



June 2023

# FTC Solar Overview





# Forward-Looking Statements and Non-GAAP Financial Measures

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This presentation contains non-GAAP financial measures relating to our performance. You can find the reconciliation of these measures to the most directly comparable GAAP financial measure in the Appendix at the end of this presentation. The non-GAAP financial measures disclosed by the Company should not be considered a substitute for, or superior to, the financial measures prepared in accordance with GAAP. Please refer to the notes to reconciliation of non-GAAP financial measures in FTC Solar's quarterly earnings release for a detailed explanation of the adjustments made to the comparable GAAP measures, the ways management uses the non-GAAP measures, and the reasons why management believes the non-GAAP measures provide investors with useful supplemental information.



## Sean Hunkler

**Chief Executive Officer**  
*Member of Board of Directors*

- Appointed CEO September 2021, Previously EVP of Global Operations at Western Digital 2018-2021
- Former EVP Operations, NXP Semiconductor, then COO of Nexperia Semiconductor following spin-off from NXP (2012-2018);
- Multiple leadership roles at Freescale Semiconductor, SunEdison and Motorola.
- MBA University of Texas, BS Chemical Engineering Johns Hopkins.



## Patrick Cook

**Chief Commercial Officer**

- FTC Solar CFO 2019-2022
- 10+ years of experience in the renewable energy industry
- Former VP, Capital Markets and Corporate Finance for SunEdison along with multiple other leadership positions
- VP, Structured Finance, Bank of America
- BS degree in Finance and Quantitative Methods from Bradley University



## Shaker Sadasivam

**Chairman of the Board**

- Founder and CEO of Auragent Bioscience since 2018
- Former CEO of SunEdison Semiconductor (2014-2016), EVP SunEdison (2009-2013)
- Director at Sfara, Dclimate & Sea Pharma.
- Former director II-VI incorporated
- Ph.D in Chemical Engineering from Clarkson University; BS and MS in Chemical Engineering University of Madras, MBA Washington University

- Recent Updates / Key Takeaways
- Company Overview
- Market Overview
- Technology & Positioning
- Growth Drivers & Financials
- Q&A

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Appendix



# **Company Overview**

## About Us

FTC Solar is a leading provider of tracker systems, software and engineering services to the solar energy industry

### Tracker Systems

- Custom-designed, next-generation two-panel in-portrait (“2P”) tracker systems
- Announced differentiated new 1P tracker
- Industry-leading install speeds

### Software

- Proprietary solutions to boost energy production, design projects and manage project portfolios
- Up to 6% project energy gain<sup>1</sup>



### Engineering Services

- Includes site analysis, array design services, foundation development and other value-added capabilities
- Expert assistance, value-added services

## Key Metrics

Installed Base <sup>2</sup> :	>4.5GW	
Customers <sup>2</sup> :	140+	
Employees:	229	
Patents (Granted or Pending)	58	
Manufacturing	Partners	33
	Countries	10
'20 Revenue:	\$187m	
'21 Revenue:	\$271m	
'22 Revenue (AD/CVD, UFLPA):	\$123m	



1. As compared to Voyager systems without SunPath enhancement software  
 2. Cumulative since inception.

# What is a Solar Tracker?

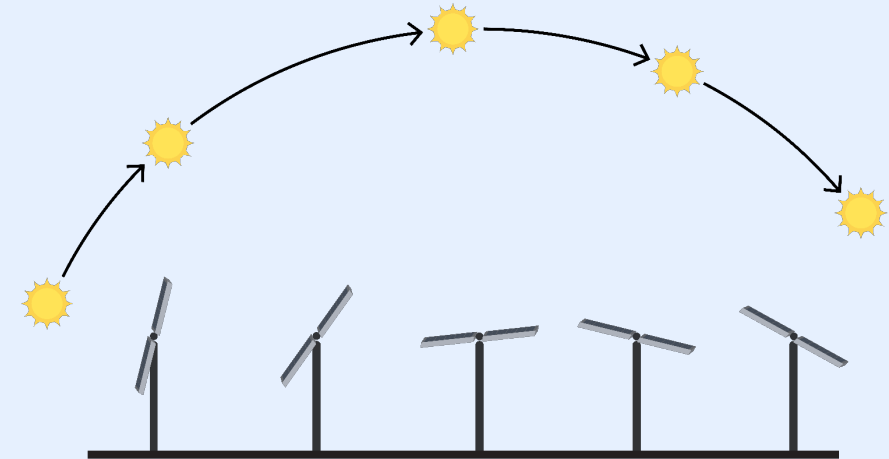
Trackers significantly increase energy production by dynamically optimizing solar panel orientation to the sun throughout the day

## Traditional Fixed-Tilt



✘ Fixed angle; sub-optimal exposure

## FTC Solar Tracker



✔ Variable angle; optimal exposure throughout the day

Tracker systems and advanced software yield, on average<sup>1</sup>:

- ✔ 25% more energy
- ✔ 17% lower levelized cost of energy (“LCOE”) compared to fixed-tilt mounting systems

1. 2020 Bloomberg New Energy Finance (“BNEF”) reports.

# Our Competitive Differentiation in 2P Trackers

## Easier Installation

Provides lowest installed cost / Enables faster installation times



Install Time

**~40%**

Faster installation compared to competing solutions (hours/MW)



DC BOS Costs

**25%**

Less wiring (potential)



Posts/ Piles

**56%**

Fewer posts / MW (potential)



Connect Points

**45%**

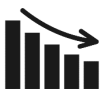
Fewer connection point (potential)



Labor/ Tools



Does not require specialized tools for installation



Efficiency

**32%**

Reduction in average install time in 2020 with further reductions planned

## Better Performance

Provides higher yields / Maximizes land use / Delivers more power



Proprietary Software

**6%**

Additional potential energy yield from optimized tracking



Bifacial Gain

**~2%**

Potential gain in 2P energy production compared to 1P trackers



Design Flexibility



Independent row design allows for site flexibility



Site Accessibility

**2X**

Greater site accessibility at same ground coverage ratio ("GCR") for 2P trackers



Strings

**4**

Unique four-string architecture leads to higher bifacial energy capture



Slope Tolerance

**17.5%**

Highest in market<sup>1</sup>, avoids land grading costs

1. Based on standard configuration.





# Global Supply Chain

**U.S.A.**  
 Posts  
 Wire Clamps  
 Sensors  
 Hardware  
 Steel structures\*  
 Beams\*

## New U.S. "Alpha Steel" JV

- Support customers with domestic content
- Maximize benefit of Inflation Reduction Act (IRA)
- JV with top global fabricator, existing partner
- Produce steel components, including torque tubes
- First production expected mid-2023

**Brazil**  
 Posts

**S. Africa**  
 Posts\*  
 Beams\*  
 Rails\*  
 Steel\*

**Saudi Arabia**  
 Posts  
 Beams  
 Rails\*  
 Steel structures\*

**Turkey**  
 Posts  
 Beams

**India**  
 Posts  
 Beams  
 Steel structures  
 Rails  
 Hardware  
 Controllers  
 Cables  
 Dampers\*  
 Slew Drive\*

**Thailand**  
 Posts  
 Beams  
 Rails  
 Steel structures

**Malaysia**  
 Beams  
 Steel structures\*

**Korea**  
 Posts\*

**China**  
 Posts  
 Beams  
 Rails  
 Steel structures  
 Hardware  
 Dampers  
 Slew Drives  
 Sensors  
 Controllers\*

 Current Manufacturing Sites

\* In qualification



# Key Investment Highlights

## A Technology Company With Differentiated Solutions...

- Industry-leading installation speeds (~40%) resulting in labor cost reductions
- One of largest U.S. providers of 2P trackers; plus newly announced 1P tracker solution
- Proprietary software increases yields by up to 6%



## A Unique Value Proposition Leading to Rapid Customer Adoption...

- Grew top 15 developer and EPC penetration to 53% and 67% in '22 from 40% each in '20<sup>1</sup>
- Customers include Invenergy, Kiewit and D.E. Shaw



## That is Well Positioned in Large and Growing TAM...

- Trackers growing faster<sup>2</sup> than fixed-tilt
- Solar growing as % of energy
- Significant industry demand tailwinds

## With Multiple Growth Drivers...

- New U.S. customers and wallet share
- International growth
- Distributed Generation, Software
- Operating leverage through scale



## Positioned for Significant Financial Improvement...

- Cost reductions, including ~20% steel content reduction, to enable significant margin improvement
- Net cash position, no debt
- Asset-light model positions for strong cash flow conversion



## And Experienced Leadership Team

- Management team comprised of experienced industry leaders
- Strong, independent board

1. FTC Solar estimates  
2. IHS Markit 2022 Global PV Tracker Report.



# Market Overview

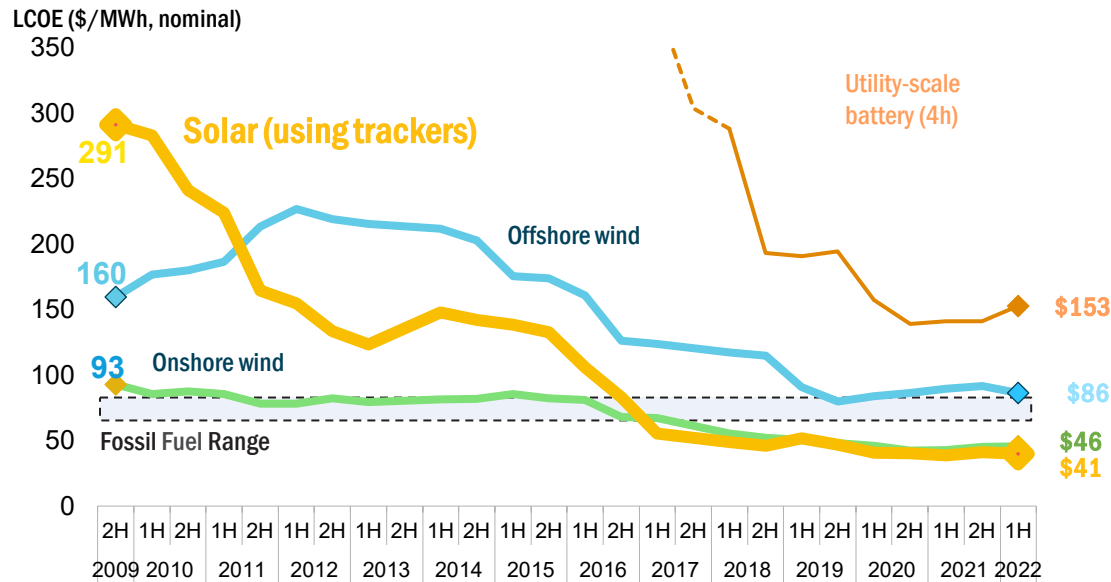


# Solar Now Lowest Cost Energy, Leads Global Capacity Additions

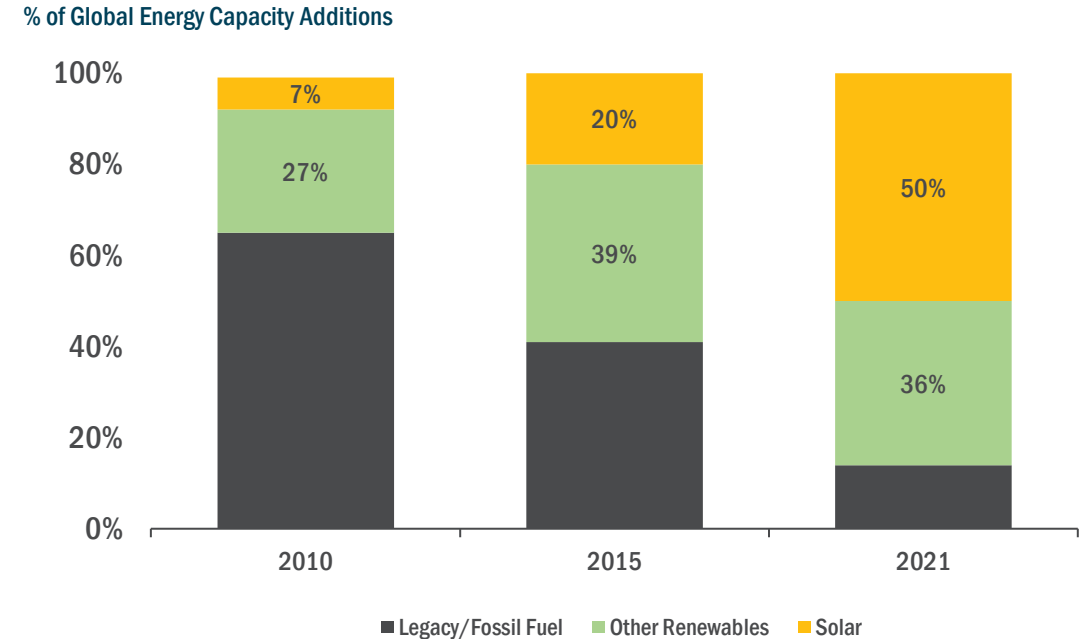
The solar energy industry has grown as its associated costs have decreased

50% of all new electric capacity added to the grid came from solar energy in 2021, representing the largest such share in history

### Historical LCOE of Renewables and Utility-Scale Batteries<sup>1</sup>



### Solar Leads Capacity Additions<sup>2</sup>



Over the last decade

Solar installation costs have dropped by more than 70%

Solar installations have grown at 30% per year, on average in the last decade

1. BNEF 1H 2022 LCOE Update report
2. BNEF Power Transition Trends 2022
3. IHS Tracker Market Report 2022

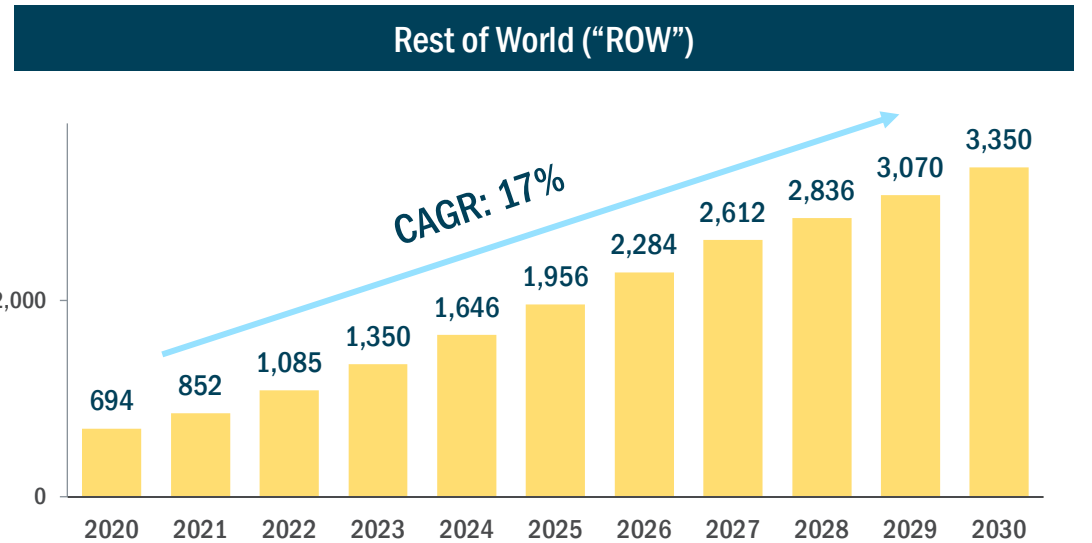
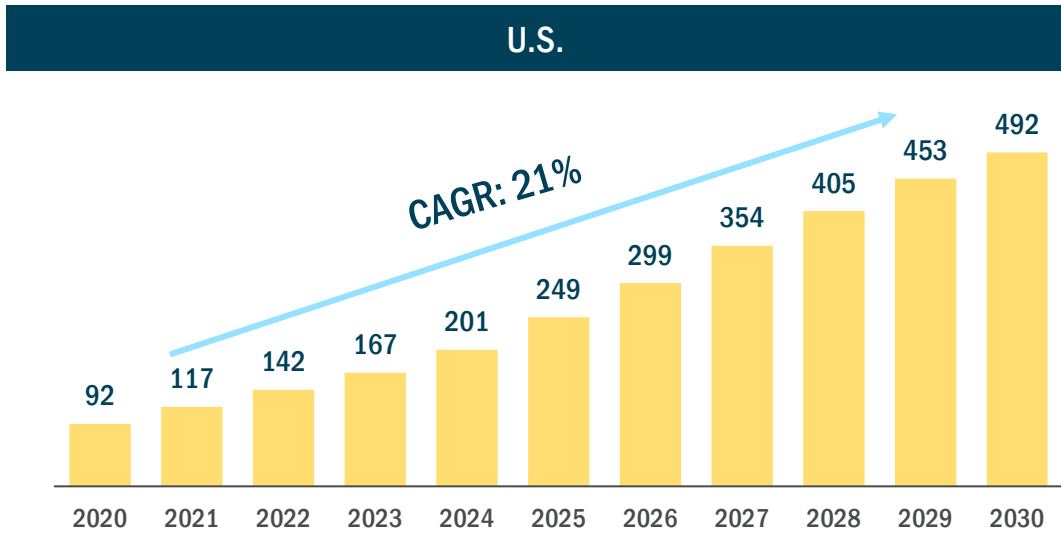


# Overall Market Size / Market Forecasts Continue to Grow

Solar Market Poised for Sustained Growth

Solar energy is expected to continue to increase its penetration in the U.S. and globally

### Cumulative Installed Solar Capacity (GW)<sup>1</sup>



The solar industry has and, we believe, will continue to benefit from many powerful drivers of continued growth, including:

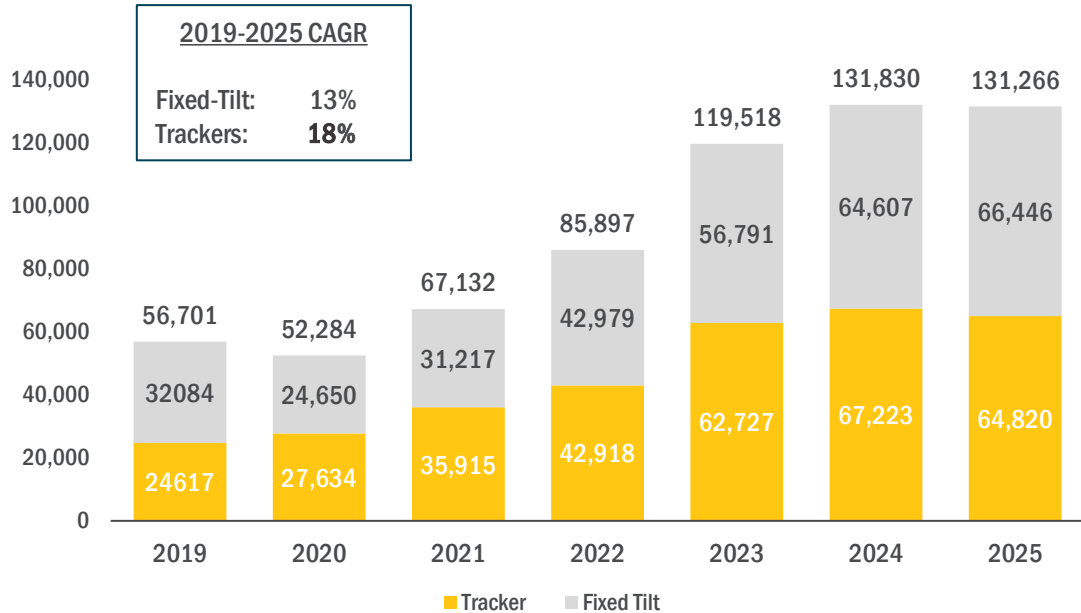
- ✓ Continued innovation and cost competitiveness with fossil-fuels
- ✓ Governmental policies and regulations supporting renewables globally
- ✓ Corporate procurement of renewable energy
- ✓ Improvement in battery storage technology
- ✓ Continued development of newly renewable use cases
- ✓ Increased capital available for green investments

1. BNEF Global Installed Capacity March 15, 2023

Trackers are growing faster than fixed-tilt and are still in early stages of ROW penetration

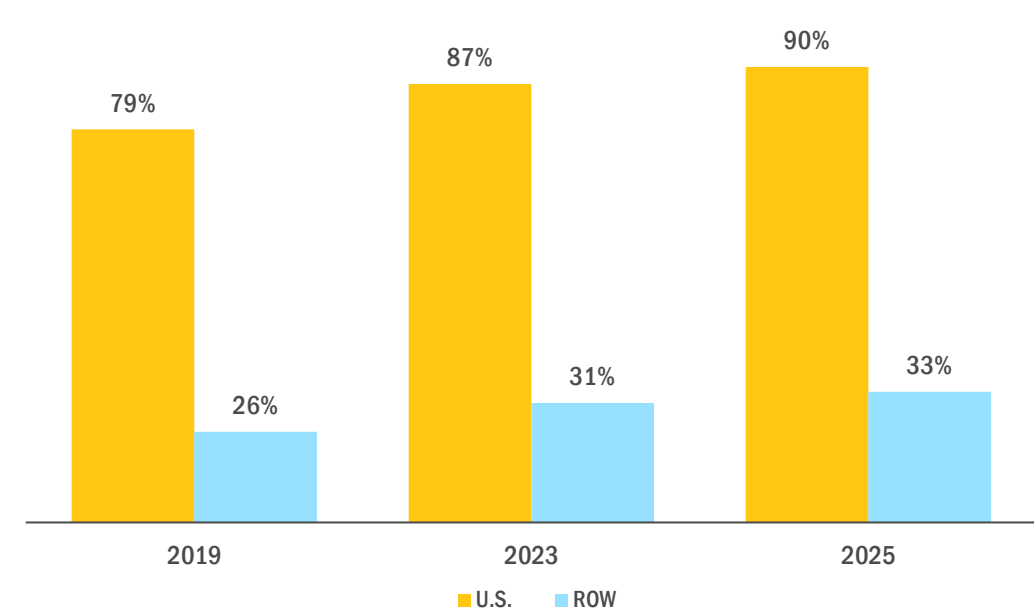
## Trackers Are Growing Faster Than Fixed-Tilt...

Global ground-mounted PV installations over 1MW (MW) - ex-China



## ...And Just Beginning ROW Penetration

Tracker percentage of ground-mounted systems over 1MW (ex-China)



Total tracker market revenues estimated to be \$7.6bn in 2023<sup>1</sup>, with \$4.9bn in the Americas

1. IHS Markit 2022 Global PV Tracker Report.



## **Technology & Positioning**

**A** All the Advantages of 2P

- ✓ Improved bifacial energy yield
- ✓ Increased design flexibility
- ✓ Higher panel density
- ✓ Better site accessibility



<b>B</b> Reduced Part Count	<b>C</b> Direct Current ("DC") Collections Advantage	<b>D</b> Industry-Leading Install Speed	<b>E</b> High Slope Tolerance	<b>F</b> Performance Software
<ul style="list-style-type: none"> <li>• Up to <b>56% fewer</b> foundations per MW</li> <li>• Up to <b>45% fewer</b> connection points</li> <li>• Lower steel capability</li> </ul>	<ul style="list-style-type: none"> <li>• Unique 4 string architecture</li> <li>• Up to <b>25% less wiring</b></li> <li>• Higher bifacial energy capture</li> </ul>	<ul style="list-style-type: none"> <li>• Lean assembly, fewer tools, fewer connections</li> <li>• Patented self-aligning panel hanging</li> <li>• <b>~40% faster</b> installation</li> </ul>	<ul style="list-style-type: none"> <li>• Terrain flexibility</li> <li>• Maximize number of rows</li> <li>• Tolerant of up to a <b>17.5% grade</b></li> </ul>	<ul style="list-style-type: none"> <li>• Custom-tailored for each site</li> <li>• Backtracking &amp; diffused light</li> <li>• Up to <b>6% higher yield</b></li> </ul>

- ✓ Fewer labor hours
- ✓ Scale cost benefit

- ✓ Fewer labor hours
- ✓ Higher output

- ✓ Fewer labor hours

- ✓ Fewer labor hours
- ✓ Avoids land grading

- ✓ Higher output
- ✓ Lower LCOE

Source: FTC Estimates.





A

# All the Advantages of 2P – Design Flexibility & Panel Density

(Illustrative Examples)

Example 1  
Constrained Site

### Competitor's 1P Solution



### FTC's 2P Solution



#### FTC Solar Offers:

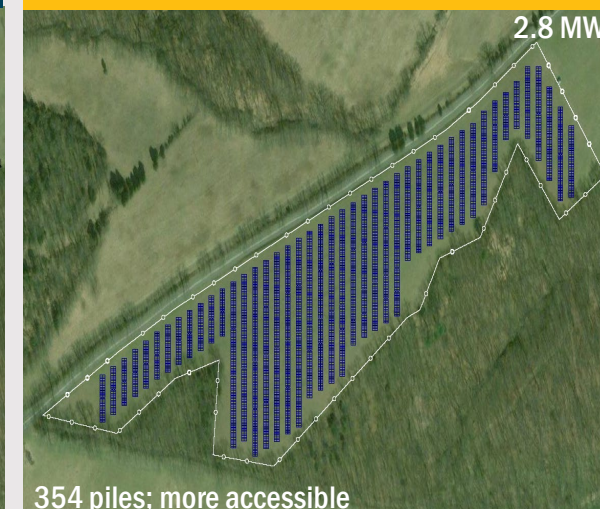
- 8% more power
- 3.2x more cost-efficient rows
- 57% fewer foundations

Example 2  
Non-Standard Shape

### Competitor's 1P Solution



### FTC's 2P Solution



#### FTC Solar Offers:

- Equivalent power
- 2.7x more cost-efficient rows
- 53% fewer foundations

Technical Advantages

All the Advantages of 2P

Reduced Part Count

DC Collections Advantage

Industry-Leading Install Speed

High Slope Tolerance

Performance Software

Note: Images depict renderings of solar module sites based on competitor's stated standard configurations and resulting module count. Actual results may differ.





A

# All the Advantages of 2P – Site Accessibility

FTC's 2P Solution



- ✓ 2X row spacing for equivalent panel density and ground coverage ratio
- ✓ Ease of vehicle access and mobility on site
- ✓ No physical barriers

Competitor's 1P Solution



## Technical Advantages

All the Advantages of 2P

Reduced Part Count

DC Collections Advantage

Industry-Leading Install Speed

High Slope Tolerance

Performance Software

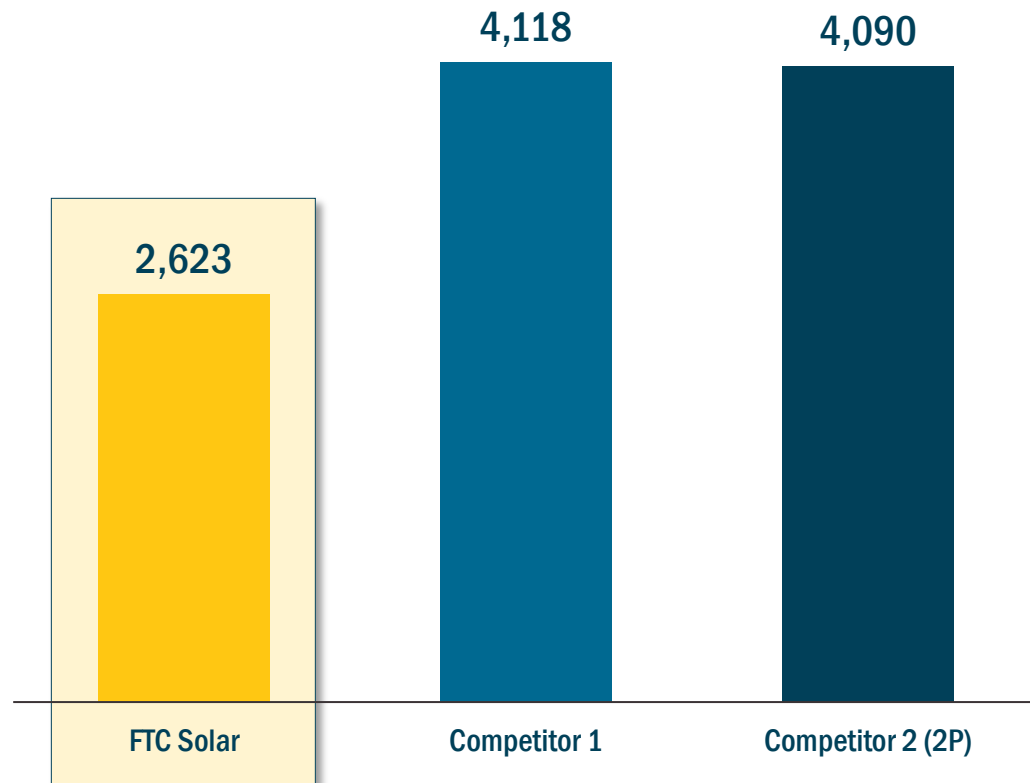
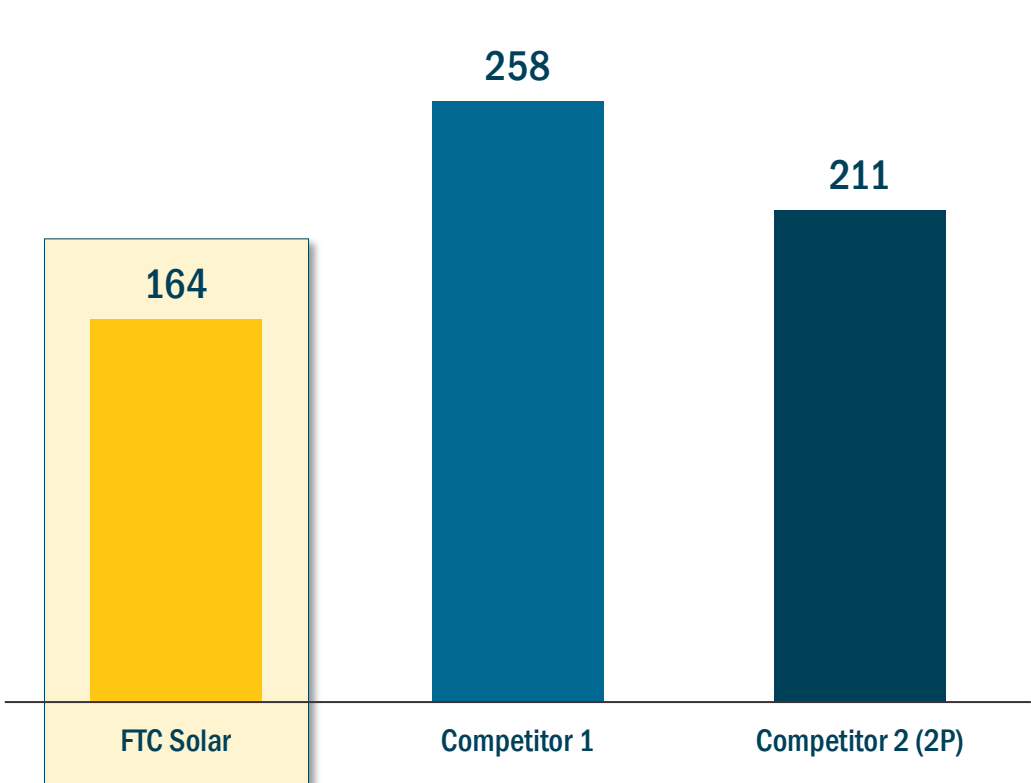


# B Reduced Part Count

(Illustrative examples)

### Posts Per MW

### Connections Per Row



## Technical Advantages

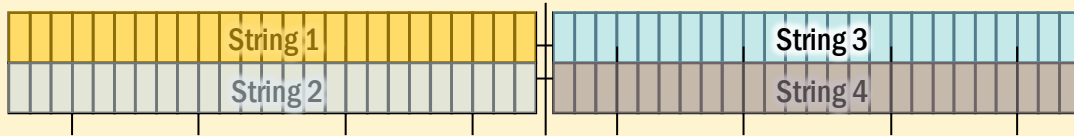




# C Direct Current Collections Advantage

## FTC Trackers

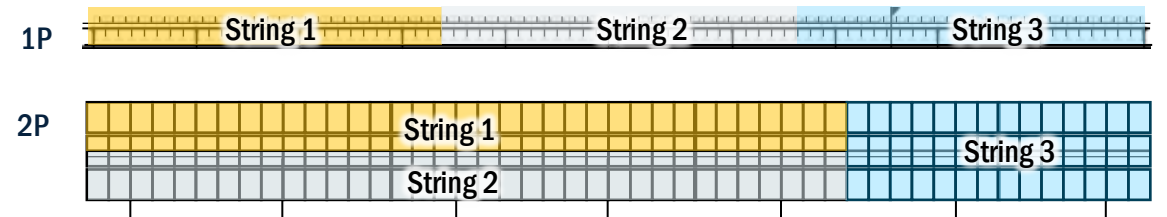
Balanced and uniform DC string architecture



- ✓ Less wire (up to 25% less)
- ✓ Less labor installing wiring
- ✓ More power collected on bifacial panels

## Competitor Trackers

Unbalanced DC string architecture



### Technical Advantages

All the Advantages of 2P

Reduced Part Count

DC Collections Advantage

Industry-Leading Install Speed

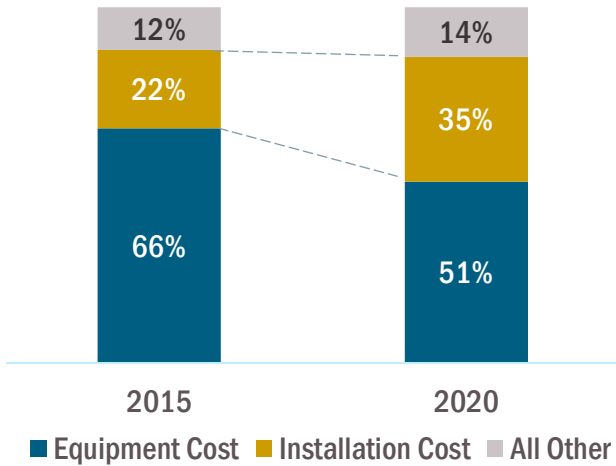
High Slope Tolerance

Performance Software

# Industry-Leading Install Speed and Low Labor Costs

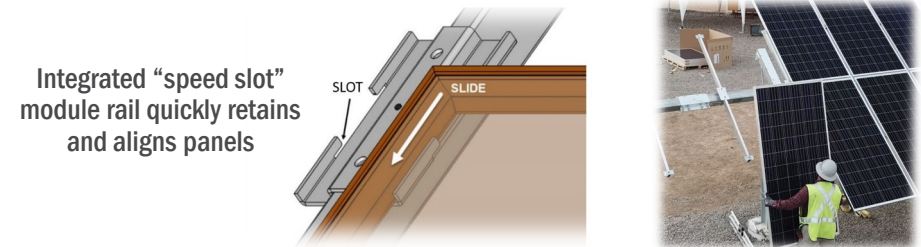
FTC's reduced installation time, together with savings on materials due to our design methodologies, can result in 1.5-2.0 cents per watt of cost savings for customers vs. leading 1P and 2P competitors<sup>1</sup>

Labor is Significant (and Growing) Contributor to Total Project Cost <sup>2</sup>



	FTC Solar (Voyager)	Competitor 1	Competitor 2	Competitor 3
Installation Time <sup>3</sup>	2P	1P	2P	2P
	<b>211</b>	<b>451</b>	<b>450</b>	<b>413</b>
Special tools required?	No	Yes	Yes	Yes
# of Piles Required per MW	20-40% Fewer	-	-	-

- ✓ Fewer tools
- ✓ Fewer connection points
- ✓ Patented panel connection features
- ✓ 32% reduction in average install time in 2020 alone vs. 2019
- ✓ Lean installation methods



## Technical Advantages

All the Advantages of 2P

Reduced Part Count

DC Collections Advantage

Industry-Leading Install Speed

High Slope Tolerance

Performance Software



1. In the United States, Australia and parts of Europe. - 2020 Eclipse-M report, FTC Solar estimates. 2. Wood Mackenzie June 2020 3. Eclipse-M

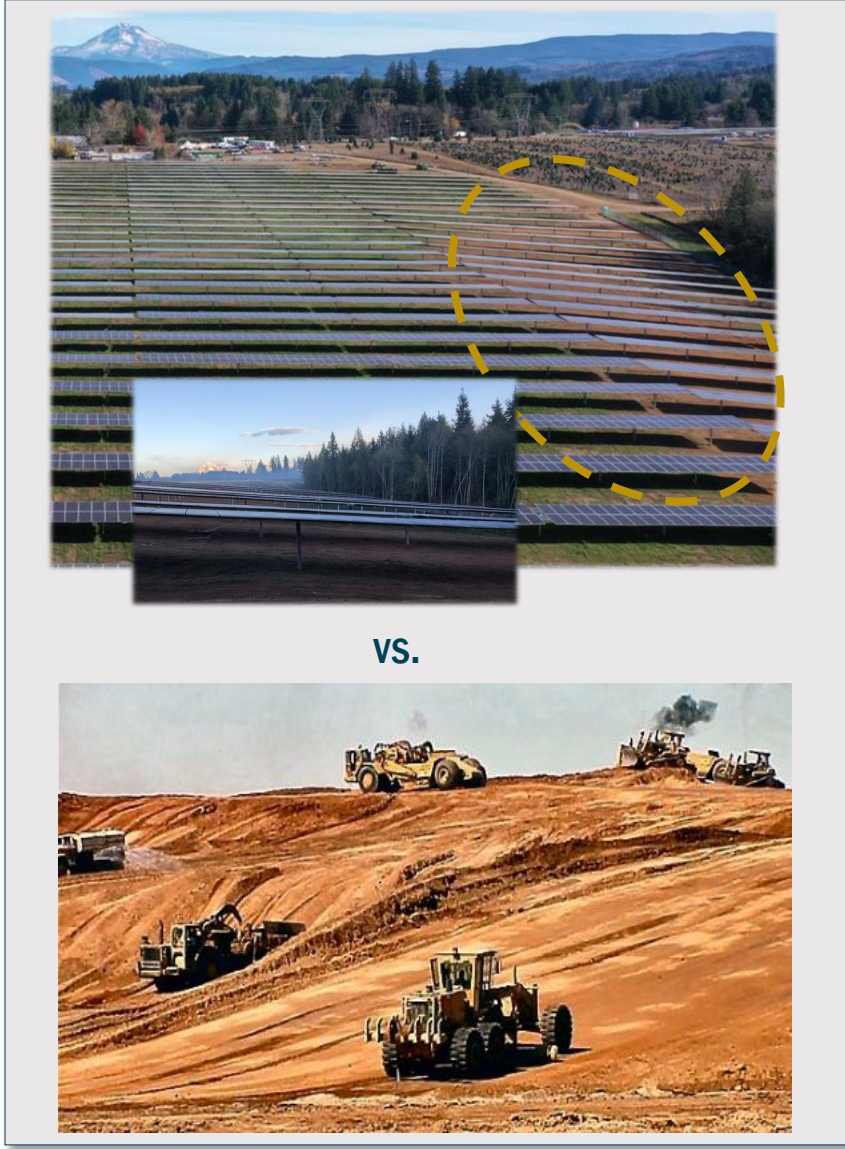
# High Slope Tolerance

FTC Solar tracker's slope tolerance is among best in the industry

- ✓ Independent row design allows for simple installation on undulating and irregular site boundaries
- ✓ Minimizes or eliminates land grading expense

## Slope Tolerance for Undulating Terrains

	FTC Solar	Competitor A	Competitor B	Competitor C
Slope Tolerance <sup>1</sup>	17.5%	15%	15%	17%



### Technical Advantages

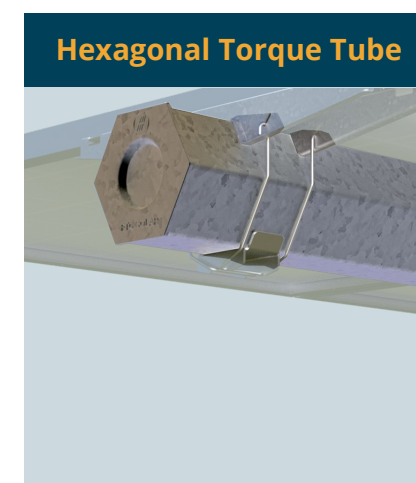


1. Based on standard configurations

# New Pioneer 1P Tracker

- **Reduced Pile Count**  
Can reduce piles by 18% or more, significantly reducing capital expenditure and potential rework from refusals
- **Higher Energy Density**  
Shorter row length enables up to 5% greater energy output for a given parcel of land
- **Fast Assembly**  
Proprietary fast-module hang technology, fewer fasteners save time, “Python Clips” no threaded fasteners, torquing or TT penetrations
- **Reduced Embedment Depth**  
Zero-degree stow allows for shorter pile embedment depth, with resulting material and labor cost savings
- **High Slope Tolerance**  
Including 17.5% north-south tracker row allowance

Product	Module size	Module count	String Count	Pile count/ Row (120mph)	Pile Count/ MW	Module Pile (120mph)	Row Length	Power Density
Pioneer	550	84	3	11	239	7.6	96m	
Competitor #1	550	84	3	13	281 +18%	6.5	101m	-5%
Competitor #2	550	84	3	15	324 +26%	5.6	97m	-1%



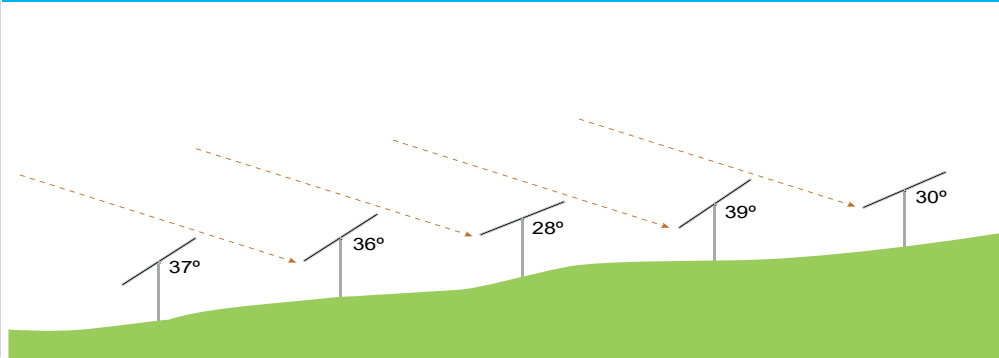


## SunPath

### 1 Terrain-Based Backtracking

Up To **4%**  
Yield Improvement<sup>1</sup>

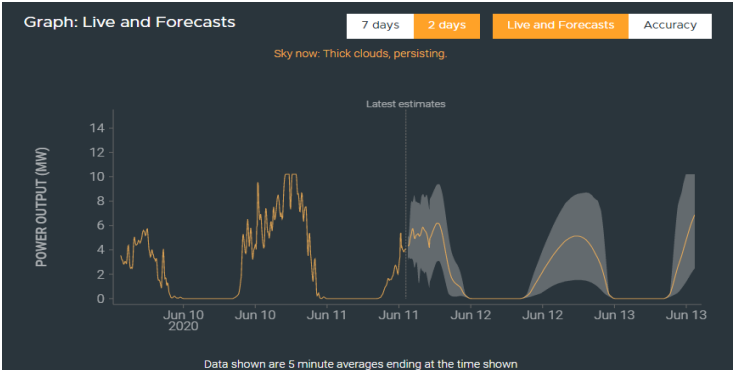
Terrain flexibility & yield improvement accounting for elevation differences between neighboring rows



### 2 Diffuse Light Optimization

Up To **2%**  
Yield Improvement

A “smart” approach to distinguish between direct-beam and scattered light. Here the POA is adjusted to face the ‘sky’ to capture more scattered light



### Technical Advantages

- All the Advantages of 2P
- Reduced Part Count
- DC Collections Advantage
- Industry-Leading Install Speed
- High Slope Tolerance
- Performance Software



1. Third party verified by Leidos.





## Core US Patents

Protect functional aspects of Voyager mounting and cleaning systems

- Patents issued include:
  - Speed slot module attachment
  - Different drive train architectures
  - Synthetic resin bearings that can support North/South slopes
  - Diffuse light backtracking
- Pending applications include:
  - Terrain-based backtracking
  - Partially and fully locked solutions using dampers
  - Adaptive range-of-motion management for snow, sand, flood

## Core International Patents

- Patents issued in Korea and Canada for
  - Voyager solar generating apparatus with mounting, tracker and bearing assemblies
- Foreign patents pending in multiple countries, including on:
  - Speed slot attachments, Different drive-train architectures, bearings
  - Adaptive range-of-motion, terrain based back-tracking and diffuse-light back-tracking
  - Partially and fully locked solutions using dampers

## Other Patents

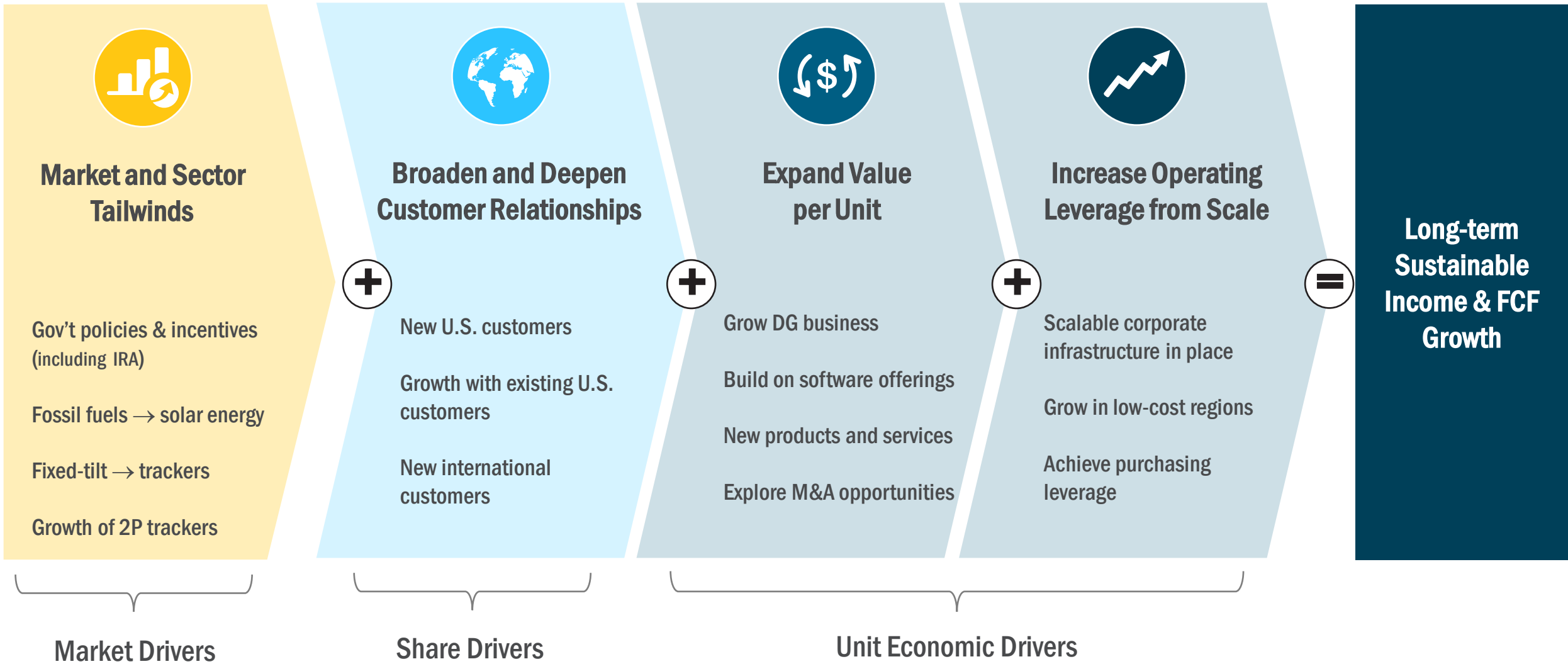
- Patents issued to protect functional aspects of SUNDAT solar design software
  - Pending applications in China, India and Mexico
- Additional patents on multiple other technologies



# Growth Drivers & Financials

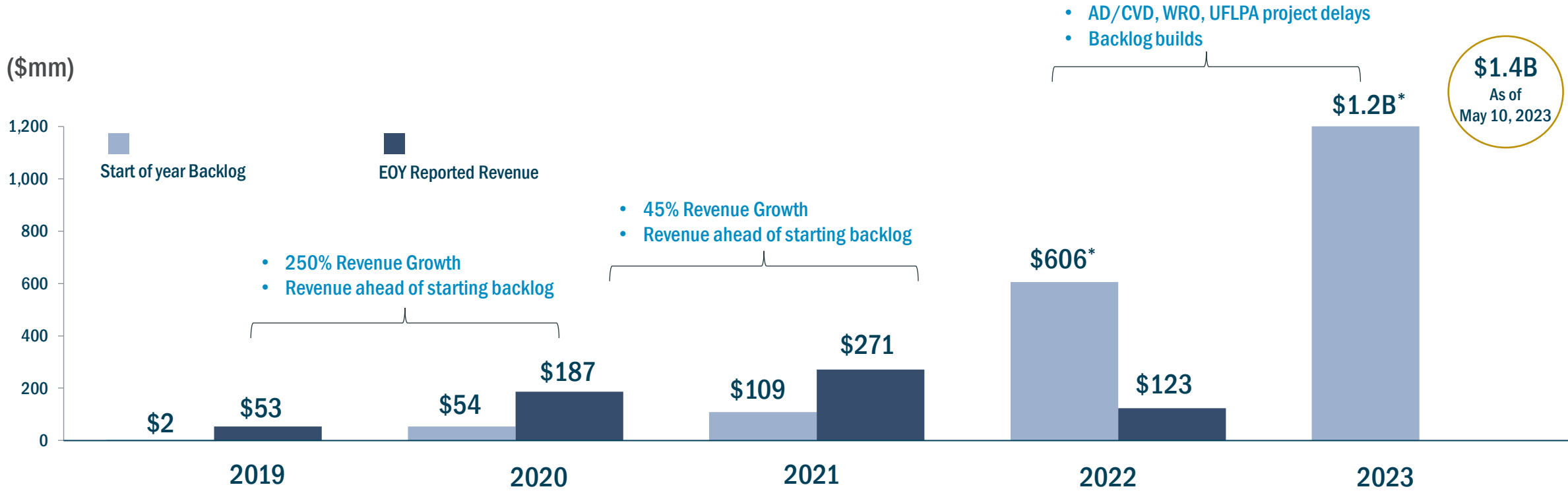


# Multiple Growth Drivers for Further Upside



# Backlog and Revenue; Progress w/Key Customers

## Annual Backlog at Start of Year vs. Ending Revenue



Top-15 EPC penetration

40%

60%

67%

Top-15 developer penetration

40%

47%

53%

\* As of 4Q earnings date for respective years - Feb 28, 2023 and March 15, 2022. Compares to Jan 1 for 2019-2021.



## Example Initiatives/highlights

- **Design to value initiatives that reduce material needed to produce Voyager tracker systems**
  - Dynamic modeling to identify materials reduction opportunities
  - Design optimization to reduce manufacturing costs
  - R&D to improve damping capacity to reduce overall structure cost
- **Procurement initiatives to optimize supply chain costs**
  - Expand supplier base
  - Improve manufacturing efficiency
  - Avoidance of tariffs
- **High volume manufacturing creates purchasing leverage as we continue to scale production, driven by steel and other components**



## 1Q'23 Results Slides

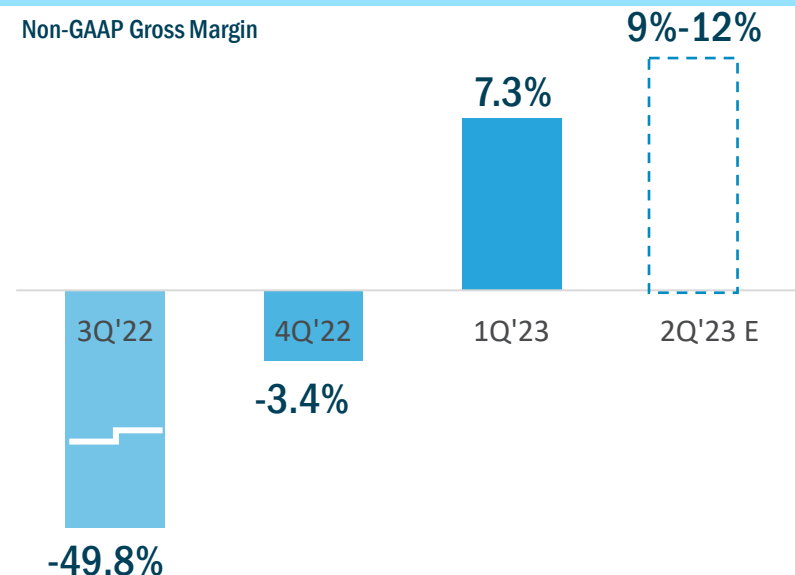


# Improved Positioning & Results

	Action Taken	Benefit
Improved Cost & Margin Structure	<ul style="list-style-type: none"> <li>Eliminated &gt;20% of product steel content</li> <li>Launched high-margin DG business</li> </ul>	<ul style="list-style-type: none"> <li>Significant margin expansion in progress</li> <li>Estimate 12%-18% margin at \$150m run-rate/q</li> </ul>
Expanded Product Line	<ul style="list-style-type: none"> <li>New solution for U.S. thin-film modules – fills gap</li> <li>New and differentiated 1P tracker</li> </ul>	<ul style="list-style-type: none"> <li>Expands available market, provides more opportunities to win projects in U.S. and internationally</li> </ul>
Strengthened Geographically	<ul style="list-style-type: none"> <li>U.S. manufacturing JV with domestic steel</li> <li>Now 20% international (2022), awards in 10 countries</li> </ul>	<ul style="list-style-type: none"> <li>IRA incentives for customers and company</li> <li>Diversifies revenue base</li> </ul>
Enhanced Customer Position	<ul style="list-style-type: none"> <li>Comprehensive portfolio: 1P, 2P, thin-film, software</li> <li>Backlog added \$235m to \$1.4B; record pipeline</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced customer engagement; Solutions focus/tech agnostic</li> <li>Well positioned for continued growth</li> </ul>

## Gross Margin Improvement


- 57-point improvement in last two quarters
- First positive margin since IPO
- 14 points higher now than on 2.5x revenue in 4Q'21 (\$41m vs. \$102)






# Q1 Financial Performance

## Results at High-End of Target Ranges

Revenue 

**Up 56%**

Quarter over Quarter

Non-GAAP  
Gross Margin 

**Up 11 points**

Quarter over Quarter



- 1Q results better than mid-point of guidance ranges on all metrics

(in thousands, except per share data)	U.S. GAAP		Non-GAAP	
	Three months ended March 31,			
	2023	2022	2023	2022
Revenue	\$ 40,894	\$ 49,553	\$ 40,894	\$ 49,553
Gross margin percentage	5.0%	(18.7%)	7.3%	(17.8%)
Total operating expenses	\$ 14,432	\$ 18,491	\$ 10,053	\$ 11,177
Loss from operations <sup>(a)</sup>	\$ (12,397)	\$ (27,778)	\$ (7,152)	\$ (19,965)
Net loss	\$ (11,762)	\$ (27,793)	\$ (7,358)	\$ (20,284)
Diluted loss per share	\$ (0.11)	\$ (0.28)	\$ (0.07)	\$ (0.20)

<sup>(a)</sup> Adjusted EBITDA for Non-GAAP

<sup>(a)</sup> Adjusted EBITDA for Non-GAAP. See reconciliations of all non-GAAP to GAAP measures in the appendix to this presentation.





# Appendix



# Reconciliation of Non-GAAP Gross Margin and Operating Expenses

The following table reconciles U.S. GAAP gross margin to Non-GAAP gross margin for the three months ended March 31, 2023, and 2022, respectively:

(in thousands, except percentages)	Three months ended March 31,	
	2023	2022
<b>U.S. GAAP revenue</b>	\$ 40,894	\$ 49,553
<b>U.S. GAAP gross profit (loss)</b>	\$ 2,035	\$ (9,287)
Depreciation expense	124	69
Stock-based compensation	816	309
Other costs	—	102
<b>Non-GAAP gross profit (loss)</b>	\$ 2,975	\$ (8,807)
<b>Non-GAAP gross margin percentage</b>	7.3%	(17.8%)

The following table reconciles U.S. GAAP operating expenses to Non-GAAP operating expenses for the three months ended March 31, 2023, and 2022, respectively:

(in thousands)	Three months ended March 31,	
	2023	2022
<b>U.S. GAAP operating expenses</b>	\$ 14,432	\$ 18,491
Depreciation expense	(70)	(52)
Amortization expense	(140)	—
Stock-based compensation	(4,074)	(4,301)
Non-routine legal fees	(108)	(1,078)
Severance	13	(615)
Other (costs) credits	—	(1,268)
<b>Non-GAAP operating expenses</b>	\$ 10,053	\$ 11,177



# Reconciliation of Non-GAAP Loss from Operations

The following table reconciles U.S. GAAP loss from operations to Adjusted EBITDA for the three months ended March 31, 2023, and 2022, respectively:

(in thousands)	Three months ended March 31,	
	2023	2022
<b>U.S. GAAP loss from operations</b>	\$ (12,397)	\$ (27,778)
Depreciation expense	194	121
Amortization expense	140	—
Stock-based compensation	4,890	4,610
Non-routine legal fees	108	1,078
Severance	(13)	615
Other costs	—	1,370
Other income (expense)	(74)	19
<b>Adjusted EBITDA</b>	<b>\$ (7,152)</b>	<b>\$ (19,965)</b>



# Reconciliation of Net Loss to Adjusted EBITDA and Adjusted Net Loss

The following table reconciles U.S. GAAP Net loss to Adjusted EBITDA and Adjusted Net Loss for the three months ended March 31, 2023, and 2022, respectively:

(in thousands, except shares and per share data)	Three months ended March 31,			
	2023		2022	
	Adjusted EBITDA	Adjusted Net Loss	Adjusted EBITDA	Adjusted Net Loss
<b>Net loss per U.S. GAAP</b>	\$ (11,762)	\$ (11,762)	\$ (27,793)	\$ (27,793)
Reconciling items -				
Provision for income taxes	131	—	76	—
Interest expense, net	58	—	295	—
Amortization of debt issue costs in interest expense	—	177	—	173
Depreciation expense	194	—	121	—
Amortization of intangibles	140	140	—	—
Stock-based compensation	4,890	4,890	4,610	4,610
Gain from disposal of investment in unconsolidated subsidiary <sup>(a)</sup>	(898)	(898)	(337)	(337)
Non-routine legal fees <sup>(b)</sup>	108	108	1,078	1,078
Severance <sup>(c)</sup>	(13)	(13)	615	615
Other costs <sup>(d)</sup>	—	—	1,370	1,370
<b>Adjusted Non-GAAP amounts</b>	<b>\$ (7,152)</b>	<b>\$ (7,358)</b>	<b>\$ (19,965)</b>	<b>\$ (20,284)</b>
<b>U.S. GAAP net loss per share:</b>				
Basic	N/A	\$ (0.11)	N/A	\$ (0.28)
Diluted	N/A	\$ (0.11)	N/A	\$ (0.28)
<b>Adjusted Non-GAAP net loss per share (Adjusted EPS):</b>				
Basic	N/A	\$ (0.07)	N/A	\$ (0.20)
Diluted	N/A	\$ (0.07)	N/A	\$ (0.20)
<b>Weighted-average common shares outstanding:</b>				
Basic	N/A	106,791,198	N/A	99,211,792
Diluted	N/A	106,791,198	N/A	99,211,792

- (a) Our management excludes the gain from collections of contingent contractual amounts arising from the sale in 2021 of our investment in our unconsolidated subsidiary when evaluating our operating performance.
- (b) Non-routine legal fees represent legal fees and other costs incurred for matters that were not ordinary or routine to the operations of the business.
- (c) Severance costs were incurred in 2022 related to agreements with certain executives due to restructuring changes. Amounts for 2023 represent adjustments to preexisting accruals associated with our December 2022 reduction in workforce.
- (d) Other costs in 2022 include certain costs attributable to accelerated vesting of stock-based compensation awards resulting from our IPO and shareholder follow on registration costs pursuant to our IPO.



## Notes to Reconciliations of Non-GAAP Financial Measures to Nearest Comparable GAAP Measures

We utilize Adjusted EBITDA, Adjusted Net Loss, and Adjusted EPS as supplemental measures of our performance. We define Adjusted EBITDA as net loss plus (i) provision (benefit) for income taxes, (ii) interest expense, net, (iii) depreciation expense, (iv) amortization of intangibles, (v) stock-based compensation, and (vi) non-routine legal fees, certain severance and other costs (credits). We also deduct the contingent gains from the disposal of our investment in unconsolidated subsidiary from net loss in arriving at Adjusted EBITDA. We define Adjusted Net Loss as net loss plus (i) amortization of debt issue costs and intangibles, (ii) stock-based compensation, (iii) non-routine legal fees, severance and certain other costs (credits), and (iv) the income tax expense (benefit) of those adjustments, if any. We also deduct the contingent gains from the disposal of our investment in unconsolidated subsidiary in arriving at Adjusted Net Loss. Adjusted EPS is defined as Adjusted Net Loss on a per share basis using the weighted average diluted shares outstanding.

Adjusted EBITDA, Adjusted Net Loss, and Adjusted EPS are intended as supplemental measures of performance that are neither required by, nor presented in accordance with, U.S. generally accepted accounting principles (“U.S. GAAP”). We present Adjusted EBITDA, Adjusted Net Loss and Adjusted EPS, because we believe they assist investors and analysts in comparing our performance across reporting periods on an ongoing basis by excluding items that we do not believe are indicative of our core operating performance. In addition, we use Adjusted EBITDA, Adjusted Net Loss and Adjusted EPS to evaluate the effectiveness of our business strategies.