



Shareholder Letter

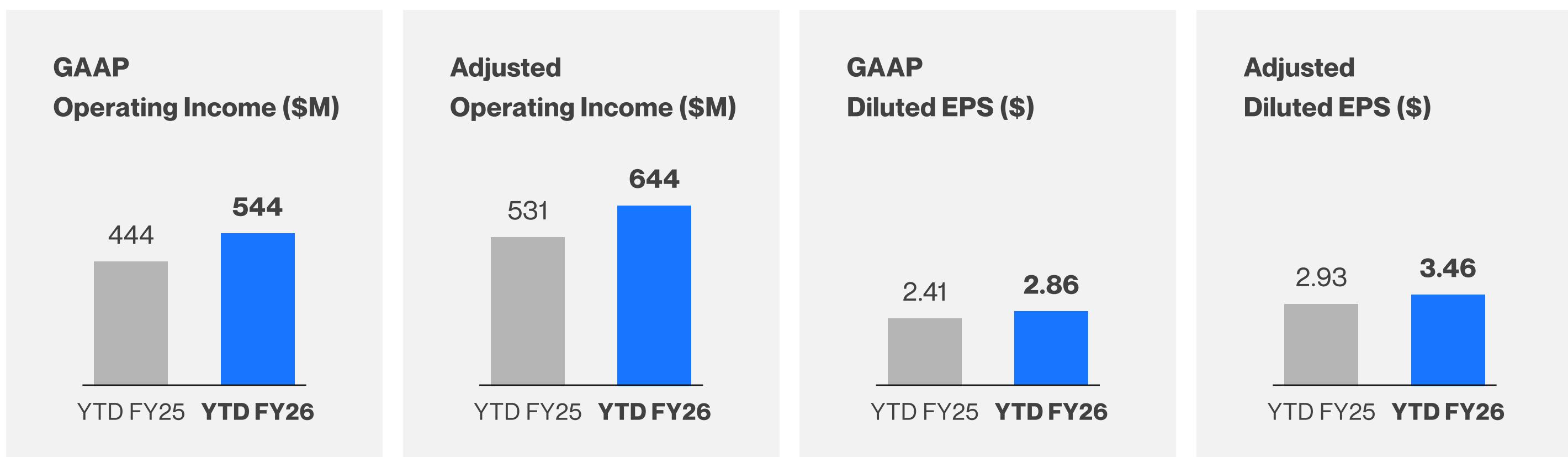
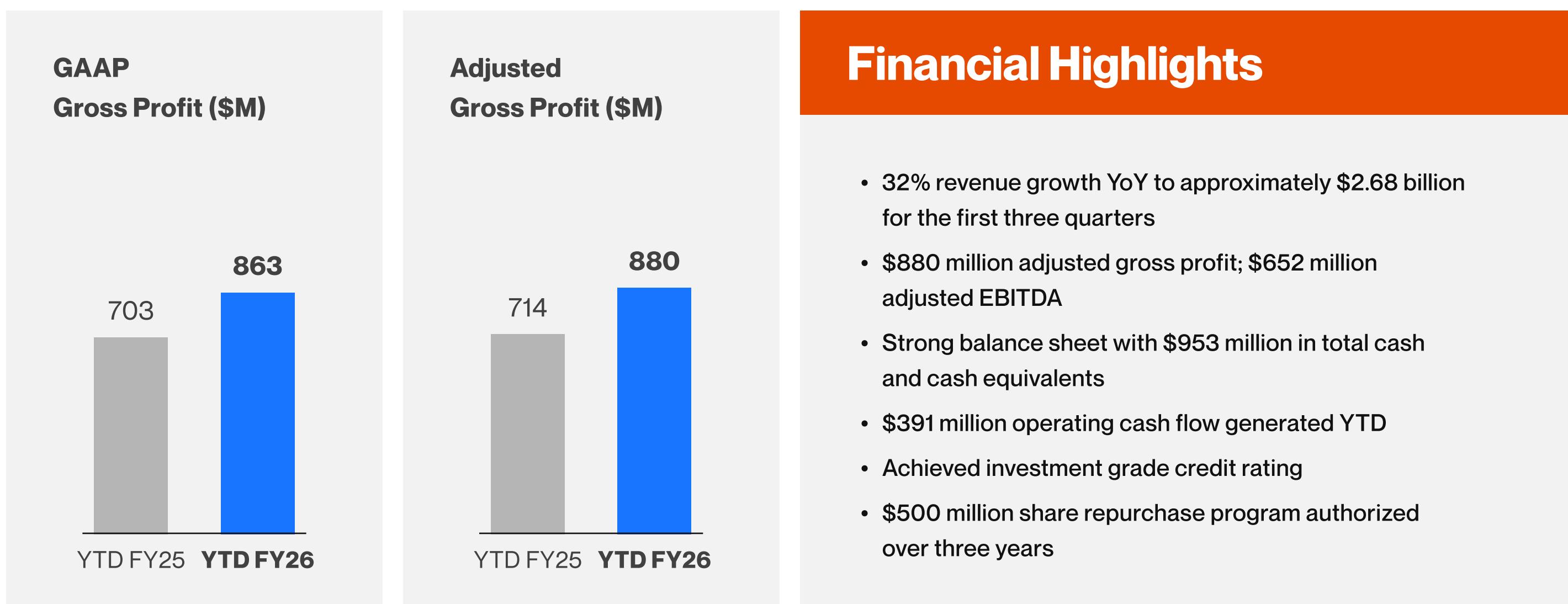
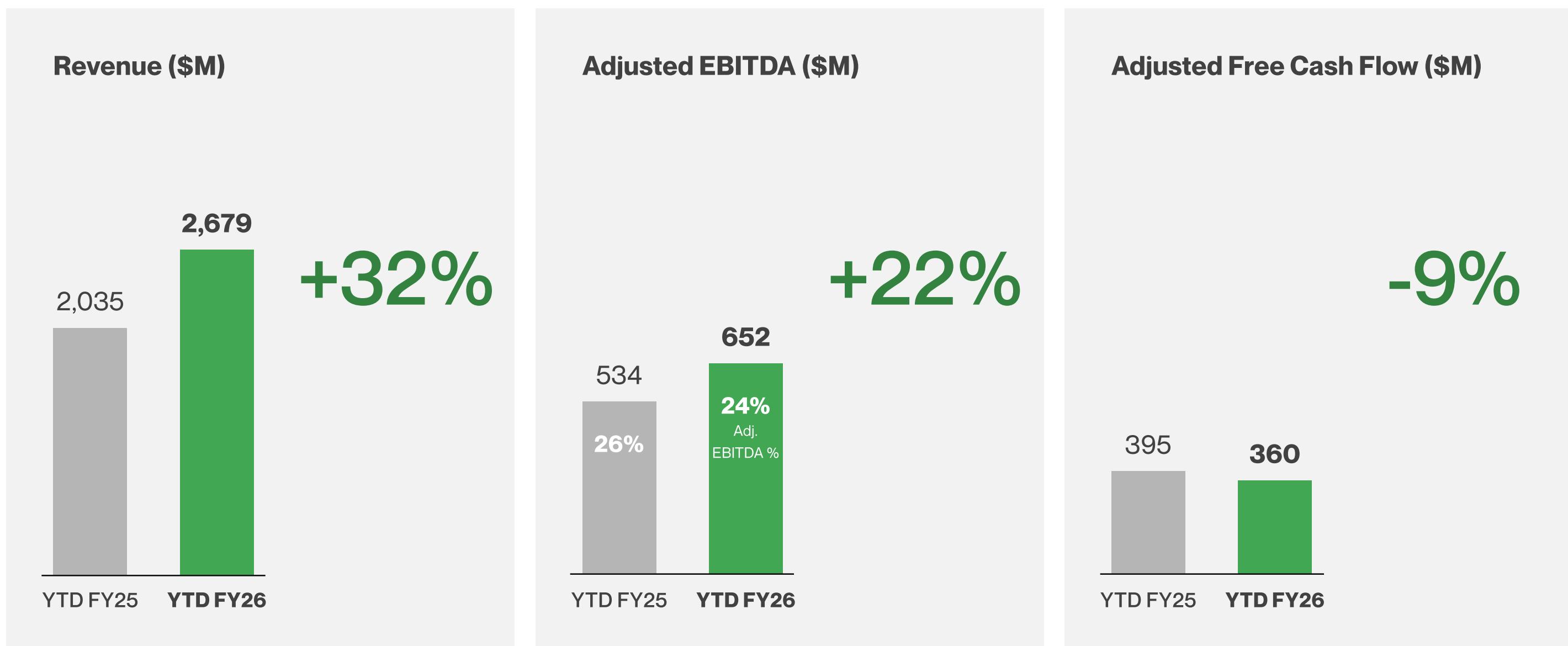
 **NEXTPOWER**™

Q3 FY2026

January 27, 2026

Financial Highlights

YTD Performance Through Q3 FY26



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.



Dan Shugar, Founder and CEO of Nextpower, speaking at Customer Day at the company's headquarters on Nov. 12, 2025

Dear Nextpower Shareholder,

We are pleased to share highlights from the third quarter of 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 January 27 at 2:00 p.m. PT.

Our company was founded in 2013 to address the limitations of legacy tracker systems through independent-row architecture and smarter controls, with the goal of helping accelerate solar power deployment. Along the way, we have shipped well over 150 GW of award-winning solar technology and maintained the number one global market share for the last 10 years in a row. Just in the past three years, we have reached several important milestones—our IPO in 2023, our spin-off from Flex in January 2024, and subsequently, a series of strategic acquisitions, including Ojjo, Solar Pile International, Bentek, Onsight, Widesense, Amir Robotics, Fracsun, and Origami Solar.

In November, we rebranded our company from Nextracker to Nextpower.

Our new brand reflects the Company's strategic evolution from a pure-play tracking systems supplier to an end-to-end solar technology platform, and underscores the preeminent role that solar power has achieved globally as the leading source of annual new energy

infrastructure. Following our inaugural Capital Markets Day in November, we hosted a select group of customers at our headquarters, where they were able to take a closer look at our newly expanded solutions portfolio.

Customer response to our strategic evolution and associated rebranding has been extremely positive. Nextracker has been a trusted strategic partner for many leading EPCs and developer/owners, and customers are excited about our ability to address a broader cross-section of their needs as Nextpower. We are already seeing a significant demand for bundled solutions, for example, as reflected in a 552 MW booking for a project in Texas that includes NX Horizon Hail Pro™ tracker systems, eBOS, NX Earth Truss™, and TrueCapture®.

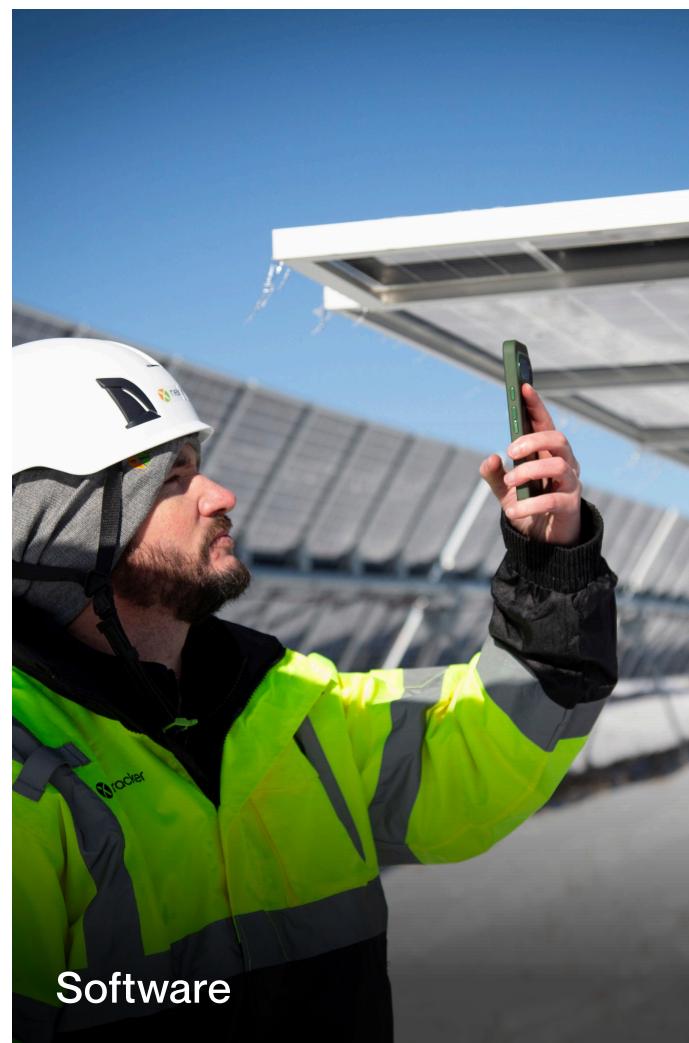
Demand for our core tracker series remains strong. One example is the sustained customer adoption of the NX Hail Pro tracker technology. During 2025, our Hail Pro systems executed 2,170 hail stows worldwide, with our customers reporting a less than 0.007% module breakage rate associated with extreme weather events.

Trackers



Trackers

Software + Services



Software



Controls



Services, Robotics & AI

Structural

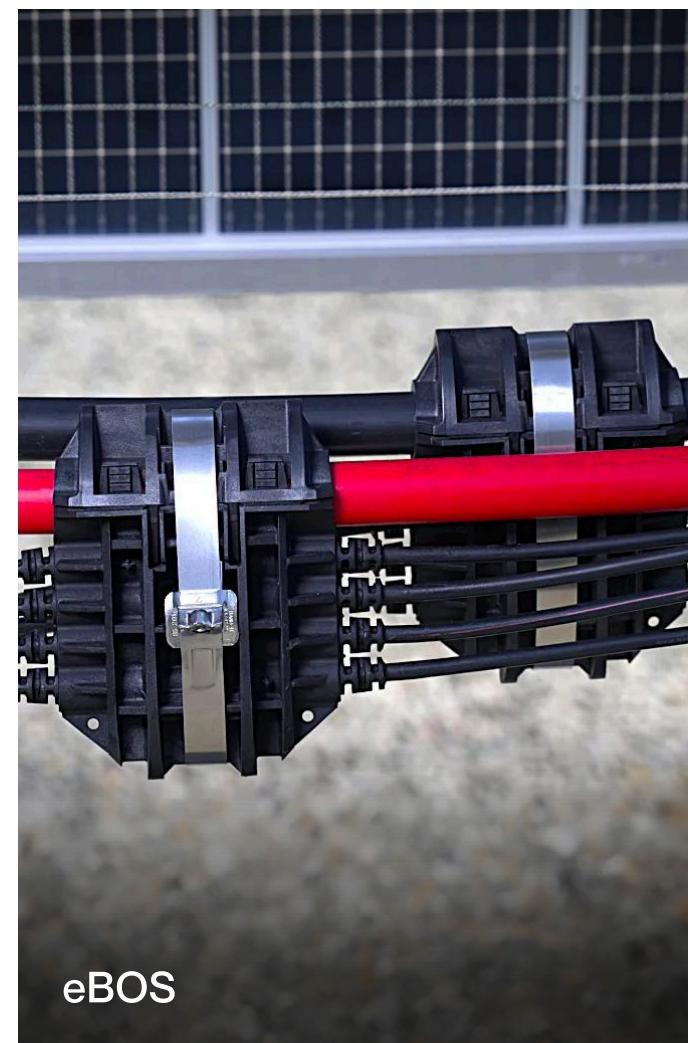


Foundations



Module Frames

Electrical



eBOS



Power Conversion

The next major phase of our strategy involves expansion into the power conversion space, where we believe Nextpower has a meaningful opportunity to improve system efficiency, reliability, serviceability, and cybersecurity across the solar and battery energy storage system (BESS) ecosystems. We are currently testing our power conversion technology and planning pilot deployments in CY26.

As we build out our technology platform in North America, we are also beginning to selectively expand our new technologies internationally. During the quarter, we announced the launch of our NX Earth Truss™ foundation solution in Australia.

We recently completed the formation of our Middle East joint venture (JV), Nextpower Arabia, which combines the deep regional expertise of Riyadh-based Abunayyan Holding with Nextpower's global solar technology leadership. The JV is off to a strong start and will supply 2.25 GW of smart solar trackers for the Bisha Solar Project, one of the largest utility-scale solar plants in Saudi Arabia. We believe that this early opportunity is a leading indicator of Nextpower Arabia's ability to effectively address the rapidly growing solar markets in the Middle East and North Africa (MENA) region.

Nextpower continues to be a leader in the global solar power market and an important contributor within the broader ecosystem, with a proven track record of delivering superior project performance for our customers and an increasingly differentiated and comprehensive technology platform.

Q3 and YTD FY26 Results

Q3 revenue increased 34% YoY to \$909 million and year-to-date (through Q3) revenue increased 32% YoY to approximately \$2.68 billion. The geographic mix of total revenue for Q3 was 81% U.S. and 19% Rest of World, and 75% U.S. and 25% Rest of World YTD.

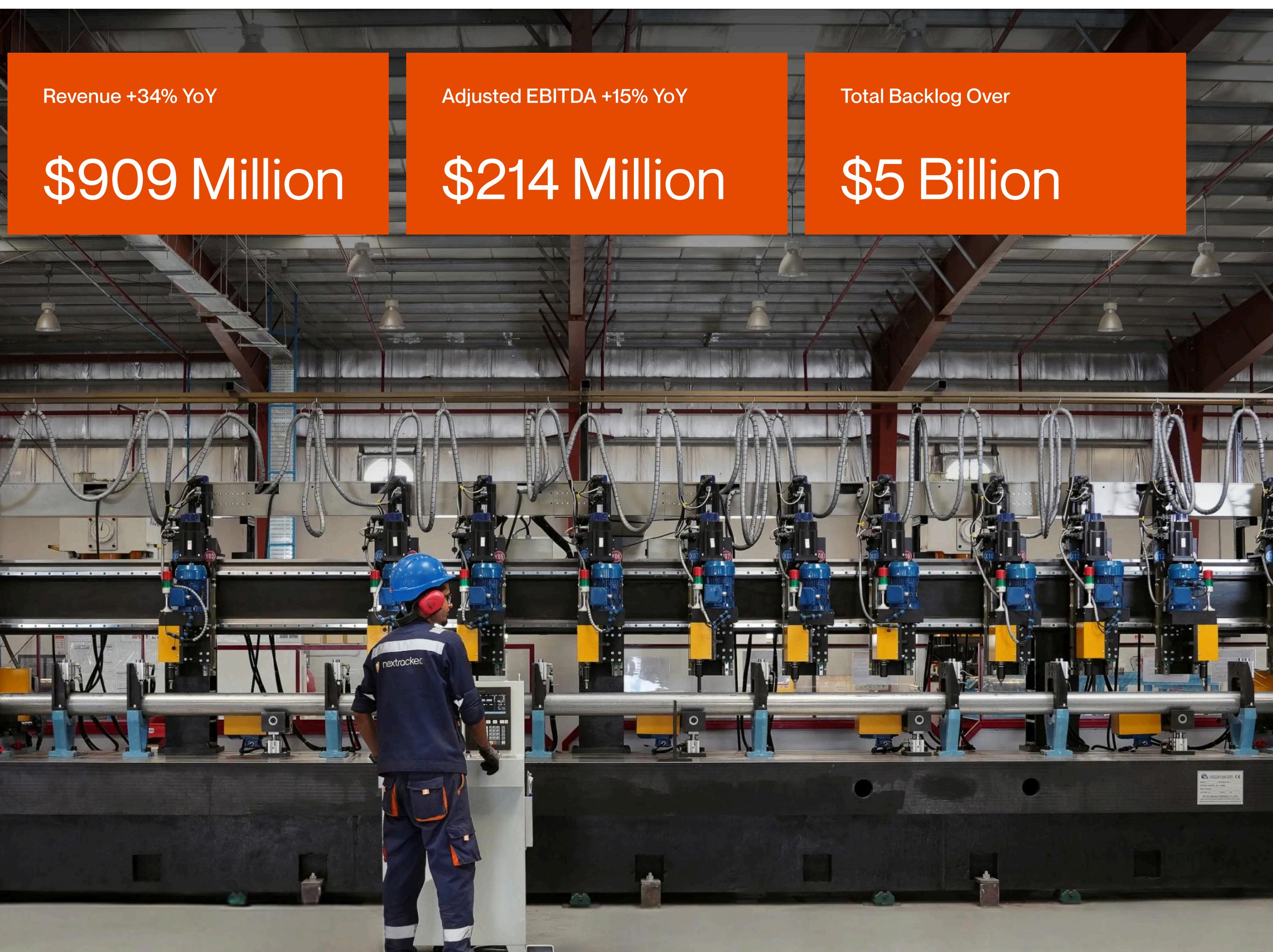
Our Q3 adjusted EBITDA expanded to \$214 million, a 15% increase compared to Q3 last year, representing an adjusted EBITDA margin of 23%. Our YTD adjusted EBITDA was up 22% YoY.

We generated \$119 million of adjusted free cash flow in the quarter and \$360 million YTD.

We continue to see strong demand for our products. New contracted bookings momentum continued in Q3, with increased backlog* at over \$5 billion. The strength of our backlog and progress through the first three quarters provide the visibility and context for increasing our financial outlook for the current fiscal year, which we discuss in more detail below.

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.



Nextpower Arabia Manufacturing facility, Jeddah, Saudi Arabia

Business Highlights



Capital Markets Day Panel exploring the Future of Intelligent Solar

Corporate Updates

- Rebranded the company to Nextpower at our inaugural Capital Markets Day, reflecting our evolution from a pure-play tracking systems supplier to an end-to-end solar technology platform
- Achieved an investment grade credit rating from Fitch, reflecting strong cash flow generation, disciplined financial management, and balance sheet strength
- Authorized a share repurchase program for repurchase of up to \$500 million of common stock over a three-year period
- Expanded U.S. operations, opening our Southeast operations hub featuring a new Remote Monitoring Center, and grew domestic tracker manufacturing capacity
- Achieved upgraded ISS Corporate ESG rating to Prime status, recognizing performance that meets or exceeds ISS STOXX's sustainability requirements and industry average



Dan Shugar, CEO and Founder of Nextpower, and Turki Al-Amri, CEO of Abunayyan Holding, at formal signing ceremony to announce Nextpower Arabia joint venture

Market Momentum

- Achieved record backlog, driven by strength in the U.S. and record bookings in Europe, and expanded our global footprint further in two new countries
- Launched NX Earth Truss™ in Australia, marking an important step in the international expansion of our technology platform
- Completed the formation of our Nextpower Arabia joint venture in January 2026 that addresses the rapidly growing utility-scale solar market in the Middle East and North Africa (MENA) region
- Secured a 2.25 GW supply commitment for advanced solar tracking systems through Nextpower Arabia for the Bisha Solar Project, one of the world's largest utility-scale solar power plants



Integrated NX Earth Truss and NX Horizon system

Products and Innovation

- Increased bookings for bundled offers, including a 552 MW project in Cold Creek, Texas, incorporating NX Horizon Hail Pro™ tracker systems, eBOS, NX Earth Truss, and TrueCapture® into a cohesive integrated solution
- Announced an innovative power conversion solutions roadmap for utility-scale solar and energy storage systems
- Acquired Fracsun, a differentiated panel soiling measurement and SaaS platform enabling end-to-end, real-time soiling monitoring and robotic cleaning solutions to further enhance customer returns

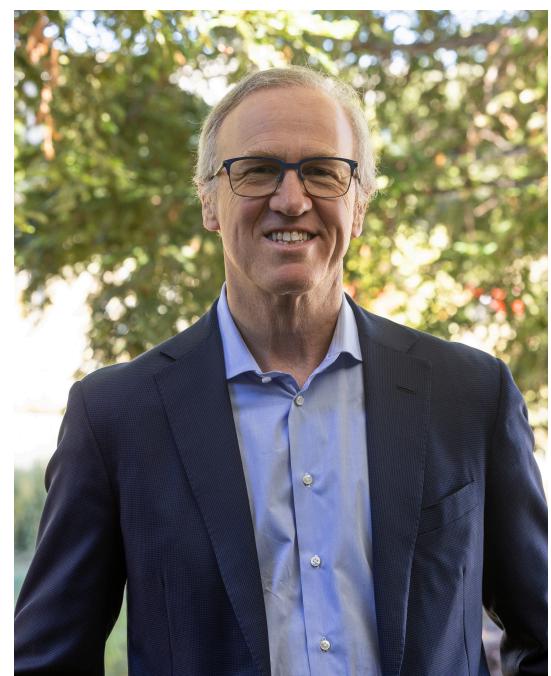
Looking Ahead

Our Q3 performance validates Nextpower's strategy of customer-focused innovation and execution in our core tracker business while expanding our technology platform through a combination of internal R&D and M&A to drive increased customer value.

We continue to see strong fundamentals in the U.S. and other global markets for utility-scale solar, driven by the increasing demand for electricity and the highly competitive economics of solar power. With our strong balance sheet, expanding technology portfolio, and record backlog, we believe Nextpower is well-positioned to deliver continued growth, profitability, and long-term shareholder value.

Dan Shugar

Founder & CEO



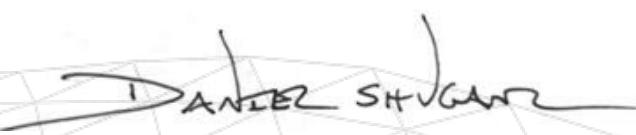
Howard Wenger

President



Chuck Boynton

CFO



Establishment of Nextpower Arabia Joint Venture

We are pleased to announce that we have completed the formation of our Nextpower Arabia joint venture with Abunayyan Holding in Saudi Arabia. This milestone represents a significant step forward in our strategy to accelerate the deployment of utility-scale solar power plants across the Middle East and North Africa (MENA) region, supporting national and regional renewable energy transformation initiatives.

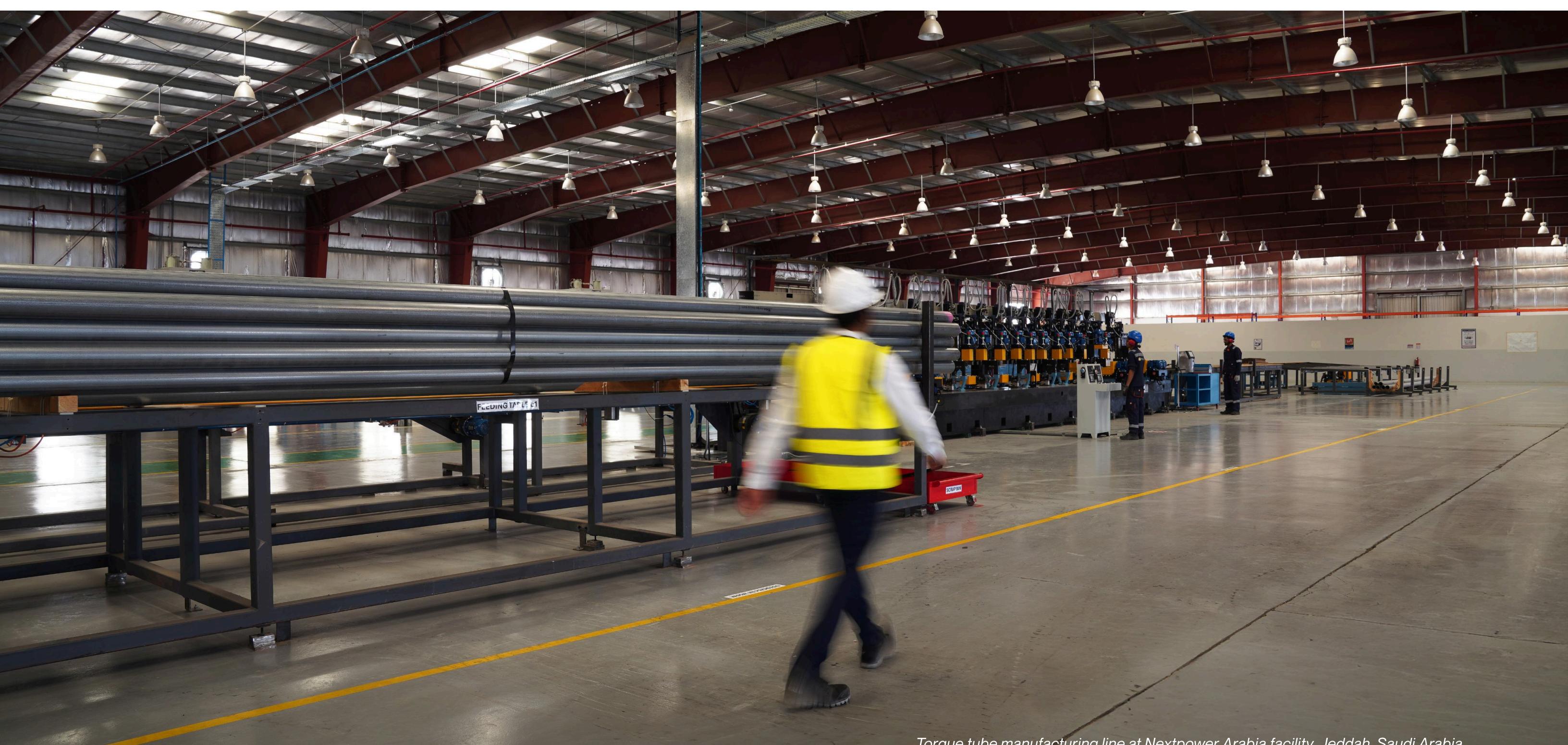
A key early win for the joint venture is the Bisha Solar Project, the first project to be fulfilled through Nextpower Arabia, which will supply 2.25 GW of solar tracking systems. The Bisha Solar Project represents a significant addition to Saudi Arabia's expanding utility-scale renewable energy portfolio, supporting the Kingdom's long-term energy security and decarbonization objectives.

Nextpower brings a longstanding track record of supporting major utility-scale solar developments in the region, beginning with the 405 MW Sakaka Solar Park in Saudi Arabia seven years ago. Since then, we have shipped more than 6 GW in the region. We expect that this joint venture will further strengthen our participation across the Middle East and expand our regional presence.

Nextpower Arabia establishes a strategic regional hub that brings sales and operations closer to customers, enhances regional focus, and strengthens Nextpower's presence in one of the world's fastest-growing solar markets. The joint venture builds on the complementary experience and expertise in clean energy and solar innovation from both the Abunayyan Group and Nextpower, and is well-positioned to advance the region's clean energy transition and goals to diversify the economy and strengthen local industrial capacity.



As part of the joint venture, construction is underway on a second advanced manufacturing facility in Saudi Arabia that will produce Nextpower's advanced solar trackers, mechanical infrastructure, and yield management and control systems for projects throughout the MENA region. The facility is anticipated to open in the second quarter of calendar year 2026.



Torque tube manufacturing line at Nextpower Arabia facility, Jeddah, Saudi Arabia

Fiscal Year 2026 Outlook

For FY26, we have increased our revenue outlook to be in the range of \$3.425 billion to \$3.500 billion. Adjusted EBITDA is now expected to be in the range of \$810 million to \$830 million, and adjusted diluted EPS to be in the range of \$4.26 to \$4.36 per share.

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 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.

	Updated Outlook	Previous Outlook
Revenue	\$3.425 to \$3.500B	\$3.275 to \$3.475B
GAAP Net Income	\$525 to \$540M	\$499 to \$529M
GAAP Diluted EPS	\$3.43 to \$3.53	\$3.26 to \$3.46
Adjusted EBITDA	\$810 to \$830M	\$775 to \$815M
Adjusted Diluted EPS	\$4.26 to \$4.36	\$4.04 to \$4.25

Additional Modeling Assumptions

- 45X incentives and tariffs will continue for the full year
- Other income, net of \$15 to \$20 million
- GAAP Effective Tax Rate of 22%, Adjusted Effective Tax Rate of 20%
- Weighted Average Shares Outstanding of approximately 153 million

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

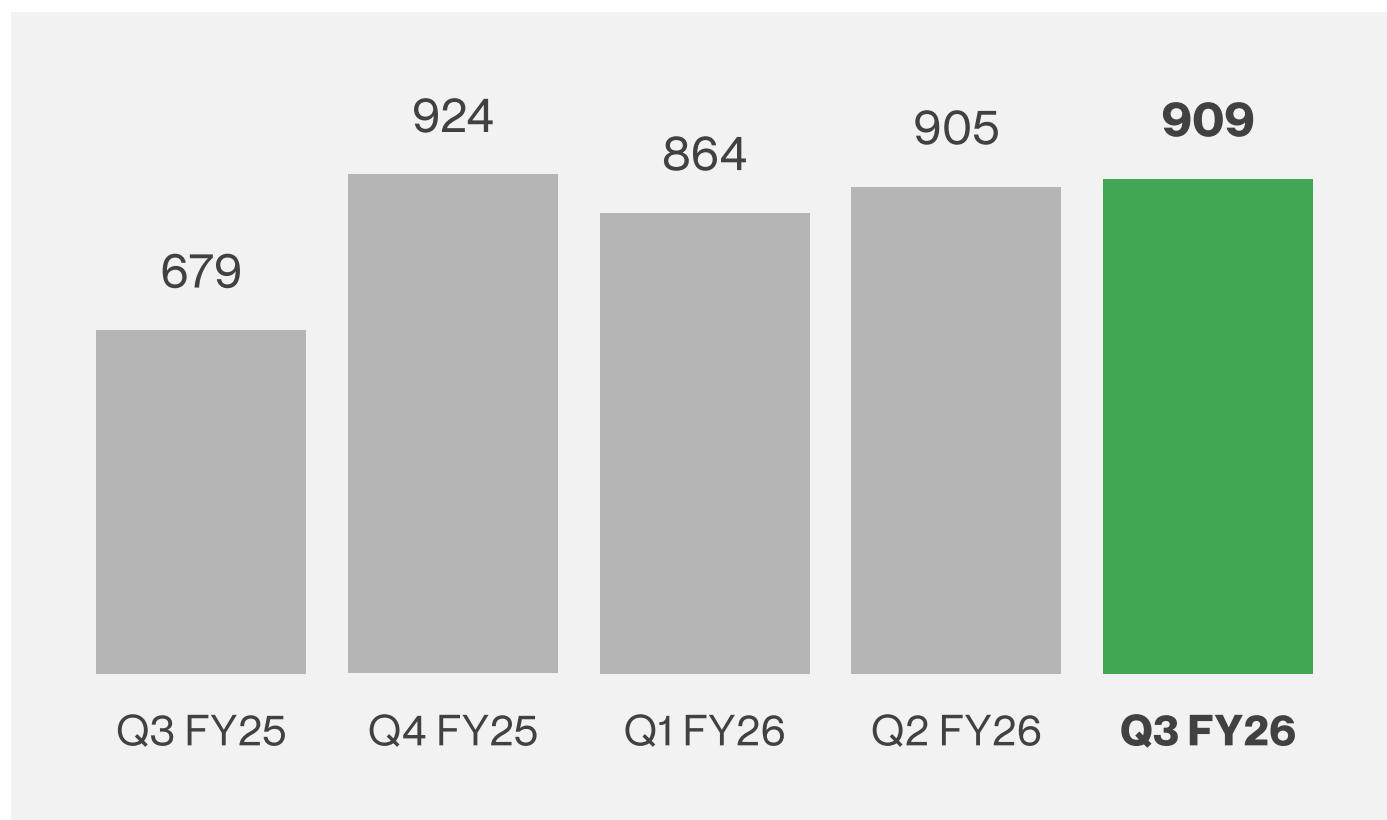
Financial Results

Financial Results

In Q3, revenue increased 34% YoY to \$909 million, and YTD FY26 revenue increased 32% YoY to approximately \$2.68 billion. The geographic mix of total revenue for Q3 was 81% U.S. and 19% Rest of World, and YTD was 75% U.S. and 25% Rest of World.

Our revenue mix is comprised predominantly of solar tracker system sales. In addition, in Q3, we have recognized revenue for TrueCapture®, eBOS, foundations, robotic solutions, and other.

Revenue (\$M)



Revenue Mix

Revenue \$M, except %	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26
U.S.	450	608	599	687	735
YoY Change	-19%	23%	17%	49%	63%
RoW	229	316	265	218	174
YoY Change	48%	31%	27%	26%	-24%
U.S. %	66%	66%	69%	76%	81%
RoW %	34%	34%	31%	24%	19%

Nextpower asset management team at utility-scale plant in California, featuring NX Horizon-XTR™



Financial Results

Q3 was another quarter of strong execution that exceeded our gross and operating margin targets.

While Q3 margins were in line QoQ, YoY margins were impacted primarily by higher tariffs.

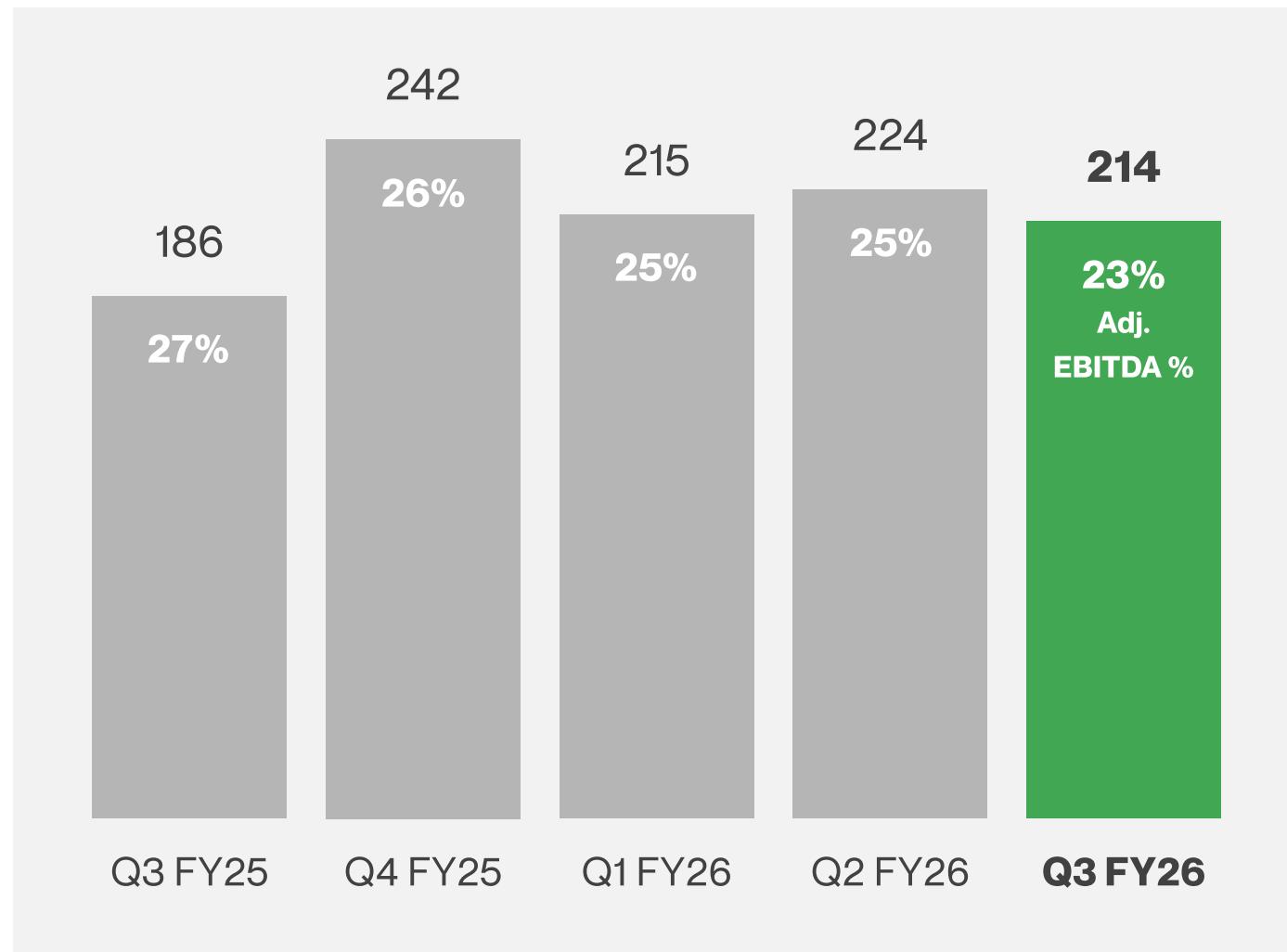
Q3 adjusted EBITDA was \$214 million, an increase of \$28 million representing a 15% growth from the prior year.

Q3 adjusted EBITDA margin of 23% was down 4 percentage points from the prior year.

Adjusted operating expense, which includes R&D expense, was approximately 9% of total revenue in Q3.

Sequentially, our operating expense was flat with a slight increase in R&D.

Adjusted EBITDA (\$M)



Profitability

	\$M, except % and per share	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26
Adj. Gross Profit	245	309	285	300	295	
YoY Change	15%	39%	18%	31%	20%	
Adj. Gross Margin	36%	33%	33%	33%	32%	
Adj. EBITDA	186	242	215	224	214	
YoY Change	11%	52%	23%	29%	15%	
Adj. EBITDA Margin	27%	26%	25%	25%	23%	
Adj. Diluted EPS	1.03	1.29	1.16	1.19	1.10	
YoY Change	7%	34%	25%	23%	7%	



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

*Q3 FY25, Q4 FY25, Q1 FY26, Q2 FY26, and Q3 FY26 results include approximately \$48 million, \$67 million, \$82 million, \$67 million, and \$53 million, respectively, of IRA 45X advanced manufacturing tax credit vendor rebates ('45X credits') and tariffs, net.

Financial Results

Our Q3 adjusted effective tax rate of approximately 20% 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.

At the end of Q3 FY26, diluted share count was approximately 154 million shares, and adjusted diluted EPS was \$1.10 and did not include stock-based compensation expense, intangible amortization, and acquisition-related costs of approximately \$38 million in the quarter.

Quarterly Results

\$M, except % and per share	Q3 FY26	Q2 FY26	Q3 FY25	YoY Change	YTD FY26	YoY Change
Revenue	909	905	679	34%	2,679	32%
Adj. Gross Profit	295	300	245	20%	880	23%
Adj. Gross Margin	32%	33%	36%	-4 pts	33%	-2 pts
Adj. SG&A	56	57	47	19%	166	23%
Adj. SG&A %	6%	6%	7%	-1 pts	6%	0 pts
Adj. R&D	25	24	18	39%	70	43%
Adj. R&D %	3%	3%	3%	0 pts	3%	0 pts
Adj. Total Operating Expense	81	81	65	25%	236	29%
Adj. Total Operating Expense %	9%	9%	10%	-1 pts	9%	0 pts
Adj. Operating Income	214	218	180	19%	644	21%
Adj. Operating Margin	23%	24%	27%	-3 pts	24%	-2 pts
Adj. EBITDA	214	224	186	15%	652	22%
Adj. EBITDA Margin	23%	25%	27%	-4 pts	24%	-2 pts
Adj. Net Income	170	181	154	10%	526	20%
Adj. Diluted EPS	\$1.10	\$1.19	\$1.03	7%	\$3.46	18%

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.



Financial Results

Our strong balance sheet, cash flow generation, and ample liquidity remain competitive advantages. We closed the quarter with \$953 million 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. We achieved an investment grade credit rating, reinforcing the strength of our balance sheet and capital structure.

Operating cash flow was \$123 million in Q3 and capital expenditures were \$5 million in Q3, driving adjusted free cash flow of \$119 million in Q3 and \$360 million YTD.

We received Board approval for a share repurchase program of up to \$500 million over three-years, adding an important 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 more on our core competencies, technological differentiation, and value for customers. With our strong balance sheet and cash flow generation, we have now added share repurchases as an additional tool to return capital to shareholders.

Capital Allocation Priorities:

1 **Organic Growth**

2 **M&A**

3 **Return to Shareholders**

Balance Sheet and Cash Flow

\$M, except % and CCC days	Q3 FY26	Q2 FY26	Q3 FY25	QoQ Change	YoY Change
Ending Cash & Cash Equivalents	953	845	694	13%	37%
Debt, Current & Long-Term	-	-	145		-100%
AR & Contract Assets	896	975	761	-8%	18%
Inventories	275	221	217	24%	27%
AP & Accrued Expenses	667	657	457	1%	46%
Net Working Capital	522	474	403	10%	30%
Cash Conversion Cycle	53	51	68	4%	-21%
Adj. Free Cash Flow Conversion	55%	77%	72%	-22 pts	-17 pts
Cash From Operations	123	187	144	-34%	-14%
Capital Expenditures	5	15	9	-69%	-47%
Adjusted Free Cash Flow	119	171	135	-31%	-12%

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 historical factual information are forward-looking statements, including without limitation statements regarding: our financial and operating outlook and guidance including statements under the heading "Fiscal Year 2026 Outlook" of this letter; our strategies, mission, plans, objectives and goals; the market demand for our products, solutions and services, including our bundled offerings; our ability to compete with existing and new competitors in existing and new markets; projections regarding the U.S. and global demand for electricity and solar power and our addressable market and market size; macro-economic trends; panel availability; growth opportunities and plans for future operations, products and services; the expansion of our U.S. manufacturing and production volumes and domestic content capability; our bookings and backlog, including our ability to convert our backlog into revenue; our ability to integrate our recent acquisitions, including newly announced acquisitions, on the timelines we expect, and the benefits we expect for our customers and us; the anticipated benefits of our joint venture agreement, including the anticipated expansion of our operations in MENA markets; the impact and ability to integrate AI, machine learning and advanced robotics technologies; the anticipated benefits from the share repurchase program; and our expectations and the impacts to our business caused by the U.S. policy and regulatory environment, and any other statements that address events or developments that we intend or believe will or 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, including the risks of operating in MENA markets; our ability to successfully integrate operations and employees in the joint venture; unexpected costs, charges or expenses resulting from the joint venture; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the joint venture; 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 any 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, and when available our Quarterly Report for the quarter ended December 31, 2025. 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 Q3 FY26 earnings press release, on the investor relations section of our website at investors.nextpower.com.

Channels for Disclosure of Information

Nextpower intends to announce material information to the public through the Nextpower Investor Relations website investors.nextpower.com, SEC filings, press releases, public conference calls, and public webcasts.

Nextpower uses these channels to communicate with its investors, customers, and the public about the company, its offerings, and other issues. As such, Nextpower encourages investors, the media, and others to follow the channels listed above and to review the information disclosed through such channels.

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

	Three-month periods ended	
	December 31, 2025	December 31, 2024
Revenue	\$ 909,352	\$ 679,363
Cost of sales	621,220	438,460
Gross profit	288,132	240,903
Selling, general and administrative expenses	82,733	70,573
Research and development	29,294	20,094
Operating income	176,105	150,236
Interest expense	339	3,798
Other income, net	(4,733)	(13,778)
Income before income taxes	180,499	160,216
Provision for income taxes	49,263	42,842
Net income	131,236	117,374
Less: Net income attributable to non-controlling interests	—	2,091
Net income attributable to Nextpower Inc.	<u>\$ 131,236</u>	<u>\$ 115,283</u>
 Earnings per share attributable to Nextpower Inc. common stockholders		
Basic	\$ 0.88	\$ 0.80
Diluted	\$ 0.85	\$ 0.79
 Weighted-average shares used in computing per share amounts:		
Basic	148,414	143,664
Diluted	153,921	149,028

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

	Nine-month periods ended	
	December 31, 2025	December 31, 2024
Revenue	\$ 2,678,873	\$ 2,034,855
Cost of sales	1,816,155	1,331,717
Gross profit	862,718	703,138
Selling, general and administrative expenses	241,295	203,527
Research and development	77,743	55,806
Operating income	543,680	443,805
Interest expense	2,285	10,743
Other income, net	(12,796)	(16,292)
Income before income taxes	554,191	449,354
Provision for income taxes	118,911	89,922
Net income and comprehensive income	435,280	359,432
Less: Net income attributable to non-controlling interests	—	7,058
Net income attributable to Nextpower Inc.	<u>\$ 435,280</u>	<u>\$ 352,374</u>
 Earnings per share attributable to Nextpower Inc. common stockholders		
Basic	\$ 2.94	\$ 2.46
Diluted	\$ 2.86	\$ 2.41
 Weighted-average shares used in computing per share amounts:		
Basic	147,806	143,102
Diluted	152,062	149,134

Unaudited condensed consolidated balance sheets
(In thousands)

	<u>As of December 31, 2025</u>	<u>As of March 31, 2025</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 952,624	\$ 766,103
Accounts receivable, net of allowance of \$1,960 and \$1,472, respectively	452,235	472,462
Contract assets	443,358	405,890
Inventories	275,292	209,432
Section 45X credit receivable	301,149	215,616
Other current assets	134,941	88,483
Total current assets	<u>2,559,599</u>	<u>2,157,986</u>
Property and equipment, net	84,752	60,395
Goodwill	485,300	371,018
Other intangible assets, net	80,577	53,241
Deferred tax assets	517,646	498,778
Other assets	72,192	51,098
Total assets	<u>\$ 3,800,066</u>	<u>\$ 3,192,516</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 560,075	\$ 585,299
Accrued expenses	106,573	97,000
Deferred revenue	321,882	247,127
Other current liabilities	96,242	104,086
Total current liabilities	<u>1,084,772</u>	<u>1,033,512</u>
Tax receivable agreement (TRA) liability	371,179	394,879
Long-term deferred revenue	97,580	96,635
Other liabilities	95,665	39,360
Total liabilities	<u>1,649,196</u>	<u>1,564,386</u>
Total stockholders' equity	<u>2,150,870</u>	<u>1,628,130</u>
Total liabilities and stockholders' equity	<u>\$ 3,800,066</u>	<u>\$ 3,192,516</u>

Unaudited condensed consolidated statements of cash flows
(In thousands)

	Three-month periods ended			Nine-month periods ended	
	December 31, 2025	September 26, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Cash flows from operating activities:					
Net income	\$ 131,236	\$ 146,861	\$ 117,374	\$ 435,280	\$ 359,432
Depreciation and amortization of intangible assets	8,436	7,361	4,416	21,586	8,299
Changes in working capital and other, net	(16,392)	32,657	22,050	(65,383)	50,736
Net cash provided by operating activities	123,280	186,879	143,840	391,483	418,467
Cash flows from investing activities:					
Purchases of property and equipment	(4,731)	(15,474)	(8,941)	(31,463)	(23,841)
Payment for acquisitions, net of cash acquired	(8,323)	(28,976)	—	(124,112)	(144,675)
Other investing activities	(2,747)	—	—	(2,747)	—
Net cash used in investing activities	(15,801)	(44,450)	(8,941)	(158,322)	(168,516)
Cash flows from financing activities:					
Repayment of bank borrowings	—	—	(938)	—	(2,813)
Payment of revolver issuance costs	—	(1,993)	(2,302)	(1,993)	(6,017)
TRA payment	—	(24,483)	—	(27,427)	(15,520)
Distribution to former non-controlling interest holder	—	—	—	(3,010)	(6,112)
Payment of acquisition deferred purchase price	(197)	(14,013)	—	(14,210)	—
Net cash used in financing activities	(197)	(40,489)	(3,240)	(46,640)	(30,462)
Net increase in cash and cash equivalents	107,282	101,940	131,659	186,521	219,489
Cash and cash equivalents beginning of period	845,342	743,402	561,884	766,103	474,054
Cash and cash equivalents end of period	\$ 952,624	\$ 845,342	\$ 693,543	\$ 952,624	\$ 693,543
Adjusted free cash flow					
	December 31, 2025	September 26, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Net cash provided by operating activities	\$ 123,280	\$ 186,879	\$ 143,840	\$ 391,483	\$ 418,467
Purchases of property and equipment	(4,731)	(15,474)	(8,941)	(31,463)	(23,841)
Adjusted free cash flow	\$ 118,549	\$ 171,405	\$ 134,899	\$ 360,020	\$ 394,626
Adjusted free cash flow conversion (1)	55.5%	76.7%	72.4%	55.2%	73.9%

(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									
	December 31, 2025		September 26, 2025		June 27, 2025		March 31, 2025		December 31, 2024	
GAAP gross profit & margin	\$ 288,132	31.7%	\$ 292,860	32.4%	\$ 281,726	32.6%	\$ 305,687	33.1%	\$ 240,903	35.5%
Stock-based compensation expense	4,851		5,077		2,238		2,582		3,084	
Intangible amortization	1,976		1,649		1,159		880		880	
Adjusted gross profit & margin	\$ 294,959	32.4%	\$ 299,586	33.1%	\$ 285,123	33.0%	\$ 309,149	33.4%	\$ 244,867	36.0%
GAAP operating income & margin	\$ 176,105	19.4%	\$ 181,345	20.0%	\$ 186,230	21.5%	\$ 195,307	21.1%	\$ 150,236	22.1%
Stock-based compensation expense	33,855		31,653		22,310		40,114		26,980	
Intangible amortization	3,272		2,918		2,059		1,780		1,780	
Acquisition related costs	398		2,577		1,079		643		1,038	
Adjusted operating income & margin	\$ 213,630	23.5%	\$ 218,493	24.1%	\$ 211,678	24.5%	\$ 237,844	25.7%	\$ 180,034	26.5%
GAAP net income & margin	\$ 131,236	14.4%	\$ 146,861	16.2%	\$ 157,183	18.2%	\$ 157,814	17.1%	\$ 117,374	17.3%
Stock-based compensation expense	33,855		31,653		22,310		40,114		26,980	
Intangible amortization	3,272		2,918		2,059		1,780		1,780	
Adjustment for taxes	857		(3,420)		(7,129)		(6,980)		6,550	
Acquisition related costs	398		2,577		1,079		643		1,038	
Adjusted net income & margin	\$ 169,618	18.7%	\$ 180,589	19.9%	\$ 175,502	20.3%	\$ 193,371	20.9%	\$ 153,722	22.6%
GAAP net income & margin	\$ 131,236	14.4%	\$ 146,861	16.2%	\$ 157,183	18.2%	\$ 157,814	17.1%	\$ 117,374	17.3%
Interest, net	(9,565)		(5,911)		(5,371)		(6,544)		(1,865)	
Debt extinguishment cost	—		5,121		—		—		—	
Provision for income taxes	49,263		35,864		33,784		40,848		42,842	
Depreciation expense	5,164		4,443		3,730		3,328		2,636	
Intangible amortization	3,272		2,918		2,059		1,780		1,780	
Stock-based compensation expense	33,855		31,653		22,310		40,114		26,980	
Acquisition related costs	398		2,577		1,079		643		1,038	
Other tax related loss (income), net	—		—		—		4,514		(4,413)	
Adjusted EBITDA & margin	\$ 213,623	23.5%	\$ 223,526	24.7%	\$ 214,774	24.9%	\$ 242,497	26.2%	\$ 186,372	27.4%
GAAP selling, general and administrative expenses	\$ 82,733	9.1%	\$ 84,626	9.3%	\$ 73,936	8.6%	\$ 86,794	9.4%	\$ 70,573	10.4%
Intangible amortization	1,296		1,269		900		900		900	
Stock-based compensation expense	25,075		24,039		18,492		36,346		21,482	
Acquisition related costs	398		2,577		1,079		643		1,038	
Adjusted selling, general and administrative expenses	\$ 55,964	6.2%	\$ 56,741	6.3%	\$ 53,465	6.2%	\$ 48,905	5.3%	\$ 47,153	6.9%
GAAP research and development	\$ 29,294	3.2%	\$ 26,889	3.0%	\$ 21,560	2.5%	\$ 23,586	2.6%	\$ 20,094	3.0%
Stock-based compensation expense	3,929		2,537		1,580		1,186		2,414	
Adjusted research and development	\$ 25,365	2.8%	\$ 24,352	2.7%	\$ 19,980	2.3%	\$ 22,400	2.4%	\$ 17,680	2.6%
GAAP operating expenses	\$ 112,027	12.3%	\$ 111,515	12.3%	\$ 95,496	11.0%	\$ 110,380	11.9%	\$ 90,667	13.3%
Intangible amortization	1,296		1,269		900		900		900	
Stock-based compensation expense	29,004		26,576		20,072		37,532		23,896	
Acquisition related costs	398		2,577		1,079		643		1,038	
Adjusted total operating expenses	\$ 81,329	8.9%	\$ 81,093	9.0%	\$ 73,445	8.5%	\$ 71,305	7.7%	\$ 64,833	9.5%
Diluted earnings per share										
GAAP diluted earnings per share	\$ 0.85		\$ 0.97		\$ 1.04		\$ 1.05		\$ 0.79	
Earnings per share attributable to Non-GAAP adjustments	0.25		0.22		0.12		0.24		0.24	
Adjusted diluted earnings per share	\$ 1.10		\$ 1.19		\$ 1.16		\$ 1.29		\$ 1.03	
Diluted shares used in computing per share amounts	153,921		152,018		150,901		149,740		149,028	

Reconciliation of GAAP to Non-GAAP financial measures (continued)

(In thousands, except percentages and per share data)

	Nine-month periods ended		
	December 31, 2025		December 31, 2024
GAAP gross profit & margin	\$ 862,718	32.2%	\$ 703,138 34.6%
Stock-based compensation expense	12,166		9,345
Intangible amortization	4,784		1,864
Adjusted gross profit & margin	\$ 879,668	32.8%	\$ 714,347 35.1%
GAAP operating income & margin	\$ 543,680	20.3%	\$ 443,805 21.8%
Stock-based compensation expense	87,818		78,766
Intangible amortization	8,249		3,743
Acquisition related costs	4,054		4,695
Adjusted operating income & margin	\$ 643,801	24.0%	\$ 531,009 26.1%
GAAP net income & margin	\$ 435,280	16.2%	\$ 359,432 17.7%
Stock-based compensation expense	87,818		78,766
Intangible amortization	8,249		3,743
Adjustment for taxes	(9,692)		(9,368)
Acquisition related costs	4,054		4,695
Adjusted net income & margin	\$ 525,709	19.6%	\$ 437,268 21.5%
GAAP net income & margin	\$ 435,280	16.2%	\$ 359,432 17.7%
Interest, net	(20,847)		(2,702)
Debt extinguishment cost	5,121		—
Provision for income taxes	118,911		89,922
Depreciation expense	13,337		4,556
Intangible amortization	8,249		3,743
Stock-based compensation expense	87,818		78,766
Acquisition related costs	4,054		4,695
Other tax related loss (income), net	—		(4,413)
Adjusted EBITDA & margin	\$ 651,923	24.3%	\$ 533,999 26.2%
GAAP selling, general and administrative expenses	\$ 241,295	9.0%	\$ 203,527 10.0%
Intangible amortization	3,465		1,879
Stock-based compensation expense	67,606		62,186
Acquisition related costs	4,054		4,695
Adjusted selling, general and administrative expenses	\$ 166,170	6.2%	\$ 134,767 6.6%
GAAP research and development	\$ 77,743	2.9%	\$ 55,806 2.7%
Stock-based compensation expense	8,046		7,235
Adjusted research and development	\$ 69,697	2.6%	\$ 48,571 2.4%
GAAP operating expenses	\$ 319,038	11.9%	\$ 259,333 12.7%
Intangible amortization	3,465		1,879
Stock-based compensation expense	75,652		69,421
Acquisition related costs	4,054		4,695
Adjusted total operating expenses	\$ 235,867	8.8%	\$ 183,338 9.0%
Diluted earnings per share			
GAAP diluted earnings per share	\$ 2.86		\$ 2.41
Earnings per share attributable to Non-GAAP adjustments	0.60		0.52
Adjusted diluted earnings per share	\$ 3.46		\$ 2.93
Diluted shares used in computing per share amounts	152,062		149,134

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.

Revolver extinguishment cost consists of nonrecurring costs for the termination of our existing credit agreement originally entered into on February 13, 2023.