



# Shareholder Letter

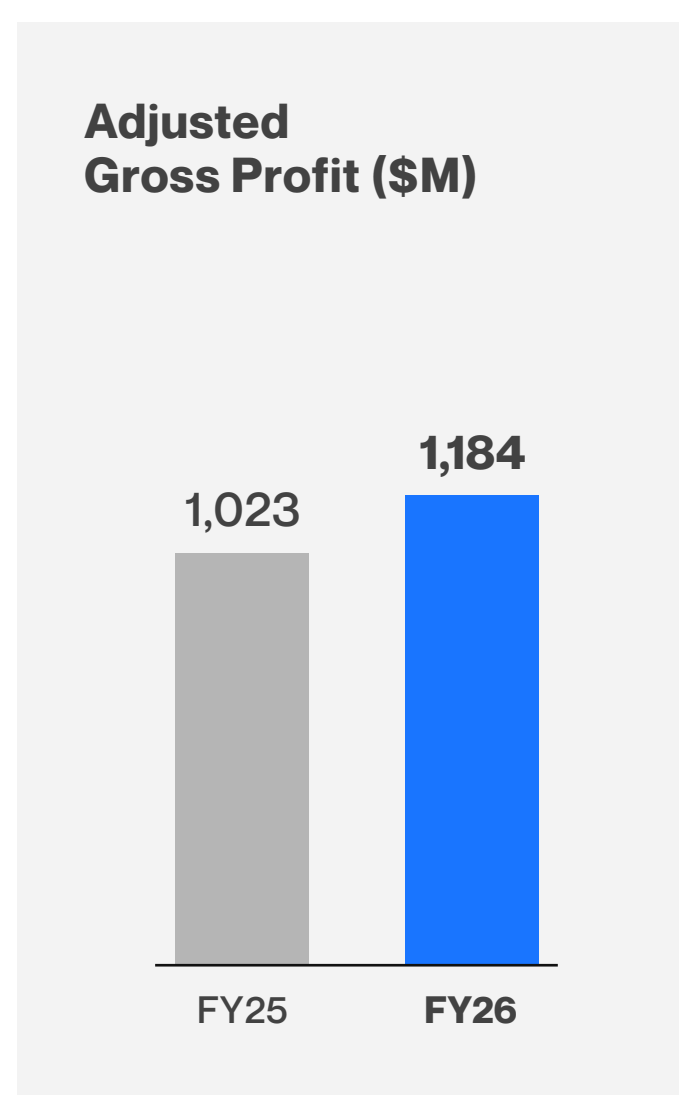
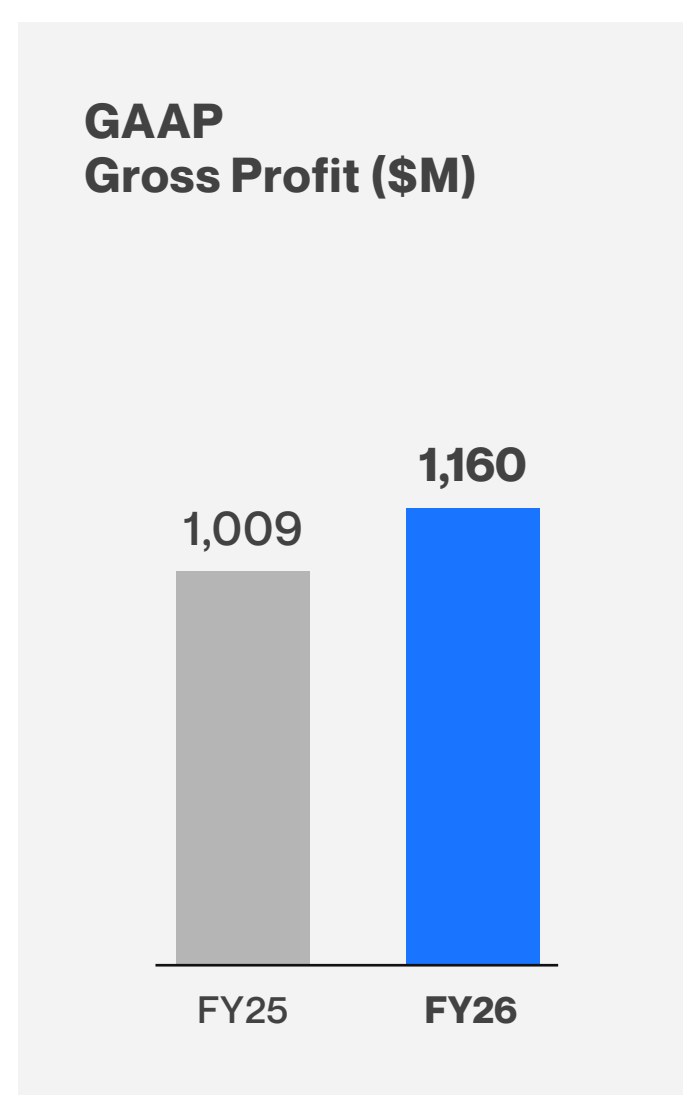
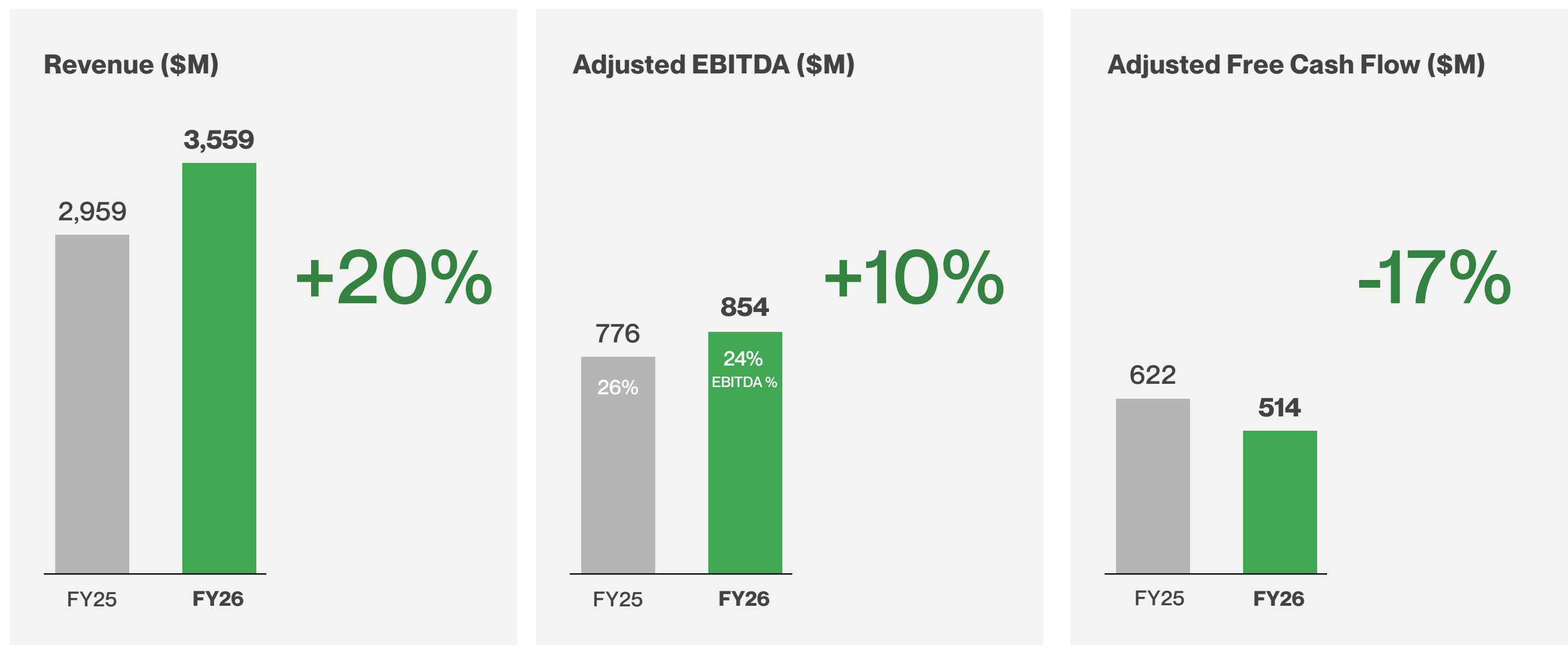
 **NEXTPOWER**™

Q4 FY2026

May 12, 2026

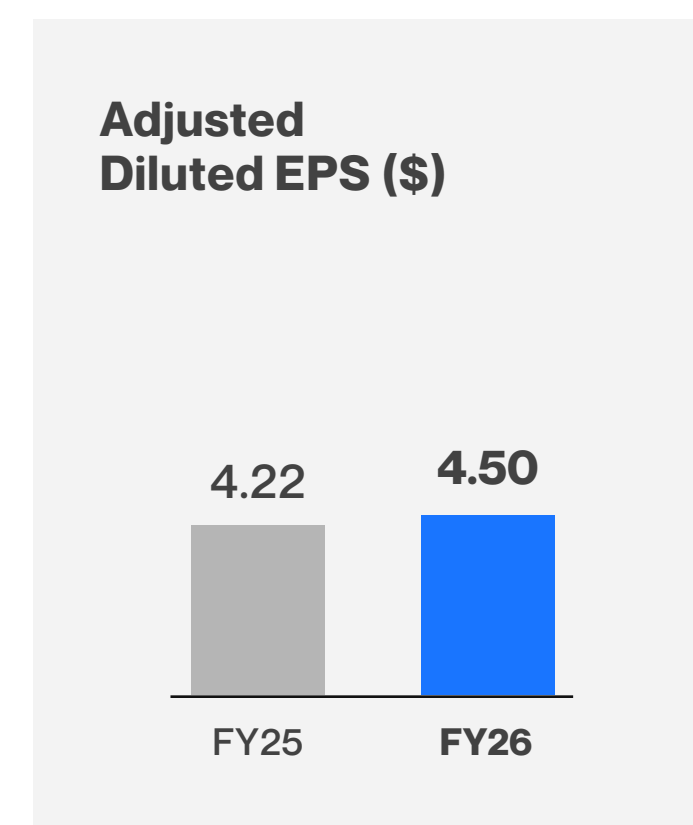
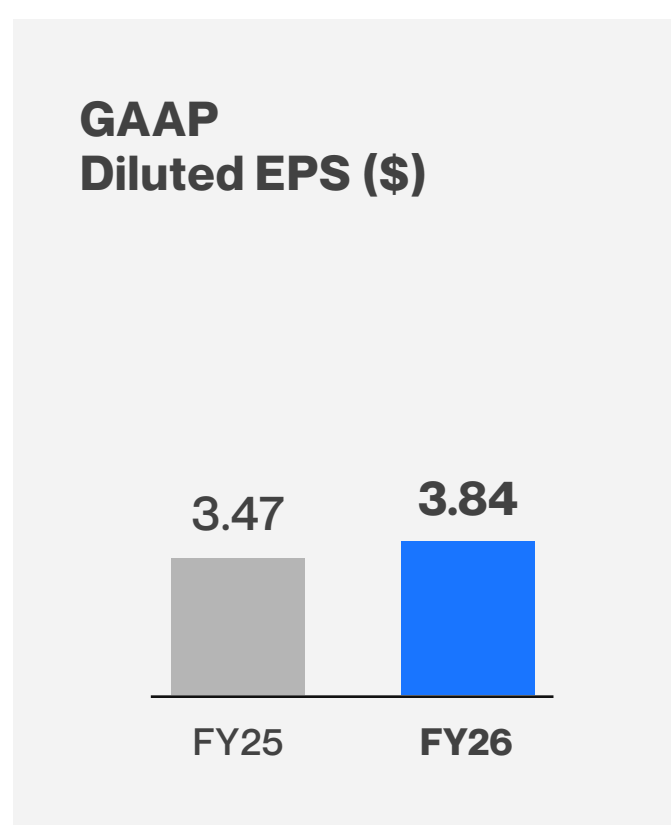
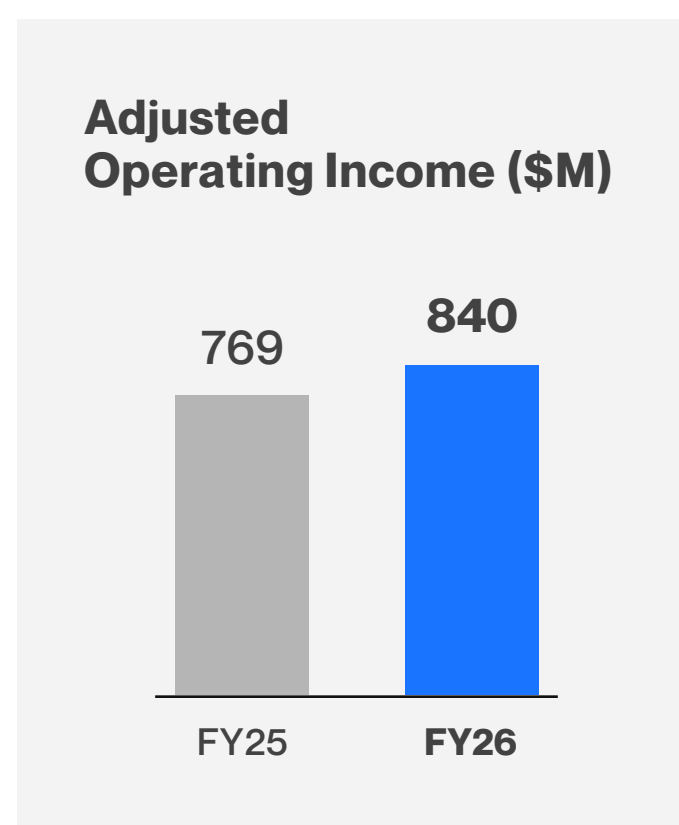
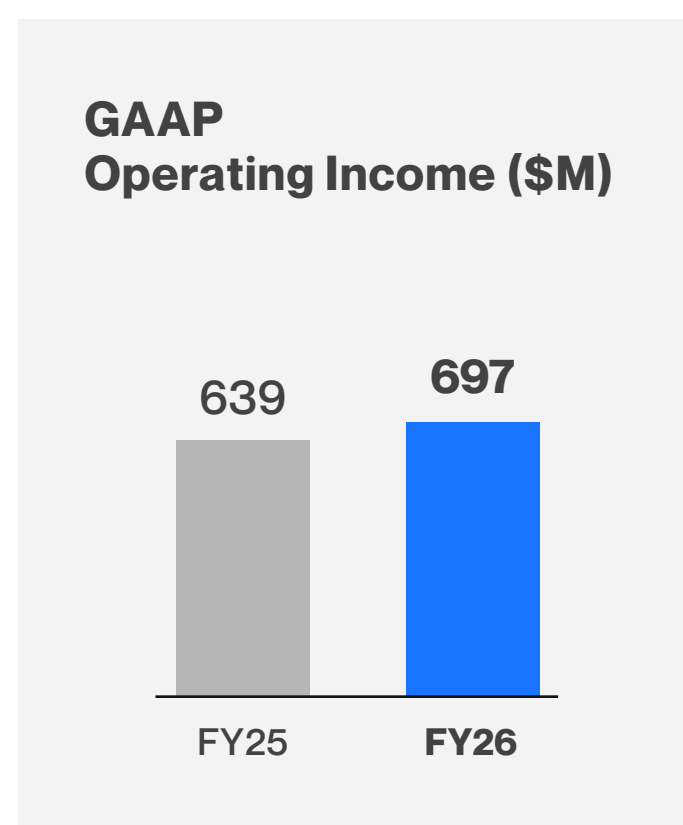
# Financial Highlights

## Fiscal Year 2026 Performance



### Financial Highlights

- 20% revenue growth YoY to approximately \$3.56 billion
- \$1.18 billion adjusted gross profit; \$854 million adjusted EBITDA
- Strong balance sheet with approximately \$1.1 billion in total cash and cash equivalents
- \$558 million operating cash flow generated in FY26
- Initiated share repurchase activity as part of our capital allocation strategy



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

YoY change percentages are calculated using rounded numbers in thousands.

Cover Photo: NX Ranger™ inspection robot and Nextpower combiner solution on a solar power plant paired with NX Horizon® smart solar tracker.



# Dear Nextpower Shareholder,

*We are pleased to share highlights from the fourth quarter and fiscal year 2026. On our earnings conference call, we will provide short opening remarks followed by a Q&A session. We look forward to speaking with you on our call, scheduled for May 12 at 2:00 p.m. PT.*

Fiscal year 2026 was a defining year for our company, marked by strong financial performance, continued market leadership, and an explicit strategic repositioning from a single product tracker supplier to a comprehensive integrated utility-scale solar power technology platform. Reflecting this transformation, we rebranded from Nextracker to Nextpower – underscoring our evolution beyond trackers to deliver broader, system-level solutions for our customers.

We continue to invest in innovation to advance our tracker products, which remain the core of our business. We are the market share leader in the global solar tracker market, and also earned the top ranking in Wood Mackenzie's global photovoltaic tracker manufacturer assessment\*, reflecting leadership across a comprehensive set of metrics including execution, technology, and financial strength.

This sustained leadership position in the tracker market and customer confidence in our technology execution drove 20% YoY revenue growth and one of the strongest bookings quarters in our history with a record backlog exceeding \$5.25 billion.

We are making clear and tangible progress in our platform expansion strategy. Customer adoption of our non-tracker solutions is accelerating, with growing demand across our eBOS, foundation, and robotics offerings, as well as record revenue from TrueCapture®. We also achieved record eBOS quarterly bookings, including bookings of over 100 MW of our recently released NX PowerMerge™ eBOS trunk bus system, further validating demand for our expanding product portfolio. We're seeing success in bundling these solutions, including our first project sale incorporating robotic inspection and other product and service offerings.

Our integration strategy is gaining traction, with both integrated tracker and eBOS solutions as well as integrated tracker and foundation offerings experiencing significant customer pull. Customer feedback around simplified design and procurement and enhanced installation velocity provide solid evidence that our integrated solutions are effectively meeting customer needs and gaining market momentum.

\* Wood Mackenzie "US-based Nextpower takes top spot in global PV tracker ranking" February 5, 2026.

Building on this momentum, we announced today an agreement to acquire key power conversion product lines and IP with a planned U.S. manufacturing footprint to accelerate our expansion into the utility-scale power conversion market, subject to foreign direct investment (FDI) approval by the Spanish government. An associated contract manufacturing and product supply agreement should help accelerate our time-to-market by providing immediate access to high-performance products as we continue to internally develop our next-generation inverter platform. Together, these initiatives are expected to enable Nextpower to further integrate solar power plant solutions and provide enhanced value for our customers while facilitating entry into the Battery Energy Storage Systems (BESS) and data center markets.

We recently announced that our Board of Directors has appointed Lindsey Wiedmann as our next Chief Legal and Compliance Officer, effective upon Bruce Ledesma's retirement this coming July. Bruce has been a trusted leader and valued partner to our executive team, and we thank him for his many contributions and wish him the very best in his retirement. We are pleased to welcome Lindsey who brings deep experience in the solar industry and public

company leadership, along with a strong background in governance, compliance and sustainability. We are also pleased to welcome Robert Vinje as our new Chief Operating Officer. Rob brings extensive experience scaling global operations and leading complex project execution across the solar value chain, manufacturing, and high volume industries. Our current COO and co-founder Marco Miller will continue to lead core operational project execution for the company, ensuring continuity and ongoing excellence in delivery for our customers.

We closed the year with a strong financial foundation, generating meaningful cash flow and achieving an investment-grade credit rating. As global demand for electricity continues to accelerate, driven by data centers, electrification, and industrial growth, utility-scale solar and storage systems are becoming increasingly critical to meeting these needs. With our expanding platform, strong backlog, and deep customer relationships, we are well-positioned to play a leadership role in this evolving energy industry ecosystem and to deliver long-term value for our shareholders.

We would like to thank our customers, partners, employees, and shareholders for their support as we continue to build our Company.

Sincerely,

**Dan Shugar**  
Founder & CEO



A handwritten signature in black ink that reads "DANIEL SHUGAR".

**Howard Wenger**  
President



A handwritten signature in black ink that reads "Howard Wenger".

**Chuck Boynton**  
CFO



A handwritten signature in black ink that reads "Charles D. Boynton".

# FY26 and Q4 Results

FY26 revenue increased 20% YoY to approximately \$3.56 billion and Q4 revenue decreased 3% sequentially to \$881 million. The geographic mix of total revenue for FY26 was 77% U.S. and 23% Rest of World, and 81% U.S. and 19% Rest of World in Q4.

Our FY26 adjusted EBITDA was up 10% YoY. Our Q4 adjusted EBITDA was \$202 million, a 6% decrease sequentially, representing an adjusted EBITDA margin of 23%.

We generated \$154 million of adjusted free cash flow in the quarter and \$514 million in FY26.

We continue to see strong demand for our products. New contracted bookings momentum continued in Q4, resulting in an increased backlog of over \$5.25 billion.

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

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

Revenue +20% YoY

**\$3.56 Billion**

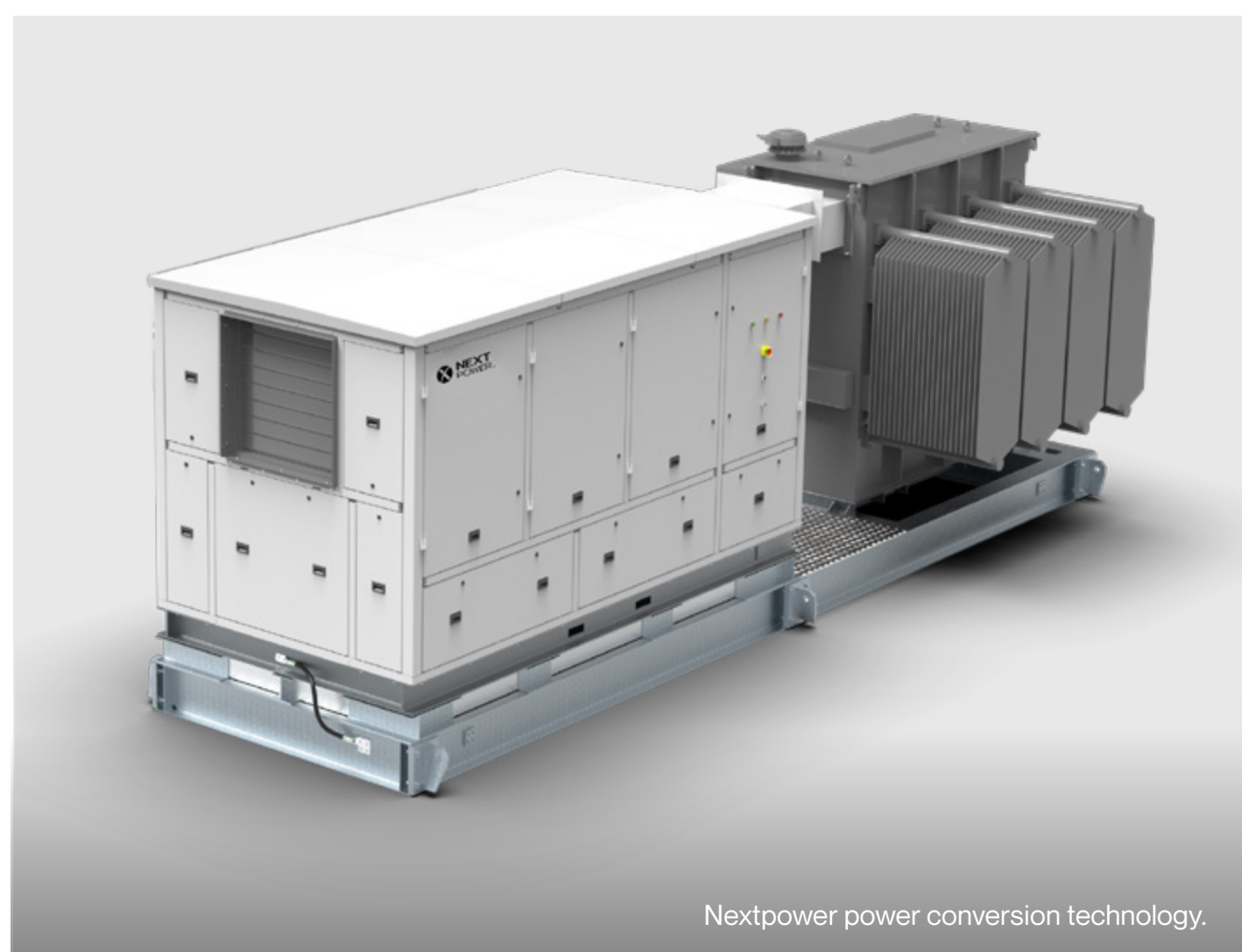
Adjusted EBITDA +10% YoY

**\$854 Million**

Total Backlog Over

**\$5.25 Billion**

# Q4 FY26 Business Highlights



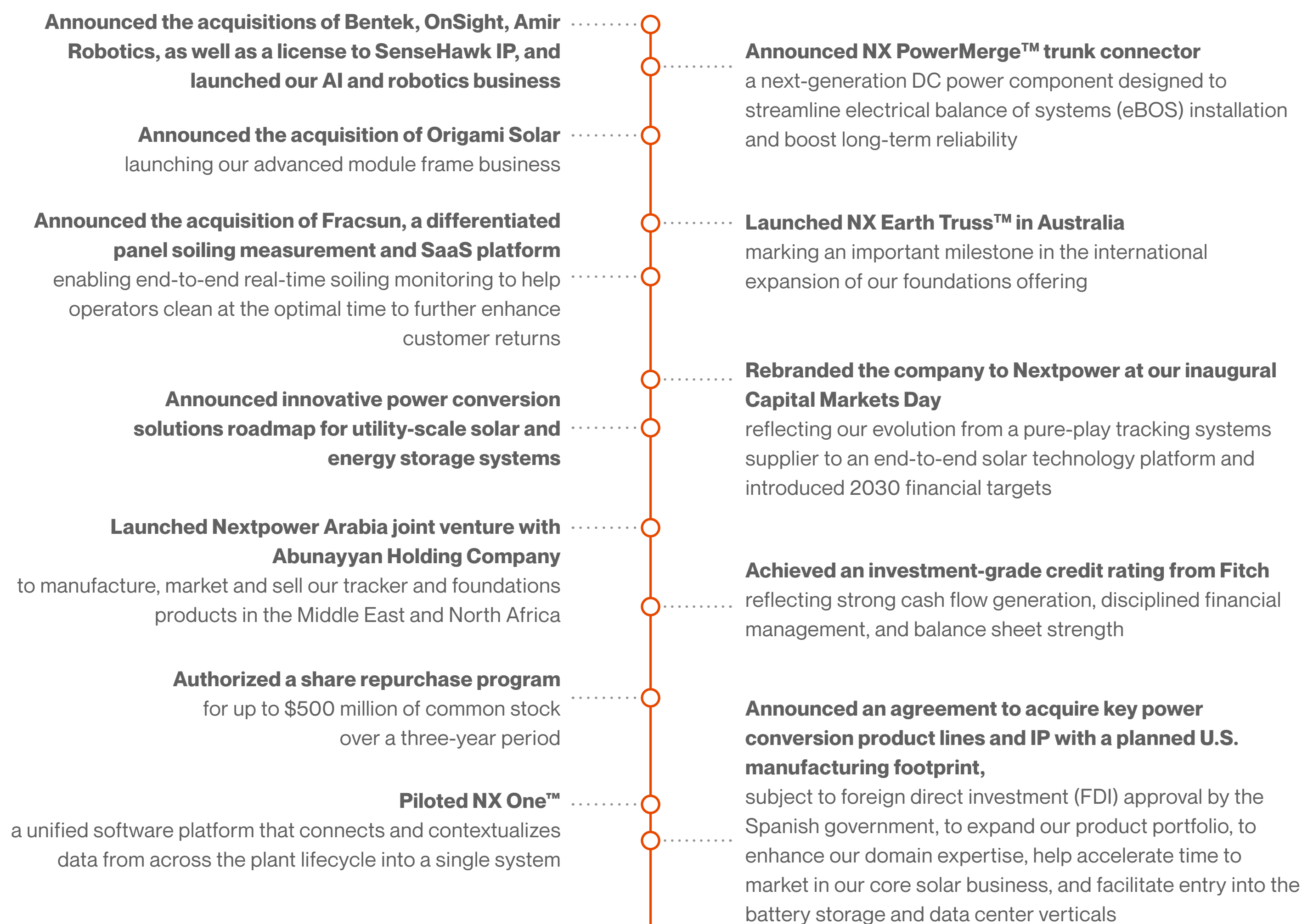
## Market and Sales Momentum

- Achieved record backlog of over \$5.25 billion, reflecting continued sales momentum
- Increased bookings for new product and bundled solutions:
  - Increased adoption for foundations, electrical balance of systems (eBOS), and robotics QoQ
  - Achieved record quarterly eBOS bookings, including bookings of over 100 MW of NX PowerMerge™ trunk bus connector projects, a next-generation DC power component designed to streamline eBOS installation and boost long-term reliability
  - Achieved record quarterly and annual TrueCapture® revenue
  - Booked the first bundled VCA project incorporating robotic inspection and other product and service offerings
  - Exceeded 50 GW of cumulative sales of NX Horizon-XTR™ terrain following trackers
- Entered into a multi-year, gigawatt-scale steel frame supply agreement with Jinko Solar (U.S.) Industries Inc. for U.S.-manufactured steel module frames
- Surpassed 25 GW of tracker systems sales to date in each of Latam and MEIAT regions

## Products and Innovation

- Announced agreement to acquire key power conversion product lines and IP with a planned U.S. manufacturing footprint, subject to foreign direct investment (FDI) approval by the Spanish government
- NX PowerMerge currently in final stages of UL qualification testing
- Released Gen 3 of Nextpower's SPC smart device and NCU weather station, providing enhanced cybersecurity
- Piloted NX One™, a unified software platform that connects and contextualizes data from across the plant lifecycle into a single system
- Introduced NX Anchor™ foundation technology, which, together with NX Earth Truss®, enables market leading NX Horizon® tracker to be installed across all soil conditions and is now deployed at multi-gigawatt scale

# FY26 Year in Review



## Fiscal Year 2026

- Achieved record fiscal results, including \$3.56 billion in revenue (+20% YoY), \$854 million adjusted EBITDA (+10% YoY), and record backlog of over \$5.25 billion
- Surpassed 160 GW of cumulative tracker shipments globally
- Maintained market share leadership in the global solar tracker market and achieved top ranking in Wood Mackenzie's global tracker manufacturer assessment
- Continued strong customer adoption of NX Horizon® with Hail Pro™ tracker; in FY26, 4,605 hail stows were activated by our solution, with 57 events experiencing hail\* up to 3" diameter, and less than 0.01% modules experienced damage\*\*
- ESG: published the second sustainability report, and achieved an upgraded ISS Corporate ESG rating to Prime status, recognizing performance that meets or exceeds ISS STOXX's sustainability requirements and industry average

\*based on ground observation and post-event radar data

\*\*based on owner-operator reports from hail event sites



# Advancing Our Power Conversion Platform

## Expanding into a Critical Layer of Power Plant Architecture

As solar and storage systems become increasingly important components of global energy infrastructure, power conversion systems (PCS) are emerging as a critical layer for utility-scale power plants. Solar inverters enable energy conversion and optimize overall solar power plant performance. PCS systems coupled with BESS interact with the power grid to enhance reliability and can directly support large loads such as AI data centers.

Power conversion systems are an integral component of our strategy to deliver fully integrated power plant solutions. The objective is to deliver for our customers more tightly integrated, high-performance systems that speed design and deployment,

reduce operational complexity, enhance long-term reliability, and improve financial outcomes.

We see power conversion as an increasingly critical layer of the system, optimizing solar power plant yield, enabling integration with battery storage, and delivering power quality management and buffering capabilities that are increasingly important for data center applications.

As announced at our Capital Markets Day, we're continuing to incubate our next generation power conversion technology.

# Accelerating Time-to-Market Through Strategic Acquisition

To accelerate our strategy, we have entered into a definitive agreement to acquire key assets of Zigor Corporation's inverter business and its U.S.-based subsidiary, Apex Power, subject to foreign direct investment (FDI) approval by the Spanish government and other customary closing conditions. The agreement includes modular inverter and PCS technology, experienced engineering talent, and a planned U.S. manufacturing facility.

We expect this transaction to expand our power conversion product portfolio by combining these new products and capabilities with our ongoing internal development initiatives. Zigor's PCS products share key design attributes with our internally developed

technology, including high efficiency, modularity and easy serviceability. Apex Power's U.S.-based manufacturing footprint can support localized production and future capacity expansion, while also enhancing our global R&D capabilities through a specialized engineering team in Europe.

We believe that this acquisition will help accelerate time to market in our core solar business and facilitate entry into the battery storage and data center verticals, all with a primary focus on superior operational reliability.

*Shipment of Nextpower's power conversion technology to a project site.*



# Fiscal Year 2027 Outlook

For FY27, we have increased our revenue outlook to be in the range of \$3.80 billion to \$4.10 billion. Adjusted EBITDA is now expected to be in the range of \$825 million to \$900 million, and adjusted diluted EPS is expected to be in the range of \$4.21 to \$4.59 per share.

Our adjusted EBITDA outlook includes planned incremental costs of approximately \$50 million related to the acceleration of our entry into the power conversion market. We believe this strategy should yield a very strong return on investment, and importantly, a significant return on invested capital as we accelerate this business.

We expect gross margins to continue to be in the low 30s and operating margins in the low 20s.

Our outlook assumes the current U.S. policy environment remains intact and that permitting processes and timelines will remain consistent with historical levels. We are closely monitoring potential

updates to federal and regulatory actions, which could impact project timing, investment decisions, and our financial results.

Our increased outlook is grounded in several key factors, including the strength and diversity of our backlog, a continued flight to quality among solar developers, and the deep capability and commitment of our global team.

We continue to see strong near-term fundamentals in the U.S. utility-scale solar market, supported by a substantial volume of safe-harbored projects, which Wood Mackenzie estimates at 216-240 GW dc\*, and expanding early-stage development pipelines. Over the long term, we believe that sustained load growth driven by data centers and broader electrification trends will continue to drive demand for solar and BESS as the lowest cost source of incremental power generation.

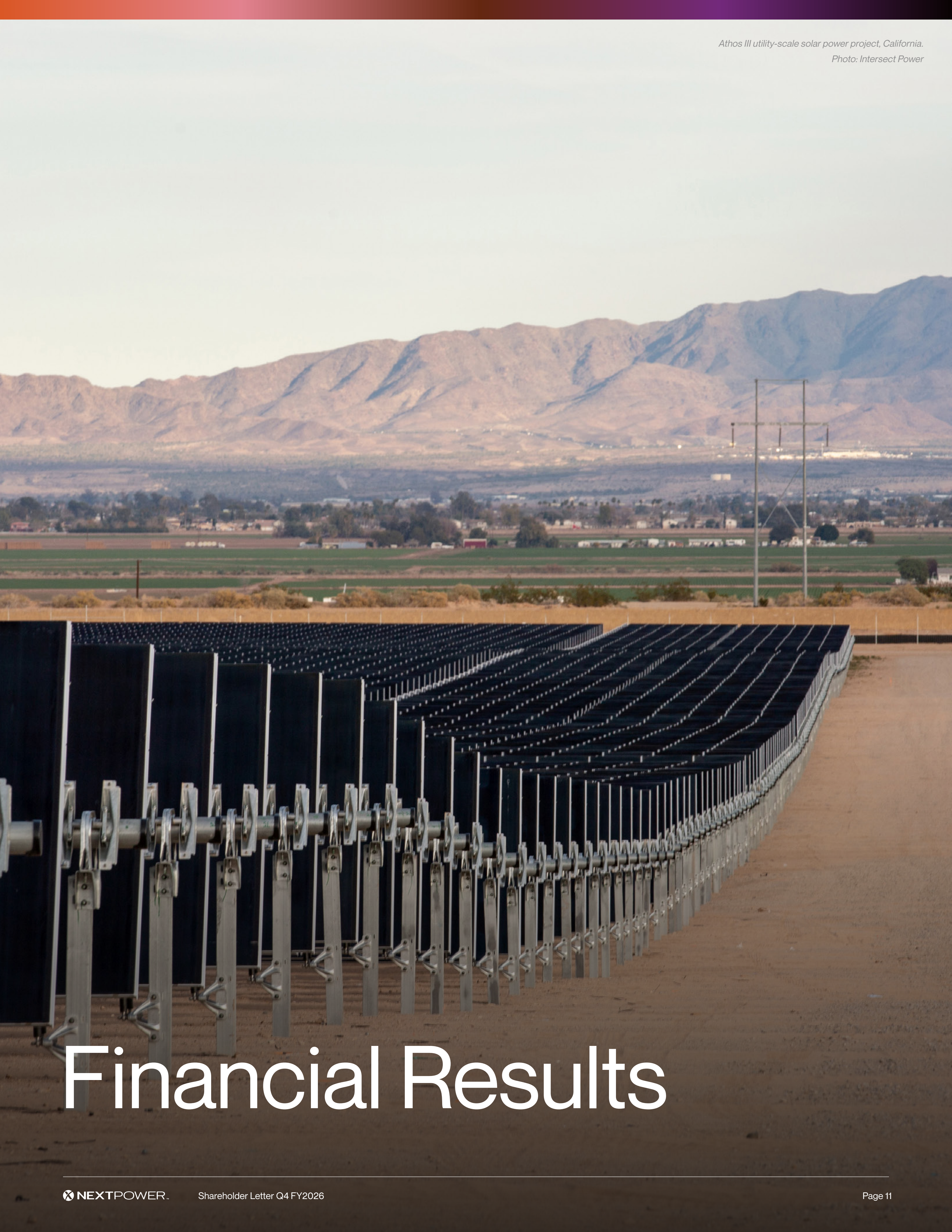
\* Wood Mackenzie "The state of safe harboring: a strategic outlook for US utility-scale solar development" April 1, 2026.

	Updated Outlook	Previous Outlook
Revenue	<b>\$3.8 to \$4.1B</b>	\$3.6 to \$3.8B
GAAP Net Income	<b>\$501 to \$559M</b>	
GAAP Diluted EPS	<b>\$3.19 to \$3.56</b>	
Adjusted EBITDA	<b>\$825 to \$900M</b>	\$800 to \$900M
Adjusted Diluted EPS	<b>\$4.21 to \$4.59</b>	

## Additional Modeling Assumptions

- 45X incentives and tariffs will continue for the full year
- Other income, net of \$30 to \$35 million
- GAAP Effective Tax Rate of 22%, Adjusted Effective Tax Rate of 21%
- Weighted Average Shares Outstanding of approximately 157 million
- Adjusted EBITDA range of \$825 million to \$900 million includes approximately \$50 million of costs related to the acceleration of our entry into the power conversion market, and excludes approximately \$195 million for stock-based compensation, net intangible amortization, and acquisition related costs

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



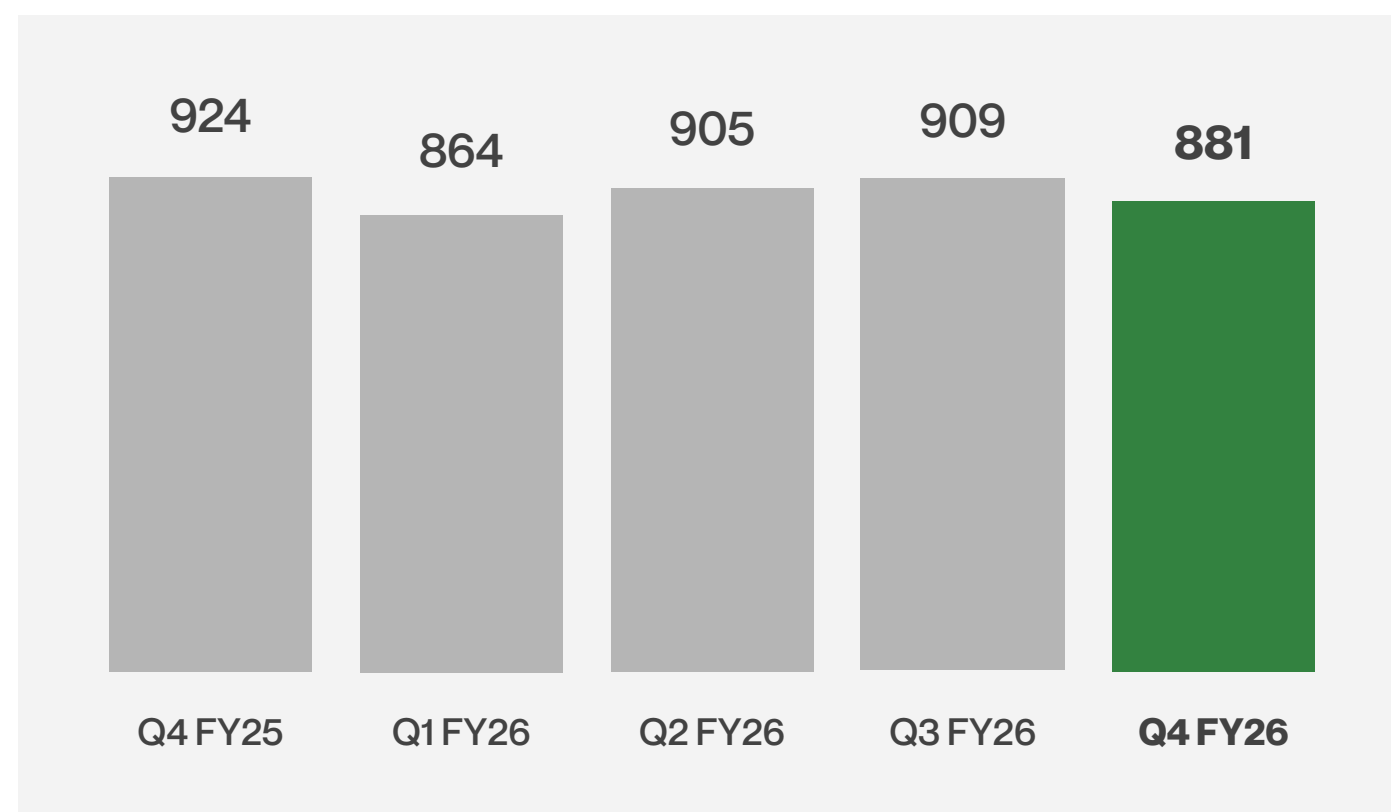
# Financial Results

# Financial Results

In FY26, revenue increased 20% YoY to approximately \$3.56 billion, and Q4 revenue declined 3% sequentially to \$881 million. The geographic mix of total revenue for Q4 was 81% U.S. and 19% Rest of World, and 77% U.S. and 23% Rest of World for the fiscal year.

Our revenue mix is comprised predominantly of solar tracker system sales. In addition, in Q4, we recognized revenue for TrueCapture®, eBOS, foundations, robotic solutions, and other. In FY26, the growth in our non-tracker platform solutions was higher than our solar tracker system sales, a trend we expect to continue, driven by our strong and expanding sales in our foundations and eBOS offerings. Solar tracker system sales were approximately 88% of total revenue and non-tracker sales were approximately 12% of total revenue.

## Revenue (\$M)



## Revenue Mix

Revenue \$M, except %	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26
U.S.	608	599	687	735	709
YoY Change	23%	17%	49%	63%	17%
RoW	316	265	218	174	171
YoY Change	31%	27%	26%	-24%	-46%
U.S. %	66%	69%	76%	81%	81%
RoW %	34%	31%	24%	19%	19%



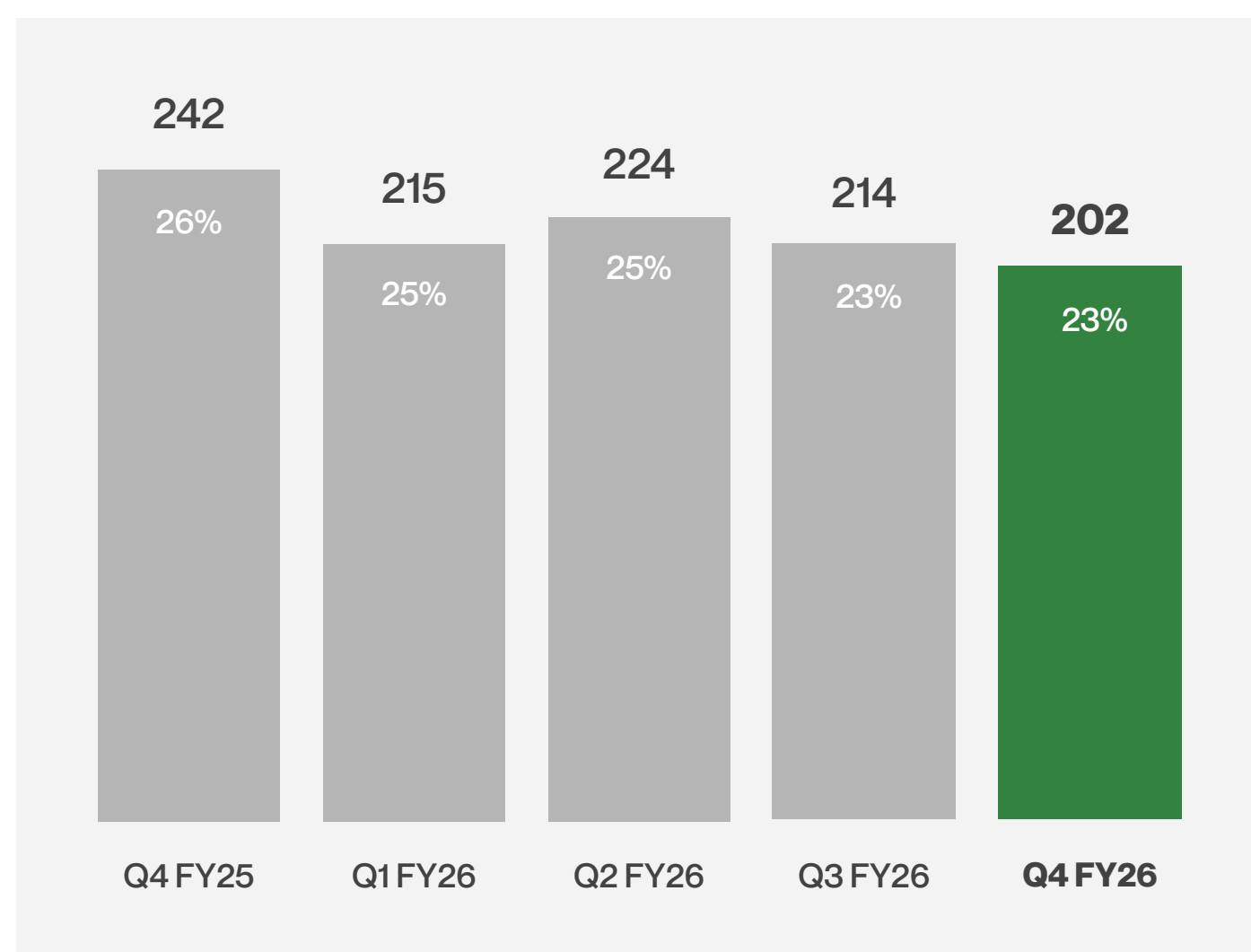
Nextpower's combiner solution for electrical balance of systems (eBOS).

# Financial Results

Q4 saw solid execution that exceeded our gross margin targets, benefiting from accelerated TrueCapture® growth and tariff recoveries. Q4 adjusted EBITDA was \$202 million, a decrease of \$41 million, representing a 17% decline from the prior year driven by higher operating expenses as we expanded our platform and increased our investment in research and development. Q4 adjusted EBITDA margin of 23% was down 3 percentage points from the prior year.

Adjusted operating expense, which includes R&D expense, was approximately 12% of total revenue in Q4 and approximately 10% for the year. Sequentially, our adjusted operating expense increased 33% compared to Q3 and 51% compared to the prior year.

## Adjusted EBITDA (\$M)



## Profitability

\$M, except % and per share	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26
Adj. Gross Profit	309	285	300	295	304
YoY Change	39%	18%	31%	20%	-2%
Adj. Gross Margin	33%	33%	33%	32%	35%
Adj. EBITDA	242	215	224	214	202
YoY Change	52%	23%	29%	15%	-17%
Adj. EBITDA Margin	26%	25%	25%	23%	23%
Adj. Diluted EPS	\$1.29	\$1.16	\$1.19	\$1.10	\$1.05
YoY Change	34%	25%	23%	7%	-19%



Blythe solar power plant, California featuring NX Horizon® smart solar tracker.

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

\*Q4 FY25, Q1 FY26, Q2 FY26, Q3 FY26, and Q4 FY26 results include approximately \$67 million, \$82 million, \$67 million, \$53 million, and \$47 million, respectively, of IRA 45X advanced manufacturing tax credit vendor rebates ('45X credits') and tariffs, net.

# Financial Results

Our Q4 adjusted effective tax rate of approximately 21% benefited from an overall mix of profit at applicable tax rates across the regions we serve, executed tax credits related to acquisitions, and the implementation of transfer pricing strategies.

For Q4 FY26, weighted average diluted share count was approximately 155 million shares, and adjusted diluted EPS was \$1.05 excluding stock-based compensation expense, intangible amortization, and acquisition-related and other costs of approximately \$44 million, net of impacts for tax.

## Quarterly and Fiscal Year Results

\$M, except % and per share	Q4 FY26	Q3 FY26	Q4 FY25	YoY Change	YTD FY26	YoY Change
Revenue	881	909	924	-5%	3,559	20%
Adj. Gross Profit	304	295	309	-2%	1,184	16%
Adj. Gross Margin	35%	32%	33%	1 pt	33%	-1 pt
Adj. SG&A	68	56	49	39%	234	28%
Adj. SG&A %	8%	6%	5%	2 pts	7%	0 pts
Adj. R&D	40	25	22	77%	109	54%
Adj. R&D %	4%	3%	2%	2 pts	3%	1 pt
Adj. Total Operating Expense	108	81	71	51%	344	35%
Adj. Total Operating Expense %	12%	9%	8%	5 pts	10%	1 pt
Adj. Operating Income	196	214	238	-18%	840	9%
Adj. Operating Margin	22%	23%	26%	-3 pts	24%	-2 pts
Adj. EBITDA	202	214	242	-17%	854	10%
Adj. EBITDA Margin	23%	23%	26%	-3 pts	24%	-2 pts
Adj. Net Income	162	170	193	-16%	687	9%
Adj. Diluted EPS	\$1.05	\$1.10	\$1.29	-19%	\$4.50	7%

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

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



DesignworX™ plant design training course for engineers of record (EORs) and EPCs in Nextpower's Nashville, TN office.

# Financial Results

Our strong balance sheet, solid cash flow generation, and ample liquidity remain competitive advantages. We closed the quarter with nearly \$1.1 billion in total cash and cash equivalents and no debt.

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

Operating cash flow was \$167 million in Q4 and capital expenditures were \$13 million, driving adjusted free cash flow of \$154 million in Q4 and \$514 million for FY26.

We began executing our Board-approved share repurchase program of up to \$500 million over three years, adding a third component to our capital allocation strategy. Our capital allocation priorities are consistent with our long-standing approach: investments in organic growth and M&A remain our top priorities. We have a disciplined M&A approach, focusing on our core competencies, technological differentiation, and value for customers.

## Capital Allocation Priorities:

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

## Balance Sheet and Cash Flow

\$M, except % and CCC days	Q4 FY26	Q3 FY26	Q4 FY25	QoQ Change	YoY Change
Ending Cash & Cash Equivalents	1,095	953	766	15%	43%
Debt, Current & Long-Term	-	-	-		
AR & Contract Assets	950	896	878	6%	8%
Inventories	262	275	209	-5%	25%
AP & Accrued Expenses	664	667	682	0%	-3%
Net Working Capital	588	522	358	13%	64%
Cash Conversion Cycle	57	53	44	6%	28%
Adj. Free Cash Flow Conversion	76%	55%	94%	21 pts	-18 pts
Cash From Operations	167	123	237	35%	-30%
Capital Expenditures	13	5	10	182%	32%
Adjusted Free Cash Flow	154	119	227	30%	-32%

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

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

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

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

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

# Forward Looking Statements

This shareholder letter contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve substantial risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding: our financial and operating outlook and guidance, including under the heading “Fiscal Year 2027 Outlook”; our strategies, mission, plans, objectives and goals; market demand for our products, solutions and services, including bundled offerings; trends in energy demand and solar adoption; demand for our products, including our foundations, eBOS, NX PowerMerge™, robotics solutions and other offerings; our ability to grow our core tracker business; expected benefits from our steel frame agreement; our bookings and backlog, including our ability to convert backlog into revenue; our competitiveness and global market share; the anticipated benefits of the proposed acquisition of the assets of Zigor/Apex and other recent acquisitions, including benefits to customers from integration; the benefits of UL certification for NX PowerMerge; our ability to compete in existing and new markets; projections regarding U.S. and global demand for electricity and solar power, and our addressable market; macroeconomic trends; growth opportunities and plans for future operations, products and services; the anticipated benefits of our joint venture agreement, including expansion in MENA markets; the impact and integration of artificial intelligence, machine learning and advanced robotics technologies; anticipated benefits from our share repurchase program; and expectations regarding the impact of the U.S. policy and regulatory environment on our business, as well as other statements that address events or developments we expect or believe may occur in the future.

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

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or other events to be materially different from any future results, performance or other events expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on forward-looking statements. Our actual future results, performance or other events may be materially different from what we expect. Important factors that could cause actual results, performance or other events to differ materially from our expectations include: the demand for solar energy and, in turn, our products; competitive pressures within the solar tracker

industry; competition from conventional and other renewable energy sources; variability in our results of operations, including as a result of fluctuations in our customers’ businesses as well as seasonal weather-related disruptions; the impact of tariffs and import duties on our products and our customers; policy changes in the renewable energy industry under the current U.S. presidential administration; the reduction, elimination, alteration, or expiration of government incentives for regulations mandating or promoting the use of, renewable energy and solar energy; the near and long-term impacts on our business caused by the “One Big Beautiful Bill Act,” Executive Orders, or other regulatory or public policy actions, including those related to permitting solar projects, “safe harbor” rules that influence investment decisions and project timelines, and restrictions on eligibility for 45X and investment tax credits relating to foreign entities of concern (FEOC); our reliance on our suppliers and any problems with our suppliers or disruptions in our supply chain, and supply chain capacity; changes in the global trade environment, including the imposition of tariffs and import duties; an increase in interest rates, or a reduction in the availability of tax equity or project debt financing, impacting the ability of project developers and owners to finance the cost of a solar energy system; a loss of one or more of our significant customers, their inability to perform under their contracts, or their default in payment to us; defects or performance problems in our products; delays, disruptions or quality control problems in our product development operations; severe weather events, natural disasters and other catastrophic events; our continued expansion into new markets, failure to receive FDI approval from the Spanish government for the planned acquisition of power conversion assets or failure to satisfy other customary closing conditions; Nextpower’s ability to successfully grow its or Zigor/Apex Power’s inverter business; electric utility industry policies and regulations; decreases in the price of electricity; our failure to protect our intellectual property and trade secrets or to successfully defend against third-party claims of infringement; cybersecurity or other data incidents; our ability to maintain our investment grade rating; and whether, to what extent, and when Nextpower will make repurchases of its common stock under its share repurchase program.

For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to our business in general, see our periodic filings with the Securities and Exchange Commission (the “SEC”), including our Annual Report on Form 10-K for the fiscal year ended March 31, 2025, our Quarterly Report for the quarter ended December 31, 2025 and when available our Annual Report for the year ended March 31, 2026. Except as required by law, we assume no obligation and do not intend to update these forward-looking statements or to conform these statements to actual results or to changes in our expectations, even if new information becomes available in the future.

## Use of Adjusted Financial Information

An explanation and reconciliation of non-GAAP financial measures to GAAP financial measures is presented in Schedules III, IV and V attached to this Shareholder Letter, and can be found, along with other financial information including the Q4 FY26 earnings press release, on the investor relations section of our website at [investors.nextpower.com](https://investors.nextpower.com).

## Channels for Disclosure of Information

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

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

	<b>Three-month periods ended</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Revenue	\$ 880,517	\$ 924,342
Cost of sales	583,140	618,655
Gross profit	297,377	305,687
Selling, general and administrative expenses	100,625	86,794
Research and development	43,166	23,586
Operating income	153,586	195,307
Interest expense	338	2,353
Other income, net	(6,387)	(5,708)
Income before income taxes	159,635	198,662
Provision for income taxes	9,032	40,848
Net income	150,603	157,814
Less: Net income attributable to non-controlling interests	—	1,020
Net income attributable to Nextpower Inc.	<u>\$ 150,603</u>	<u>\$ 156,794</u>
<b>Earnings per share attributable to Nextpower Inc. common stockholders</b>		
Basic	\$ 1.01	\$ 1.08
Diluted	\$ 0.97	\$ 1.05
<b>Weighted-average shares used in computing per share amounts:</b>		
Basic	148,496	144,888
Diluted	154,664	149,740

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

	Twelve-month periods ended	
	March 31, 2026	March 31, 2025
Revenue	\$ 3,559,390	\$ 2,959,197
Cost of sales	2,399,295	1,950,372
Gross profit	1,160,095	1,008,825
Selling, general and administrative expenses	341,920	290,321
Research and development	120,909	79,392
Operating income	697,266	639,112
Interest expense	2,623	13,096
Other income, net	(19,183)	(22,000)
Income before income taxes	713,826	648,016
Provision for income taxes	127,943	130,770
Net income and comprehensive income	585,883	517,246
Less: Net income attributable to non-controlling interests	—	8,078
Net income attributable to Nextpower Inc.	\$ 585,883	\$ 509,168
Earnings per share attributable to Nextpower Inc. common stockholders		
Basic	\$ 3.96	\$ 3.55
Diluted	\$ 3.84	\$ 3.47
Weighted-average shares used in computing per share amounts:		
Basic	147,976	143,539
Diluted	152,710	149,276

Unaudited condensed consolidated balance sheets  
(In thousands)

	As of March 31, 2026	As of March 31, 2025
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,094,976	\$ 766,103
Accounts receivable, net of allowance of \$2,078 and \$1,472, respectively	417,043	472,462
Contract assets	533,257	405,890
Inventories	262,276	209,432
Section 45X credit receivable	352,598	215,616
Other current assets	186,406	88,483
Total current assets	2,846,556	2,157,986
Property and equipment, net	78,356	60,395
Goodwill	488,950	371,018
Other intangible assets, net	78,046	53,241
Deferred tax assets	511,815	498,778
Other assets	69,489	51,098
Total assets	\$ 4,073,212	\$ 3,192,516
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 533,490	\$ 585,299
Accrued expenses	130,133	97,000
Deferred revenue	307,492	247,127
Other current liabilities	192,747	104,086
Total current liabilities	1,163,862	1,033,512
Tax receivable agreement (TRA) liability	372,659	394,879
Long-term deferred revenue	102,493	96,635
Other liabilities	99,801	39,360
Total liabilities	1,738,815	1,564,386
Total stockholders' equity	2,334,397	1,628,130
Total liabilities and stockholders' equity	\$ 4,073,212	\$ 3,192,516

Unaudited condensed consolidated statements of cash flows  
(In thousands)

	Three-month periods ended			Twelve-month periods ended	
	March 31, 2026	December 31, 2025	March 31, 2025	March 31, 2026	March 31, 2025
<b>Cash flows from operating activities:</b>					
Net income	\$ 150,603	\$ 131,236	\$ 157,814	\$ 585,883	\$ 517,246
Depreciation and amortization of intangible assets	9,016	8,436	5,108	30,602	13,407
Changes in working capital and other, net	7,344	(16,392)	74,405	(58,039)	125,141
Net cash provided by operating activities	<u>166,963</u>	<u>123,280</u>	<u>237,327</u>	<u>558,446</u>	<u>655,794</u>
<b>Cash flows from investing activities:</b>					
Payment for business acquisitions, net of cash acquired	(525)	(8,291)	—	(117,162)	(144,675)
Purchases of property and equipment	(13,349)	(4,731)	(10,080)	(44,812)	(33,921)
Purchase of equity method investment	(9,430)	(2,747)	—	(12,177)	—
Other investing activities	(787)	(32)	(7,500)	(8,262)	(7,500)
Net cash used in investing activities	<u>(24,091)</u>	<u>(15,801)</u>	<u>(17,580)</u>	<u>(182,413)</u>	<u>(186,096)</u>
<b>Cash flows from financing activities:</b>					
Repayment of bank borrowings	—	—	(147,187)	—	(150,000)
Payment of revolver issuance costs	—	—	—	(1,993)	(6,017)
TRA payment	—	—	—	(27,427)	(15,520)
Distribution to former non-controlling interest holder	—	—	—	(3,010)	(6,112)
Payment of acquisition deferred purchase price	(125)	(197)	—	(14,335)	—
Repurchase of common stock	(395)	—	—	(395)	—
Net cash used in financing activities	<u>(520)</u>	<u>(197)</u>	<u>(147,187)</u>	<u>(47,160)</u>	<u>(177,649)</u>
Net increase in cash and cash equivalents	142,352	107,282	72,560	328,873	292,049
Cash and cash equivalents beginning of period	952,624	845,342	693,543	766,103	474,054
Cash and cash equivalents end of period	<u>\$ 1,094,976</u>	<u>\$ 952,624</u>	<u>\$ 766,103</u>	<u>\$ 1,094,976</u>	<u>\$ 766,103</u>

	Three-month periods ended			Twelve-month periods ended	
	March 31, 2026	December 31, 2025	March 31, 2025	March 31, 2026	March 31, 2025
<b>Adjusted free cash flow</b>					
Net cash provided by operating activities	\$ 166,963	\$ 123,280	\$ 237,327	\$ 558,446	\$ 655,794
Purchases of property and equipment	(13,349)	(4,731)	(10,080)	(44,812)	(33,921)
Adjusted free cash flow	<u>\$ 153,614</u>	<u>\$ 118,549</u>	<u>\$ 227,247</u>	<u>\$ 513,634</u>	<u>\$ 621,873</u>

<b>Adjusted free cash flow conversion (1)</b>	76.1%	55.5%	93.7%	60.2%	80.1%
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(1) Adjusted free cash flow conversion is calculated by dividing adjusted free cash flow by adjusted EBITDA for the same period. Refer to Schedule IV for the reconciliation of GAAP net income to adjusted EBITDA.

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

	Three-month periods ended									
	March 31, 2026		December 31, 2025		September 26, 2025		June 27, 2025		March 31, 2025	
<b>GAAP gross profit &amp; margin</b>	\$ 297,377	33.8%	\$ 288,132	31.7%	\$ 292,860	32.4%	\$ 281,726	32.6%	\$ 305,687	33.1%
Stock-based compensation expense	4,530		4,851		5,077		2,238		2,582	
Intangible amortization	1,958		1,976		1,649		1,159		880	
<b>Adjusted gross profit &amp; margin</b>	\$ 303,865	34.5%	\$ 294,959	32.4%	\$ 299,586	33.1%	\$ 285,123	33.0%	\$ 309,149	33.4%
<b>GAAP operating income &amp; margin</b>	\$ 153,586	17.4%	\$ 176,105	19.4%	\$ 181,345	20.0%	\$ 186,230	21.5%	\$ 195,307	21.1%
Stock-based compensation expense	32,480		33,855		31,653		22,310		40,114	
Intangible amortization	3,718		3,272		2,918		2,059		1,780	
Acquisition related costs	6,276		398		2,577		1,079		643	
<b>Adjusted operating income &amp; margin</b>	\$ 196,060	22.3%	\$ 213,630	23.5%	\$ 218,493	24.1%	\$ 211,678	24.5%	\$ 237,844	25.7%
<b>GAAP net income &amp; margin</b>	\$ 150,603	17.1%	\$ 131,236	14.4%	\$ 146,861	16.2%	\$ 157,183	18.2%	\$ 157,814	17.1%
Stock-based compensation expense	32,480		33,855		31,653		22,310		40,114	
Intangible amortization	3,718		3,272		2,918		2,059		1,780	
Adjustment for taxes	(32,719)		857		(3,420)		(7,129)		(6,980)	
Acquisition related costs	6,276		398		2,577		1,079		643	
Other	1,385		—		—		—		—	
<b>Adjusted net income &amp; margin</b>	\$ 161,743	18.4%	\$ 169,618	18.7%	\$ 180,589	19.9%	\$ 175,502	20.3%	\$ 193,371	20.9%
<b>GAAP net income &amp; margin</b>	\$ 150,603	17.1%	\$ 131,236	14.4%	\$ 146,861	16.2%	\$ 157,183	18.2%	\$ 157,814	17.1%
Interest, net	(8,679)		(9,565)		(5,911)		(5,371)		(6,544)	
Debt extinguishment cost	—		—		5,121		—		—	
Provision for income taxes	9,032		49,263		35,864		33,784		40,848	
Depreciation expense	5,298		5,164		4,443		3,730		3,328	
Intangible amortization	3,718		3,272		2,918		2,059		1,780	
Stock-based compensation expense	32,480		33,855		31,653		22,310		40,114	
Acquisition related costs	6,276		398		2,577		1,079		643	
Other tax related loss, net	1,254		—		—		—		4,514	
Other	1,817		—		—		—		—	
<b>Adjusted EBITDA &amp; margin</b>	\$ 201,799	22.9%	\$ 213,623	23.5%	\$ 223,526	24.7%	\$ 214,774	24.9%	\$ 242,497	26.2%
<b>GAAP selling, general and administrative expenses</b>	\$ 100,625	11.4%	\$ 82,733	9.1%	\$ 84,626	9.3%	\$ 73,936	8.6%	\$ 86,794	9.4%
Intangible amortization	1,760		1,296		1,269		900		900	
Stock-based compensation expense	24,398		25,075		24,039		18,492		36,346	
Acquisition related costs	6,276		398		2,577		1,079		643	
<b>Adjusted selling, general and administrative expenses</b>	\$ 68,191	7.7%	\$ 55,964	6.2%	\$ 56,741	6.3%	\$ 53,465	6.2%	\$ 48,905	5.3%
<b>GAAP research and development</b>	\$ 43,166	4.9%	\$ 29,294	3.2%	\$ 26,889	3.0%	\$ 21,560	2.5%	\$ 23,586	2.6%
Stock-based compensation expense	3,552		3,929		2,537		1,580		1,186	
<b>Adjusted research and development</b>	\$ 39,614	4.5%	\$ 25,365	2.8%	\$ 24,352	2.7%	\$ 19,980	2.3%	\$ 22,400	2.4%
<b>GAAP operating expenses</b>	\$ 143,791	16.3%	\$ 112,027	12.3%	\$ 111,515	12.3%	\$ 95,496	11.0%	\$ 110,380	11.9%
Intangible amortization	1,760		1,296		1,269		900		900	
Stock-based compensation expense	27,950		29,004		26,576		20,072		37,532	
Acquisition related costs	6,276		398		2,577		1,079		643	
<b>Adjusted total operating expenses</b>	\$ 107,805	12.2%	\$ 81,329	8.9%	\$ 81,093	9.0%	\$ 73,445	8.5%	\$ 71,305	7.7%
<b>Diluted earnings per share</b>										
GAAP diluted earnings per share	\$ 0.97		\$ 0.85		\$ 0.97		\$ 1.04		\$ 1.05	
Earnings per share attributable to Non-GAAP adjustments	0.08		0.25		0.22		0.12		0.24	
<b>Adjusted diluted earnings per share</b>	\$ 1.05		\$ 1.10		\$ 1.19		\$ 1.16		\$ 1.29	
Diluted shares used in computing per share amounts	154,664		153,921		152,018		150,901		149,740	

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

	Twelve-month periods ended					
	March 31, 2026		March 31, 2025			
<b>GAAP gross profit &amp; margin</b>	\$	1,160,095	32.6%	\$	1,008,825	34.1%
Stock-based compensation expense		16,696			11,927	
Intangible amortization		6,742			2,744	
<b>Adjusted gross profit &amp; margin</b>	\$	1,183,533	33.3%	\$	1,023,496	34.6%
<b>GAAP operating income &amp; margin</b>	\$	697,266	19.6%	\$	639,112	21.6%
Stock-based compensation expense		120,298			118,880	
Intangible amortization		11,967			5,523	
Acquisition related costs		10,330			5,338	
<b>Adjusted operating income &amp; margin</b>	\$	839,861	23.6%	\$	768,853	26.0%
<b>GAAP net income &amp; margin</b>	\$	585,883	16.5%	\$	517,246	17.5%
Stock-based compensation expense		120,298			118,880	
Intangible amortization		11,967			5,523	
Adjustment for taxes		(42,411)			(16,348)	
Acquisition related costs		10,330			5,338	
Other		1,385			—	
<b>Adjusted net income &amp; margin</b>	\$	687,452	19.3%	\$	630,639	21.3%
<b>GAAP net income &amp; margin</b>	\$	585,883	16.5%	\$	517,246	17.5%
Interest, net		(29,526)			(9,246)	
Debt extinguishment cost		5,121			—	
Provision for income taxes		127,943			130,770	
Depreciation expense		18,635			7,884	
Intangible amortization		11,967			5,523	
Stock-based compensation expense		120,298			118,880	
Acquisition related costs		10,330			5,338	
Other tax related loss, net		1,254			101	
Other		1,817			—	
<b>Adjusted EBITDA &amp; margin</b>	\$	853,722	24.0%	\$	776,496	26.2%
<b>GAAP selling, general and administrative expenses</b>	\$	341,920	9.6%	\$	290,321	9.8%
Intangible amortization		5,225			2,779	
Stock-based compensation expense		92,004			98,532	
Acquisition related costs		10,330			5,338	
<b>Adjusted selling, general and administrative expenses</b>	\$	234,361	6.6%	\$	183,672	6.2%
<b>GAAP research and development</b>	\$	120,909	3.4%	\$	79,392	2.7%
Stock-based compensation expense		11,598			8,421	
<b>Adjusted research and development</b>	\$	109,311	3.1%	\$	70,971	2.4%
<b>GAAP operating expenses</b>	\$	462,829	13.0%	\$	369,713	12.5%
Intangible amortization		5,225			2,779	
Stock-based compensation expense		103,602			106,953	
Acquisition related costs		10,330			5,338	
<b>Adjusted total operating expenses</b>	\$	343,672	9.7%	\$	254,643	8.6%
<b>Diluted earnings per share</b>						
GAAP diluted earnings per share	\$	3.84		\$	3.47	
Earnings per share attributable to Non-GAAP adjustments		0.66			0.75	
<b>Adjusted diluted earnings per share</b>	\$	4.50		\$	4.22	
Diluted shares used in computing per share amounts		152,710			149,276	

## Notes

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

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

- the ability to make more meaningful period-to-period comparisons of the Company's ongoing operating results;
- the ability to better identify trends in the Company's underlying business and perform related trend analysis;
- a better understanding of how management plans and measures the Company's underlying business; and

- an easier way to compare the Company's operating results against analyst financial models and operating results of competitors that supplement their GAAP results with non-GAAP financial measures.

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

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

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

*Acquisition costs* consist primarily of nonrecurring transaction costs, including integration and diligence activities on new and potential for business acquisitions.

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

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

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