



August 2022

# FTC Solar Overview





# Forward-Looking Statements and Non-GAAP Financial Measures

This presentation contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, contained in this presentation, including statements regarding the Company's strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "project," "should," or "would," or the negative of these terms, or other comparable terminology are intended to identify forward looking statements, although not all forward-looking statements contain these identifying words. The Company may not actually achieve the plans, intentions or expectations disclosed in these forward-looking statements, and you should not place undue reliance on these forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in these forward-looking statements. In addition, the forward-looking statements included in this presentation represent the Company's views as of the date of this presentation. The Company anticipates that subsequent events and developments will cause its views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this presentation.

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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.

- **Company Overview**
- **Market Overview**
- **Technology & Positioning**
- **Growth Drivers**
- **Financial Overview**
- **Q&A**

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Appendix



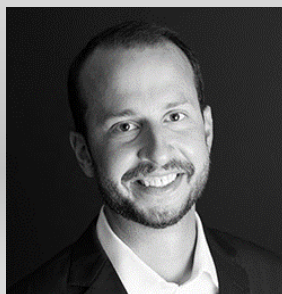
# Company Overview



## 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 2019-2021
- 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



## T.J. Rodgers

**Chairman of the Board**

- Founder of Cypress Semiconductor and CEO for 34 years (1982-2016)
- Serves on Boards of Enphase Energy and Enovix
- Former Chairman of SunPower and Semiconductor Industry Association
- Former Director at Bloom Energy, Deca Technologies, Waterbit, Agiga
- Trustee Emeritus Dartmouth, Masters & Ph.D. Stanford University, Sloan Scholar Dartmouth

## About Us

FTC Solar is a fast-growing 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
- Optimized for new technologies
- **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> :	>3.5GW	
Customers <sup>2</sup> :	140+	
Employees:	223	
Patents (Granted or Pending)	76	
Manufacturing	Partners	46
	Countries	7
‘20 Revenue:	\$187m	
‘21 Revenue:	\$271m	



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

# What is a Solar Tracker?

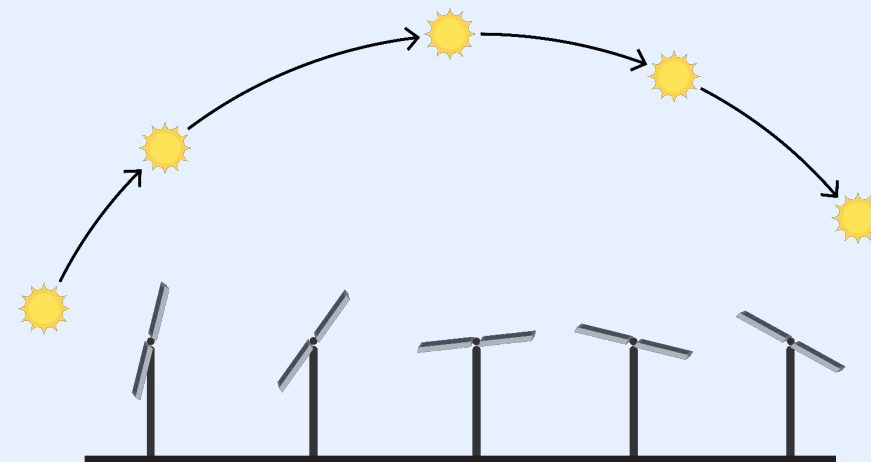
Trackers significantly increase energy production by dynamically optimizing solar panel orientation to the sun throughout the day

## 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.



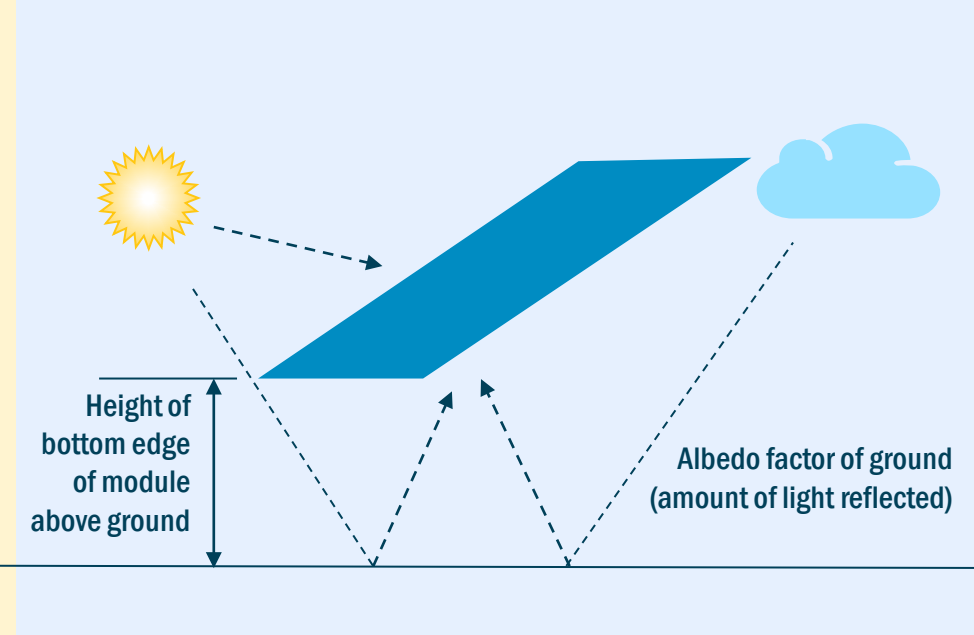
# The Advantages of 2P Trackers

FTC Solar is one of the largest U.S. provider of two-panel in-portrait (2P) trackers

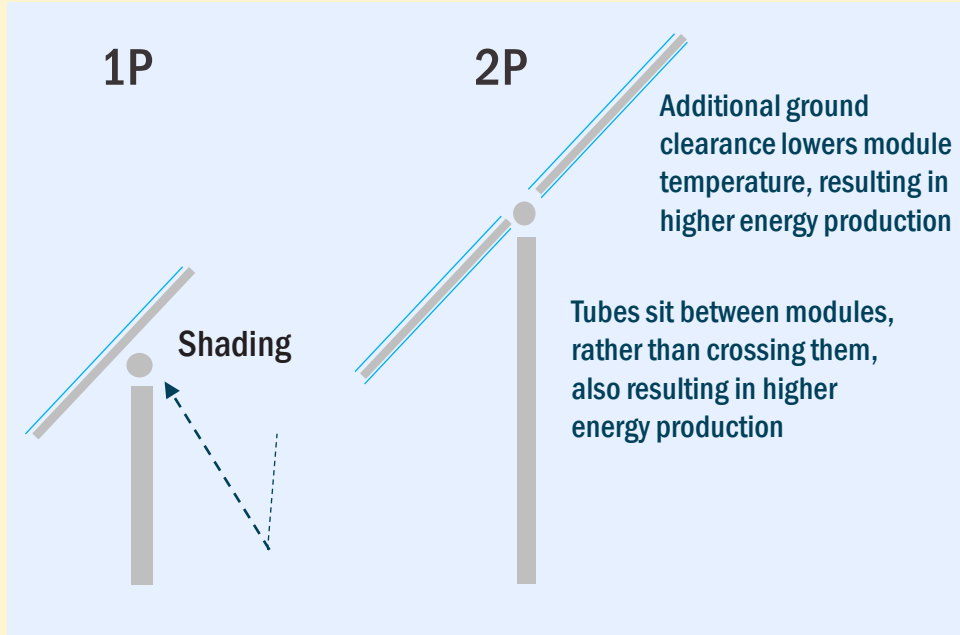
## 2P benefits vs 1P

- ✓ Higher Design Flexibility
- ✓ Better Site Accessibility
- ✓ Higher Panel Density
- ✓ Improved Energy Yield

## Bifacial Panels Collect Energy On Both Sides... (~9% more than monofacial)<sup>1</sup>



## ...and Perform Better with 2P Designs (~2% more than 1P)<sup>2</sup>



1. National Renewable Energy Laboratory  
2. Competitor Research Study





# Our Competitive Differentiation in 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%**

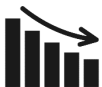
Fewer connection point (potential)



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

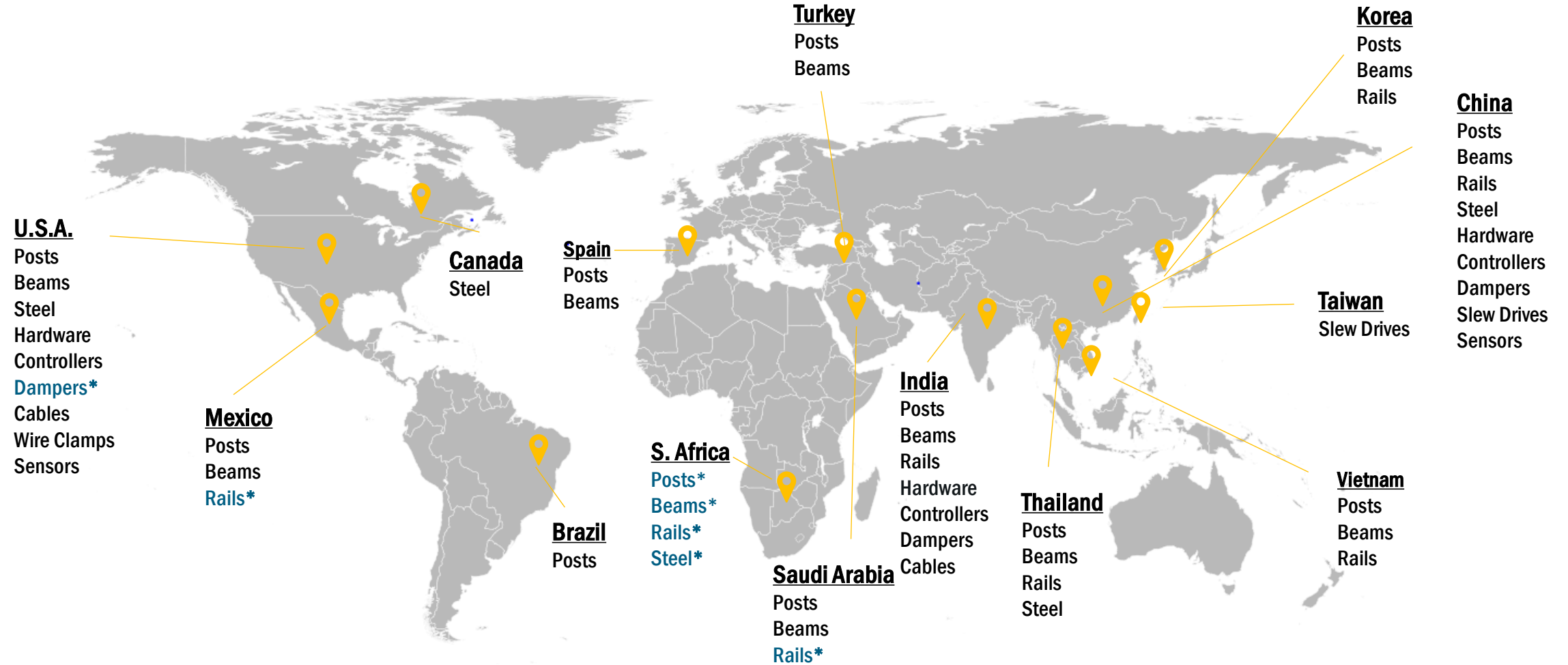
**17.5%**

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

1. Based on standard configuration.



# Global Supply Chain



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
- 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 47% and 60% in '21 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 3x faster<sup>2</sup> than fixed-tilt
- Solar growing as % of energy
- Favorable regulatory and political backdrop

## With Multiple Growth Drivers...

- New U.S. customers and wallet share
- International growth
- Software, services expansion, innovation
- Operating leverage through scale



## A Best-in-Class Financial Profile...

- Asset-light model positions for strong cash flow conversion
- 44% revenue growth (FY2021)
- Healthy balance sheet (no debt) to support organic and inorganic growth opportunities



## And Experienced Leadership Team

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

1. FTC Solar estimates  
 2. Allied Market Research 2019 Solar Energy Market report.  
 3. IHS Markit 2020 Global PV Tracker Report.



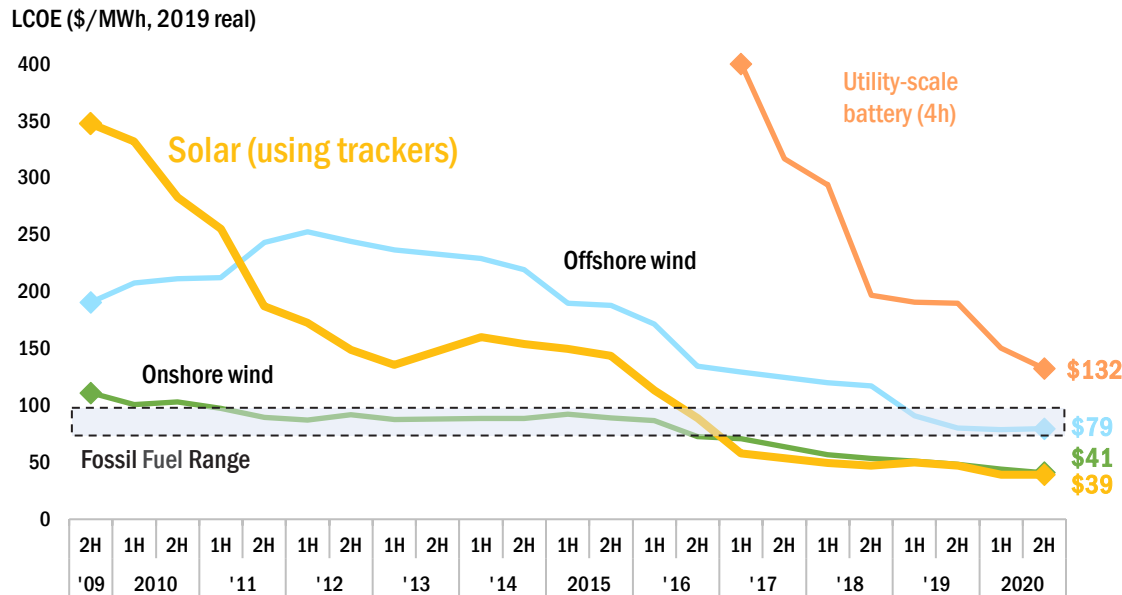
# Market Overview



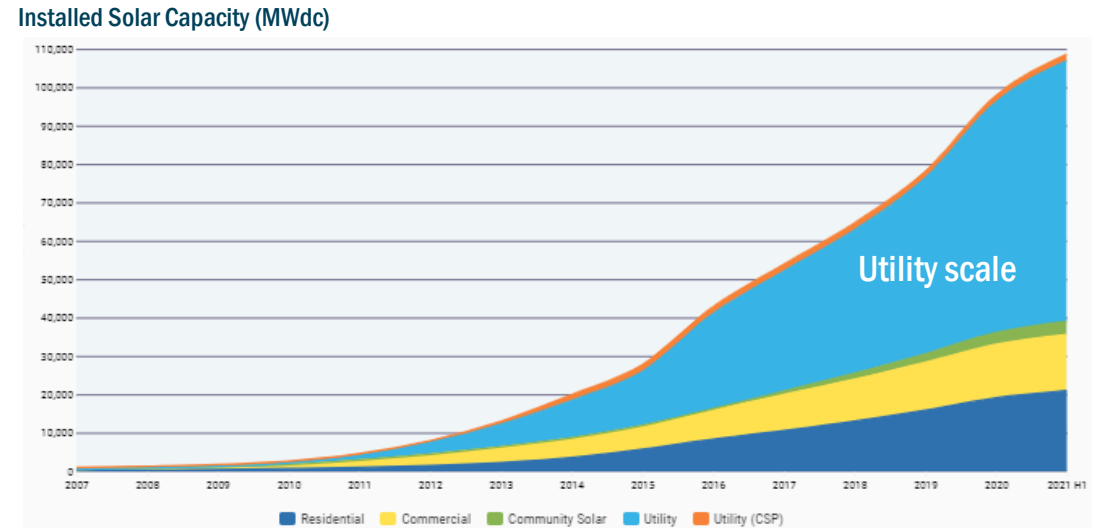
The solar energy industry has grown as its associated costs have decreased

43% of all new electric capacity added to the grid came from solar energy in 2020, representing the largest such share in history

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



### Cumulative U.S. Solar Installations<sup>2</sup>



Over the last decade

Solar installation costs have dropped by more than 82%

Solar installations have grown at 42% per year, on average in the last decade

1. BNEF 2H 2020 LCOE Update report (excludes subsidies).
2. SEIA Solar Industry Research Data

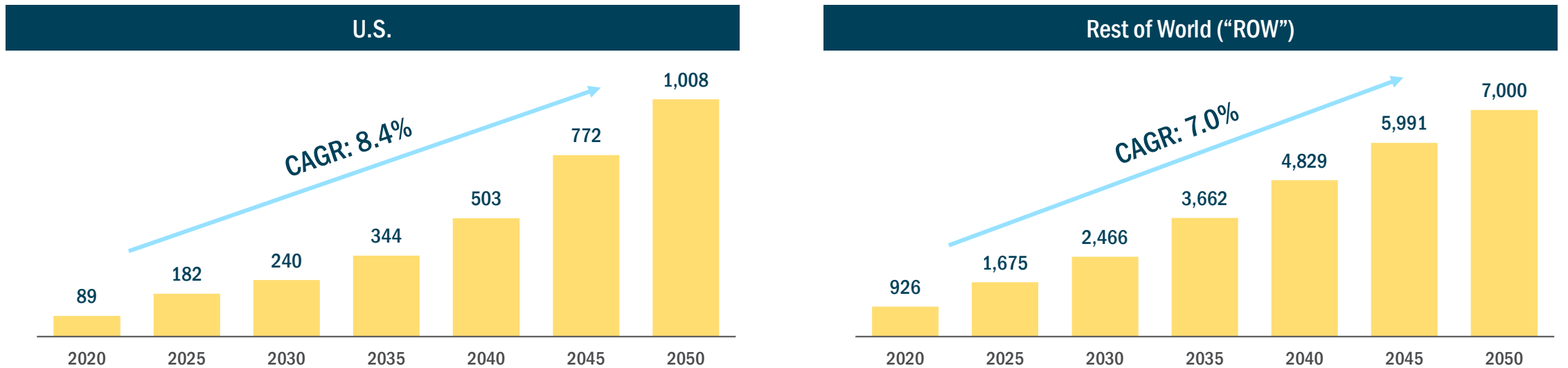


# Solar Market Poised for Sustained Growth

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

*Estimated \$220bn+ market size in 2026, growing at a CAGR of 20%+ from 2019<sup>1</sup>*

## Cumulative Installed Solar Capacity (GW)<sup>2</sup>



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

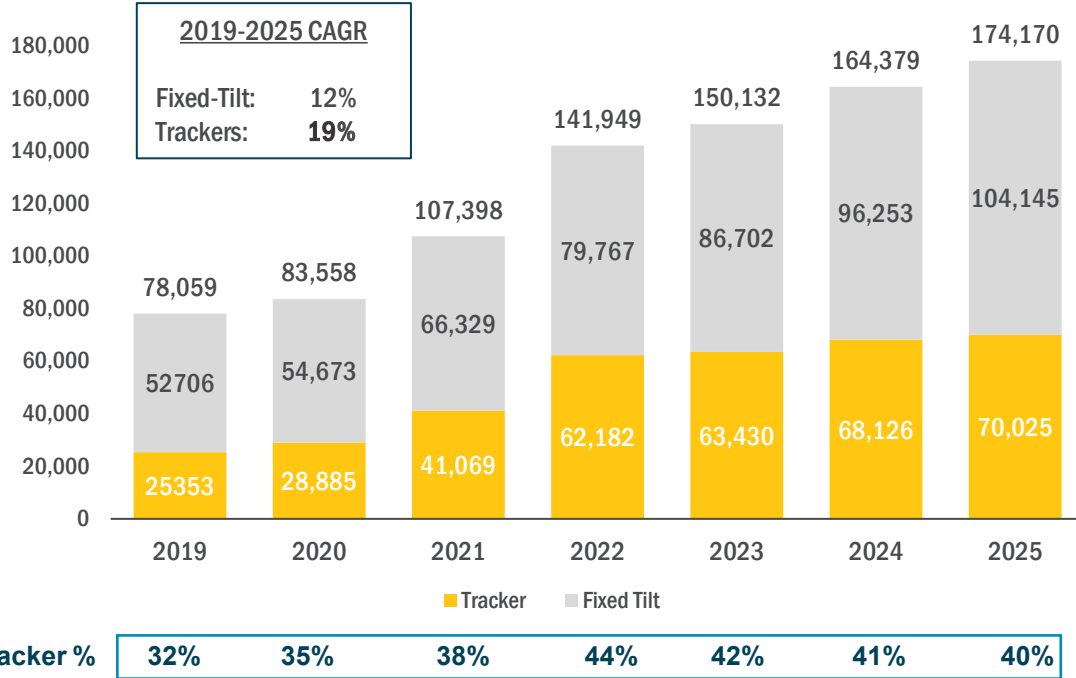
- ✓ Continued innovation and cost competitiveness with fossil-fuels
- ✓ Governmental policies and regulations supporting renewables globally
- ✓ Corporate procurement of renewable energy
- ✓ Improvement in battery storage technology
- ✓ Continued development of newly renewable use cases
- ✓ Increased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

1. Allied Market Research 2019 Solar Energy Market report.  
 2. BNEF 2020 New Energy Outlook.

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

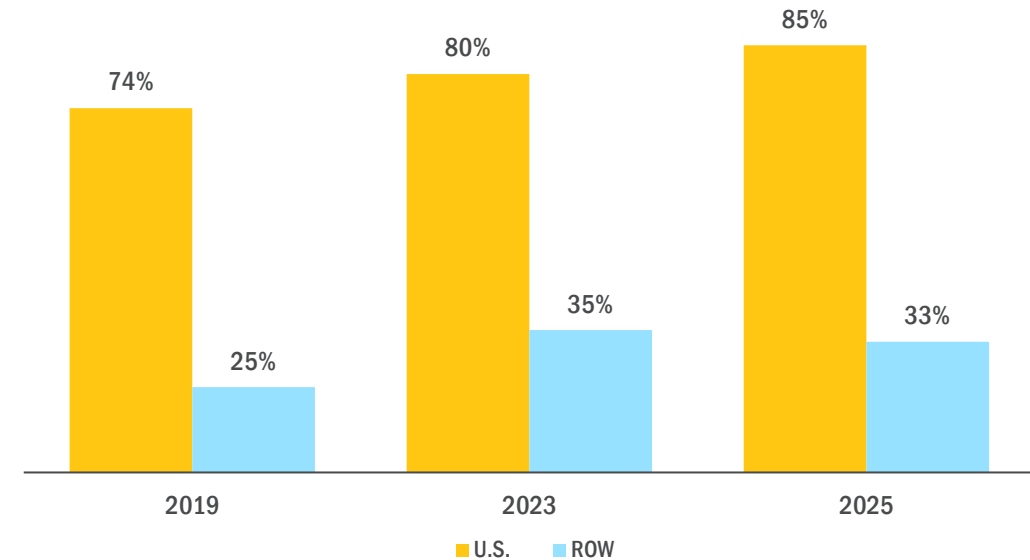
### Trackers Are Growing Faster Than Fixed-Tilt...

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



### ...And Just Beginning ROW Penetration

Tracker percentage of ground-mounted systems over 1MW

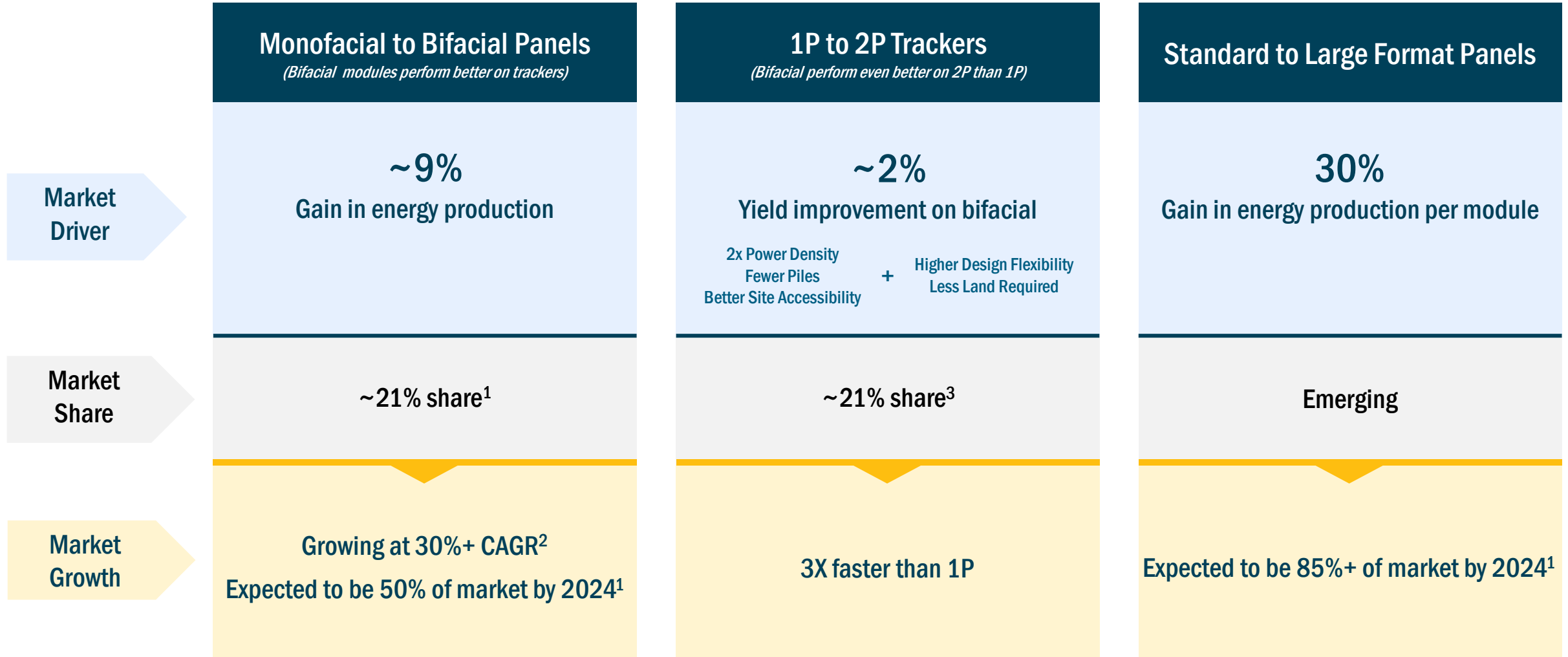


Total tracker market revenues estimated to be \$6.9bn in 2022<sup>1</sup>, with \$3.7bn in the Americas

1. IHS Markit 2021 Global PV Tracker Report.



# Further Innovation Supports the Transition to Trackers...



1. PV Info Link  
 2. Wood Mackenzie – September 2019 Global Bifacial Module Market report, FTC Solar estimates  
 3. Wood Mackenzie – Global PV Tracker Landscape 2020 and FTC Solar Estimates





## **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



A

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

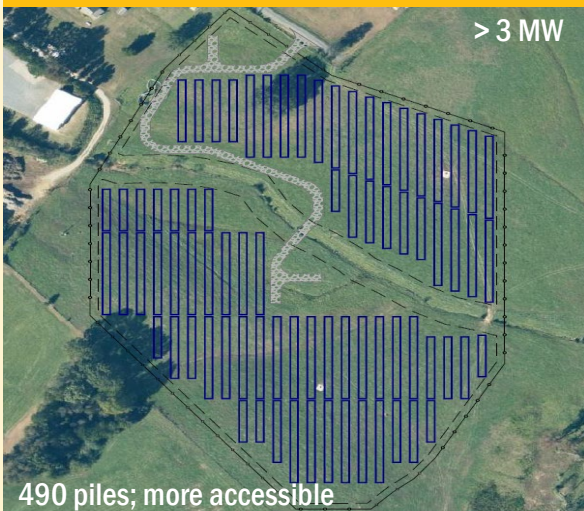
(Illustrative Examples)

Example 1  
Constrained Site

### Competitor's 1P Solution



### FTC's 2P Solution



#### FTC Solar Offers:

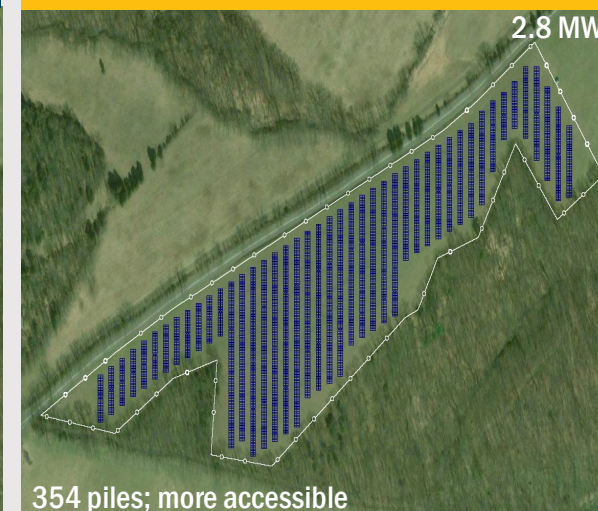
- 8% more power
- 3.2x more cost-efficient rows
- 57% fewer foundations

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



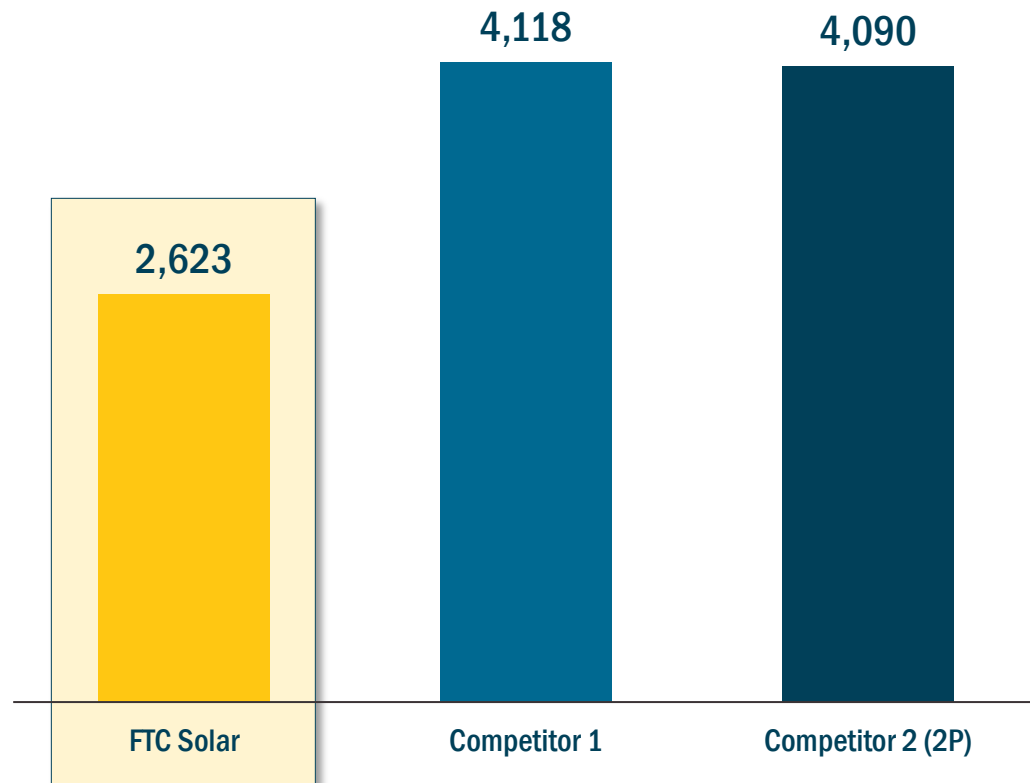
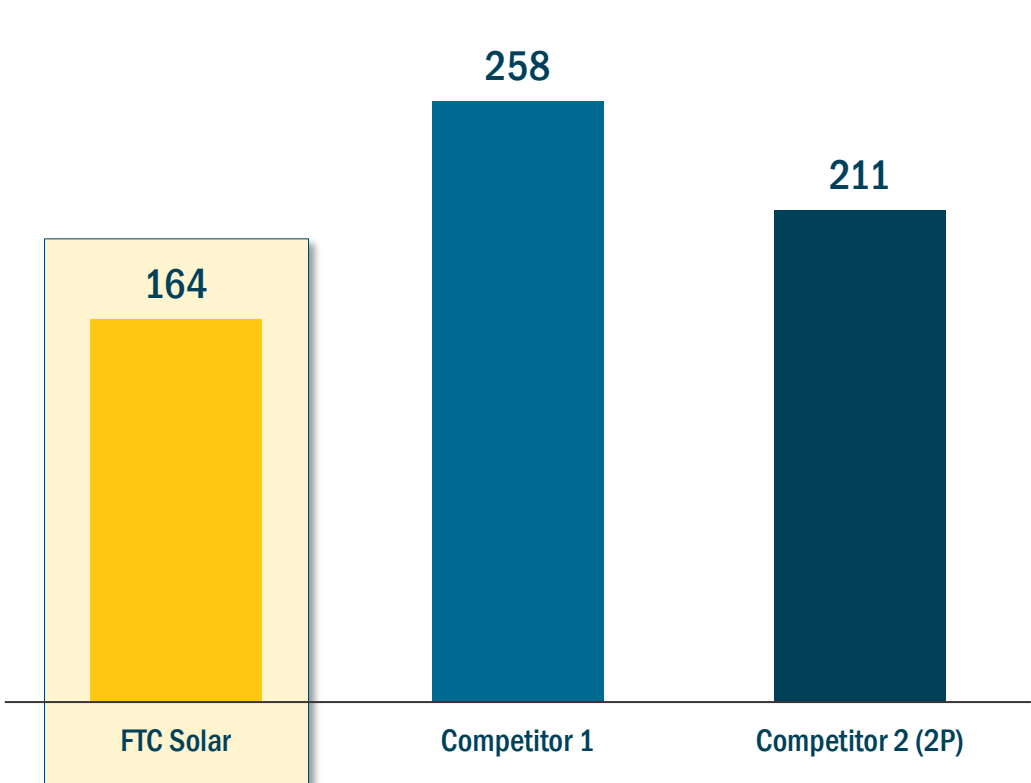
B

# Reduced Part Count

(Illustrative examples)

### Posts Per MW

### Connections Per Row



## Technical Advantages

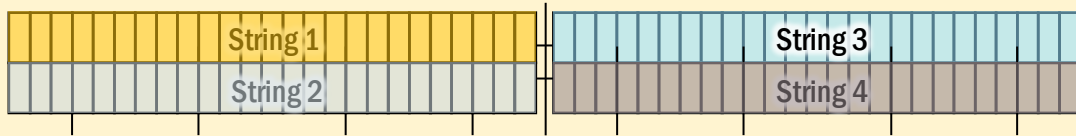




# C Direct Current Collections Advantage

## FTC Trackers

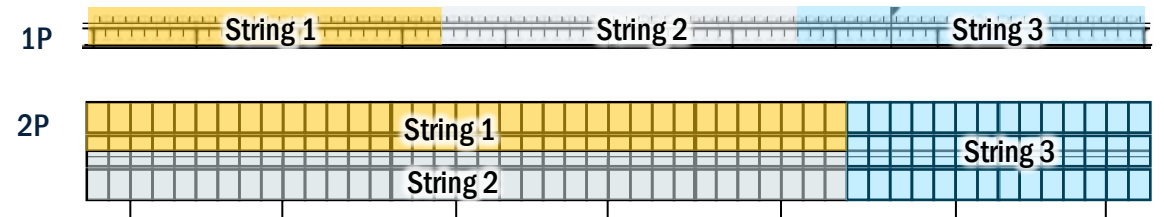
Balanced and uniform DC string architecture



- ✓ 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

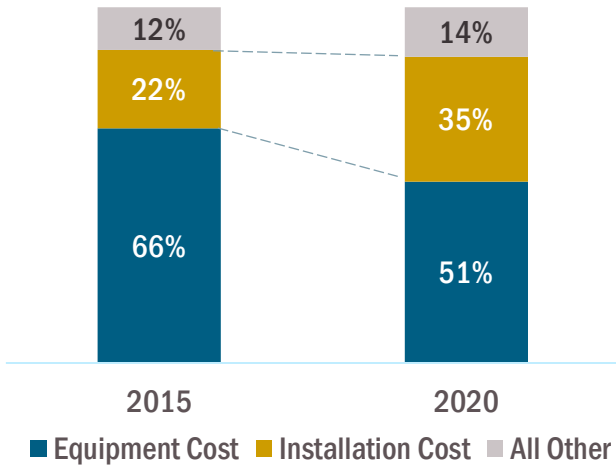
Performance Software



# D 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>

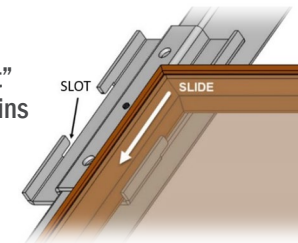


	FTC Solar (Voyager)	Competitor 1	Competitor 2	Competitor 3
Installation Time <sup>3</sup>	2P	1P	2P	2P
	<b>211</b>	<b>451</b>	<b>450</b>	<b>413</b>
Special tools required?	No	Yes	Yes	Yes
# of Piles Required per MW	20-40% Fewer	-	-	-

- ✓ Fewer tools
- ✓ Fewer connection points
- ✓ Patented panel connection features

- ✓ 32% reduction in average install time in 2020 alone vs. 2019
- ✓ Lean installation methods

Integrated "speed slot" module rail quickly retains and aligns panels



## 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

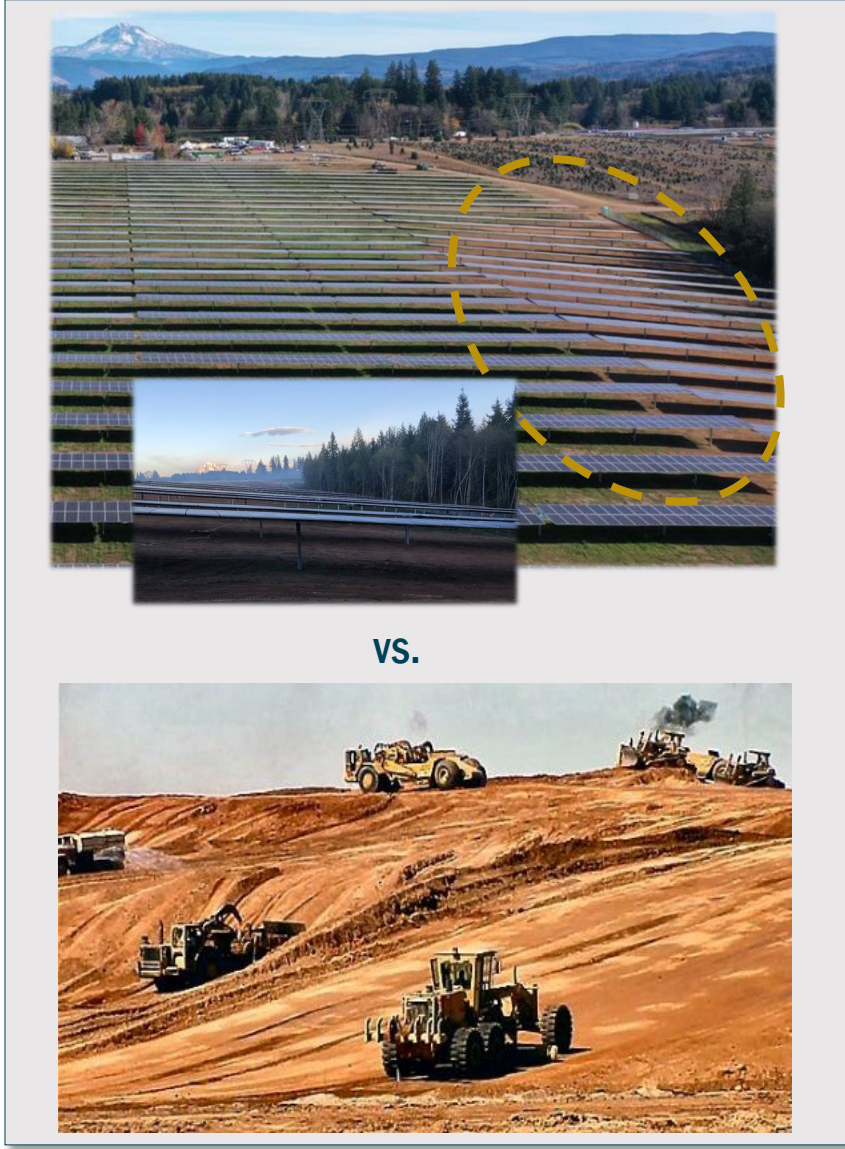
# High Slope Tolerance

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





## SunPath

**1** Terrain-Based Backtracking

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

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

Status: **ACTIVE**

Launch: **December 2020**

**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

Status: **ACTIVE**

Launch: **December 2020**

**3** Array Level Backtracking

Up To **6%**  
Yield Improvement

Terrain flexibility & yield improvement across multiple rows in an array

Status: **IN TESTING**

**4** Bifacial Yield Optimization

Up To **2%**  
Yield Improvement

Yield improvement for systems using bifacial modules which accounts for albedo to maximize yield

Status: **IN TESTING**

### Technical Advantages



1. Third party verified by Leidos. Diffuse light optimization, array level backtracking and bifacial yield optimization also currently in third party validation.



## 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

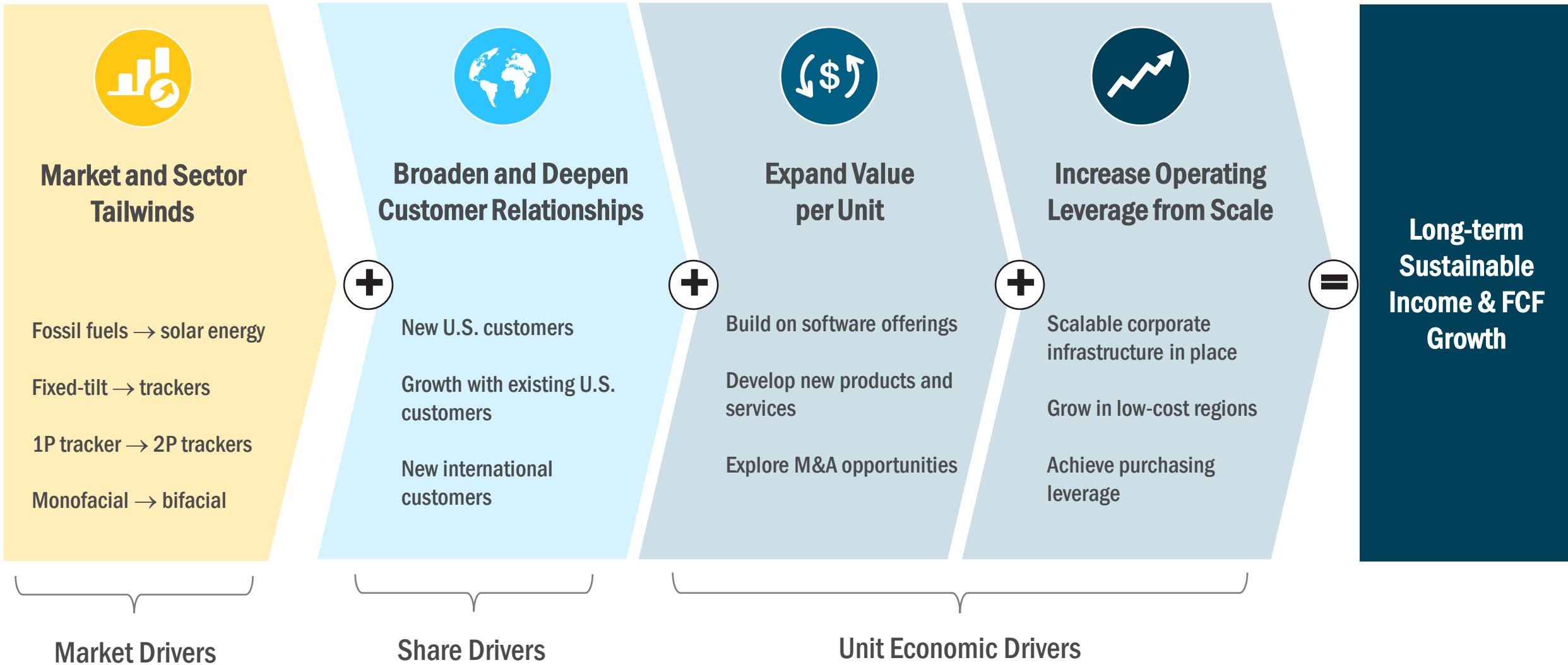
- Patents issued to protect functional aspects of SUNDAT solar design software
  - Pending applications in China, India and Mexico
- Additional patents on multiple other technologies



# Growth Drivers

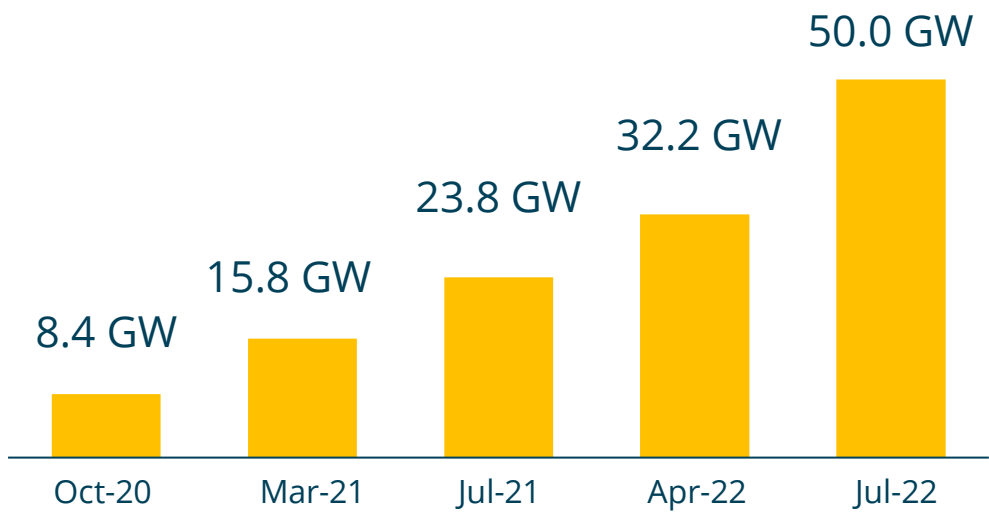


# Multiple Growth Drivers for Further Upside

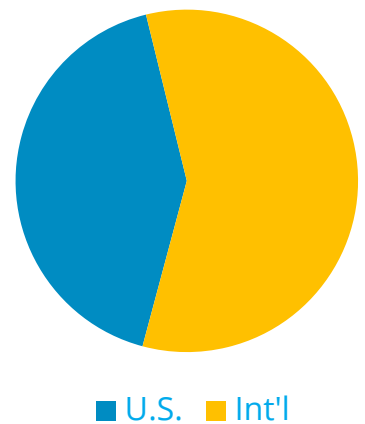


# International: Strong Pipeline Growth, Continued Expansion

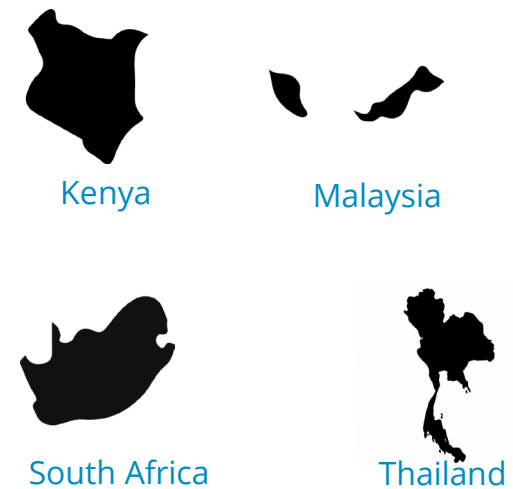
## 90%+ Int'l Pipeline Growth YTD



## International Now >50% of Pipeline



## Awards in New Countries 2022



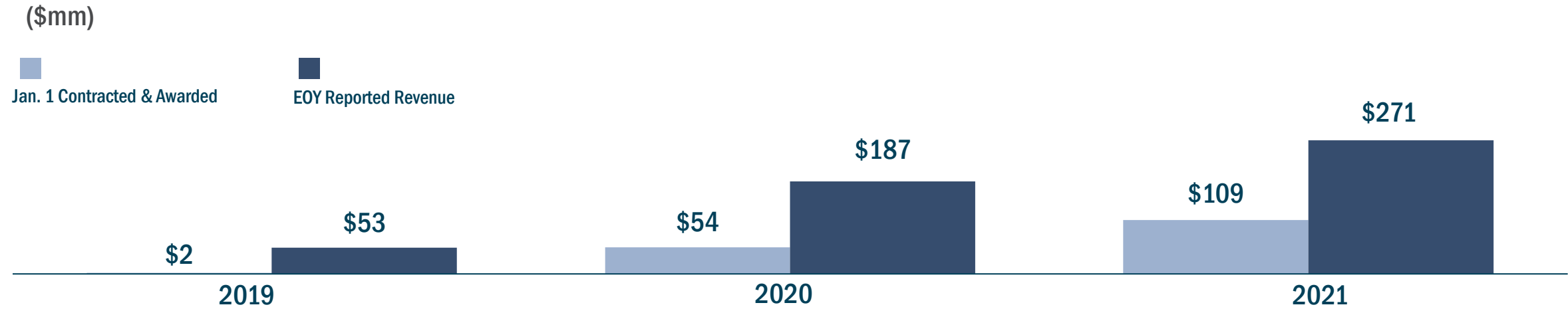


# Financial Overview



# U.S.: Strong Backlog, Revenue Growth; Progress w/Key Customers

Annual Awarded / Executed Contracts at Start of Year vs. Ending Revenue – more than 3x growth year-on-year



Top-15 EPC penetration

40%

60%

Top-15 developer penetration

40%

47%



## 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**





## 2Q'22 Results Slides



# Highlights

## Good progress, international growth

Bookings progress: \$774 million with **\$141 million** added since May 9

- Added new **top 10 utility customer**, new strategic EPC
- First project in **Thailand**

New awards at **higher margin** profile than historical projects

Pipeline at **all time high** including 90% international growth YTD

Closed **HX tracker** acquisition

Announced **EPC partner** for DG business, AUI Partners

### International Spotlight

#### Continued International Expansion



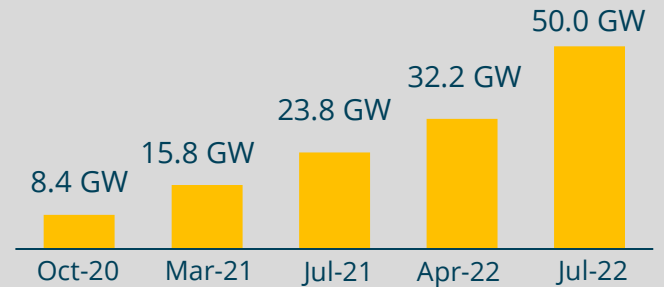
Thailand

Kenya

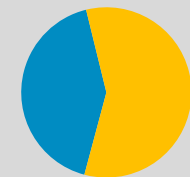
Malaysia

South Africa

#### 90%+ Int'l Pipeline Growth YTD



#### International now exceeds 50% of Pipeline



■ U.S. ■ Int'l

1. International pipeline excludes pending acquisition of HX Tracker

- Driving gross margin improvement program, including DTV
- Building higher-margin DG business
- Improving operational efficiency, controlling costs
- Building, strengthening customer relationships (new customers, strong bookings, record pipeline)
- Accelerating international expansion
- Investing in strategic R&D



## Appendix



# Reconciliation of Non-GAAP Gross Margin and Operating Expenses

The following table reconciles Non-GAAP gross margin for the three months ended June 30, 2022, and 2021, respectively:

(in thousands, except percentages)	Three months ended June 30,	
	2022	2021
<b>GAAP revenue</b>	\$ 30,721	\$ 50,108
<b>GAAP gross profit (loss)</b>	\$ (6,512)	\$ (16,050)
Depreciation expense	87	14
Stock-based compensation	1,059	7,163
Severance	—	295
Other costs	—	165
<b>Non-GAAP gross profit (loss)</b>	\$ (5,366)	\$ (8,413)
<b>Non-GAAP gross margin percentage</b>	(17.5%)	(16.8%)

The following table reconciles GAAP operating expenses to Non-GAAP operating expenses for the three months ended June 30, 2022, and 2021, respectively:

(in thousands)	Three months ended June 30,	
	2022	2021
<b>GAAP operating expenses</b>	\$ 18,727	\$ 56,422
Depreciation expense	(57)	(19)
Stock-based compensation	(2,079)	(45,538)
Non-routine legal fees	(3,822)	(775)
Severance	(111)	—
Other (costs) credits	(210)	(1,804)
<b>Non-GAAP operating expenses</b>	\$ 12,448	\$ 8,286



# Reconciliation of Non-GAAP Loss from Operations

The following table reconciles GAAP loss from operations to Adjusted EBITDA for the three months ended June 30, 2022, and 2021, respectively:

(in thousands)	Three months ended June 30,	
	2022	2021
<b>GAAP loss from operations</b>	\$ (25,239)	\$ (72,472)
Depreciation expense	144	33
Stock-based compensation	3,138	52,701
Non-routine legal fees	3,822	775
Severance	111	295
Other costs	210	1,969
Other income (expense)	73	(46)
<b>Adjusted EBITDA</b>	<b>\$ (17,741)</b>	<b>\$ (16,745)</b>



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

The following table reconciles Net loss to Adjusted EBITDA and Adjusted Net Loss for the three months ended June 30, 2022, and 2021, respectively:

(in thousands, except shares and per share data)	Three months ended June 30,			
	2022		2021	
	Adjusted EBITDA	Adjusted Net Loss	Adjusted EBITDA	Adjusted Net Loss
<b>Net loss per GAAP</b>	\$ (25,683)	\$ (25,683)	\$ (52,350)	\$ (52,350)
Reconciling items -				
Provision for income taxes	90	—	115	—
Interest expense, net	427	—	200	—
Amortization of debt issue costs in interest expense	—	176	—	115
Depreciation expense	144	—	33	—
Stock-based compensation	3,138	3,138	52,701	52,701
Gain from disposal of investment in unconsolidated subsidiary <sup>(d)</sup>	—	—	(20,619)	(20,619)
Non-routine legal fees <sup>(a)</sup>	3,822	3,822	775	775
Severance <sup>(b)</sup>	111	111	295	295
Other costs <sup>(c)</sup>	210	210	1,969	1,969
Loss from unconsolidated subsidiary <sup>(d)</sup>	—	—	136	136
Income tax expense attributable to adjustments	—	—	—	8
<b>Adjusted Non-GAAP amounts</b>	<b>\$ (17,741)</b>	<b>\$ (18,226)</b>	<b>\$ (16,745)</b>	<b>\$ (16,970)</b>
<b>GAAP net loss per share:</b>				
Basic	N/A	\$ (0.26)	N/A	\$ (0.61)
Diluted	N/A	\$ (0.26)	N/A	\$ (0.61)
<b>Adjusted Non-GAAP net loss per share (Adjusted EPS):</b>				
Basic	N/A	\$ (0.18)	N/A	\$ (0.20)
Diluted	N/A	\$ (0.18)	N/A	\$ (0.20)
<b>Weighted-average common shares outstanding:</b>				
Basic	N/A	100,321,943	N/A	86,156,309
Diluted	N/A	100,321,943	N/A	86,156,309

- (a) 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.
- (b) Severance costs were incurred related to agreements with certain executives due to restructuring changes.
- (c) Other costs in 2022 include certain costs related to our acquisition of HX Tracker and shareholder follow-on registration costs pursuant to our IPO. Other costs in 2021 include consulting fees in connection with operations and finance and certain costs attributable to accelerated vesting of stock-based compensation awards resulting from our IPO.
- (d) Our management excludes the gain from the sale in 2021 of our unconsolidated subsidiary when evaluating our operating performance, along with the income (loss) from operations of our unconsolidated subsidiary prior to the sale.



## 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, (vi) non-routine legal fees, severance and certain other costs (credits) and (vii) the loss (income) from our unconsolidated subsidiary. We also deduct the gains from the disposal of our investment in unconsolidated subsidiary and from extinguishment of our debt 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), (iv) the loss (income) from our unconsolidated subsidiary and (v) income tax expense (benefit) of adjustments. We also deduct the gains or add back the losses from the disposal of our investment in unconsolidated subsidiary and from extinguishment of our debt from net loss 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 (“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.