the Board to administer the Plan. If the Committee does not exist or cannot function for any reason, the Board may take any action under this Plan that would otherwise be the responsibility of the Committee, except as otherwise provided in this Plan.

2.8 "Common Stock" means the Class A common stock of the Company.

2.9 "Company" means Nextracker Inc., a Delaware corporation, or any successor thereto.

2.10 "Consultant" means an individual consultant or independent contractor who provides services to the Company or any Parent, Subsidiary or Affiliate; provided, that a Consultant to any Parent shall not be eligible to receive grants of Awards under the Plan solely in his or her capacity as such at the time of grant.

2.11 "Director" means a member of the Board, or as applicable, a member of the board of directors of a Parent, Subsidiary or Affiliate; provided, that a Director of any Parent shall not be eligible to receive grants of Awards under the Plan solely in his or her capacity as such at the time of grant.

2.12 "Disability" means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determined physical or mental impairment for a period of not less than ninety (90) consecutive days. A Participant shall not be considered to have incurred a Disability unless he or she furnishes proof of such impairment, such as a treating physician's written certification, sufficient to satisfy the Committee in its discretion. Notwithstanding the foregoing, for purposes of Incentive Stock Options granted under the Plan, "Disability" means that the Participant is disabled within the meaning of Section 22(e)(3) of the Code.

2.13 "Effective Date" shall have the meaning set forth in Section 11.1 hereof.

2.14 "Eligible Individual" means any person who is an Employee, Director or Consultant, as determined by the Committee, and otherwise eligible to receive grants of Awards under the Plan.

2.15 "Employee" means a full time or part time employee of the Company or any Parent, Subsidiary or Affiliate, including an officer or Director, who is treated as an employee in the personnel records of the Company or any Parent, Subsidiary or Affiliate for the relevant period, but shall exclude individuals who are classified by the Company or any Parent, Subsidiary or Affiliate as (a) leased from or otherwise employed by a third party, (b) independent contractors or (c) intermittent or temporary, even if any such classification is changed retroactively as a result of an audit, litigation or otherwise; provided, that an Employee of any Parent shall not be eligible to receive grants of Awards under the Plan solely in his or her capacity as such at the time of grant. An Employee shall not cease to be a Participant in the case of (i) any vacation or sick time or otherwise approved paid time off in accordance with the Company or a Parent, Subsidiary or Affiliate's policy or (ii) transfers between locations of the Company or between the Company and/or any Parent, Subsidiary or Affiliate. Neither services as a Director nor payment of a director's fee by the Company or Parent, Subsidiary or Affiliate shall be sufficient to constitute "employment" by the Company or any Parent, Subsidiary or Affiliate.

2.16 "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

2.17 "Fair Market Value" means, as of any given date, (a) if the Common Stock is traded on any established stock exchange, the closing sales price of a share of Common Stock as quoted on the principal exchange on which the Common Stock is listed on the applicable date (or if there is no trading in the Common Stock on such date, on the next preceding date on which there was trading) as reported in The Wall Street Journal (or other reporting service approved by the Committee); or (b) if shares of Common Stock are not traded on an exchange but are regularly quoted on a national market or other quotation system, the closing sales price on such date as quoted on such market or system, or if no sales occurred on such date, then on the next preceding date on which there was

trading; or (c) in the absence of an established market for the Common Stock of the type described in (a) or (b) of this Section 2.17, the determination of fair market value shall be reasonably determined by the Committee acting in good faith. For purposes of a "net exercise" procedure for Options, the Committee may apply a different method for calculating Fair Market Value.

2.18 "Full-Value Award" means any Award other than an Option, SAR or other Award for which the Participant pays a minimum of the Fair Market Value of the Common Stock with respect to such Award, as determined as of the date of grant.

2.19 "Incentive Stock Option" means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

2.20 "Insider" means any person whose transactions with respect to Common Stock are subject to Section 16 of the Exchange Act.

2.21 "IPO" shall mean (a) for awards granted prior to the Effective Date, the meaning ascribed to the term "Qualified Public Offering" in the LLC Agreement and (b) for awards granted on or after the Effective Date, an initial offering of the applicable equity securities of the Company to the public pursuant to an effective registration statement under the Securities Act or any comparable statement under any similar federal statute then in force.

2.22 "ISO Parent" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns Common Stock possessing more than fifty percent (50%) of the total combined voting power of all classes of Common Stock in one (1) of the other corporations in such chain or a "parent corporation" within the meaning of Section 424(e) of the Code.

2.23 "ISO Subsidiary" means any "subsidiary corporation" as defined in Section 424(f) of the Code and any applicable regulations promulgated thereunder, any other entity of which a majority of the outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company.

2.24 "LLC Agreement" means that certain Amended and Restated Limited Liability Company Agreement of Nextracker LLC, dated as of February 1, 2022 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time).

2.25 "Non-Qualified Stock Option" means an Option that is not intended to be an Incentive Stock Option.

2.26 "Option" means a right granted to a Participant pursuant to Article 5 to purchase a specified number of shares of Common Stock at a specified price during specified time periods. An Option may either be an Incentive Stock Option or a Non-Qualified Stock Option.

2.27 "Outside Director" means a member of the Board who is not an Employee or a Consultant.

2.28 "Parent" means, with respect to the Company, any corporation, association, limited partnership, limited liability company or other entity which at the time of determination (i) owns or controls, directly or indirectly, more than fifty percent (50%) of the total voting power of the equity interests (without regard to the occurrence of any contingency) entitled to vote in the election of directors, managers of the Company, (ii) owns or controls, directly or indirectly, more than fifty percent (50%) of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, of the Company, whether in the form of membership, general, special or limited partnership interests or otherwise, or (iii) is the controlling general partner or managing member of, or otherwise controls, such entity.

2.29 "Participant" means any Eligible Individual who, as a Director, Employee or Consultant, has been granted an Award pursuant to the Plan.

2.30 "Performance-Based Award" means an Award of Performance Stock or an Award of Performance Stock Units.

2.31 "Performance Criteria" means such factors as may be selected by the Committee, in its sole discretion, to determine whether the performance goals established by the Committee and applicable to Awards have been satisfied.

2.32 "Performance Goals" means, for a Performance Period, the goals established in writing by the Committee for the Performance Period based upon the Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance, the performance of a Parent, Subsidiary or Affiliate, the performance of a division or a business unit of the Company or a Parent, Subsidiary or Affiliate, or the performance of an Eligible Individual. The Committee, in its discretion, may provide for the appropriate adjustment or modification of the Performance Goals for such Performance Period to reflect any Extraordinary Events. "Extraordinary Events" means any objectively determinable component of a Performance Goal, including without limitation foreign exchange gains and losses, asset write downs, acquisitions and divestitures, change in fiscal year, unbudgeted capital expenditures, special charges such as restructuring or impairment charges, debt refinancing costs, extraordinary or noncash items, unusual, infrequently occurring, nonrecurring or one-time events affecting the Company or its financial statements or changes in law or accounting principles.

2.33 "Performance Period" means one (1) or more periods of time, which may be of varying and overlapping durations, as the Committee may select, over which the attainment of one (1) or more Performance Goals shall be measured for the purpose of determining a Participant's right to, and the payment of, a Performance-Based Award.

2.34 "Performance Stock" means a right granted to a Participant pursuant to Section 7.2 hereof to receive shares of Common Stock, the payment of which is contingent upon achieving certain Performance Goals or other performance-based targets established by the Committee, and shall be evidenced by a bookkeeping entry representing the equivalent number of shares of Common Stock relating to such Performance Stock right.

2.35 "Performance Stock Unit" means a right granted to a Participant pursuant to Section 7.3 hereof, to receive shares of Common Stock, the vesting of which is contingent upon achieving certain Performance Goals or other performance-based targets established by the Committee, and shall be evidenced by a bookkeeping entry representing the equivalent number of shares of Common Stock relating to such Performance Stock Unit right.

2.36 "Plan" means this Second Amended and Restated 2022 Nextracker Inc. Equity Incentive Plan, as it may be amended from time to time.

2.37 "Restricted Stock Unit" means a right granted to a Participant pursuant to Section 7.4 hereof, and shall be evidenced by a bookkeeping entry representing the equivalent number of shares of Common Stock relating to such Restricted Stock Unit right.

2.38 "Securities Act" shall mean the U.S. Securities Act of 1933, as amended.

2.39 "Stock Appreciation Right" or "SAR" means a right granted to a Participant pursuant to Article 7 to receive a payment equal to the excess of the Fair Market Value of a specified number of shares of Common Stock on the date the SAR is exercised over the grant price on the date the SAR was granted as set forth in the applicable Award Agreement.

2.40 "Stock-Based Award" means any Award settled in shares of Common Stock granted under Article 7 of the Plan.

2.41 "Subsidiary" shall have the meaning ascribed to such term in the LLC Agreement. Notwithstanding the foregoing, for purposes of grants of Options or any other "stock rights" within the meaning of Section 409A of the Code on or after the Effective Date, an entity shall not be considered a Subsidiary if granting such stock right to an employee of such entity would result in the stock right becoming subject to Section 409A of the Code.

2.42 "Termination of Service" means, for purposes of the Plan with respect to a Participant, that the Participant has for any reason ceased to provide services as an Employee, Director or Consultant. An Employee shall not be deemed to have ceased to provide services in the case of (i) sick leave, (ii) vacation leave (iii) military leave, (iv) transfers of employment between the Company and any Parent, Subsidiary or Affiliate; or (v) any other leave of absence approved by the Committee; provided, that such leave is for a period of not more than ninety (90) days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to Employees in writing. In the case of any Employee on an approved leave of absence, the Committee may make such provisions respecting suspension of vesting of the Award while on such leave as it may deem appropriate, except that in no event may an Option be exercised after the expiration of the term set forth in the applicable Award Agreement. The Committee shall have sole discretion to determine whether a Participant has ceased to provide services and the effective date on which the Participant ceased to provide services.

Article 3. COMMON STOCK SUBJECT TO THE PLAN AND LIMITATIONS.

3.1 Number of Shares of Common Stock Available.

(a) Subject to Article 9, a total number of 23,297,143 shares of Common Stock are reserved and available for grant and issuance pursuant to the Plan (including upon the exercise of an Incentive Stock Option). The shares of Common Stock authorized for delivery to Participants under the Plan of up to 100% of such shares of Common Stock may be used to grant Incentive Stock Options ("ISOs"). Each share of Common Stock that is subject to an Award shall be counted against this limit as one (1) share of Common Stock for every one (1) share of Common Stock granted or subject to grant for any such Award. To the extent that an Award terminates, is forfeited, is canceled, expires or lapses for any reason, the shares of Common Stock in respect of which the Award terminates, is forfeited, is canceled, expires, or lapses, shall again be available for the grant of an Award pursuant to the Plan.

With respect to awards ("Legacy Awards") granted under the Prior Plan in respect of "Common Units" within the meaning of the Prior Plan ("Common Units"), such Legacy Awards shall automatically and immediately be amended upon the effectiveness of the Plan on the Effective Date, such that, all such Legacy Awards shall cease to relate to Common Units and thereafter relate to Common Stock for all purposes, it being understood that such Legacy Awards were previously amended on a similar basis to (x) reflect that certain "Reverse Unit Split" described in the First Amendment, and (y) clarify that the "Final Exercise Price" (within the meaning of the Award Agreements relating to such Legacy Awards granted as Options) shall continue to be determined pursuant to such Award Agreements (including Section 3.03(d) of the LLC Agreement as in effect as of the date of the First Amendment) and adjusted to reflect the "Adjustment" described in the First Amendment.

(b) If any shares of Common Stock are withheld to satisfy, as and when applicable, the grant or Exercise Price or tax withholding obligation (if and to the extent permitted by applicable law) pursuant to any Award, the Participant shall be (i) deemed to have waived his or her right to delivery of the full number of shares of Common Stock underlying such Award or in respect of which any Option or SAR is exercised; and (ii) deemed to have agreed to receive the number of shares of Common Stock (after deducting the number of shares of Common Stock withheld) as calculated by the Committee in its absolute discretion, which such number shall be deducted from the aggregate number of shares of Common Stock which may be issued under Section 3.1(a). Notwithstanding the

foregoing, the gross number of shares of Common Stock subject to a SAR shall be deducted from the aggregate number of shares of Common Stock which may be issued under Section 3.1(a), regardless of the number of shares of Common Stock delivered to the applicable Participant. Further, any shares of Common Stock acquired by the Company, as and when applicable, to satisfy the grant or Exercise Price or tax withholding obligations (if and to the extent permitted by applicable law) pursuant to any Award shall not be added to the aggregate number of shares of Common Stock which may be issued under Section 3.1(a). To the extent permitted by applicable law or any exchange rule, shares of Common Stock issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by the Company or any Subsidiary or Affiliate shall not be counted against shares of Common Stock available for grant pursuant to the Plan.

Article 4. ELIGIBILITY AND PARTICIPATION.

4.1 Eligibility. Awards may be granted to Eligible Individuals; however, ISOs shall only be awarded to "employees" of the Company, or an ISO Parent or ISO Subsidiary within the meaning of Section 422 of the Code. A person may be granted more than one (1) Award under the Plan.

4.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all Eligible Individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No Eligible Individual shall have any right by virtue of the Plan to receive an Award pursuant to the Plan.

Article 5. OPTIONS.

5.1 General. The Committee is authorized to grant Options to Eligible Individuals on the following terms and conditions:

(a) Exercise Price. The exercise price per share of Common Stock ("Exercise Price") subject to an Option shall be determined by the Committee and set forth in the Award Agreement; provided that: (i) the Exercise Price shall not be less than one hundred percent (100%) of the Fair Market Value of a share of Common Stock on the date of grant, and (ii) the Exercise Price of any ISO granted to a Ten Percent Stockholder (as set forth in Section 5.2(c) below) shall not be less than one hundred ten percent (110%) of the Fair Market Value of the Common Stock on the date of grant.

(b) Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part; provided, that the term of any Option granted under the Plan shall not exceed ten (10) years from the date of grant thereof (five (5) years in the case of an ISO granted to a Ten Percent Stockholder (as set forth in Section 5.2(c) below)). The Committee shall also determine the performance goals or other conditions, if any, that must be satisfied before all or part of an Option may be exercised.

(c) Payment. The Committee shall determine the methods by which the Exercise Price of an Option may be paid, the form of payment, including, without limitation: (i) cash or check, (ii) other property acceptable to the Committee; provided that payment of such proceeds is then made to the Company upon settlement of such sale, or (iii) any combination of the foregoing methods of payment. The Committee shall also determine the methods by which Common Stock shall be delivered or deemed to be delivered to Participants. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a Director or officer of the Company (as determined in the sole discretion of the Committee) shall be permitted to pay the Exercise Price of an Option, or continue any extension of credit with respect to the Exercise Price of an Option with a loan from the Company or a loan arranged by the Company.

(d) Evidence of Grant. All Options shall be evidenced by an Award Agreement between the Company and the Participant. The Award Agreement shall include such additional provisions as may be specified by the Committee.

5.2 Incentive Stock Options. ISOs shall be granted only to "employees" of the Company, or a Parent or Subsidiary within the meaning of Section 422 of the Code, and the terms of any ISOs granted pursuant to the Plan, in addition to the requirements of Section 5.1 hereof, must comply with the provisions of this Section 5.2.

(a) Expiration. Subject to Section 5.2(c) hereof, an ISO shall expire and may not be exercised to any extent by anyone after the first to occur of the following events:

(i) Ten (10) years from the date it is granted unless an earlier time is set in the Award Agreement;

(ii) Three (3) months after the Participant's Termination of Service; and

(iii) One (1) year after the date of the Participant's Termination of Service on account of Disability or death. Upon the Participant's Disability or death, any ISOs exercisable at the Participant's Disability or death may be exercised by the Participant's legal representative or representatives, by the person or persons entitled to do so pursuant to the Participant's last will and testament, or, if the Participant fails to make testamentary disposition of such ISO or dies intestate, by the person or persons entitled to receive the ISO pursuant to the applicable laws of descent and distribution.

(b) Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Option is granted) of all shares of Common Stock with respect to which ISOs are first exercisable by a Participant in any calendar year may not exceed One Hundred Thousand Dollars ($100,000) or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that ISOs are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Stock Options.

(c) Ten Percent Stockholder. An ISO shall be granted to any individual who, at the date of grant, owns Common Stock possessing more than ten percent of the total combined voting power of all classes of Common Stock of the Company (a "Ten Percent Stockholder") only if such Option is granted at a price that is not less than one hundred ten percent (110%) of Fair Market Value on the date of grant and the Option is exercisable for no more than five (5) years from the date of grant.

(d) Notice of Disposition. The Participant shall give the Company prompt notice of any disposition of the Common Stock acquired by exercise of an ISO within (i) two (2) years from the date of grant of such Incentive Stock Option or (ii) one (1) year after the issuance of such Common Stock to the Participant.

(e) Right to Exercise. During a Participant's lifetime, an ISO may be exercised only by the Participant.

(f) Failure to Meet Requirements. Any Option (or portion thereof) purported to be an ISO, which, for any reason, fails to meet the requirements of Section 422 of the Code shall be considered a Non-Qualified Stock Option.

5.3 Section 409A. It is intended that all Options granted under the Plan shall be exempt from, or compliant with, Section 409A of the Code, to the extent applicable.

5.4 Substitution of SARs. The Committee may provide in the Award Agreement evidencing the grant of an Option that the Committee, in its sole discretion, shall have to right to substitute a SAR for such Option at any time prior to or upon exercise of such Option; provided, that such SAR shall be exercisable with respect to the same number of shares of Common Stock for which such substituted Option would have been exercisable.

Article 6. STOCK APPRECIATION RIGHTS.

6.1 Grant of SARs.

(a) A SAR shall be subject to such terms and conditions not inconsistent with the Plan as the Committee shall impose and shall be evidenced by an Award Agreement, provided that the term of any SAR shall not exceed ten (10) years.

(b) A SAR shall entitle the Participant (or other person entitled to exercise the SAR pursuant to the Plan) to exercise all or a specified portion of the SAR (to the extent then exercisable pursuant to its terms) and to receive from the Company an amount equal to the product of (i) the excess of (A) the Fair Market Value of a share of Common Stock on the date the SAR is exercised over (B) the grant price per share of Common Stock subject to such SAR, and (ii) the number of shares of Common Stock with respect to which the SAR is exercised, subject to any limitations the Committee may impose.

6.2 Grant Price. The grant price per share of Common Stock subject to a SAR shall be determined by the Committee and set forth in the Award Agreement; provided that such grant price for any SAR shall not be less than one hundred percent (100%) of the Fair Market Value of a share of Common Stock on the date of grant.

6.3 Payment and Limitations on Exercise.

(a) Subject to Section 6.3(b) hereof, payment of the amounts determined under Section 6.1(b) hereof shall be in cash, in Common Stock (based on its Fair Market Value as of the date the SAR is exercised) or a combination of both, as determined by the Committee.

(b) To the extent any payment under Section 6.1(b) hereof is effected in shares of Common Stock, it shall be made subject to satisfaction of all provisions of Article 5 pertaining to Options.

6.4 Section 409A. It is intended that all SARs granted under the Plan shall be exempt from, or compliant with, Section 409A of the Code, to the extent applicable.

Article 7. OTHER TYPES OF STOCK-BASED AWARDS.

7.1 General Restrictions on Stock-Based Awards. Stock-Based Awards granted under this Article 7 may be based on a completion of a specified number of years of service with the Company or a Parent, Subsidiary, or Affiliate of the Company or upon the completion of Performance Goals as set by the Committee.

7.2 Performance Stock Awards. Performance Stock Awards shall be denominated in a number of shares of Common Stock, and shall consist of, Common Stock and may be linked to any one (1) or more of the Performance Criteria or other specific performance criteria determined appropriate by the Committee, in each case on a specified date or dates or over any Performance Period(s) determined by the Committee.

7.3 Performance Stock Units. Performance Stock Unit Awards shall be denominated in unit equivalents of shares of Common Stock and/or units of value including the dollar value of shares of Common Stock and which may be linked to any one (1) or more of the Performance Criteria or other specific performance criteria determined appropriate by the Committee, in each case on a specified date or dates or over any Performance Period(s) determined by the Committee. On the vesting date, the Company shall, subject to Section 8.7, deliver to the Participant one (1) share of Common Stock for each Performance Stock Unit scheduled to be paid out on such date and not previously forfeited. Alternatively, settlement of a Performance Stock Unit may be made in cash (in an amount reflecting the Fair Market Value of the shares of Common Stock that would have been issued) or any combination of cash and Common Stock, as determined by the Committee in its sole discretion, at the time of grant of the Performance Stock Units.

7.4 Restricted Stock Units. Restricted Stock Unit Awards shall be denominated in unit equivalents of shares of Common Stock and/or units of value including dollar value of shares of Common Stock in such amounts and subject to such terms and conditions as determined by the Committee. At the time of grant, the Committee shall specify the date or dates on which the Restricted Stock Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate. At the time of grant, the Committee shall specify the settlement date applicable to each grant of Restricted Stock Units which shall be no earlier than the vesting date or dates of the Award and may be determined at the election of the grantee. On the maturity date, the Company shall, subject to Section 8.7, deliver to the Participant one (1) share of Common Stock for each Restricted Stock Unit scheduled to be paid out on such date and not previously forfeited. Alternatively, settlement of a Restricted Stock Unit may be made in cash or any combination of cash and Common Stock, as determined by the Committee, in its sole discretion, at the time of grant of the Restricted Stock Units.

7.5 Other Stock-Based Awards. The Committee is authorized under the Plan to make any other Award to an Eligible Individual that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of (i) Common Stock, (ii) a right with an exercise or conversion privilege related to the passage of time, the occurrence of one (1) or more events, or the satisfaction of Performance Criteria or other conditions, or (iii) any other security with the value derived from the value of Common Stock. The Committee may establish one (1) or more separate programs under the Plan for the purpose of issuing particular forms of Awards to one (1) or more classes of Participants on such terms and conditions as determined by the Committee from time to time.

7.6 Term. Except as otherwise provided herein, the term of any Award of Performance Stock, Performance Stock Units, Restricted Stock Units and any other Stock-Based Award granted pursuant to this Article 7 shall be set by the Committee in its discretion.

7.7 Form of Payment. Payments with respect to any Awards granted under this Article 7 shall be made in cash, in Common Stock or a combination of both, as determined by the Committee, at the time of grant of the Awards.

7.8 Timing of Settlement. At the time of grant, the Committee shall specify the settlement date applicable to an Award of Performance Stock, Performance Stock Units, Restricted Stock Units or any other Stock-Based Award granted pursuant to this Article 7, which shall be no earlier than the vesting date(s) applicable to the relevant Award and may be later than the vesting date(s) to the extent and under the terms determined by the Committee.

Article 8. PROVISIONS APPLICABLE TO AWARDS.

8.1 Stand-Alone and Tandem Awards. Awards granted pursuant to the Plan may, in the discretion of the Committee, be granted either alone, in addition to, or in tandem with, any other Award granted pursuant to the Plan. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

8.2 Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award which may include the term of an Award, the provisions applicable in the event of a Participant's Termination of Service, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

8.3 Limits on Transfer. No right or interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than to, or in the favor of, the Company or a Parent, Subsidiary or Affiliate to the extent permitted by and in accordance with applicable law. Except as otherwise provided herein, no Award shall be assigned, transferred, or otherwise disposed of by a Participant other than by will or the laws of descent and

distribution or pursuant to beneficiary designation procedures approved from time to time by the Committee (or the Board in the case of Awards granted to Outside Directors). The Committee by express provision in the Award Agreement or an amendment thereto may, subject to applicable laws, permit an Award (other than an ISO) to be transferred to, exercised by and paid to members of the Participant's family, charitable institutions, or trusts or other entities whose beneficiaries or beneficial owners are members of the Participant's family and/or charitable institutions, pursuant to such conditions and procedures as the Committee may establish. Any permitted transfer shall be subject to the condition that the Committee receive evidence satisfactory to it that the transfer is being made for estate and/or tax planning purposes (or to a "blind trust" in connection with the Participant's Termination of Service with the Company or a Parent, Subsidiary or Affiliate to assume a position with a governmental, charitable, educational or similar non-profit institution) and on a basis consistent with the Company's lawful issue of securities.

8.4 Termination of Service. Except as otherwise provided in the Plan, any Award granted under the Plan shall only be exercisable or payable while the Participant is an Employee, Consultant or Director, as applicable; provided, however, that the Committee in its sole and absolute discretion may provide that any Award may be exercised or paid subsequent to a Termination of Service, as applicable, or following a Change of Control, or because of the Participant's retirement, death or disability, or otherwise, provided that in no event may an Option be exercised after the expiration of the term set forth in the applicable Award Agreement.

8.5 Beneficiaries. Notwithstanding Section 8.3 hereof, a Participant may, if permitted by the Committee and applicable law, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If the Participant is married and resides in a community property state, a designation of a person other than the Participant's spouse as his or her beneficiary with respect to more than fifty percent (50%) of the Participant's interest in the Award shall not be effective without the prior written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to either the person's estate or legal representative or the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution (or equivalent laws outside the U.S.). Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

8.6 Stock Certificates. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing shares of Common Stock pursuant to the exercise or vesting of any Award, unless and until the Committee has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Common Stock is listed or traded. All certificates evidencing shares of Common Stock delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal, state local, securities or other laws, including laws of jurisdictions outside the U.S., rules and regulations and the rules of any national securities exchange or automated quotation system on which the Common Stock is listed, quoted, or traded. The Committee may place legends on any certificate evidencing shares of Common Stock to reference restrictions applicable to the Common Stock. In addition to the terms and conditions provided herein, the Committee may require that a Participant make such reasonable covenants, agreements, and representations as the Committee, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements. The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Committee.

8.7 Accelerated Vesting and Deferral Limitations. The Committee shall not have the discretionary authority to accelerate or delay issuance of the Common Stock under an Award that constitutes a deferral of compensation within the meaning of Section 409A of the Code, except to the extent that such acceleration or delay

may, in the discretion of the Committee, be effected in a manner that shall not cause any person to incur taxes, interest or penalties under Section 409A of the Code.

8.8 Dividends and Dividend Equivalents. No dividends may be paid to a Participant with respect to an Award prior to the vesting of such Award. An Award may provide for dividends or dividend equivalents to accrue on behalf of a Participant as of each dividend payment date during the period between the date the Award is granted and the date the Award is exercised, vested, expired, credited or paid, and to be converted to vested cash or Common Stock at the same time and subject to the same vesting conditions that apply to the Common Stock to which such dividends or dividend equivalents relate.

Article 9. CHANGES IN CAPITAL STRUCTURE.

9.1 Adjustments. Should any change be made to the Common Stock issuable under the Plan by reason of any stock split, stock dividend, extraordinary dividend, recapitalization, combination, exchange, spin-off or other change affecting the outstanding Common Stock as a class without the Company's receipt of consideration, then appropriate adjustments shall be made to (i) the maximum number and/or class of securities issuable under the Plan, (ii) the maximum number and/or class of securities for which any Participant may be granted Awards under the terms of the Plan or that may be granted generally under the terms of the Plan, and (iii) the number and/or class of securities and price per share of Common Stock in effect under each Award outstanding under Articles 5 through 7. Such adjustments to the outstanding Awards are to be effected in a manner which shall preclude the enlargement or dilution of rights and benefits under such Awards. Notwithstanding anything herein to the contrary, an adjustment to an Award under this Section 9.1 may not be made in a manner that would result in the grant of a new Option or SAR under Section 409A of the Code. The adjustments determined by the Committee shall be final, binding and conclusive.

9.2 Change of Control.

(a) Notwithstanding Section 9.1 hereof, and except as may otherwise be provided in any applicable Award Agreement or other written agreement entered into between the Company and a Participant, if a Change of Control occurs and a Participant's Full-Value Awards are not converted, assumed, or replaced by a comparable award by a successor or survivor corporation, or a parent or subsidiary thereof, such Full-Value Awards shall automatically vest and become fully exercisable and all forfeiture restrictions on such Awards shall lapse immediately prior to the Change of Control and following the consummation of such Change of Control, the Award shall terminate and cease to be outstanding. Further, if a Change of Control occurs and a Participant's Options or SARs are not converted, assumed or replaced by a comparable award by a successor or survivor corporation, or a parent or subsidiary thereof, such Options or SARs outstanding at the time of the Change of Control, shall automatically vest and become fully exercisable immediately prior to the Change of Control and thereafter shall automatically terminate. In the event that the terms of any agreement (other than the Award Agreement) between the Company or any Parent, Subsidiary or Affiliate and a Participant contains provisions that conflict with and are more restrictive than the provisions of this Section 9.2(a), this Section 9.2(a) shall prevail and control and the more restrictive terms of such agreement (and only such terms) shall be of no force or effect. The determination of comparability in this Section 9.2(a) shall be made by the Committee, and its determination shall be final, binding and conclusive.

(b) The portion of any Incentive Stock Option accelerated in connection with a Change of Control shall remain exercisable as an Incentive Stock Option only to the extent the applicable One Hundred Thousand Dollar ($100,000) limitation is not exceeded. To the extent such dollar limitation is exceeded, the accelerated portion of such Option shall be exercisable as a Non-Qualified Stock Option under the U.S. federal tax laws.

9.3 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of Common Stock of any class, the payment of any dividend, any

increase or decrease in the number of shares of Common Stock of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of Common Stock of any class, or securities convertible into Common Stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to an Award or the grant or the Exercise Price of any Award.

Article 10. ADMINISTRATION.

10.1 Authority of Committee. This Plan shall be administered by the Committee or by the Board acting as the Committee. Subject to the general purposes, terms and conditions of the Plan, and to the direction of the Board, the Committee shall have full power to implement and carry out the Plan. The Committee shall have the authority to:

(a) construe and interpret the Plan, any Award Agreement and any other agreement or document executed pursuant to the Plan;

(b) prescribe, amend and rescind rules and regulations relating to the Plan or any Award;

(c) designate Eligible Individuals to receive Awards;

(d) determine the form and terms of Awards;

(e) determine the number of Awards to be granted and the number of shares of Common Stock or other consideration subject to Awards;

(f) determine whether Awards shall be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Awards under the Plan or any other incentive or compensation plan of the Company or any Parent, Subsidiary or Affiliate;

(g) grant waivers of Plan or Award conditions;

(h) determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the Exercise Price or grant price, any restrictions or limitations on the Award, any schedule for the lapse of forfeiture restrictions or restrictions on the exercisability of an Award, vesting, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;

(i) correct any defect, supply any omission or reconcile any inconsistency in the Plan, any Award or any Award Agreement;

(j) determine whether the Performance Goals under any Performance-Based Award have been met;

(k) determine whether, to what extent, and pursuant to what circumstances an Award may be settled in cash, Common Stock, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(l) determine the methods that may be used to pay the Exercise Price or grant price of an Award;

(m) establish, adopt, or revise any rules and regulations including adopting sub-plans to the Plan as the Committee may deem necessary or advisable under local law;

(n) suspend or terminate the Plan at any time; provided, that such suspension or termination does not impair the rights and obligations under any outstanding Award without written consent of the affected Participant;

(o) determine the Fair Market Value of the Common Stock for any purpose; and

(p) make all other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan.

10.2 Committee Discretion. Any determination made by the Committee with respect to any Award shall be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of the Plan or Award, at any later time, and such determination shall be final and binding on the Company and on all persons having an interest in any Award under the Plan.

10.3 Delegation of Authority. To the extent permitted by applicable law, the Committee may from time to time delegate to a committee of one (1) or more members of the Board or one (1) or more officers of the Company the authority to grant or amend Awards to Participants other than Insiders to whom authority to grant or amend Awards has been delegated hereunder, by the Committee, or by the Compensation and People Committee of Flex, Ltd., a limited company organized under the laws of Singapore and indirect Parent of the Company. For the avoidance of doubt, provided it meets the limitation in the preceding sentence, this delegation shall include the right to modify Awards as necessary to accommodate changes in the laws or regulations, including in jurisdictions outside the U.S. Any delegation hereunder shall be subject to the restrictions and limits that the Committee specifies at the time of such delegation, and the Committee may at any time rescind the authority so delegated or appoint a new delegate. At all times, the delegate appointed under this Section 10.3 shall serve in such capacity at the pleasure of the Committee.

Article 11. EFFECTIVE AND EXPIRATION DATE.

11.1 Effective Date. The Plan is effective as August 19, 2024 (the "Effective Date") on which the Plan as adopted by the Board was approved by its stockholders.

11.2 Expiration Date. The Plan shall expire on, and no Award may be granted pursuant to the Plan after the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

Article 12. AMENDMENT, MODIFICATION, AND TERMINATION.

12.1 Amendment, Modification, and Termination. The Committee has complete and exclusive power and authority to amend or modify the Plan (or any component thereof) in any or all respects whatsoever. However, no such amendment or modification shall materially and adversely affect rights and obligations with respect to Awards at the time outstanding under the Plan, unless the Participant consents to such amendment. In addition, except as provided in the Plan, the Committee may not, without the approval of the Company's stockholders, amend the Plan to (i) increase the maximum number of shares of Common Stock issuable under the Plan, (ii) materially modify the eligibility requirements for Plan participation or (iii) materially increase the benefits accruing to Participants. Further, the repricing, replacement or regranting of any previously granted Award, through cancellation or by lowering the Exercise Price of such Award, shall be prohibited unless the stockholders of the Company first approve such repricing, replacement or regranting. No underwater Option or SAR may be cancelled in exchange for, or in connection with the payment of a cash amount without stockholder approval. The Committee may at any time terminate or amend the Plan in any respect, including without limitation amendment of any form of Award

Agreement or instrument to be executed pursuant to the Plan; provided, however, that the Committee shall not, without the requisite stockholder approvals, amend the Plan in any manner that requires such stockholder approval under the stock exchange listing requirements then applicable to the Company.

12.2 Awards Previously Granted. Except with respect to amendments made pursuant to Section 13.13 hereof, no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted pursuant to the Plan without the prior written consent of the Participant; provided, however, that an amendment or modification that may cause an Incentive Stock Option to become a Non-Qualified Stock Option shall not be treated as adversely affecting the rights of the Participant.

Article 13. GENERAL PROVISIONS.

13.1 No Rights to Awards. No Eligible Individual or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Eligible Individuals, Participants or any other persons uniformly.

13.2 No Stockholder Rights. Except as otherwise provided herein, a Participant shall have none of the rights of a stockholder with respect to the Common Stock covered by any Award, including the right to vote or receive dividends, until the Participant becomes the owner of such Common Stock, notwithstanding the exercise or vesting of an Option or other Award.

13.3 Withholding. The Company or any Subsidiary or Affiliate, as appropriate, shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy U.S. federal, state, or local taxes and any taxes imposed by jurisdictions outside of the U.S. (including income tax, social insurance contributions, payment on account and any other taxes that may be due) required by law to be withheld with respect to any taxable event concerning a Participant arising as a result of the Plan or to take such other action as may be necessary in the opinion of the Company or a Parent, Subsidiary or Affiliate, as appropriate, to satisfy withholding obligations for the payment of taxes by any means authorized by the Committee. No Common Stock shall be delivered hereunder to any Participant or other person until the Participant or such other person has made arrangements acceptable to the Committee for the satisfaction of these tax obligations with respect to any taxable event concerning the Participant or such other person arising as a result of Awards made under the Plan.

13.4 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Company or any Parent, Subsidiary or Affiliate to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employ or service of the Company or any Parent, Subsidiary or Affiliate.

13.5 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary or Affiliate.

13.6 Relationship to Other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, termination programs and/or indemnities or severance payments, welfare or other benefit plan of the Company or any Parent, Subsidiary or Affiliate except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder, or as expressly provided by applicable law.

13.7 Expenses. The expenses of administering the Plan shall be borne by the Company and/or its Subsidiaries and/or Affiliates.

13.8 Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

13.9 Fractional Shares of Common Stock. No fractional shares of Common Stock shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding down as appropriate.

13.10 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any Participant who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 under the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

13.11 Government and Other Regulations.

(a) The obligation of the Company to make payment of awards in shares of Common Stock or otherwise shall be subject to all applicable laws, rules, and regulations of the U.S. and jurisdictions outside of the U.S., and to such approvals by government agencies, including government agencies in jurisdictions outside of the U.S., in each case as may be required or as the Company deems necessary or advisable. Without limiting the foregoing, the Company shall have no obligation to issue or deliver any Common Stock subject to Awards granted hereunder prior to: (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable, and (ii) completion of any registration or other qualification with respect to the Common Stock under any applicable law in the U.S. or in a jurisdiction outside of the U.S. or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective. The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Common Stock hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Common Stock as to which such requisite authority shall not have been obtained. The Company shall be under no obligation to register the Common Stock issued or paid pursuant to the Plan under the Securities Act. If the shares of Common Stock subject to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act the Company may restrict the issuance and delivery of such Common Stock in such manner as it deems advisable to ensure the availability of any such exemption.

(b) Notwithstanding any provision herein to the contrary, the Prior Plan and the Legacy Awards issued thereunder were originally intended to qualify as a compensatory benefit plan within the meaning of Rule 701 of the Securities Act (and any similarly applicable state "blue-sky" securities laws) with respect to periods preceding the IPO; provided that the foregoing shall not restrict or limit the application of any other exemption from registration under the Securities Act in connection therewith.

13.12 Governing Law. The Plan and all Award Agreements, and all controversies thereunder or related thereto, shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to principles of conflict of laws.

13.13 Section 409A. Except as provided in Section 13.14 hereof, to the extent that the Committee determines that any Award granted under the Plan is subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and Award Agreements shall be interpreted in accordance with Section 409A of the Code and U.S. Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Committee determines that

any Award may be subject to Section 409A of the Code and related U.S. Department of Treasury guidance (including such U.S. Department of Treasury guidance as may be issued after the Effective Date), the Committee may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance and thereby avoid the application of any penalty taxes under such Section. If a Participant is identified by the Company as a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code on the date on which the Participant has a "separation from service" (other than due to death) within the meaning of Treasury Regulation § 1.409A-1(h), any Award payable or settled on account of a separation from service that is deferred compensation subject to Section 409A of the Code shall be paid or settled on the earliest of (i) as soon as practicable after, but in no event more than ten (10) days after, the first business day following the expiration of six (6) months from the Participant's separation from service, (ii) as soon as practicable after the date of the Participant's death, or (iii) such earlier date as complies with the requirements of Section 409A of the Code.

13.14 No Representations or Covenants with respect to Tax Qualification. Although the Company may endeavor to (a) qualify an Award for favorable tax treatment under the laws of the U.S. (*e.g.*, Incentive Stock Options) or jurisdictions outside of the U.S. or (b) avoid adverse tax treatment (e.g., under Section 409A of the Code), the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment, anything to the contrary in the Plan, including Section 13.13 hereof, notwithstanding. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under the Plan.

Exhibit 31.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Daniel Shugar, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nextracker 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 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)) 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 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.

Dated: November 1, 2024

/s/ Daniel Shugar

Daniel Shugar
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Charles Boynton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nextracker 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 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)) 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 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.

Dated: November 1, 2024

/s/ Charles Boynton

Charles Boynton
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Nextracker Inc. (the "Company") on Form 10-Q for the period ended September 27, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel Shugar, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Dated: November 1, 2024

/s/ Daniel Shugar

Daniel Shugar
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Nextracker Inc. (the "Company") on Form 10-Q for the period ended September 27, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles Boynton, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Dated: November 1, 2024

/s/ Charles Boynton

Charles Boynton
Chief Financial Officer
(Principal Financial Officer)