Risk Factors Comparison 2024-05-28 to 2023-06-09 Form: 10-K

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Our business and our ability to execute our strategy are subject to many risks. These risks and uncertainties include, but are not limited to, the following: Summary of Risk Factors • The demand for solar energy and, in turn, our products is impacted by many factors outside of our control, and if such demand does not continue to grow or grows at a slower rate than we anticipate, our business and prospects will suffer. • Competitive pressures within our industry may harm our business, revenues, results of operations, financial condition and prospects. • We face competition from conventional and other renewable energy sources that may offer products and solutions that are less expensive or otherwise perceived to be more advantageous than solar energy solutions ~~, which~~ **. • Delays in construction projects and any failure to manage our inventory** could **have a** ~~materially~~ -- **material** ~~and adversely~~ -- **adverse** ~~affect~~ **effect on us** ~~the demand for and the average selling price of our products and services~~ . • Our results of operations may fluctuate from quarter to quarter, which could make our future performance difficult to predict and could cause our results of operations for a particular period to fall below expectations. • The reduction, elimination or expiration of government incentives for, or regulations mandating the use of, renewable energy and solar energy specifically could reduce demand for solar energy systems and harm our business. • **International regulation of and incentives for solar projects vary by jurisdiction and may change or be eliminated. • Our failure to maintain appropriate environmental, social, and governance practices and disclosures could result in reputational harm, a loss of customer and investor confidence, and adversely affect our business and financial results. •** We rely heavily on our suppliers and our operations could be disrupted if we encounter problems with our suppliers or if there are disruptions in our supply chain. • Economic, political and market conditions can adversely affect our business, financial condition **,** and results of operations **. • Our business and industry, including our customers and suppliers, are subject to risks of severe weather events, natural disasters, climate change and other catastrophic events. • Our business, operating results, and financial condition could be materially harmed by evolving regulatory uncertainty or obligations applicable to our products and services** . • Changes in the global trade environment, including the imposition of import tariffs, could adversely affect the amount or timing of our revenues, results of operations or cash flows. • ~~Actions addressing determinations of forced labor practices in China and legislation and policies adopted to address such practices may disrupt the global supply of solar panels and have an adverse material effect on our business, financial conditions and results of operations. •~~ We ~~could face risks related~~ **may not be able** to **convert** ~~widespread pandemic, which could have a material and adverse effect on~~ our **orders in backlog into revenue** ~~business, results of operations and financial condition~~ . • A further increase in interest rates, or a reduction in the availability of tax equity or project debt financing, could make it difficult for project developers and owners to finance the cost of a solar energy system and could reduce the demand for our products. • A loss of one or more of our significant customers, their inability to perform under their contracts, or their default in payment, could harm our business and negatively impact our revenue, results of operations and cash flows. • Defects or performance problems in our products could result in loss of customers, reputational damage and decreased revenue, and we may face warranty, indemnity and product liability claims arising from defective products. • We may experience delays, disruptions or quality control problems in our product development operations ~~. • Our business is subject to the risks of severe weather events, natural disasters and other catastrophic events~~ . • Our continued expansion into new markets could subject us to additional business, financial, regulatory and competitive risks. • Electric utility industry policies and regulations may present technical, regulatory and economic barriers to the purchase and use of solar energy systems that could significantly reduce demand for our products or harm our ability to compete. • A drop in the price of electricity sold may harm our business, financial condition **,** and results of operations. • Technological advances in the solar components industry could render our systems uncompetitive or obsolete. • If we fail to, or incur significant costs in order to, obtain, maintain, protect, defend or enforce our intellectual property, our business and results of operations could be materially harmed. • **Cybersecurity or** ~~Flex continues to control the~~ **other** ~~direction of~~ **data security incidents could harm** our business, **expose us to liability** and **cause reputational damage** ~~the concentrated ownership of our common stock may prevent you and other stockholders from influencing significant decisions~~ . • We are required to pay **others** ~~Yuma and Yuma Sub, both of which are subsidiaries of Flex, TPG, and the TPG Affiliates (or certain permitted transferees thereof)~~ for certain tax benefits that we are deemed to realize under the Tax Receivable Agreement, and the amounts we may pay could be significant. • Our indebtedness could adversely affect our financial flexibility and our competitive position. Investing in our Class A common stock involves a high degree of risk. If any of the following risks occur, it could have a material adverse effect on our business, financial condition, results of operations or prospects. Risks that are not presently known to us or that we do not currently consider material could also have a material adverse effect on our business, financial condition and results of operations. If any of these or the following risks occur, the trading price of our Class A common stock could decline, and you could lose part or all of your investment. Some statements in this Annual Report, including statements in the following risk factors, constitute forward- looking statements. See the section entitled " Special note regarding forward- looking statements. " ~~21~~ Risks related to our business and our industry ~~The demand for solar energy and, in turn, our products is impacted by many factors outside of our control, and if such demand does not continue to grow or grows at a slower rate than we anticipate, our business and prospects will suffer.~~ Our future success depends on continued demand for utility- scale solar energy. Solar energy is a rapidly evolving and competitive market that has experienced substantial changes in recent years, and we cannot be certain that EPCs, developers, owners and operators of solar projects will remain active in the market or that new potential customers will pursue solar energy as an energy source at levels sufficient to grow our business. The demand for solar energy, and in turn, our products, may be affected by many factors outside of our control, including: • availability, scale and scope of government subsidies, government **and tax** incentives and financing sources to support the development and commercialization of solar energy solutions ~~;~~ **;** • levels of investment by project developers and owners of solar energy products, which tend to decrease when economic growth slows ~~;~~ **;** • the emergence, continuance or success of, or increased government support for, other alternative energy generation technologies and products ~~;~~ **;** • local, state and federal permitting and other regulatory requirements related to environmental, land use and transmission issues, each of which can significantly impact the feasibility and timelines for solar projects; • technical and regulatory limitations regarding the interconnection of solar energy systems to the electrical grid; • the cost and availability of raw materials and components necessary to produce solar energy, such as steel, polysilicon and semiconductor chips; and • regional, national or global macroeconomic trends, **including increased interest rates or a reduction in the availability of project debt financing,** which could affect the demand for new energy resources **and customers' abilities to finance new projects** . If demand for solar energy fails to continue to grow, demand for our products will plateau or decrease, which would have an adverse impact on our ability to increase our revenue and grow our business. If we are not able to mitigate these risks and overcome these difficulties successfully, our business, financial condition and results of operations could be materially and adversely affected. Competitive pressures within our industry may harm our business, results of operations, financial condition and prospects. We face intense competition from a large number of solar tracker companies in nearly all of the markets in which we compete. The solar tracker industry is currently fragmented. This may result in price competition ~~being greater than expected,~~ which ~~would~~ **could adversely** affect our **revenue and** margins. Some of our competitors are developing or are currently manufacturing products based on different solar power technologies that may ultimately have costs similar to or lower than our projected costs. In addition, some of our competitors have or may ~~have~~ in the future have lower costs of goods sold, lower operating costs, greater name and brand recognition in specific markets in which we compete or intend to sell our products, greater market shares, access to larger customer bases, greater resources and significantly greater economies of scale than we do. Additionally, new competitors may enter our market as a result of, among other factors, lower research and development costs. We may also face adverse **competitive** effects from **other participants in the solar industry. For example, the price for solar panels has experienced significant declines in several markets globally in recent periods. Substantial pricing declines for panels can make the returns on investment for tracker technology less competitive in comparison to fixed tilt racking systems. In addition, other risks include** EPCs subjecting their subcontractors who compete for their business, such as us, to contractual clauses that carry higher contractual risk to us, such as " pay if paid " clauses that requires an EPC to pay us only when the EPC' s end customer pays the EPC, higher liquidated damages amounts, increased contractual liabilities above 100 % of the contract value and more limited force ~~22~~ majeure clauses, among others **. In addition, part of our strategy is to continue to grow our revenues from international markets. Any new geographic market could have different characteristics from the markets in which we currently sell products, and our ability to compete in such markets will depend on our ability to adapt properly to these differences. We may also face competition from lower cost providers in any new markets we enter, which could decrease the demand for our products or cause us to reduce the cost of our products in order to remain competitive** . Any of these factors could have a material adverse effect on our business, financial condition and results of operations ~~. We face competition from conventional and other renewable energy sources that may offer products and solutions that are less expensive or otherwise perceived to be more advantageous than solar energy solutions, which could materially and adversely affect the demand for and the average selling price of our products and services~~ . We face significant competition from providers of conventional and renewable energy alternatives such as coal, nuclear, natural gas and wind. We compete with conventional energy sources primarily based on price, predictability of price and energy availability, environmental considerations and the ease with which customers can use electricity generated by solar energy projects. If solar energy systems cannot offer a compelling value to customers based on these factors, then our business growth may be impaired. Conventional energy sources generally have substantially greater financial, technical, operational and other resources than solar energy sources, and as a result may be able to devote more resources to research, development, promotion and product sales or respond more quickly to evolving industry standards and changes in market conditions than solar energy systems. Conventional and other renewable energy sources may be better suited than solar for certain locations or customer requirements and may also offer other value- added products or services that could help them compete with solar energy sources. In addition, the source of a majority of conventional energy electricity is non-renewable, which may in certain markets allow them to sell electricity more cheaply than electricity generated by solar generation facilities. Non- renewable generation is typically available for dispatch at any time, as it is not dependent on the availability of intermittent resources such as sunlight. The cost- effectiveness, performance and reliability of solar energy products and services, compared to conventional and other renewable energy sources, could materially and adversely affect the demand for our products and services, which could have a material adverse effect on our business, financial condition **,** and results of operations. ~~Our~~ **Many of our products are used in large- scale projects, which generally require a significant amount of planning and preparation and which can be delayed and rescheduled for a number of reasons, including customer or partner labor availability, difficulties in complying with environmental and other government regulations or obtaining permits, interconnection delays, financing issues, changes in project priorities, additional time required to acquire rights- of- way or property rights, unanticipated soil conditions, or health- related shutdowns or other work stoppages. These delays may** ~~results~~ - **result** ~~of~~ **in unplanned downtime, increased costs and inefficiencies in our** operations ~~may fluctuate from quarter to quarter~~ , ~~which could make our future performance difficult to predict~~ and **increased levels** ~~could cause our results~~ of **excess inventory** ~~operations for a particular period to fall below expectations~~ . Our quarterly results of operations are difficult to predict and may fluctuate significantly in the future. Because we recognize revenue on projects as legal title to equipment is transferred from us to the customer, any delays in large projects from one quarter to another may cause our results of operations for a particular period to fall below expectations. We have experienced seasonal and quarterly fluctuations in the past as a result of fluctuations in our customers' businesses, changes in local and global market trends, as well as seasonal weather- related disruptions. For example, our customers' ability to install solar energy systems is affected by weather, such as during the winter months. Inclement weather may also affect our logistics and operations by causing delays in the shipping and delivery of our materials, components and products which may, in turn, cause delays in our customers' solar projects. Further, given that we operate in a rapidly growing industry, the true extent of these fluctuations may have been masked by our recent growth rates and consequently may not be readily apparent from our historical results of operations and may be difficult to predict. Our financial performance, sales, working capital requirements and cash flows may fluctuate, and our past quarterly results of operations may not be good indicators of future performance or prospects. Any substantial fluctuation in revenues could have an adverse effect on our financial condition, results of operations, cash flows and stock price for any given period. In addition, revenue, and other operating results in future fiscal quarters may fall short of the expectations of investors and financial analysts, which could have an adverse effect on the price of our common stock. ~~23 The reduction, elimination or expiration of government incentives for, or regulations mandating the use of, renewable energy and solar energy specifically could reduce demand for solar energy systems and harm our business.~~ Federal, state, local **,** and foreign government bodies provide incentives to owners, end users, distributors and manufacturers of solar energy systems to promote solar electricity in the form of tax credits, rebates **, subsidies** and other financial incentives. ~~See the section entitled " Business — Government incentives. "~~ The range and duration of these incentives varies widely by jurisdiction. Our customers typically use our systems for grid- connected applications wherein solar power is sold under a power purchase agreement or into an organized electric market. This segment of the solar industry has historically depended in large part on the availability and size of government incentives supporting the use of renewable energy. Consequently, the reduction, elimination or expiration of government incentives for grid- connected solar electricity may negatively affect the competitiveness of solar electricity relative to conventional and non- solar renewable sources of electricity, and could harm or halt the growth of the solar electricity industry and our business. These reductions, eliminations or expirations could occur without warning. Any changes to the existing framework of these incentives could cause fluctuations in our results of operations. The IRA made significant changes to the ~~incentives~~ **federal income tax credits** available to solar energy projects ~~. As a result of changes made by the IRA~~ , **including the availability of investment tax credits ("** ~~United States taxpayers will be entitled to a 30 %~~ ITC **")** for certain qualifying projects ~~placed~~ **. Investments** in **certain solar projects may qualify** ~~service after 2021 and increased further to 40 %~~ for **a domestic content bonus credit amount if the solar energy** ~~projects~~ - **project** ~~placed in service after 2022 that satisfy~~ **satisfies** certain " domestic content " requirements. ~~For projects placed in service after 2022, these credit amounts are subject to an 80 % reduction if the project (1) does not satisfy prevailing wage and apprenticeship requirements, (2) has a maximum net output that is greater than or equal to 1 megawatt of electrical (as measured in alternating current) or thermal energy and (3) begins construction on or after January 29, 2023 (the date that is 60 days after the IRS released guidance relating to the prevailing wage and apprenticeship requirements). In addition, certain other incremental credits are potentially available for projects or facilities located in " energy communities " or " low- income communities " or that are part of " low- income economic benefit projects " or " low- income residential building projects. "~~ On May 12, 2023, the U. S. Treasury Department and the IRS released Notice 2023- 38 providing guidance with respect to the IRA' s domestic content bonus credit. ~~The~~ **In Notice 2023- 38, the** Treasury Department and the IRS announced their intent to ~~issue proposed~~ - **propose** regulations in the future that will apply to taxable years ending after May 12, 2023, and that in the interim, **taxpayers may rely on** the ~~guidance contained~~ **rules described** in Notice 2023- 38 ~~may be relied upon with respect to~~ **for the domestic content bonus credit requirements for** any qualified **solar** ~~facility or~~ energy project the construction of which begins before the date ~~ending~~ **that is** 90 days after ~~such~~ **the date of publication of the forthcoming** proposed regulations **in the Federal Register. On June 21, 2023, the U. S. Treasury Department and the IRS issued notices of proposed rulemaking and public hearing and temporary regulations providing initial guidance on the direct payment election under Section 6417 of the Internal Revenue Code (the " IRC ") and the elective transfer provisions of Section 6418 of the IRC. The proposed Treasury regulations were subsequently finalized. The Section 6417 Treasury regulations** are ~~published. Generally~~ **effective as of May 10** , ~~to meet~~ **2024, while** the **Section 6418 Treasury regulations become effective on July 1, 2024. On December 15, 2023, the U. S. Treasury Department and the IRS issued a notice of proposed rulemaking and public hearing providing initial guidance on Section 45X of the IRC advanced manufacturing production credit, established by the IRA (the " Section 45X Credit ") which is a per- unit tax credit that is earned over time for each clean energy component domestically produced and sold by a manufacturer. Guidance issued by the U. S. Treasury Department regarding the availability of ITC has changed in the past and is subject to change in the future. On May 16, 2024, the U. S Treasury Department and the IRS released Notice 2024- 41 providing additional guidance with respect to the IRA' s** domestic content ~~requirements~~ **bonus credit, which provides a new safe harbor that taxpayers may elect to use to classify applicable project components and calculate the domestic cost percentage in an applicable project to qualify for the domestic content bonus credit amounts. Generally,** a qualified facility or energy project **seeking a domestic content bonus credit** must satisfy certain U. S. domestic sourcing or production requirements for iron, steel and manufactured products. In addition, the United States taxpayer **reporting a domestic content bonus credit** must satisfy certain certification **, recordkeeping** and substantiation requirements. ~~As~~ **In lieu of the ITC, as** a result of changes made by the IRA, United States taxpayers **may** ~~will generally~~ also be allowed to elect to receive a **production tax credit ("** PTC **")** ~~in lieu of the ITC~~ for qualified solar facilities **if** the construction ~~of which~~ begins before January 1, 2025, ~~that are~~ **if the facility is** placed in service **for federal income tax purposes** after 2021. The PTC is available for electricity produced **by a qualifying solar project** and sold to unrelated persons in the ten years following ~~a~~ **the qualifying solar** project' s placement in service and is equal to an inflation- adjusted amount ~~(~~ **of** 2. ~~6~~ **75** cents per kilowatt hour for calendar year ~~2022~~ **2023 (** ~~, assuming the prevailing wage and apprenticeship requirements described above are satisfied or~~ **for projects placed in service after 2021** ~~deemed satisfied, reduced by 80 % if those~~

~~requirements are not satisfied~~) **,** for every kilowatt- hour of electricity produced by a ~~facility~~ **qualifying solar project, which inflation- adjusted amount is updated annually** . The available credit amount is increased by **up to** 10 % if the domestic content requirements described above are satisfied. ~~Certain additional incremental~~ **The amounts of any** PTCs **or ITCs** are **subject** ~~also available similar~~ to **change by order** ~~the incremental ITCs described above. In the case~~ of **the IRS. Under the IRA, for certain qualifying** projects placed in service after 2024, each of the ITC and PTC will be replaced by similar “ technology neutral ” tax credit incentives that mimic the ITC and PTC **,** but also require that projects satisfy a “ zero greenhouse gas emissions ” standard ~~(which solar does)~~ in order to qualify for the **tax** credits. This new **tax** credit regime will continue to apply to projects that begin construction prior to the end of 2033 ~~(and possibly later)~~ , at which point the credits will become subject to a phase- out schedule. ~~24~~ While these changes are intended to encourage investments in new solar projects, the impact these changes will have on our results of operations is unclear. **For example** ~~In particular, the tax credit regime in place prior to the IRA’ s enactment provided annual reductions in the applicable credit amount at the beginning of 2023 and 2024 and therefore encouraged customers to acquire our products prior to calendar year- end dates in order to qualify for a higher tax credit available for projects that commenced construction (within the meaning of IRS guidance) prior to those dates. As a result of the changes made by the IRA, while there may continue to be an incentive for taxpayers to commence construction on facilities before certain dates, the tax credits will not experience annual reductions similar to those that would have occurred at the end of 2022 and 2023 for at least ten years. In addition~~ , if we are unable to meet the domestic content requirements necessary for customers using our tracker products to qualify for the incremental domestic content bonus credit and our competitors are able to do so, we might experience a decline in sales for U. S. projects. ~~While the~~ **The U. S.** Treasury Department **has provided certain guidance on the** ~~’ s recent Notice 2023- 38 includes significant clarifications with respect to~~ domestic content requirements **; however** , ~~including their applicability to and treatment of photovoltaic trackers, additional~~ further **clarifications** ~~clarifying communications from the Treasury Department~~ may be forthcoming **and it is possible customers may impose certain** ~~. Moreover, the response from the solar industry, including any~~ domestic content requirements ~~our customers may impose~~ on us ~~to receive orders,~~ as a result ~~of the IRA and Notice 2023- 38 remains uncertain~~ . ~~In addition~~ **Such domestic content requirements may increase our production costs. Further** , the timing and nature of the **U. S.** Treasury Department’ s eventual proposed and final implementing regulations **,** which are expected to supersede Notice 2023- 38 **and Notice 2024- 41,** ~~remains~~ - **remain** uncertain. ~~We~~ **When final implementing regulations for domestic content requirements are released, we** may not have an adequate supply of tracker products satisfying the domestic content requirements ~~set forth in the IRA, Notice 2023- 38 and / or future implementing regulations~~ to meet customer demand. In addition, compliance with ~~these~~ **domestic content** requirements may significantly increase our record- keeping, accounting and production costs. As a result of these risks, the domestic content requirements may have a material adverse impact on our U. S. sales, business and results of operations. **If** ~~Finally, if~~ our customers are unable to satisfy their respective prevailing wage and apprenticeship requirements **under** ~~described above,~~ the **IRA, the tax** credits available to the ~~taxpayer~~ **customers** will be lower than the credits available ~~under~~ prior **to** ~~law. Satisfaction of these~~ -- **the IRA** ~~requirements is outside of our control~~ . If a significant portion of our customers ~~is~~ **are** unable to satisfy ~~these~~ **prevailing wage and apprenticeship** requirements **under the IRA** , demand for our tracker products may be adversely impacted by the reduced **tax** credits available **to our customers** , which could have a material adverse effect on our business, financial condition **,** and results of operations. **While the Section 45X Credit available under the IRA may provide for tax benefits, the proposed regulations have not been finalized and remain subject to public comment. There is uncertainty as to how the provisions under the IRA will be interpreted and implemented. While we believe that certain of our products, namely our torque tubes and a portion of our structural fasteners, will qualify under Section 45X, our ability to ultimately benefit from Section 45X and other IRA tax credits is not guaranteed and is dependent to a large degree upon the final scope, terms and conditions of the Treasury regulations. Certain provisions of the IRA have been the subject of substantial public interest and have been subject to debate, and there are divergent views on potential implementation, guidance, rules, and regulatory principles by a diverse group of interested parties. There can be no assurance that the Company’ s products will fully qualify for the benefits under the IRA or that competitors will not disproportionately benefit or gain competitive advantages as a result of the IRA’ s implementation or interpretation. In addition, if our customers or suppliers incorrectly interpret the requirements of the IRA’ s tax credits and it is later determined that the tax credits were incorrectly claimed, we may be penalized. As a result, the final interpretation and implementation of the provisions in the IRA could have a material adverse impact on the Company. Furthermore, future legislative enactments or administrative actions could limit, amend, repeal, or terminate IRA policies or other incentives that the Company currently hopes to leverage. Any reduction, elimination, or discriminatory application or expiration of the IRA may materially adversely affect the Company’ s future operating results and liquidity. Changes to tax laws and regulations that are applied adversely to us or our customers could materially adversely affect our business, financial condition, results of operations and prospects, including our ability to optimize those changes brought about by the passage of the IRA. In addition,** ~~Federal~~ **federal** , state, local and foreign government bodies have implemented additional policies that are intended to promote or mandate renewable electricity generally or solar electricity in particular. For example, many U. S. states have adopted procurement requirements for renewable energy production and / or a renewable portfolio standard (“ RPS ”) that requires regulated utilities to procure a specified percentage of total electricity delivered to customers in the state from eligible renewable energy sources, including utility- scale solar power generation facilities, by a specified date. While the recent trend has been for jurisdictions with RPSs to maintain or expand them, there have been certain exceptions and there can be no assurances that RPSs or other policies supporting renewable energy will continue. Proposals to extend compliance deadlines, reduce renewable requirements or solar set- asides, or entirely repeal RPSs emerge from time to time in various jurisdictions. Reduction or elimination of RPSs, as well as changes to other renewable- energy and solar- energy policies, could reduce the potential growth of the solar energy industry and materially and adversely affect our business. Moreover, policies of recent U. S. presidential administrations have created regulatory uncertainty in the renewable energy industry, including the solar energy industry, and have adversely affected and may continue to adversely affect our business. For example, in the span of less than six years, the United States joined, withdrew from, and then rejoined the 2015 Paris Agreement on climate change mitigation following changes in administration from former U. S. Presidents Obama and Trump to current U. S. President Biden. President Biden has not yet proposed a rule to regulate greenhouse gas emissions, and it is uncertain whether new regulations would promote solar energy development. In addition, the U. S. Supreme Court' s decision on June 30, 2022 in West Virginia v. EPA, holding that the U. S. Environmental Protection Agency (" EPA ") exceeded its authority in enacting a subsequently repealed rule that would have allowed electric utility generation facility owners to ~~25~~ reduce emissions with " outside the fence measures " may limit EPA' s ability to address greenhouse gas emissions comprehensively without specific authorization from Congress. The international markets in which we operate or may operate in the future may have or may put in place policies to promote renewable energy, including solar. These incentives and mechanisms vary from country to country. In seeking to achieve growth internationally, we may make investments that, to some extent, rely on governmental incentives and support in a new market. There is no assurance that these governments will provide or continue to provide sufficient incentives and support to the solar industry ~~and~~ **or** that the industry in any particular country will not suffer significant downturns in the future as the result of changes in public policies or government interest in renewable energy, any of which would adversely affect demand for our solar products. ~~Furthermore~~ **Our failure to maintain appropriate environmental** , ~~corporate~~ social ~~responsibility efforts~~ , **and governance (" ESG ") practices and disclosures** ~~such as net zero emission pledges, have fostered private sector investment in solar energy systems in recent years. To the extent that these corporate policies are redirected away from renewable energy in general or solar energy in particular, the demand for our solar products would~~ **could result** ~~be adversely affected. Finally, the solar industry has~~ in **reputational harm** ~~past years experienced periodic downturns due to~~ , **a loss of customer** ~~among other things, changes in subsidies~~ and ~~incentives~~ **investor confidence** , ~~as well as other policies~~ and ~~regulations, which, as noted above, may affect the demand for our products. There is no assurance that the solar industry will not suffer significant downturns in the future, which would~~ adversely affect ~~demand~~ **our business and financial results. Governments, customers, investors, and employees are enhancing their focus on ESG practices and disclosures, and expectations in this area are rapidly evolving and increasing. Failure to adequately maintain appropriate ESG practices that meet diverse stakeholder expectations may result in an inability to attract customers, the loss of business, diluted market valuation, and an inability to attract and retain top talent. In addition, standards, processes and governmental requirements** for **disclosing sustainability metrics may change over time, resulting in inconsistent data,** ~~our~~ - **or** ~~solar products. Any of the foregoing~~ could ~~have a material adverse effect on our business, financial condition and results~~ - **result** ~~of operations. We rely heavily on~~ **in significant revisions to our sustainability commitments** ~~our~~ - **or** ~~suppliers and~~ our ~~operations~~ **ability to achieve them. As governments impose greenhouse gas emission reporting requirements and other ESG- related laws, we are subject to at least some of these rules and concomitant regulatory risk exposure. ESG compliance and reporting** could be ~~disrupted if~~ **costly, and** we ~~encounter problems~~ **could be at a disadvantage compared to companies that do not have similar reporting requirements. For example, recently published rules by the SEC could require significantly expanded climate- related disclosures in our periodic reporting, which may require us to incur significant additional costs to comply, including the implementation of significant additional internal controls regarding matters that have not been subject to such controls in the past. In addition, California recently enacted climate disclosure laws that may require companies to report on greenhouse gas emissions, climate- related financial risks, and the use of carbon offsets and emissions reduction claims. Similarly, we may be subject to the requirements of the EU Corporate Sustainability Reporting Directive (and its implementing laws and regulations) and other EU and EU member state regulations, or disclosure requirements on various sustainability topics. These requirements vary across jurisdictions, which may result in increased complexity and cost, for compliance. Furthermore, industry and market practices continue to evolve, and we may have to expend significant efforts and resources to keep up** with ~~our suppliers~~ **market trends and stay competitive among** ~~or~~ **our** ~~if there are disruptions~~ **peers, which could result** in ~~our supply chain~~ **higher associated compliance costs and penalties for failure to comply with applicable laws and regulations** . We purchase our components through arrangements with various suppliers located across the globe. We depend on our suppliers to source materials and manufacture critical components for our products. Our reliance on these suppliers makes us vulnerable to possible capacity constraints and reduced control over component availability, delivery schedules and costs which could disrupt our ability to procure these components in a timely and cost-efficient manner. **Any shortages of components or** ~~The suppliers rely on other suppliers to provide them with~~ raw materials **for** ~~and sub- components that are critical to manufacturing the~~ **these** ~~components of our tracker~~ products ~~. Any shortages of components or materials would~~ **could** affect our ability to timely deliver our products to our customers ~~consistent with our contractual obligations~~ , which may result in liquidated damages or contractual disputes with our customers, harm our reputation and lead to a decrease in demand for our products. **For example** ~~Our ability to deliver our products in a cost- efficient manner has been in recent years and could continue to be adversely impacted by other factors not within our control, including, but not limited to, shortages in available cargo capacity, changes by carriers and transportation companies in policies and practices such as scheduling, pricing, payment terms and frequency of service, increases in the cost of fuel, sanctions and labor availability and cost. Further~~ , our products are manufactured from steel and, as a result, our business is significantly affected by the price of steel. When steel prices are higher, the prices that we charge customers for our products may increase, which may decrease demand for our products. ~~If we do not increase our prices due to an increase in the price of steel, we will experience lower profitability on our products.~~ Conversely, if steel prices decline, customers may demand lower prices and our and our competitors' responses to those demands could result in lower sale prices, lower volume, and consequently, negatively affect our profitability. A significant portion of our steel is derived directly or indirectly from steel mills located in China. At times, pricing and availability of steel can be volatile due to numerous factors beyond our control, including general domestic and international economic conditions, global capacity, import levels, fluctuations in the costs of raw materials necessary to produce steel, sales levels, ~~26~~ competition, consolidation of steel producers, labor costs, transportation costs, import duties and tariffs and foreign currency exchange rates. ~~This~~ **The** volatility ~~can~~ **in the availability and cost of steel may impact our business. Further, if any of our suppliers were unable or unwilling to manufacture the components that we require for our products in sufficient volumes and at high quality levels or renew existing terms under supply agreements, we would need to identify, qualify and select acceptable alternative suppliers. An alternative supplier may not be available to us when needed or may not be in a position to satisfy our quality or production requirements on commercially reasonable terms, including price. Any** ~~significantly~~ -- **significant disruption to our ability to procure our components, and our suppliers' ability to procure materials to manufacture components for our products could increase the cost or reduce or delay our ability to perform under our contracts and could adversely** affect ~~the availability and cost of steel which may impact our profitability and could have a material adverse effect on~~ our business, financial condition **,** and results of operations. In addition, as noted above, the recently enacted IRA provides incremental tax credits for U. S. solar projects satisfying domestic content requirements. While the impact of these requirements on us remains fluid and uncertain pending customer response and the release of future implementing regulations, if we are unable to provide our tracker products in a manner that satisfies applicable domestic content requirements ~~and~~ **, we might experience a decline in sales for U. S. projects, especially if** our competitors are able to do so ~~, we might experience a decline in sales for U. S. projects~~ . In addition, compliance with these requirements may increase our production costs. In light of the foregoing, our U. S. sales, profitability and results of operations in the United States may be adversely affected by the applicable domestic content requirements which must be satisfied in order for solar projects to be eligible for these incremental credits. **Further,** ~~Other events that could also cause disruptions~~ - **disruption** ~~to~~ **in** our supply chain ~~include: • the imposition of additional duties, tariffs~~ and **transportation channels** ~~other charges or quotas on imports and exports, or other trade law provisions or regulations; • continued or renewed instability in the global supply of any of our key components~~ , including ~~a~~ **changes by carriers and transportation companies relating to delivery schedules,** ~~shortage~~ **shortages** ~~of semiconductor chips~~ **in available cargo capacity or labor availability** , ~~which~~ **payment terms and frequency of service and pricing** ~~has~~ - **as** ~~and~~ **well as cargo ship or shipping channel disruptions** could ~~continue to~~ impact ~~the~~ **our ability to** timely ~~receipt of~~ **deliver our products to our customers** ~~our~~ - **or increase delivery costs. For example** ~~self-powered controller; • foreign currency fluctuations; • inflationary pressure and its impact on labor~~ , ~~commodities, fuel prices and~~ **many shipping companies have paused shipments through** ~~other~~ -- **the Suez Canal** ~~key tracker components~~ and **the Red Sea as a result of** ~~materials; • natural disasters, severe weather, political instability, war, terrorist~~ attacks **against commercial vessels** ~~, social unrest and economic instability~~ in the ~~regions in which our suppliers are~~ **area** ~~located~~ , **causing rerouting** ~~or through which our components and materials travel; • public health issues and epidemic diseases, such as the COVID- 19 pandemic, and their effects (including measures taken by governmental authorities in response to their effects); • theft or other loss; • restrictions on the transfer~~ of **commercial vessels** ~~funds; • the financial instability or bankruptcy of suppliers; and • significant labor disputes, strikes, work stoppages or boycotts~~ . **As a** ~~Any significant disruption to our ability to procure our components, and our suppliers' ability to procure materials to manufacture components for our products could increase the cost or reduce or delay our ability to perform under our contracts and could adversely affect our business, financial condition, results~~ - **result** ~~of operations and profitability. Further~~ , ~~if any of our suppliers were unable or unwilling to manufacture the components that~~ we ~~require for our products in sufficient volumes and at high quality levels or renew existing terms under supply agreements, we would need to identify, qualify and select acceptable alternative suppliers. An alternative supplier~~ may **experience** ~~not be available to us when needed or may not be in a position to satisfy our quality or production requirements on commercially reasonable terms, including price. Any significant interruption in manufacturing by our suppliers would require us to reduce our supply of products to our customers or increase~~ **increased** ~~our shipping~~ costs **and delivery** ~~to make up for such~~ delays ~~, which in turn could reduce our revenues and margins, harm our relationships with our customers, damage our reputation with other stakeholders involved with solar projects and cause us to forego potential revenue opportunities, which could have a material adverse effect on our business, financial condition and results of operations. 27 Economic, political and market conditions can adversely affect our business, financial condition and results of operations~~ . Macroeconomic developments, such as the global or regional economic effects resulting from the current Russia- Ukraine conflict **and current Middle East instability, including the Israel- Hamas conflict (including the disruption of transporting goods through the Suez Canal)** , continued inflation and related economic curtailment initiatives, evolving trade policies or the occurrence of similar events that lead to uncertainty or instability in economic, political or market conditions, could have a material adverse effect on our business, financial condition **,** and results of operations. Local political issues and conflicts could have a material adverse effect on our results of operations and financial condition if they affect geographies in which we do business or obtain our components. A local conflict, such as the Ukraine- Russian War **or the Middle East conflict** , could also have a significant adverse impact on regional or global macroeconomic conditions, give rise to regional instability or result in heightened economic tariffs, sanctions and import- export restrictions in a manner that adversely affects us, including to the extent that any such actions cause material business interruptions or restrict our ability to conduct business with certain suppliers. Additionally, such conflict or sanctions may significantly devalue various global currencies and have a negative impact on economies in geographies in which we do business. **Adverse macroeconomic conditions** ~~Any general weakening of~~ , **including slow growth or recession** ~~and related declining corporate confidence in~~ , ~~the global economy could~~ **high unemployment, labor shortages, ongoing or increasing inflation, tighter credit, higher interest rates, and currency fluctuations, may** cause current or potential customers to reduce or eliminate their budgets and spending, which could cause customers to delay, decrease or cancel projects with us **. Our** ~~, which could have a material adverse effect on our~~ business ~~, financial condition~~ and ~~results of operations. We~~ **industry, including our customers and suppliers,** are subject to governmental economic sanctions requirements and export controls....... Our business is subject to the risks of severe weather events, natural disasters **, climate change,** and other catastrophic events. Our headquarters and testing facilities, which conduct functional and reliability testing for our components and products, are located in the Bay Area of Northern California and our solar projects are located in the U. S. and around the world. A severe weather event or other catastrophe impacting our headquarters or testing facilities could cause significant damage and disruption to our business operations. In addition, a severe weather event or other catastrophe could significantly impact our supply chain by causing delays in the shipping and delivery of our materials, components and products which may, in turn, cause delays in our customers' solar projects. Our customers' ability to install solar energy systems is also affected by weather **events** , such as during the winter months **, and other catastrophic events. In addition, our operations and facilities and those of the third parties on which we rely are subject to the risk of interruption by fire, power shortages, nuclear power plant accidents and other industrial accidents, terrorist attacks and other hostile acts, cybersecurity attacks and other data security incidents, labor disputes, including labor shortages, public health issues, including pandemics such as the COVID- 19 pandemic, and other events beyond our and their control** . Any damage and disruption in any locations in which we have offices or in which our customers **or** ~~have other~~ suppliers **operate,** ~~or solar projects~~ which are caused by severe weather events (such as extreme cold weather, hail, hurricanes, tornadoes and heavy snowfall), seismic activity, fires, floods and other natural disasters or catastrophic events could result in a delay or even a complete cessation of our worldwide or regional operations and could cause severe damage to our products and equipment used in our solar projects. **Global climate change is increasing the frequency and intensity of certain types of severe weather events.** Even if our tracker products are not damaged, severe weather, natural disasters and catastrophic events may cause damage to the solar panels that are mounted to our tracker products, which could result in decreased demand for our products, loss of customers and the withdrawal of coverage for solar panels and solar tracking systems by insurance companies. Any of these events would negatively impact our ability to deliver our products and services to our customers and could result in reduced demand for our products and services, and any damage to our products and equipment used for our solar projects could result in large warranty claims which could, individually or in the aggregate, exceed the amount of insurance available to us, all of which would have a material adverse effect on our business, financial condition **,** and results of operations. ~~These events~~ **Our business,operating results and financial condition could be materially harmed by evolving regulatory uncertainty or obligations applicable to** ~~or~~ **our** ~~subject us~~ **products and services.Changes in regulatory requirements applicable** to ~~liability if~~ **the industries and sectors in which** we ~~are not~~ **operate,** in ~~compliance with applicable laws.The export~~ **the United States and in other countries,could materially affect the sales and use** of our products and services ~~from the U~~ . **In particular** ~~S.is subject to U.S.export control laws and regulations~~ , ~~including the Export Administration Regulations,or EAR,and trade and~~ economic sanctions ~~maintained by the Office of Foreign Assets Control,or OFAC.As such,an~~ **and changes** ~~export license may be required~~ to ~~export or reexport~~ -- **export and import control requirements may impact our ability to sell and support** our products ~~or~~ **and** services ~~to~~ **in** certain **jurisdictions** ~~countries and end- users for certain end- uses~~ .If we were to fail to comply with ~~such U.S.~~ export controls laws and regulations,U.S.economic sanctions or other similar laws **,including restrictions from the international community,or conflict mineral regulations** ,we could be subject to both civil and criminal penalties,including substantial fines,possible incarceration for employees and managers for willful violations and the possible loss of our export or import privileges.Obtaining the necessary export license for a particular sale or transaction may not be possible and may be time-consuming and may result in the delay or loss of sales opportunities.Further,U.S.export control laws and economic sanctions in ~~many may~~ **many cases prohibit the export of services to certain U. S. embargoed or sanctioned countries, governments and persons, as well as for prohibited end- uses. Even though we take precautions to ensure that we comply with all relevant export control laws and regulations, including restrictions from the international community, any failure to comply with such laws and regulations could have negative consequences for us, including reputational harm, government investigations and penalties. Escalating trade tensions, particularly between the United States and China, have led to increased tariffs and trade restrictions, including tariffs applicable to certain materials and components for our products such as steel or for products used in solar energy projects more broadly, such as solar modules and solar cells. More specifically, the United States has imposed tariffs and quotas on steel imports as well as tariffs on imported solar modules and cells. We use international suppliers of steel and these tariffs could result in interruptions in the supply chain and impact our costs and our gross margins. There currently is a safeguard tariff on most imported solar modules and cells pursuant to Section 201 of the Trade Act of 1974. The Section 201 tariff is set at 14. 25 % until February 6, 2025, at which point it will drop to 14 % until February 6, 2026. The Section 201 tariff has not applied to bifacial panels but the tariff exemption for bifacial panels will be revoked, subjecting bifacial panels to the Section 201 tariff. There also are tariffs on various solar equipment, including solar cells and modules, inverters and power optimizers, imported from China under Section 301 of the Trade Act of 1974. On May 14, 2024 the Office of the United States Trade Representative announced that President Biden had increased Section 301 tariffs on certain Chinese steel products to 25 %, increased Section 301 tariffs on Chinese solar cells and modules to 50 %, increased Section 301 tariffs on Chinese lithium- ion EV batteries and battery parts to 25 % and would be increasing Section 301 tariffs on Chinese lithium ion non- EV batteries to 25 % in 2026. While the Section 201 and Section 301 tariffs on solar products are not directly applicable to our products, they may indirectly affect us by increasing the costs of components of solar energy projects, thereby adversely impacting the financial viability of solar energy projects in which our products are used, which could lead to decreased demand for our products. The Biden Administration is expected to continue to modify its trade policies affecting materials and components for our products such as steel or for products used in solar energy projects more broadly, such as solar modules and batteries. The Biden Administration has announced that the Department of Energy and the Department of Commerce (" Commerce ") will closely monitor solar module import patterns to ensure the U. S. market does not become oversaturated and will explore all available measures to take action**

against unfair practices. Consequently, U. S. trade policies continue to be in flux, and trade policies implemented by the Biden Administration could have an adverse effect on our business, financial condition, and results of operations. Furthermore, any change in administration following the 2024 presidential election could further impact trade policies. On August 18, 2023, Commerce issued a final affirmative determination of circumvention with respect to certain crystalline solar photovoltaic (" CSPV ") solar cells and modules produced in Vietnam, Malaysia, Thailand, and Cambodia using parts and components from China. As a result, CSPV cells and modules covered by the circumvention determination are now covered by, and, beginning on June 7, 2024, will be subject to, antidumping and countervailing duty (" AD / CVD ") orders on CSPV cells and modules from China that have been in place since 2012. Imports of CSPV modules covered by the circumvention determination that enter before June 7, 2024 may also be subject to AD / CVD cash deposits if such modules are not installed on projects prior to December 3, 2024. Cash deposit rates for CSPV modules covered by the China AD / CVD orders vary significantly depending on the producer and exporter of the modules and may amount to over 250 % of the entered value of the imported merchandise. Additionally, on April 23, 2024 a group of U. S. solar manufacturers submitted an AD / CVD petition to Commerce requesting AD / CVD investigations of CSPV cells and modules produced in Cambodia, Malaysia, Thailand and Vietnam that are not covered by the circumvention proceeding finalized in August 2023. It is possible that Commerce could impose significant AD / CVD cash deposit requirements on imports of CSPV cells and modules covered by the petition. While we do not produce or sell solar modules, AD / CVD cash deposits and duties collected on imports of CSPV modules could indirectly adversely impact our business by adversely impacting the projects incorporating our products. Such impacts are largely out of our control and may include project delays or cancellations. The ultimate severity or duration of the expected solar panel supply chain disruption or its effects on our clients' solar project development and construction activities, and associated consequences on our business, is uncertain. More broadly, recent revisions to U. S. regulations governing AD / CVD proceedings make it easier for domestic companies to obtain affirmative determinations in such proceedings, which could result in future successful petitions and administrative decisions that limit imports from Asia and other regions. Tariffs and the possibility of additional tariffs in the future have created uncertainty in the solar industry. If the price of solar systems increases, the use of solar systems could become less economically feasible and could reduce our gross margins or reduce the demand for solar systems, which in turn may decrease demand for our products. Additionally, existing or future tariffs may negatively affect key customers and suppliers, and other supply chain partners. Such outcomes could adversely affect the amount or timing of our revenues, results of operations or cash flows, and continuing uncertainty could cause sales volatility, price fluctuations or supply shortages or cause our customers to advance or delay their purchase of our products. It is difficult to predict what further trade- related actions governments may take, which may include additional or increased tariffs and trade restrictions, and we may be unable to quickly and effectively react to such actions. While we have taken actions with the intention of, among other things, mitigating the effect of steel tariffs on our business by reducing our reliance on sourcing material from China, we may not be able to do so on attractive terms. Any of the foregoing risks could have a material adverse effect on our business, financial condition, and results of operations. Backlog can be subject to large variations from quarter to quarter and comparisons of backlog from period to period are not necessarily indicative of future revenue. The contracts comprising our backlog may not result in actual revenue in any particular period or at all, and the actual revenue from such contracts may differ from our backlog estimates. The timing of receipt of revenue, if any, on projects included in backlog could change because many factors affect the scheduling of projects. Cancellation of or adjustments to contracts may occur. The failure to realize all amounts in our backlog could adversely affect our future revenue and gross margins. As a result, our backlog as of any particular date may not be an accurate indicator of our future financial performance. Many solar project owners depend on financing to fund the initial capital expenditure required to construct a solar energy project. As a result, a further increase in ~~frequency~~ **interest rates, or a reduction in the supply of project debt or tax equity financing, could reduce the number of solar projects that receive financing or otherwise make it difficult for project owners to secure the financing necessary to construct a solar energy project on favorable terms, or at all, and thus lower demand for our products which could limit our growth or reduce our sales. In addition, we believe that a significant percentage of project owners construct solar energy projects as** ~~and~~ - **an** ~~severity addition,we believe that a significant percentage of project owners construct solar energy projects as an~~ investment,funding a significant portion of the initial capital expenditure with financing from third parties.A further increase in interest rates could lower an investor' s return on investment on a solar energy project,increase equity requirements or make alternative investments more attractive relative to solar energy projects,and,in each case,could cause these project owners to seek alternative investments. ~~31~~ A loss of one or more of our significant customers,their inability to perform under their contracts,or their default in payment,could harm our business and negatively impact our revenue,results of operations **,** and cash flows.For the year ended March 31, ~~2023~~ **2024** ~~,SOLV Energy~~ ,our largest customer ~~,~~ constituted 17 ~~.4~~ % of our total revenues.The loss of any one of our significant customers,their inability to perform under their contracts,or their default in payment,could have a substantial effect on our revenues and profits.Further,our trade accounts receivable and unbilled receivable (" contract assets ") are from companies within the solar industry,and,as such,we are exposed to normal industry credit risks.As of March 31, ~~2023~~ **2024** ,our largest customer constituted 15. ~~2~~ **5** % of our total trade accounts receivable and contract assets balances.Accordingly,loss of a significant customer or a significant reduction in pricing or order volume from a significant customer could substantially reduce our revenue and could have a material adverse effect on our business,financial condition **,** and results of operations. **Our products may contain undetected errors or** ~~Defects~~ **defects ,especially when first introduced** or **when new generations are released.Errors,defects,or poor** performance **can arise** ~~problems in our products~~ due to **design flaws, defects in raw materials or components or manufacturing difficulties, which can affect both** the **quality and the yield of the product. Any actual or perceived errors,**

defects or poor performance in our products could result in the replacement or recall of our products, shipment delays, rejection of our products, damage to our reputation, lost revenue, diversion of our engineering personnel from our product development efforts and increases in customer service and support costs, all of which could have a material adverse ~~effects~~ - **effect on our business, financial condition, and results** of ~~climate~~ **operations. Furthermore, defective components may give rise to warranty, indemnity or product liability claims against us that exceed any revenue or profit we receive from the affected products. Our limited warranties cover defects in materials and workmanship of our products under normal use and service conditions. As a result, we bear the risk of warranty claims long after we have sold products and recognized revenue. While we have accrued reserves for warranty claims, our estimated warranty costs for previously sold products may** change **to the extent the warranty claims profile of future products is not comparable with that of earlier generation products under warranty** . Our ~~continued expansion into we have accrued reserves for warranty claims,our estimated warranty costs for previously sold products may change to the extent the warranty claims profile of future products is not comparable with that of earlier generation products under warranty.Our~~ warranty accruals are based on our assumptions and we do not have a long history of making such assumptions.As a result,these assumptions could prove to be materially different from the actual performance of our systems,causing us to incur substantial unanticipated expense to repair or replace defective products in the future or to compensate customers for defective products.Our failure to accurately predict future claims could result in unexpected volatility in,and have a material adverse effect on our business,financial condition **,** and results of operations.If one of our products were to cause injury to someone or cause property damage,including as a result of product malfunctions,defects or improper installation,then we could be exposed to product liability claims. ~~We~~ **Any such claim** could **cause us to** incur significant costs ~~and liabilities if we are sued and if damages are awarded against us.Further,any product liability claim we face could be expensive to defend~~ and could divert management' s attention **and harm our reputation** . **Our** ~~The successful assertion of a~~ product ~~liability claim against us could result in potentially~~ **development and testing processes are complex and require** significant ~~monetary~~ **technological expertise.Such processes involve a number of precise steps from design to production.Any change in our processes could cause one or more production errors,requiring a temporary suspension or delay in our suppliers' production lines until the errors can be researched,identified,and properly addressed and rectified.This may occur particularly as we introduce** new **products, modify our engineering techniques and / or expand our capacity. The commercialization of any new products may also fail to achieve** ~~markets~~ - **market adoption or may experience downward pricing pressure, which would have a material impact on our gross margins and results of operations. Further, the installation of our products involves various risks and complications which may increase as our products evolve and develop, and any such increase in risks and complications may have a negative effect on our gross margins. In addition, our failure to maintain appropriate quality assurance processes** could ~~subject us to additional~~ **result in increased product failures, loss of customers, increased warranty reserve, increased production and logistics costs, and delays. Any of these developments could have a material adverse effect on our** business, financial **condition** , ~~regulatory~~ and ~~competitive risks~~ **results of operations** . Part of our strategy is to continue to grow our revenues from international markets, including entering new geographic markets to expand our current international presence. Our products and services to be offered in these regions may differ from our current products and services in several ways, such as the consumption and utilization of local raw materials, components and logistics, the re-engineering of select components to meet region- specific requirements and region- specific customer training, site commissioning, warranty remediation and other technical services. Any of these differences or required changes to our products and services to meet the requirements of local laws and regulations may increase the cost of our products, reduce demand and result in a decrease in our gross margins. We may also face competition from lower cost providers in any new markets we enter which could decrease the demand for our products or cause us to reduce the cost of our products in order to remain competitive. Any new geographic market could have different characteristics from the markets in which we currently sell products, and our success in such markets will depend on our ability to adapt properly to these differences. These ~~33~~ differences may include differing regulatory requirements, including local manufacturing content requirements, tax laws, trade laws, labor regulations, corporate formation laws and requirements, tariffs, export quotas, customs duties or other trade restrictions, limited or unfavorable intellectual property protection, international political or economic conditions, restrictions on the repatriation of earnings, longer sales cycles, warranty expectations, product return policies and cost, performance and compatibility requirements. In addition, expanding into new geographic markets will increase our exposure to presently existing risks, such as fluctuations in the value of foreign currencies and difficulties and increased expenses in complying with U. S. and foreign laws, regulations and trade standards, including the U. S. Foreign Corrupt Practices Act of 1977, as amended (the “ FCPA ”), as well as relevant anti- money laundering laws. Failure to develop ~~these~~ new products successfully or to otherwise manage the risks and challenges associated with our continued expansion into new geographic markets could have a material adverse effect on our business, financial condition and results of operations. ~~Electric utility industry policies and regulations may present technical, regulatory and economic barriers to the purchase and use of solar energy systems that could significantly reduce demand for our products or harm our ability to compete.~~ Federal, state, local **,** and foreign government policies and regulations concerning the broader electric utility industry, as well as internal policies and regulations promulgated by electric utilities and organized electric markets with respect to fees, practices and rate design, heavily influence the market for electricity generation products and services. These policies and regulations often affect electricity pricing and the interconnection of generation facilities and can be subject to frequent modifications by governments, regulatory bodies, utilities and market operators. For example, changes in fee structures, electricity pricing structures and system permitting, regional market rules, interconnection and operating requirements can deter purchases of renewable energy products, including solar energy systems, by reducing anticipated revenues or increasing costs or regulatory burdens for would- be system purchasers. The resulting reductions in demand for solar energy systems could harm our business, financial condition **,** and results of operations. A significant development in renewable- energy pricing policies in the United States occurred when the Federal Energy Regulatory Commission (“ FERC ”) issued a final rule amending regulations that implement the Public Utility Regulatory Policies Act (“ PURPA ”) on July 16, 2020, which FERC upheld on rehearing on November 19, 2020. Among other requirements, PURPA mandates that electric utilities buy the output of certain renewable generators, including qualifying solar energy facilities, below established capacity thresholds. PURPA also requires that such sales occur at a utility’ s “ avoided cost ” rate. FERC’ s PURPA reforms include modifications (1) to how regulators and electric utilities may establish avoided cost rates for new contracts, (2) that reduce from 20 MW to 5 MW the capacity threshold above which a renewable- energy qualifying facility is rebuttably presumed to have non- discriminatory market access, thereby removing the requirement for utilities to purchase its output, (3) that require regulators to establish criteria for determining when an electric utility incurs a legally enforceable obligation to purchase from a PURPA facility and (4) that reduce barriers for third parties to challenge PURPA eligibility. These new regulations took effect on February 16, 2021, but the net effect of these changes is uncertain, as they have only been effective for a short time, and some changes will not become fully effective until states and other jurisdictions implement the new authorities provided by FERC. In general, however, FERC’ s PURPA reforms have the potential to reduce prices for the output from certain new renewable generation projects while also narrowing the scope of PURPA eligibility for new projects. These effects could reduce opportunities and demand for PURPA- eligible solar energy systems, which could have a material adverse effect on our business, financial condition and results of operations. FERC is also taking steps to encourage the integration of new forms of generation into the electric grid and remove barriers to grid access, which could have positive impacts on the solar energy industry. ~~Specifically~~ **For example** , ~~in June~~ **on July 28,** ~~2022~~ **2023** ~~,~~ FERC ~~initiated~~ **issued** a ~~Notice of Proposed Rulemaking on Improvements~~ **final rule, designated as Order No. 2023,** to **reform** ~~Generator Interconnection Procedures~~ **procedures** and ~~Agreements~~ **agreements that electric** ~~, which would require every public utility~~ transmission ~~provider~~ **providers use** to ~~revise~~ **integrate new generating facilities into** ~~their~~ -- **the existing** ~~34 standard small generator interconnection procedures and agreements contained in their open access~~ transmission ~~tariffs~~ **system** . The outcome of ~~these proposals~~ **this final rule on our business, financial condition** and **results of operations is** ~~their timing for implementation remain~~ uncertain. Changes in other federal, state and local current laws or regulations applicable to us or the imposition of new laws, regulations or policies in the jurisdictions in which we do business could have a material adverse effect on our business, financial condition and results of operations. Any changes to government, utility or electric market regulations or policies that favor non- solar generation or other market participants, remove or reduce renewable procurement standards and goals or that make construction or operation of new solar generation facilities more expensive or difficult, could reduce the competitiveness of solar energy systems and cause a significant reduction in demand for our products and services and adversely impact our growth. Moreover, there may be changes in regulations that impact access to supply chains related to cybersecurity threats to the electric grid that could have a disproportionate impact on solar energy system components. In addition, changes in export and import laws and implementing regulations may create delays in the introduction of new products in international markets, prevent our customers from deploying our products internationally or, in some cases, prevent the export or import of our products to certain countries altogether. Any such event could have a material adverse effect on our business, financial condition and results of operations. ~~Developments in alternative technologies may have a material adverse effect on demand for our offerings. Significant developments in alternative technologies, such as advances in other forms of solar tracking systems, could have a material adverse effect on our business, financial condition and results of operations. Additionally, the success of our business depends on the compatibility of our solar trackers and software with the broader solar panel market, and any developments, advancements or changes in current or future solar panel design may cause our products to be obsolete if we do not keep pace with such changes. Any failure by us to adopt new or enhanced technologies or processes, or to react to changes in existing technologies, could result in product obsolescence, the loss of competitiveness of our products, decreased revenue and a loss of market share to competitors. A drop in the price of electricity sold may harm our business, financial condition and results of operations.~~ Decreases in the price of electricity, whether in organized electric markets or with contract counterparties, may negatively impact the owners of the solar energy projects, make the purchase of solar energy systems less economically attractive and would likely lower sales of our products. The price of electricity could decrease as a result of many factors, including but not limited to: • construction of a significant number of new, lower- cost power generation plants ~~;~~ **;** • relief of transmission constraints that enable distant, lower- cost generation to transmit energy less expensively or in greater quantities ~~;~~ **;** • reductions in the price of natural gas or other fuels ~~;~~ **;** • utility rate adjustment and customer class cost reallocation ~~;~~ **;** • decreased electricity demand, including from energy conservation technologies, public initiatives to reduce electricity consumption or a reduction in economic activity due to a localized or macroeconomic downturn ~~;~~ **;** • development of smart- grid technologies that lower the peak energy requirements ~~;~~ **;** • development of new or lower- cost customer- sited energy storage technologies that have the ability to reduce a customer’ s average cost of electricity by shifting load to off- peak times ~~;~~ **;** and • development of new energy generation technologies that provide less expensive energy. Moreover, if the cost of electricity generated by solar energy installations incorporating our systems is high relative to the cost of electricity from other sources, it could have a material adverse effect on our business, financial condition and results of operations. ~~35~~ Technological advances in the solar components industry **or developments in alternative technologies** could render our systems uncompetitive or obsolete. The solar industry is characterized by its rapid adoption and application of technological advances. Our competitors may develop technologies more advanced and cost- effective than ours **, or broader solar panel design could change resulting in our products no longer being compatible. Additionally, significant developments in alternative technologies, such as advances in other forms of solar tracking systems, could have a material adverse effect on our business, financial condition, and results of operations** . We will need to invest substantially in research and development to maintain our market position and effectively compete in the future. Our failure to further refine or enhance our technologies **, or adopt new or enhanced technologies or processes,** could render our technologies uncompetitive or obsolete, which could reduce our market share and cause our revenues to decline. In addition, we may invest in and implement newly developed, less- proven technologies in our project development or in maintaining or enhancing our existing projects. There is no guarantee that these new technologies will perform or generate customer demand as anticipated. The failure of our new technologies to perform as anticipated could have a material adverse effect on our business, financial condition and results of operations. ~~If we fail to, or incur significant costs in order to, obtain, maintain, protect, defend or enforce our intellectual property, our business and results of operations could be materially harmed.~~ Our success depends to a significant degree on our ability to protect our intellectual property. We rely on a combination of patent, trademark, copyright, trade secret and unfair competition laws, as well as confidentiality and license agreements and other contractual provisions, to establish and protect our intellectual property. Such means may afford only limited protection of our intellectual property and may not (i) prevent our competitors or manufacturing suppliers from duplicating our processes or technology; (ii) prevent our competitors or manufacturing suppliers from gaining access to our proprietary information ~~and~~ **or** technology; or (iii) permit us to gain or maintain a competitive advantage. We generally seek or apply for patent protection as and if we deem appropriate, based on then- current facts and circumstances ~~. We have applied for patents in numerous countries across the world, including in the United States, Europe and China, and have received 81 patents in the United States and 118 foreign patents as of March 31, 2023~~ . We cannot guarantee that any of our pending patent applications or other applications for intellectual property registrations will be issued or granted or that our existing ~~and~~ **or** future intellectual property rights will be sufficiently broad to protect our proprietary technology. ~~While a presumption of validity exists with respect to United States patents issued to us, there can be no assurance that any of our patents, patent applications or other intellectual property rights will not be, in whole or in part, opposed, contested, challenged, invalidated, circumvented, designed around or rendered unenforceable. If we fail to obtain issuance of patents or registration of other intellectual property, or our patent claims or other intellectual property rights are rendered invalid or unenforceable, or narrowed in scope, pursuant to, for example, judicial or administrative proceedings including re- examination, post- grant review, interference, opposition, or derivation proceedings, the coverage of patents and other intellectual property rights afforded our products could be impaired.~~ Even if we are to obtain issuance of further patents or registration of other intellectual property, such intellectual property could be subject to attacks on ownership, validity, enforceability or other legal attacks. Any such impairment or other failure to obtain sufficient intellectual property protection could impede our ability to market our products, negatively affect our competitive position and harm our business and operating results, including forcing us to, among other things, rebrand or re- design our affected products. **In addition** ~~Moreover, our patents and patent applications may only cover particular aspects of our products, and competitors and other third parties may be able~~ to ~~circumvent or design around our patents. Competitors may develop and obtain~~ patent protection ~~for more effective technologies~~ , ~~designs or methods. There can be no assurance that third parties will not create new products or methods that achieve similar or better results without infringing upon patents~~ we ~~own. If these developments were to occur, it could have an adverse effect on our sales or market position. In countries where we have not applied for patent protection or trademark or other intellectual property registration or where effective patent, trademark, trade secret, and other intellectual property laws and judicial 36 systems may not be available to the same extent as in the United States, we may be at greater risk that our proprietary rights will be circumvented, misappropriated, infringed or otherwise violated. Filing, prosecuting, maintaining and defending our intellectual property rights in all countries throughout the world is prohibitively expensive, and we may choose to forego such activities in some jurisdictions. The lack of adequate legal protections of intellectual property or failure of legal remedies or related actions in jurisdictions outside of the United States could have a material adverse effect on our business, financial condition, results of operations and prospects. We have initiated, and may in the future need to initiate, infringement claims or litigation in order to try to protect or enforce our intellectual property rights. Litigation, whether we are a plaintiff or a defendant, can be expensive and time- consuming and may divert the efforts of our management and other personnel, which could harm our business, whether or not such litigation results in a determination favorable to us. Litigation also puts our patents or other intellectual property at risk of being invalidated or interpreted narrowly and our patent applications or applications for other intellectual property registrations at risk of not issuing. Additionally, any enforcement of our patents or other intellectual property rights may provoke third parties to assert counterclaims against us. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations. If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed. We~~ rely heavily on nondisclosure agreements to protect ~~the unpatented~~ **our proprietary information,** know-how, technology ~~,~~ and ~~other proprietary information on which we rely to maintain our competitive position. However,~~ trade secrets ~~and know- how can be difficult to protect~~ . ~~We~~ **However, we** cannot guarantee that we have entered into such agreements with each party that has or may have had access to our proprietary information, know- how, technology and trade secrets, including **employees, contractors,** third- party manufacturers, other suppliers, customers, other stakeholders involved in solar projects, or other business partners or prospective partners. Moreover, no assurance can be given that these agreements will be effective in controlling access to, distribution, use, misuse, misappropriation or disclosure of our proprietary information, know- how **, technology** and trade secrets. ~~These~~ **Similarly, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own, such** agreements may be breached **or may not be self- executing** , ~~and~~ we may not have adequate remedies for any such breach ~~. Further~~ , ~~these agreements~~ **and we** may **be subject to claims that such employees or contractors misappropriated relevant rights from their previous employers. In countries where we have** not ~~prevent~~ **applied for patent protection** ~~our~~ **or** ~~competitors from independently developing technologies~~ **trademark or other intellectual property registration or where effective patent, trademark, trade secret, and other intellectual property laws and judicial systems may not be available to the same extent as in the United States, we may be at greater risk** that ~~are substantially equivalent or superior to ours~~ **our proprietary rights will be circumvented,**

misappropriated, infringed or otherwise violated. We have initiated, and may in the future need to initiate, infringement claims or litigation in order to try to protect or enforce our intellectual property rights, but such litigation can be expensive and time- consuming and may divert the efforts of our management and other personnel, may provoke third parties to assert counterclaims against us and may not result in favorable outcomes . Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations. We use " open source " software, and any failure to comply with the terms of one or more open source licenses could adversely affect our business, financial condition **,** and results of operations. Our products and services use certain software licensed by its authors or other third parties under so- called " open source " licenses. Some of these open source licenses may contain requirements that we make available source code for modifications or derivative works that we create based upon the open source software, and that we license such modifications or derivative works under the terms of a particular open source license or other license granting third parties rights with respect to such software. In certain circumstances, if we combine our proprietary software with certain open source software, we could be required to release the source code for such proprietary software. Additionally, to the extent that we do not comply with the terms of the open source licenses to which we are subject, or such terms are interpreted by a court in a manner different than our own interpretation of such terms, then we may be required to disclose certain of our proprietary software or take other actions that could adversely impact our business. Further, the use of open source software can lead to vulnerabilities that may make our software susceptible to attack, and open source licenses generally do not provide warranties or controls on the origin of the software. While we attempt to utilize open source software in a manner that helps alleviate these risks, our attempts may not be successful. Any of the foregoing could have a material adverse effect on our business, financial condition **,** and results of operations ~~. 37 Cybersecurity or other data incidents, including unauthorized disclosure of personal or sensitive data or theft of confidential information, could harm our business~~ . Cybersecurity attacks designed to gain access to personal, sensitive or confidential information ~~data~~ or disrupt **our** operations are constantly evolving, and high profile cybersecurity breaches leading to unauthorized disclosure of confidential information, including trade secrets, as well as breaches of personal ~~data~~ **information** , have occurred recently at a number of major U. S. companies, including in the energy, manufacturing and technology sectors. Our or our third- party vendors' computer systems **and networks** are potentially vulnerable to ~~cyber~~ **cybersecurity attacks and other data security** incidents ~~and attacks~~ , including **among other things,** malicious intrusion, **computer viruses,** ransomware attacks, **software errors, defects or bugs, acts of vandalism and theft, denial- of- service attacks, social engineering attacks, phishing attacks, fraud or malice on the part of our employees, contractors or service providers, human error** and other system disruptions ~~cause~~ **caused** by unauthorized third parties ~~. Attempts by computer hackers~~ **, server malfunctions, software** or **hardware failures and** other **similar incidents, any of which may result in the misappropriation, corruption, unavailability, loss,** unauthorized ~~third parties to penetrate or otherwise gain~~ access to ~~our~~ - **or release** ~~computer systems or the systems~~ of **personal** ~~third parties with which we do business may result in the misappropriation~~ , **sensitive or confidential information or** ~~corruption, unavailability, loss of~~ data assets or business interruption ~~. Hardware, software or applications we utilize may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. In addition, our employees, contractors or third parties with which we do business or to which we outsource business operations may attempt to circumvent our security measures in order to misappropriate such information and data and may purposefully or inadvertently cause a breach or other compromise involving such information and data~~ . We increasingly rely on commercially available systems, software, sensors, tools (including encryption technology) and monitoring to provide security and oversight for **the transmission, storage, protection and other** processing ~~, transmission, storage and protection~~ of **personal, sensitive and** confidential information ~~and personal data~~ . Despite advances in security hardware, software and encryption technologies, and our own information security program and safeguards, there is no guarantee that our defenses and cybersecurity program will be adequate to safeguard against all **cybersecurity attacks and other** data security **incidents** ~~breaches, cybersecurity attacks, misappropriation of confidential information or misuses of personal data~~ . Moreover, because techniques used to obtain unauthorized access **to personal, sensitive and confidential information** or sabotage systems **and networks** change frequently and generally are not identified until they are launched against a target, we and our suppliers may be unable to anticipate these techniques or to implement adequate preventative or mitigation measures. We may also experience security breaches and other incidents that may remain undetected for an extended period and therefore may have a greater impact on our products and the networks and systems used in our business. **Such threats and attacks also may see their frequency increased, and effectiveness enhanced by the use of artificial intelligence.** We regularly defend against and respond to data security incidents. We expect to incur significant costs in our efforts to detect and prevent **cybersecurity attacks and other data** security ~~breaches and other security- related~~ incidents, and we may face increased costs in the event of an actual or perceived **cybersecurity attack or other data** security ~~breach or other security- related~~ incident. ~~Despite~~ **While we generally perform cybersecurity diligence on** our ~~precautions~~ **key service providers** , ~~our facilities and systems, and those of third parties with which~~ we do **not control** ~~business, may be vulnerable to security breaches, acts of vandalism and theft, malicious code, such as computer viruses, malware, and ransomware, misplaced or~~ **our service providers** ~~lost data, programming~~ and ~~/~~ **vendors and** ~~or~~ **our** ~~human errors or~~ **ability to monitor** ~~other~~ - **their cybersecurity** ~~similar events, and there~~ is **limited** ~~no guarantee that inadvertent or unauthorized use or disclosure will not occur or that third parties will not gain unauthorized access to this type of confidential information and personal data. A security breach or cyber incident in our systems (or in the systems of third parties with which we do business) could result in the unauthorized release of personally identifiable information regarding employees or other individuals or other sensitive data~~ , serious disruption of our operations, financial...... EEA to the United States and other so ~~- called third countries outside the EEA, including in the context of website cookies. For example, in July 2020, the CJEU invalidated the EU- U. S. Privacy Shield Framework, and created additional considerations and complexities for the use of several other lawful transfer methods. While the European Commission announced in March 2022 that an agreement in principle had been reached between~~

~~EU and U. S. authorities regarding a new transatlantic data privacy framework, no formal agreement has been finalized, and any such agreement, if formalized, is likely to face challenge at the CJEU. The EU has also proposed legislation that would regulate non- personal data and establish new cybersecurity standards, and other countries may similarly do so in the future. If we are otherwise unable to transfer data, including personal data, between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results. While we have implemented new controls and procedures designed to comply with the requirements of the EU GDPR, UK GDPR and the privacy and data protection laws of other jurisdictions in which we operate, such controls and procedures may not be effective in ensuring compliance or preventing unauthorized transfers of personal data. In addition, federal, state and foreign governmental authorities continue to evaluate the privacy implications inherent in the use of " cookies " and other methods of online tracking for behavioral advertising and other purposes. The EU has also proposed the draft ePrivacy Regulation, which will replace both the ePrivacy Directive and all the national laws implementing this Directive. The ePrivacy Regulation, as proposed, would impose strict opt- in marketing rules, change rules about cookies, web beacons and related technologies and significantly increase penalties for violations. It would also retain the additional consent conditions under the EU GDPR. The regulation of the use of cookies and other current online tracking and advertising practices or a loss in our ability to make effective use of services that employ such technologies could increase our costs of operations and limit our ability to acquire new customers on cost- effective terms and, consequently, materially and adversely affect our business, financial condition and results of operations. Moreover, while we strive to publish and prominently display privacy policies that are accurate, comprehensive and compliant with local laws, regulations, rules and industry standards,~~ we cannot ensure ~~that our privacy policies and other~~ -- **the** ~~statements regarding our practices~~ **cybersecurity measures they take** will be sufficient to protect **any information** ~~us from claims, proceedings, liability or adverse publicity relating to privacy and data protection. Although~~ we **share** ~~endeavor to comply~~ with ~~our privacy policies, we may at times fail to do so or be alleged to have failed to do so. If our public statements about our use, collection, disclosure and other processing of personal information, whether made through our privacy policies, information provided on our website, press statements or otherwise, are alleged to be deceptive, unfair or misrepresentative of our actual practices, we may be subject to potential government or legal investigation or action, including by the~~ **them** ~~Federal Trade Commission or applicable state attorneys general. Existing privacy, data protection, cybersecurity and consumer protection laws, regulations, rules and industry standards, and any changes or new obligations, could impose significant limitations, require changes to our business, or restrict our use, storage or other processing of certain data, which may increase our compliance expenses and make our business more costly or less efficient to conduct. In addition, any such changes could compromise our ability to develop an adequate marketing strategy and pursue our growth strategy effectively. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any applicable privacy, data protection, cybersecurity or consumer protection- related laws, regulations, rules, industry self- regulatory principles, industry standards or codes of conduct, regulatory guidance, orders to which we may be subject or other legal obligations relating to privacy or data security could adversely affect our reputation, brand and business, and may result in claims, fines, penalties, investigations, proceedings or actions against us by governmental entities, customers, suppliers or others or other liabilities or may require us to change our operations and / or cease using certain data. Any such claims, proceedings, investigations or actions could harm 40 our reputation, brand and business, force us to incur significant expenses in defense of such claims, proceedings, investigations or actions, distract our management, increase our costs of doing business, result in a loss of customers or suppliers and result in the imposition of monetary penalties. We may also be contractually required to indemnify and hold harmless third parties from the costs and consequences of non- compliance with any laws, regulations or other legal obligations relating to privacy, data protection, cybersecurity or consumer protection or any inadvertent or unauthorized use or disclosure of data that we store, handle or otherwise process as part of operating our business. Additionally, any failure to comply with applicable laws, regulations, rules, standards or other obligations or any security breach or other similar incident involving the misappropriation, unavailability, corruption, or loss or other unauthorized processing, use or disclosure of sensitive or confidential consumer or other personal information, whether by us, one of our third- party service providers or vendors or another third party, could have adverse effects, including, but not limited to, investigation costs; material fines and penalties; compensatory, special, punitive and statutory damages; litigation; consent orders regarding our privacy, data protection, and cybersecurity practices; requirements that we provide notices, credit monitoring services and / or credit restoration services or other relevant services to impacted individuals; reputational damage; and injunctive relief~~ . We cannot assure you that our vendors or other third- party service providers with access to our or our customers' or employees' ~~personally~~ -- **personal** ~~identifiable and other~~ **, confidential or** sensitive ~~or confidential~~ information in relation to which we are responsible will not breach contractual obligations imposed by us, or that they will not experience **cybersecurity attacks or other** data security ~~breaches or other similar~~ incidents, which could have a corresponding effect on our business, including putting us in breach of our privacy and data protection obligations ~~and /~~ **. Additionally, we cannot be certain that** ~~or~~ **our insurance coverage will be adequate for cybersecurity liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that our insurer will not deny coverage as to any future claim. A cybersecurity attack or other data security incident in our systems or networks (or in the systems or networks of third parties with** which **we do business)** could **result** in ~~turn~~ **the unauthorized release of personal information regarding employees or other individuals or other sensitive data,** serious disruption of our operations,financial losses from containment and remedial actions,loss of business or potential liability,including possible punitive damages.As a result of cybersecurity **attacks or other data security** incidents,we could be subject to demands,claims and litigation by private parties,and investigations,related actions and penalties by regulatory authorities,along with potential costs of notification to impacted individuals.Finally,any perceived or actual unauthorized access to,or use or disclosure of,such information could harm our reputation,substantially impair our ability to attract and retain customers and have an adverse impact on our business,financial condition **,** and results of operations. ~~In addition~~ **Failure to comply with current or future federal** , ~~as the~~ **state,local and foreign laws,** ~~regulatory~~ **regulations** ~~environment~~ **,rules and industry standards** relating to ~~retailers~~ **privacy** and ~~other companies' obligation to protect such sensitive~~ data **protection** ~~becomes increasingly rigorous,with new and constantly changing requirements applicable to our business,compliance with those requirements~~ could ~~result in additional costs,and a material failure on our~~ adversely affect our business, ~~results of operations and~~ financial condition **, results of operations and prospects** . We ~~also cannot assure you~~ **are or may become subject to a variety of laws, regulations, rules and industry standards in the U. S. and abroad** that **involve matters central to** our **business, including** ~~contractual measures and our own~~ privacy ~~,~~ **and** data protection **. Many of these laws** , **regulations, rules** and ~~cybersecurity- related safeguards~~ **industry standards are in considerable flux and rapidly evolving, and it is possible that they may be interpreted and applied in a manner that is inconsistent with our current operating practices. Existing and proposed laws, regulations, rules and industry standards can be costly to comply with and can delay or impede the development of new products and services, significantly increase our operating costs, require significant time and attention of management and technical personnel and subject us to inquiries or investigations, claims or other remedies, including fines or demands that we modify or cease existing business practices. In addition to various privacy and data protection laws and regulations already in place, many jurisdictions are increasingly adopting laws and regulations imposing comprehensive privacy and data protection obligations, which may be more stringent, broader in scope, or offer greater individual rights, with respect to personal information than existing laws and regulations, and such laws and regulations may differ from each other, which may complicate compliance efforts and increase compliance costs. See Item 1." Business — Privacy and Data Protection Laws and Regulation" for more information regarding applicable privacy and data protection laws and regulations. Further, while we strive to publish and prominently display privacy policies that are accurate, comprehensive and compliant with local laws, regulations, rules and industry standards, we cannot ensure that our privacy policies and other statements regarding our practices** will **be sufficient to** protect us from ~~the risks associated~~ **claims, proceedings, liability or adverse publicity relating to privacy and data protection. Although we endeavor to comply** with ~~the third- party~~ **our privacy policies, we may at times fail to do so or be alleged to have failed to do so. If our public statements about our** use, ~~storage~~ **collection** , ~~transmission~~ **disclosure** and other processing of **personal information, whether made through our privacy policies, information provided on our website, press statements or otherwise, are alleged to be deceptive, unfair or misrepresentative of our actual practices, we may be subject to potential government or legal investigation or action, including by the Federal Trade Commission or applicable state attorneys general. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any applicable privacy and data protection standards or contractual obligations, or any compromise of security that results in unauthorized access to, or unauthorized loss, destruction, use, modification, acquisition, disclosure, release or transfer of personal information may result in claims, fines, sanctions, penalties, investigations, proceedings or actions against us by governmental entities, customers, suppliers or others or other liabilities or may require us to change our operations and / or cease using certain data. Any of the foregoing could harm our reputation, brand and business, force us to incur significant expenses in defense of** such ~~information~~ **claims, proceedings, investigations or actions, distract our management, increase our costs of doing business, result in a loss of customers or suppliers and result in the imposition of monetary penalties. We may also be contractually required to indemnify and hold harmless third parties from the costs and consequences of non-compliance with any laws, regulations or other legal obligations relating to privacy and data protection or any inadvertent or unauthorized use or disclosure of data that we store, handle or otherwise process as part of operating our business** . Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects. We invest significant time, resources and management attention to identifying and developing project leads that are subject to our sales and marketing focus and if we are unsuccessful in converting such project leads into binding purchase orders, our business, financial condition **,** and results of operations could be materially adversely affected. The commercial contracting and bidding process for solar project development is long and has multiple steps and uncertainties. We closely monitor the development of potential sales leads through this process. Project leads may fail to be converted into binding purchase orders at any stage of the bidding process because either (i) a competitors' product is selected to fulfill some or all of the order due to price, functionality or other reasons or (ii) the project does not progress to the stage involving the purchase of tracker systems. If we fail to convert a significant number of project leads that are subject to our sales and marketing focus into binding purchase orders, our business or results of operations could be materially adversely affected. Our growth depends in part on the success of our strategic relationships with third parties on whom we rely for new projects and who provide us with valuable customer feedback that helps guide our innovation. In order to continue to win business, we must maintain and enhance our long- term strategic relationships with leading EPCs, developers, owners and operators of solar projects. These relationships enable us to serve as strategic advisors to each of these stakeholders in a solar project, increasing the probability that our product will be selected by these stakeholders in future projects. These stakeholders also provide us with valuable customer feedback that allows us to innovate on our products to meet the demands of our customers. Any loss of these relationships could result in the potential loss of new projects, and the potential loss of innovation guidance, which could have a material adverse effect on our business, financial condition **,** and results of operations. ~~41~~ We may need to defend ourselves against third- party claims that we are infringing, misappropriating or otherwise violating others' intellectual property rights, which could divert management' s attention, cause us to incur significant costs, and prevent us from selling or using the technology to which such rights relate. Our competitors and other third parties hold numerous patents related to technology used in our industry, and may hold or obtain patents, copyrights, trademarks or other intellectual property rights that could prevent, limit, or interfere with our ability to make, use, develop, sell or market our products and services ~~, which could make it more difficult for us to operate our business~~ . From time to time we may be subject to claims of infringement, misappropriation or other violation of patents or other intellectual property rights and related litigation. Regardless of their merit, responding to such claims can be time consuming, can divert management' s attention and resources, and may cause us to incur significant expenses in litigation or settlement **and face negative publicity**, and we cannot be certain that we would be successful in defending against any such claims in litigation or other proceedings. If we do not successfully defend or settle an intellectual property claim, we could be liable for significant monetary damages and could be prohibited from continuing to use certain technology, business methods, content or brands, and from making, selling or incorporating certain components or intellectual property into the products and services we offer. As a result, we could be forced to redesign our products and services, and / or to establish and maintain alternative branding for our products and services. To avoid litigation or being prohibited from marketing or selling the relevant products or services, we could seek a license from the applicable third party, which could require us to pay significant royalties, licensing fees, or other payments, increasing our operating expenses. If a license is not available at all or not available on reasonable terms, we may be required to develop or license a non- violating alternative, either of which could be infeasible or require significant effort and expense. If we cannot license or develop a non- violating alternative, we would be forced to limit or stop sales of our offerings and may be unable to effectively compete. Moreover, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our **Class A** common stock. Any of ~~these~~ -- **the foregoing** ~~results could materially and adversely affect our business, financial condition and results of operations and prospects. Finally, any litigation or claims, whether or not valid,~~ could result in substantial costs, negative publicity and diversion of resources and management attention, any of which could have a material adverse effect on our business, financial condition and results of operations. ~~We may be subject to claims that our employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers or claims asserting ownership of what we regard as our own intellectual property. Many of our employees and consultants are currently or were previously employed at other companies in our field, including our competitors or potential competitors. Although we try to ensure that our employees and consultants do not use the proprietary information or know- how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual' s current or former employer. Litigation may be necessary to defend against these claims. If we fail to successfully defend against any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation would result in substantial costs and be a distraction to management. In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self- executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties or defend claims that they may bring against us to determine the ownership of what we regard as our intellectual property. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects. 42 Inadequacy of our insurance coverage could have a material and adverse effect on our business, financial condition and results of operations. We maintain third- party insurance coverage against various liability risks and risks of loss, including general liability, auto liability, property, cargo, errors and omissions, data security breach, crime and directors' and officers' liability. Potential liabilities or other loss associated with these risks or other events could exceed the coverage provided by such arrangements resulting in significant uninsured liabilities or other loss, which could have a material adverse effect on our business, financial condition and results of operations.~~ Failure by our manufacturers or our component or raw material suppliers to use ethical business practices and comply with applicable laws and regulations may adversely affect our business, financial condition **,** and results of operations. We do not control our manufacturers or suppliers or their business practices. Accordingly, we cannot guarantee that they follow ethical business practices such as fair wage practices and compliance with environmental, safety, labor and other laws. A lack of demonstrated compliance could lead us to seek alternative manufacturers or suppliers, which could increase our costs and result in delayed delivery of our products, product shortages or other disruptions of our operations. If our suppliers, manufacturers, or retail partners fail to comply with applicable laws, regulations, safety codes, employment practices, human rights standards, quality standards, environmental standards, production practices, or other obligations, norms, or ethical standards, our reputation and brand image could be harmed, and we could be exposed to litigation, investigations, enforcement actions, monetary liability and additional costs that could have a material adverse effect on our business, financial condition **,** and results of operations ~~.~~ ~~Compliance with government regulations regarding the use of " conflict minerals " may result in increased costs and risks to us. As part of the Dodd – Frank Act, the SEC has promulgated disclosure requirements regarding the use of certain minerals mined from the Democratic Republic of Congo and adjoining countries, known as conflict minerals. These disclosure rules will take effect for the Company in May 2025. We may have to investigate and publicly disclose whether the products we sell contain conflict minerals and could incur significant costs related to implementing a process that will meet these requirements. Additionally, customers rely on us to provide critical data regarding the products they purchase and will likely request conflict mineral information. Our materials sourcing is broad- based and multi- tiered, and we may not be able to easily verify the origins of the minerals used in the products we sell. We have many suppliers and each may provide conflict mineral information in a different manner, if at all. Accordingly, because the supply chain is complex, our reputation may suffer if we are unable to sufficiently verify the origins of conflict minerals, if any, used in our products. Additionally, customers may demand that the products they purchase be free of conflict minerals. The implementation of this requirement could affect the sourcing and availability of products we purchase from our suppliers. This may reduce the number of suppliers that may be able to provide conflict free products and may affect our ability to obtain products in sufficient quantities to meet customer demand or at competitive prices~~ . We could be adversely affected by any violations of the FCPA and other foreign anti- bribery laws. The

FCPA generally prohibits companies and their intermediaries from making, promising, authorizing or offering improper payments or other things of value to foreign government officials for the purpose of obtaining or retaining business. The FCPA also requires that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. Other countries in which we operate also have anti- bribery laws, some of which prohibit improper payments to government and non- government persons and entities. Our policies mandate compliance with these anti- bribery laws. However, we currently operate in and intend to further expand into many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti- bribery laws may conflict ~~43~~ with local customs and practices. It is possible that our third- party manufacturers, other suppliers, employees, subcontractors, agents or partners may take actions in violation of our policies or applicable anti- bribery laws. Any such violation, even if unauthorized and prohibited by our policies, could subject us to investigations, settlements, criminal or civil penalties or other sanctions, or negative media coverage and cause harm to our reputation, which could have a material adverse effect on our business, financial condition and results of operations. We may incur obligations, liabilities or costs under environmental, health and safety laws, which could have an adverse impact on our business, financial condition and results of operations. Our suppliers' operations involve the use, handling, generation, storage, discharge and disposal of hazardous substances, chemicals and wastes. As a result, our suppliers are required to comply with national, state and local laws and regulations regarding the protection of the environment and health and safety. We are also required to comply with general national, state, local and foreign health and safety laws and regulations in every location that we have operations, employees and workers. Adoption of more stringent laws and regulations in the future, including restriction or prohibition on the use of raw materials currently utilized by our suppliers to manufacture products, could cause our suppliers to incur additional costs, which could increase the cost we pay for their products. Moreover, new environmental laws requiring changes to our suppliers' use of raw materials could adversely impact the quality or performance of products we currently purchase. In addition, violations of, or liabilities under, these laws and regulations by our suppliers could result in our being subject to adverse publicity, reputational damage, substantial fines, penalties, criminal proceedings, third- party property damage or personal injury claims, cleanup costs or other costs. Further, the facilities of our suppliers, including suppliers who manufacture our products, components and materials, are located on properties with a history of use involving hazardous materials, chemicals and wastes and may be contaminated. We may become liable under certain environmental laws and regulations for costs to investigate or remediate contamination at such properties and under common law for bodily injury or property damage claims arising from the alleged impact of such contamination. Liability under environmental laws and regulations for investigating and remediating contamination can be imposed on a joint and several basis and without regard to fault or the legality of the activities giving rise to the contamination conditions. In addition, future developments such as more aggressive enforcement policies from the Biden ~~administration~~ **Administration** , relevant foreign authorities or the discovery of presently unknown environmental conditions may require expenditures that could ~~have a material adverse effect on our business, financial condition and results of operations. Failure to effectively utilize information technology systems or implement new technologies could disrupt our business or reduce our sales or profitability. We rely extensively on various information technology systems, including data centers, hardware, software, sensors and applications to manage many aspects of our business, including to operate and provide our products and services, to process and record transactions, to enable effective communication systems, to track inventory flow, to manage logistics and to generate performance and financial reports. We are dependent on the integrity, security and consistent operations of these systems and related back- up systems. Our computer and information technology systems and the third- party systems we rely upon are also subject to damage or interruption from a number of causes, including power outages; computer and telecommunications failures; malicious code such as computer viruses, malware, and ransomware; phishing or distributed denial- of- service attacks; security breaches; cyber- attacks; catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes; acts of war or terrorism and design or usage errors by our employees or contractors. Compromises, interruptions or shutdowns of our systems, including those managed by third parties, whether intentional or inadvertent, could lead to delays in our business operations and, if significant or extreme, affect our results of operations. 44 From time to time, our systems require modifications and updates, including by adding new hardware, software, sensors and applications; maintaining, updating or replacing legacy programs; and integrating new service providers, and adding enhanced or new functionality. Although we actively endeavor to select systems and vendors and implementing procedures to enable us to maintain the integrity of our systems when we modify them, there are inherent risks associated with modifying or replacing systems, and with new or changed relationships, including accurately capturing and maintaining data, realizing the expected benefit of the change and managing the potential disruption of the operation of the systems as the changes are implemented. Potential issues associated with implementation of these technology initiatives could reduce the efficiency of our operations in the short term. In addition, any interruption in the operation of our websites or systems could cause us to suffer reputational harm or to lose sales if customers are unable to access our site or purchase merchandise from us during such interruption. The efficient operation and successful growth of our business depends upon our information technology systems. The failure of our information technology systems and the third- party systems we rely on to perform as designed, or our failure to implement and operate them effectively, could disrupt our business or subject us to liability and thereby~~ have a material adverse effect on our business, financial condition and results of operations. Fluctuations in foreign currency exchange rates could increase our operating costs and impact our business. The majority of our sales and cash are denominated in U. S. dollars, however we do have certain contracts with third parties that are denominated in, or otherwise affected by, other currencies. Therefore, fluctuations in exchange rates, particularly between the U. S. dollar and the Brazilian real, Mexican peso, Australian dollar, Chilean peso and euro, may result in foreign exchange gains or losses for us. As a result, we are exposed to fluctuations in these currencies impacting our operating results. Currency exchange rates fluctuate daily as a result of a number of factors, including changes in a country' s political and economic policies. The primary impact of currency exchange fluctuations is on cash, payables and expenses related to transactions in currencies denominated in other than the U. S. dollar. As part of our currency hedging strategy, we may use financial instruments such as forward exchange, swap contracts and options to hedge our foreign currency exposure in order to reduce the short- term impact of foreign currency rate fluctuations on our operating results. If our hedging activities are not successful or if we change or reduce these hedging activities in the future, we may experience unexpected fluctuations in our operating results as a result of changes in exchange rates. Furthermore, volatility in foreign exchange rates affects our ability to plan our pricing strategy. To the extent that we are unable to pass along increased costs and other financial effects resulting from exchange rate fluctuations to our customers, our profitability may be adversely impacted. ~~Additionally, a resurgence of the COVID- 19 pandemic could contribute to foreign currency volatility.~~ As a result, fluctuations in non- U. S. dollar currencies and the U. S. dollar could have a material adverse effect on our business, financial condition and results of operations. ~~Risks related to the Transactions and our relationship with Flex~~ We have only operated as a separate, publicly traded company since our IPO, and our historical financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results. Our historical financial information included in this Annual Report **on Form 10- K** is derived from the consolidated financial statements and accounting records of Flex until February 8, 2023 (the " IPO date "). ~~Our~~ **The** audited financial statements included in this ~~Annual Report~~ **Form 10- K** reflect our operations as a separate, publicly traded company only since the IPO date, which **only includes** ~~is less than~~ one **complete** fiscal ~~quarter~~ **year** . In addition, under applicable accounting rules, we **were** ~~have been~~ required to reflect certain costs associated with being a public company in the post- IPO period **of fiscal 2023** as opposed ~~45~~ to over the entire fiscal year. Accordingly, the historical financial information included in this Annual Report **on Form 10- K** does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly traded company during the periods presented or those that we will achieve in the future primarily as a result of the factors described below: • Prior to the Transactions **(as defined in Note 6 in the notes to the consolidated financial statements included elsewhere in this Annual Report on Form 10- K)** , our business was operated by Flex as part of its broader corporate organization, rather than as a separate, publicly traded company. Flex or one of its affiliates performed various business functions for us such as legal, finance, treasury, accounting, auditing, tax, human resources, investor relations, corporate affairs, compliance support, logistics and bonding support, procurement and planning services, as well as the provision of leased facilities and business software and IT systems. ~~Our~~ **For periods prior to the IPO, our** historical financial results reflect allocations of corporate expenses from Flex or autonomous entity adjustments for such functions and may be different than the expenses we would have incurred had we operated as a separate publicly traded company **for such periods** . Our cost related to such functions **have** ~~may therefore increase~~ **increased** ~~after~~ **relative to costs prior to** the IPO date **, and may continue to increase as we reduce our reliance on Flex business functions going forward** . • Historically, certain aspects of our business have been integrated with the other businesses of Flex and we have shared economies of scope and scale in costs, employees and vendor relationships. Although we have entered into transition agreements with Flex **and continue to rely on Flex for certain business functions pursuant to such agreements** , these arrangements may not fully capture the benefits that we have enjoyed as a result of being integrated with Flex and may result in us paying higher charges than in the past for these services **. Further, such agreements will eventually terminate following the completion of the Spin Transactions (as defined in Note 6 in the notes to the consolidated financial statements included elsewhere in this Annual Report on Form 10- K) and we will need to provide the services provided under such agreements internally or obtain them from unaffiliated third parties, which may divert management' s attention from other aspects of our business operations** . This could have an adverse effect on our results of operations and financial condition ~~following~~ **relative to periods prior to** the **IPO** ~~completion of the Transactions~~ . In addition, Flex entities are the direct contracting parties with respect to our business in Brazil and we receive the benefits of those arrangements from the relevant Flex entity. If we are unable to continue to operate our business in Brazil through Flex and its subsidiaries, we would need to establish alternative arrangements, and any such alternative arrangements, if available, may cause us to incur additional costs relating to that business. • Generally, our working capital requirements and capital for our general corporate purposes, including acquisitions and capital expenditures, have historically been satisfied as part of the corporate- wide cash management policies of Flex. In connection with the Transactions, we incurred a substantial amount of indebtedness in the form of senior credit facilities comprised of (i) a term loan in an aggregate principal amount of $ 150. 0 million, and (ii) ~~a revolving credit facility in an aggregate principal amount of $ 500. 0 million (~~ the ~~"~~ 2023 Credit Agreement **(defined** ~~"). See Note 9 in the notes to the consolidated financial statements included~~ elsewhere in this Annual Report **on Form 10- K). See the section entitled "- Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Credit Facilities- " included elsewhere in this Annual Report on Form 10- K** . In addition, we may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements. • **Our** ~~After the completion of the Transactions, including our IPO, the~~ cost of capital for our businesses may be higher than Flex' s cost of capital prior to the ~~Transactions~~ **IPO** . Other significant changes may occur in our cost structure, management, financing and business operations as a result of operating as a company separate from Flex. For additional information about the past financial performance of our businesses and the basis of presentation ~~of the historical combined financial statements of our businesses~~ , refer to the ~~notes to the audited~~ consolidated financial statements and accompanying notes included elsewhere in this Annual Report **on Form 10** ~~. As a separate, publicly traded company, we may not enjoy the same benefits that we did as a part of Flex. There is a risk that, by separating from Flex, we have become more susceptible to market fluctuations and other adverse events than we would have been if we were still a part of the current Flex organizational structure. As part of Flex, we were able to enjoy certain benefits from Flex' s creditworthiness, purchasing power and operating diversity, such as our business in Brazil that we operate indirectly through Flex or its subsidiaries. As a separate, publicly traded company, we generally do not have similar benefits provided by Flex. Additionally, as part of Flex, we were able to leverage the Flex historical market reputation~~

~~and performance and brand identity to recruit 46 and retain key personnel to run our business. As a separate, publicly traded company, we do not have the same historical market reputation and performance or brand identity as Flex and it may be more difficult for us to recruit or retain such key personnel. Our customers, prospective customers, suppliers or other companies with whom we conduct business may conclude that our financial stability as a separate, publicly traded company is insufficient to satisfy their requirements for doing or continuing to do business with them. We have operated as a wholly-~~ **K** ~~owned subsidiary of Flex throughout the majority of our operating history. Some of our customers, prospective customers, suppliers or other companies with whom we conduct business may conclude that our financial stability as a separate, publicly- traded company is insufficient to satisfy their requirements for doing or continuing to do business with them, or may require us to provide additional credit support, such as letters of credit or other financial guarantees. Any failure of parties to be satisfied with our financial stability could have a material adverse effect on our business, financial condition and results of operations. Flex continues to control the direction of our business, and the concentrated ownership of our common stock may prevent you and other stockholders from influencing significant decisions. As of March 31, 2023 Flex, directly or indirectly through Yuma and Yuma Sub, owns 88, 457, 619 shares of our Class B common stock, representing approximately 61. 4 % of the total outstanding shares of our common stock. As long as Flex beneficially owns a majority of the total outstanding shares of our common stock, it will generally be able to determine the outcome of all corporate actions requiring stockholder approval, including the election and removal of directors. If Flex does not sell or otherwise dispose of its shares of our common stock, it will remain our controlling stockholder indefinitely. Moreover, pursuant to the Second Amended and Restated Separation Agreement by and among Flex, Nextracker Inc., the LLC, and Flextronics International USA, Inc. (the " separation agreement "), for so long as Flex beneficially owns a majority of the total voting power of our outstanding shares with respect to the election of directors, Flex has the right, but not the obligation, to designate for nomination a majority of the directors (including the chairman of our board of directors) and a majority of the members of any committee of the board. In addition, Flex has the right, but not the obligation, to nominate (i) 40 % of our directors, as long as it beneficially owns 40 % or more, but less than 50 % of the combined voting power of our outstanding common stock, (ii) 40 % of our directors, as long as it beneficially owns 30 % or more, but less than 40 % of the combined voting power of our outstanding common stock, (iii) 30 % of our directors, as long as it beneficially owns 20 % or more, but less than 30 % of the combined voting power of our outstanding common stock, and (iv) 20 % of our directors, as long as it beneficially owns 10 % or more, but less than 20 % of the combined voting power of our outstanding common stock. For so long as Flex beneficially owns less than a majority but at least 5 % of the total voting power of our outstanding common stock with respect to the election of directors, Flex is entitled to include at least one of its designees on each committee of the board. Flex' s interests may not be the same as, or may conflict with, the interests of our other stockholders. Our other stockholders will not be able to affect the outcome of any stockholder vote while Flex controls the majority of the total outstanding shares of our common stock. As a result, Flex will be able to control, directly or indirectly and subject to applicable law, all matters affecting us, including, but not limited to, the following: • any determination with respect to our business direction and policies, including the appointment and removal of officers and directors; • any determinations with respect to mergers, business combinations or disposition of assets; • our financing and dividend policy; • compensation and benefit programs and other human resources policy decisions; 47 • termination of, changes to or determinations under our agreements with Flex relating to the Transactions; • changes to any other agreements that may adversely affect us; • the payment of dividends on our Class A common stock; and • determinations with respect to our tax returns. Because Flex' s interests may differ from ours or from those of our other stockholders, actions that Flex takes with respect to us, as our controlling stockholder, may not be favorable to us or our other stockholders. If Flex sells its retained beneficial interest in the LLC to a third party in a private transaction, you may not realize any change- of- control premium on shares of our Class A common stock and we may become subject to the control of a presently unknown third party. Flex owns a controlling equity interest in our Company via its retained majority beneficial interest in the LLC and ownership of our Class B common stock. Flex has the ability, should it choose to do so, to sell some or all of its retained beneficial interest in a privately negotiated transaction, which, if sufficient in size, could result in a change of control of our Company. The ability of Flex to privately sell its retained beneficial interest, with no requirement for a concurrent offer to be made to acquire all of the shares of our Class A common stock, could prevent you from realizing any change- of- control premium on your shares of our Class A common stock that may otherwise accrue to Flex on its private sale of its retained beneficial interest in the LLC. Additionally, if Flex privately sells its controlling interest in our Company, we may become subject to the control of a presently unknown third party. Such third party may have conflicts of interest with those of other stockholders. In addition, if Flex sells a controlling interest in our Company to a third party, our future indebtedness may be subject to acceleration, Flex may terminate the transitional arrangements, and our other commercial agreements and relationships could be impacted, all of which may adversely affect our ability to run our business as described herein and may have an adverse effect on our operating results and financial condition. The continued concentrated ownership of our common stock could depress our Class A common stock price. As of March 31, 2023, Flex, directly or indirectly through Yuma and Yuma Sub, owns 88, 457, 619 shares of Class B common stock, representing approximately 61. 4 % of the total outstanding shares of our common stock. The liquidity of shares of our Class A common stock in the market may be constrained for as long as Flex continues to hold a significant position in our common stock. A lack of liquidity in our Class A common stock could depress the price of our Class A common stock~~. We are ~~a " controlled company " within the meaning of the rules of Nasdaq and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements. As of March 31, 2023, Flex indirectly holds approximately 61. 4 % of the total outstanding shares of our common stock. As a result, we are a " controlled company " within the meaning of the corporate governance standards of the Nasdaq Stock Market LLC (" Nasdaq "). Under these rules, a listed company of which more than 50 % of the total voting power is held by an individual, group or another company is a " controlled company " and may elect not to comply with certain corporate~~

~~governance requirements, including: • the requirement that a majority of our board of directors consist of independent directors; • the requirement that our Nominating, Governance and Corporate Responsibility Committee (“ NG & PRC ”) be composed entirely of independent directors with a written charter addressing the 48 committee’ s purpose and responsibilities, or if no such committee exists, that our director nominees be selected or recommended by independent directors constituting a majority of the board’ s independent directors in a vote in which only independent directors participate; • the requirement that our Compensation and People Committee (“ CPC ”) be composed entirely of independent directors with a written charter addressing the committee’ s purpose and responsibilities; and • the requirement for an annual performance evaluation of our NG & PRC and CPC. At present, a majority of the directors on our board are not independent. In addition, our NG & PRC, CPC and Audit Committee do not consist entirely of independent directors. As required by the applicable requirements of Nasdaq, our Audit Committee will consist entirely of independent directors within one year of the completion of our IPO. Accordingly, you do not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of Nasdaq. Flex and its directors and officers have limited liability to us and you for breach of fiduciary duty. Our amended and restated certificate of incorporation provides that, subject to any contractual provision to the contrary, Flex and its directors and officers have no obligation to refrain from engaging in the same or similar business activities or lines of business as we do or doing business with any of our clients, customers or vendors. As such, neither Flex nor any officer or director of Flex is liable to us or to our stockholders for breach of any fiduciary duty by reason of any of these activities. Flex may compete with us. Notwithstanding Flex’ s continued ownership and control of the Company, Flex will not be restricted from competing with us. If Flex in the future decides to engage in the type of business we conduct, it may have a competitive advantage over us, which may cause our business, financial condition and results of operations to be materially adversely affected. Potential indemnification liabilities to Flex pursuant to the separation agreement could materially and adversely affect our businesses, financial condition, results of operations and cash flows. The separation agreement, among other things, provides for indemnification obligations (for uncapped amounts) designed to make us financially responsible for substantially all liabilities that may exist relating to our business activities, whether incurred prior to or after the separation. If we are required to indemnify Flex under the circumstances set forth in the separation agreement, we may be subject to substantial liabilities. In connection with our separation from Flex, Flex has agreed to indemnify us for certain liabilities. However, there can be no assurance that the indemnity will be sufficient to insure us against the full amount of such liabilities, or that Flex’ s ability to satisfy its indemnification obligation will not be impaired in the future. Pursuant to the separation agreement and certain other agreements with Flex, Flex has agreed to indemnify us for certain liabilities. However, third parties could also seek to hold us responsible for any of the liabilities that Flex has agreed to retain, and there can be no assurance that the indemnity from Flex will be sufficient to protect us against the full amount of such liabilities, or that Flex will be able to fully satisfy its indemnification obligations. In addition, Flex’ s insurance will not necessarily be available to us for liabilities associated with occurrences of indemnified liabilities prior to the separation, and in any event Flex’ s insurers may deny coverage to us for liabilities associated with certain occurrences of indemnified liabilities prior to the separation. Moreover, even if we ultimately succeed in recovering from Flex or such insurance providers any amounts for which we are held liable, we may be temporarily required to bear these losses. Each of these risks could have a material adverse effect on our businesses, financial condition and results of operations. 49 Certain of our executive officers and directors may have actual or potential conflicts of interest because of their equity interest in Flex. Also, certain of Flex’ s current officers also serve as our directors, which may create conflicts of interest or the appearance of conflicts of interest. Because of their current or former positions with Flex, certain of our executive officers and directors own equity interests in Flex. Continuing ownership of Flex ordinary shares and equity awards could create, or appear to create, potential conflicts of interest if we and Flex face decisions that could have implications for both Flex and us. In addition, certain of Flex’ s current directors and officers also serve as our directors, and this could create, or appear to create, potential conflicts of interest when we and Flex encounter opportunities or face decisions that could have implications for both companies. We may not achieve some or all of the expected benefits of being a separate, publicly traded company. We may not be able to achieve the full strategic and financial benefits expected to result from being a separate, publicly traded company, or such benefits may be delayed or not occur at all. Being a separate, publicly traded company is expected to provide the following benefits, among others: • Allows investors to separately value Flex and us based on their distinct investment identities. Our business fundamentally differs from Flex’ s other businesses in several respects, as Flex’ s primary focus is contract manufacturing for multiple industries in contrast to our focus on selling proprietary products for utility- scale solar power plants. Being a separate, publicly traded company enables investors to evaluate the merits, performance and future prospects of each company’ s respective businesses and to invest in each company separately based on their distinct characteristics. • Allows us and Flex to more effectively pursue our and Flex’ s distinct operating priorities and strategies and enable management of both companies to focus on unique opportunities for long- term growth and profitability. For example, while our management is able to focus exclusively on our businesses, the management of Flex will be able to grow its businesses. Our and Flex’ s separate management teams are also able to focus on executing the companies’ differing strategic plans without diverting attention from the other businesses. • Permits each company to concentrate its financial resources solely on its own operations without having to compete with each other for investment capital, providing each company with greater flexibility to invest capital in its businesses in a time and manner appropriate for its distinct strategy and business needs. • Creates an independent equity structure that will afford us direct access to the capital markets and facilitate our ability to capitalize on our unique growth opportunities. We may not achieve these and other anticipated benefits for a variety of reasons, including, among others: • As previously part of Flex, our businesses benefited from Flex’ s size and purchasing power in procuring certain goods and services. As a separate, publicly traded company, we may be unable to obtain these goods, services and technologies at prices or on terms as favorable as those Flex obtained prior to the separation. We may also incur costs for certain business functions previously performed by Flex that are higher than the amounts reflected in our historical financial statements, which could cause our~~

~~profitability to decrease. • The actions required to separate our and Flex' s respective businesses will require significant amounts of our management' s time and effort, which could disrupt our operations. • Certain costs and liabilities that were otherwise less significant to Flex as a whole are more significant for us and Flex as separate companies. • We have incurred costs in connection with the transition to being a separate, publicly traded company that include additional personnel costs, corporate governance costs (including director and officer insurance costs) and audit, consulting, legal and other professional services fees. 50 • As a separate, publicly traded company, we may be more susceptible to market fluctuations and other adverse events than if we were still fully integrated with Flex. • Our businesses are less diversified than Flex' s combined businesses prior to the separation. If we fail to achieve some or all of the benefits expected to result from being a publicly traded company, or if such benefits are delayed, our businesses, financial condition and results of operations could be materially and adversely affected. We may have received better terms from unaffiliated third parties than the terms we will receive in our agreements with Flex. The agreements we have entered into with Flex and certain of its subsidiaries in connection with the separation, including the separation agreement, transition services agreement, employee matters agreement, merger agreement, tax matters agreement, a tax receivable agreement (the " Tax Receivable Agreement "), registration rights agreement and certain commercial agreements were prepared in the context of our separation from Flex while we were still a subsidiary of Flex. Accordingly, during the period in which the terms of those agreements were prepared, we did not have a separate or independent board of directors or a management team that was separate from or independent of Flex. As a result, the terms of those agreements may not reflect terms that would have resulted from arm' s- length negotiations between unaffiliated third parties. Arm' s- length negotiations between Flex and an unaffiliated third party in another form of transaction, such as a buyer in a sale of a business transaction, may have resulted in more favorable terms to the unaffiliated third party. We may be required to effect the Merger and the other transactions contemplated by the Merger Agreement (as defined below) or certain distributions or other dispositions under the separation agreement, and our stockholders have no right to approve or disapprove of the Merger or such other transactions, including the issuance of shares of our Class A common stock to the holders of Yuma common stock in connection with the Merger or such other transactions. We, Flex, Yuma and Yuma Acquisition Corp., our wholly- owned subsidiary (" Merger Sub "), entered into an agreement and plan of merger (the " merger agreement ") prior to the IPO, pursuant to which, among other matters, Flex has the right, but not the obligation, to effect a merger of Yuma with Merger Sub, with Yuma surviving such merger as our wholly- owned subsidiary, in a transaction intended to qualify for tax- free treatment under Section 368 (a) of the Code (the " Merger "). The Merger would, on the terms and subject to the conditions set forth in the merger agreement, be effected immediately following the distribution of all of the outstanding stock of Yuma to the holders of ordinary Flex shares as contemplated by the merger agreement (the " Merger Distribution ") with such stock of Yuma being exchanged for shares of our Class A common stock in the Merger. Prior to the IPO, we and each of Flex, Yuma and Merger Sub, and our stockholders and the stockholders of each of Yuma and Merger Sub, approved the merger agreement and the transactions contemplated by the merger agreement, including the Merger and the issuance of our Class A common stock to the holders of Yuma common stock in connection with the Merger. As a result, our stockholders have no right to approve or disapprove of the Merger or the other transactions contemplated by the merger agreement or the issuance of shares of our Class A common stock to the holders of Yuma common stock in connection with the Merger. Further, our stockholders have no right to appraisal under Section 262 of the Delaware General Corporation Law (the " DGCL ") or otherwise in connection with the Merger or the other transactions contemplated by the merger agreement. We also committed to take various other actions following the IPO pursuant to the merger agreement (which actions are subject to Flex exercising its option, in its sole discretion, to effect the Merger and the other transactions contemplated by the merger agreement), including the registration under the Securities Act of the shares of our Class A common stock issuable to the holders of Yuma common stock in connection with the Merger. 51 Further, pursuant to the separation agreement, we and the LLC have also committed to take various other actions following the IPO with respect to Flex effecting a tax- free or other distribution or disposition of its retained beneficial interest in the LLC (as applicable, a " Distribution " or " Other Disposition ") (which actions are subject to Flex exercising its option, in its sole discretion, to effect such Distribution or Other Disposition contemplated by the separation agreement), including the registration under the Securities Act of the shares of our Class A common stock issuable to the holders of Yuma common stock in connection with such Distribution or Other Disposition. Flex has no obligation (pursuant to the merger agreement or otherwise) to pursue or consummate any further distribution or disposition of its retained beneficial interest in the LLC, including by means of a Distribution or Other Disposition or the Merger Distribution and the Merger, by any specified date or at all. Flex has submitted a request for a private letter ruling from the Internal Revenue Service regarding the qualification of the Merger Distribution for tax- free treatment under Section 355 of the Code and certain related matters, in the event that Flex determines to proceed with the Merger Distribution. There can be no assurance such a ruling will be issued or that even if it is, that Flex will pursue the Merger Distribution. As a result, the timing of the Merger and the other transactions contemplated by the merger agreement is uncertain, and subject to Flex' s sole discretion. Accordingly, we have no certainty when such transactions (and the effectiveness of our related obligations under the separation agreement and the merger agreement) will occur or if they will occur at all. In the event that Flex determines to effect all or part of a tax- free or other distribution or disposition of its retained beneficial interest in the LLC (including by means of a Distribution or Other Disposition or the Merger Distribution and the Merger), Flex may no longer own more than 50 % of the combined voting power of our outstanding common stock and we may no longer be a " controlled company " within the meaning of the rules of Nasdaq. We are a " controlled company " within the meaning of the rules of Nasdaq and, as a result, qualify for, and intend to rely on, exemptions from certain corporate governance requirements. Further, we have entered into the separation agreement with Flex, which gives Flex the right to nominate a majority of our directors and a majority of the members of our board committees for so long as our controlling stockholder beneficially owns 50 % or more of the total voting power of our outstanding common stock and specifies how our controlling stockholder' s nomination rights shall decrease as our controlling stockholder' s beneficial ownership of our common stock also decreases. In~~

~~the event that Flex determines to proceed with all or part of a tax- free or other distribution or disposition of its retained beneficial interest in the LLC (including a Distribution or Other Disposition or the Merger Distribution and the Merger), Flex may no longer own more than 50 % of the combined voting power of our outstanding common stock. As a result, among other matters, Flex may no longer hold the right as our controlling stockholder to nominate a majority of our directors and a majority of the members of our board committees and we may no longer be a " controlled company " within the meaning of the rules of Nasdaq and permitted to rely on exemptions from certain corporate governance requirements. Flex has no obligation (pursuant to the merger agreement or otherwise) to pursue or consummate any further distribution or disposition of its retained beneficial interest in the LLC, including by means of a Distribution or Other Disposition or the Merger Distribution and the Merger, by any specified date or at all. Accordingly, Flex' s status as our controlling stockholder (and its associated rights with respect thereto) and our status as a " controlled company " is uncertain and subject to change at Flex' s sole discretion, including as a result of the exercise of Flex' s rights under the separation agreement or the merger agreement. 52 We or Flex may fail to perform under various transaction agreements that have been executed as part of the Transactions or we may fail to have necessary systems and services in place when certain of the transaction agreements expire. The separation agreement and other agreements that have been entered into in connection with the Transactions determine the allocation of assets and liabilities between the companies following the separation for those respective areas and include related indemnifications related to liabilities and obligations. The transition services agreement we entered into with Flex provides for the performance of certain services by each company for the benefit of the other for a period of time after the separation. We have relied and will continue to rely on Flex to satisfy its performance and payment obligations under these agreements. If Flex is unable to satisfy its obligations under these agreements, including its indemnification obligations, we could incur operational difficulties or losses. If we do not have in place our own systems and services, or if we do not have agreements with other providers of these services once certain transaction agreements expire, we may not be able to operate our businesses effectively and our profitability may decline. We are in the process of creating our own, or engaging third parties to provide, systems and services to replace many of the systems and services that Flex currently provides to us. However, we may not be successful in implementing these systems and services or in transitioning data from Flex' s systems to us. In addition, we expect this process to be complex, time- consuming and costly. We are also establishing or expanding our own corporate and business functions to be separate from Flex. We expect to incur one- time costs to replicate, or outsource from other providers, these corporate functions to replace the corporate services that Flex historically provided us prior to the separation. Any failure or significant downtime in our own financial, administrative or other support systems or in the Flex financial, administrative or other support systems during the transitional period when Flex provides us with support could negatively impact our results of operations or prevent us from paying our suppliers and employees, executing business combinations and foreign currency transactions or performing administrative or other services on a timely basis, which could negatively affect our results of operations. In particular, our day- to- day business operations rely on our information technology systems. A significant portion of the communications among our personnel, customers and suppliers take place on our information technology platforms. We expect the transfer of information technology systems from Flex to us to be complex, time- consuming and costly. There is also a risk of data loss in the process of transferring information technology. As a result of our reliance on information technology systems, the cost of such information technology integration and transfer and any such loss of key data could have an adverse effect on our business, financial condition and results of operations. We may continue to be~~ dependent on ~~Flex~~ **certain critical suppliers** for certain components for **our products. We are dependent on certain critical suppliers for certain components of** our products. Our self- powered controller (" SPC ") and network control unit (" NCU ") used in our tracker products are predominately manufactured by Flex. We have an agreement with Flex for the manufacturing of these components, but we operate on a purchase order basis for pricing. The processes to manufacture these SPCs and NCUs are highly complex, specialized and proprietary. Although we have recently added two suppliers who manufacture our SPCs, if Flex is unable or unwilling to manufacture controllers for us, or increases its pricing substantially, a substantial portion of our supply of these critical components would be interrupted or delayed and we may not be able to source substitute parts easily. We would incur increased expenses in establishing new relationships with alternative manufacturers at market prices. We may not be able to source alternative components on term acceptable to us or in a timely and cost- effective manner which may materially and adversely affect our business, financial condition, results of operation and profitability. ~~53~~ We are a holding company and our principal asset is our LLC **common** ~~Units~~ **units** in the LLC, and accordingly we are dependent upon distributions from the LLC to pay taxes and other expenses. We are a holding company and, as a result of the Transactions and ~~our~~ **the** IPO, our principal asset is our ownership of the LLC ~~. See Note 6 in the notes to the consolidated financial statements included elsewhere in this Annual Report~~ . The LLC is treated as a partnership for U. S. federal income tax purposes and, as such, is not subject to U. S. federal income tax. Instead, taxable income will be allocated to holders of its LLC **common** ~~Units~~ **units** , including us. We had no operations prior to the Transactions and had no independent means of generating revenue. As the managing member of the LLC, we intend to cause the LLC to make distributions to us ~~in amounts sufficient~~ **according to the Third Amended and Restated Limited Liability Company Agreement of Nextracker LLC (the" LLC Agreement")** to cover the taxes on our allocable share of the taxable income of the LLC, all applicable taxes payable by us, any payments we are obligated to make under the Tax Receivable Agreement and other costs or expenses. Distributions will generally be made on a pro rata basis among us ~~, Yuma, Yuma Sub~~ and ~~TPG~~ **the other holders of its LLC common units** . However, certain laws and regulations may result in restrictions on the LLC' s ability to make distributions to us or the ability of the LLC' s subsidiaries to make distributions to it. To the extent that we need funds and the LLC or its subsidiaries are restricted from making such distributions, we may not be able to obtain such funds on terms acceptable to us or at all and as a result could suffer an adverse effect on our liquidity and financial condition. Tax authorities could challenge our historical and future tax positions. Our taxable income comes primarily from the allocation of taxable income from the LLC. We are subject to federal and state income taxes in the United States on the taxable income allocated to us from the LLC. In addition, while the majority of the LLC' s income comes from United States sources and will not be subject to LLC level income tax, the LLC has taxable income in some foreign subsidiaries that is subject to foreign **country' s corporate income** tax ~~at the level of the LLC~~. We may be entitled to foreign tax credits in the United States for our ~~share~~ **shares** of the foreign tax **we** paid ~~by the LLC~~. As the LLC operates in a number of countries and relies on intercompany transfer pricing **benchmarking analysis**, judgment is required in determining our provision for income taxes. In the ordinary course of the LLC' s business, there may be transactions or intercompany transfer prices where the ultimate tax determination is uncertain. Additionally, calculations of income taxes payable currently and on a deferred basis are based on our interpretations of applicable tax laws in the jurisdictions in which we and the LLC are required to file tax returns. In certain circumstances, the LLC will be required to make distributions to us ~~, Yuma, Yuma Sub~~ and **the** ~~TPG, and the~~ **other holders of its common units, which** ~~distributions that the LLC will be required to make~~ may be substantial and in excess of our tax liabilities and obligations under the Tax Receivable Agreement. As noted above, the LLC is treated as a partnership for U. S. federal income tax purposes and, as such, is not subject to U. S. federal income tax. Instead, taxable income **is** ~~will be~~ allocated to holders of its ~~LLC~~ **common** ~~Units~~ **units**, including us. We anticipate that, pursuant to the tax rules under the Code and the regulations thereunder, in many instances these allocations of taxable income will not be made on a pro rata basis. Notwithstanding that, pursuant to the LLC Agreement, the LLC generally is required from time to time to make pro rata cash distributions, or tax distributions, to the holders of LLC **common** ~~Units~~ **units** to help each of the holders of the LLC **common** ~~Units~~ **units** to pay taxes on such holder' s allocable share of taxable income of the LLC. As a result of potential non pro rata allocations of net taxable income allocable to us ~~, Yuma, Yuma Sub~~ and ~~TPG~~ **the other holders of its LLC common units**, **the difference in tax rates applicable to corporations and individuals** and the favorable tax benefits that we anticipate receiving from the IPO **, the subsequent follow- on offering in 2023,** and certain related transactions, we expect that these tax distributions will be in amounts that exceed our tax liabilities and obligations to make payments under the Tax Receivable Agreement. To the extent, as currently expected, we do not distribute such cash balances as dividends on our Class A common stock and instead, for example, hold such cash balances or lend them to the LLC, the existing owners of the LLC would benefit from any value attributable to such accumulated cash balances as a result of an exchange of their LLC ~~Common~~ **common** ~~Units~~ **units** and corresponding shares of Class B common stock under ~~an exchange agreement between Nextracker Inc.,~~ the ~~LLC, Yuma, Yuma Sub and TPG (the "~~ Exchange Agreement ~~"). 54 If Flex distributes its retained beneficial interest in the LLC on a tax- free basis, we may be required to indemnify Flex for certain tax liabilities and may be prevented from pursuing opportunities to engage in desirable strategic or capital- raising transactions. Flex may, in the future, undertake a Distribution or Other Disposition, whether directly or through a distribution or disposition of the stock of Yuma, which holds Flex' s retained beneficial interest in the LLC. Among other possible transactions, Flex may distribute all of the outstanding stock of Yuma to Flex' s shareholders in the Merger Distribution contemplated by the merger agreement and then cause Yuma to merge with a wholly- owned subsidiary of Nextracker Inc. to effect the Merger contemplated by the merger agreement. If Flex undertakes a spin- off transaction (including the Merger Distribution and the Merger contemplated by the merger agreement), Flex, Yuma and Nextracker Inc. will enter into a tax matters agreement which will govern the rights, responsibilities and obligations of Flex, Yuma and Nextracker Inc. with respect to taxes (including taxes arising in the ordinary course of business and taxes incurred as a result of the spin- off transaction), tax attributes, tax returns, tax contests and certain other tax matters. You will not have the right to approve the structure pursuant to which Flex may undertake any ultimate distribution of its retained beneficial interest in the LLC or the terms of the tax matters agreement between Flex, Yuma and Nextracker Inc. If Flex undertakes the Merger Distribution, the merger agreement provides that we will enter into a tax matters agreement with Flex and Yuma as of immediately prior to the Merger Distribution, substantially in the form attached as Exhibit C to the merger agreement, which will govern the rights, responsibilities and obligations of Flex, Yuma and us with respect to taxes (including taxes arising in the ordinary course of business and taxes incurred as a result of the Merger Distribution and the Merger), tax attributes, tax returns, tax contests and certain other tax matters. Under the tax matters agreement, Yuma will be liable for any taxes that are reportable on returns that include only Yuma and / or its subsidiaries (but not Flex or any of its subsidiaries) for all tax periods. Yuma will also be liable for any taxes that are attributable to the Nextracker business, as reasonably determined by Flex, that are reportable on returns that include Yuma and / or its subsidiaries, on the one hand, and Flex and / or its subsidiaries, on the other hand, for any taxable period (or portion thereof) beginning after the date of the spin- off transaction. Notwithstanding the foregoing, Yuma and Flex will each be liable for 50 % of certain transfer taxes attributable to the spin- off transaction (including the Merger Distribution and the Merger). Yuma generally will be responsible for specified taxes and related amounts imposed on Flex or Yuma (or their respective subsidiaries) that arise from the failure of the spin- off transaction (including the Merger Distribution and the Merger) to qualify for tax- free treatment under Section 368 (a) or Section 355 of the Code. Such taxes and related amounts could be material and the tax matters agreement will generally require Yuma (on behalf of itself or Nextracker Inc., as applicable) to bear such taxes and related amounts to the extent that the failure to so qualify is attributable to, among other things, (i) a breach of the relevant representations and covenants made by Yuma or Nextracker Inc. in the tax matters agreement or any representation letter provided in support of any tax opinion or IRS ruling obtained by Flex with respect to the U. S. federal income tax treatment of such spin- off or (ii) certain actions or failures to act by Yuma or Nextracker Inc. (or their respective subsidiaries) that result in the spin- off transaction failing to qualify for tax- free treatment under Section 368 (a) or Section 355 of the Code. Because Yuma would merge with a wholly- owned subsidiary of Nextracker Inc., among other possible transactions, the obligations of Yuma under the tax matters agreement will become direct or indirect obligations of Nextracker Inc. and this may adversely affect our business, financial condition and results of operations. Flex and Yuma also agreed to make a protective election under Section 336 (e) of the Code with respect to the spin- off transaction and take necessary actions to effect such election, unless such election results in a material adverse tax consequence to Flex or its subsidiaries (compared to the consequences that would have resulted if no such election was made) in which case the election would only be made as directed by Flex in its sole discretion. If an election under Section 336 (e) is~~

~~made, the spin- off transaction fails to qualify for tax- free treatment, and the resulting taxes are considered liabilities of Flex, then Flex will be entitled to periodic payments from Yuma equal to 85 % of the tax savings arising from the step- up in tax basis resulting from the election. The parties to the tax matters agreement will negotiate in good faith the terms of a tax receivable agreement that are substantially 55 similar to the Tax Receivable Agreement to govern the calculation and making of such payments, provided that any such tax savings resulting from the election under Section 336 (e) of the Code will be treated as the last items claimed for the taxable year. To preserve the tax- free treatment of any such spin- off by Flex, the tax matters agreement would, among other restrictions, restrict Yuma and Nextracker Inc. (and their respective subsidiaries), for the two-year period following the spin- off, except in specific circumstances, from: (i) entering into any transaction pursuant to which Yuma or Nextracker Inc. stock would be acquired (with certain exceptions), (ii) merging, consolidating or liquidating either Yuma or Nextracker Inc., other than through the Merger, (iii) selling or transferring assets above certain thresholds, (iv) redeeming or repurchasing stock (with certain exceptions), (v) altering the voting rights of Yuma or Nextracker Inc. stock, (vi) taking or failing to take any other action that would reasonably be expected to result in the spin- off transaction failing to qualify for tax- free treatment under Section 368 (a) or Section 355 of the Code, (vii) ceasing to engage in any active trade or business as defined in the Code, or (viii) facilitating or otherwise participating in any acquisition of Nextracker Inc. stock that would result in a shareholder owning directly or indirectly 5 % or more of outstanding Nextracker Inc. stock. These restrictions may limit our ability to pursue certain strategic transactions or other transactions that we may believe to be in the best interests of our stockholders or that might increase the value of our business. We are required to pay Yuma and Yuma Sub, both of which are subsidiaries of Flex, TPG, and the TPG Affiliates (or certain permitted transferees thereof) for certain tax benefits that we are deemed to realize under the Tax Receivable Agreement, and the amounts we may pay could be significant~~ . We expect that the IPO **, the subsequent follow- on offering in 2023** and certain related transactions ~~(including the Transactions)~~ will produce tax benefits for us. We used all of the net proceeds from ~~our~~ **the** IPO to purchase LLC ~~Common~~ **common** ~~Units~~ **units** from Yuma and ~~did not retain any~~ **we used all of the** net proceeds from the ~~IPO~~ **follow- on to purchase LLC common units from Yuma and TPG Rise Flash, L. P. (" TPG Rise "), an affiliate of TPG Inc. (" TPG ")** . Additionally, we may be required from time to time to acquire additional LLC ~~Common~~ **common** ~~Units~~ **units** together with a corresponding number of shares of our Class B common stock in exchange for our Class A common stock (or cash) pursuant to the Exchange Agreement. See Note 6 in the notes to the consolidated financial statements included elsewhere in this Annual Report **on Form 10- K** . We expect that basis adjustments resulting from these transactions, if they occur, among other tax benefits resulting from the Transactions, will reduce the amount of income tax we would otherwise be required to pay in the future. We entered into a Tax Receivable Agreement with the LLC, Yuma, Yuma Sub, TPG **Rise** and the **following affiliates of TPG Rise: TPG Rise Climate Flash Cl BDH, L. P., TPG Rise Climate BDH, L. P. and The Rise Fund II BDH, L. P. (together, the"** TPG Affiliates **")** in connection with our IPO **. Prior to the Spin Transactions, Yuma and Yuma Sub assigned their respective rights under the Tax Receivable Agreement to an entity that remains an affiliate of Flex** . The Tax Receivable Agreement provides for the payment by us to ~~Yuma, Yuma Sub~~ **Flex' s affiliate** , TPG and the TPG Affiliates (or certain permitted transferees thereof) of 85 % of the tax benefits, if any, that we are deemed to realize under certain circumstances as a result of (i) our allocable share of existing tax basis in tangible and intangible assets resulting from exchanges or acquisitions of the LLC **common** ~~Units~~ **units** , including as part of the Transactions or under the Exchange Agreement, (ii) increases in tax basis resulting from exchanges or acquisitions of outstanding LLC **common** ~~Units~~ **units** and shares of Class B common stock (including as part of the Transactions **, the follow- on** or under the Exchange Agreement), (iii) certain pre- existing tax attributes of certain blocker corporations affiliated with TPG that each merged with a separate direct, wholly- owned subsidiary of us, as part of the Transactions, and (iv) certain other tax benefits related to our entering into the Tax Receivable Agreement, including tax benefits attributable to payments under the Tax Receivable Agreement. ~~Assuming no material changes in the relevant tax law and that we earn sufficient taxable income to realize all tax benefits that are subject to the Tax Receivable Agreement, we expect that the tax savings we will be deemed to realize associated with the tax benefits described above would aggregate to approximately $ 271 million over 20 years from the date of our IPO based on the initial public offering price of $ 24. 00 per share of our Class A common stock, and assuming all future exchanges of LLC Units occurred at the time of the IPO. Under such scenario we would be required to pay the owners of LLC Units approximately 85 % of such amount, or $ 230. 3 million, over the 20- year period from the date of the IPO, and the yearly payments over that time would range between approximately $ 1 to $ 15 million per year. Such payments will reduce the cash provided to us by the tax savings described above. As a result, investors purchasing shares in the public market will not be entitled to the economic benefit of the tax benefits subject to the Tax Receivable Agreement that would have been available if the Tax Receivable 56 Agreement were not in effect (except to the extent of our continuing 15 % interest in the tax benefits subject to the Tax Receivable Agreement). The actual amounts may materially differ from these hypothetical amounts, as potential future tax savings we will be deemed to realize, and Tax Receivable Agreement payments by us, will be calculated based in part on the market value of our Class A common stock at the time of purchase or exchange and the prevailing federal tax rates applicable to us over the life of the Tax Receivable Agreement (as well as the assumed combined state and local tax rate), and will generally be dependent on us generating sufficient future taxable income to realize the benefit. The payments under the Tax Receivable Agreement are not conditioned upon the ownership of us by Yuma, Yuma Sub, TPG or the TPG Affiliates (or any permitted transferees thereof). See Note 13 in the notes to the consolidated financial statements included elsewhere in this Annual Report.~~ There may be a material negative effect on our liquidity if, as a result of timing discrepancies or otherwise, the payments under the Tax Receivable Agreement exceed the actual benefits we realize in respect of the tax attributes subject to the Tax Receivable Agreement or distributions to us by the LLC are not sufficient to permit us to make payments under the Tax Receivable Agreement after we have paid taxes. Furthermore, our obligations to make payments under the Tax Receivable Agreement could make us a less attractive target for an acquisition, particularly in the case of an acquirer that cannot use some or all of the tax benefits that are deemed realized under the Tax Receivable Agreement. In certain cases, **our** payments under the Tax Receivable Agreement to **others** ~~Yuma, Yuma Sub, TPG and the TPG Affiliates (or certain permitted transferees thereof)~~ may be accelerated and / or significantly exceed the actual benefits we realize in respect of the tax attributes subject to the Tax Receivable Agreement. The Tax Receivable Agreement provides that upon certain circumstances we will be required to make an immediate payment equal to the present value of the anticipated future tax benefits, including upon certain mergers, asset sales, other forms of business combinations or other changes of control (with certain exceptions, such as the ~~Merger~~ **Spin** Distribution and the ~~Merger~~ **Mergers (as such terms are defined in Note 6 in the notes to the consolidated financial statements included elsewhere in this Annual Report on Form 10- K)**), if we materially breach any of our material obligations under the Tax Receivable Agreement, or if, at any time, we elect an early termination of the Tax Receivable Agreement. The amount of any such payment would be based on certain assumptions, including that we (or our successor) would have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions and tax basis and other benefits related to entering into the Tax Receivable Agreement. As a result, we could be required to make payments under the Tax Receivable Agreement that are greater than or less than the percentage specified in the Tax Receivable Agreement of the actual benefits that we realize in respect of the tax attributes that are subject to the Tax Receivable Agreement and the upfront payment may be made years in advance of the actual realization of such future benefits (if any). ~~If we were to elect to~~ **Under certain circumstances, including an early** ~~terminate~~ **termination of** the Tax Receivable Agreement ~~, based on the initial public offering price of $ 24. 00 per share of our Class A common stock and a discount rate equal to SOFR plus 100 basis points, we estimate that we would be required to pay $ 230. 3 million in the aggregate under the Tax Receivable Agreement. In these situations~~ , our obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity, as well as our attractiveness as a target for an acquisition. In addition, we may not be able to finance our obligations under the Tax Receivable Agreement ~~. Additionally, if Flex undertakes a tax- free distribution of Yuma (or a corporation to which Yuma is contributed), and then causes Yuma (or such corporation) to merge or consolidate with us or with a wholly- owned subsidiary of ours in a tax- free transaction, our obligations under the Tax Receivable Agreement will not accelerate but Yuma can elect in its discretion to assign its rights under the Tax Receivable Agreement to another entity (including an affiliate of Flex) prior to such distribution. If Yuma (or a corporation to which Yuma is contributed) makes this election and assigns its rights under the Tax Receivable Agreement to another entity, we would not be entitled to any payments under the Tax Receivable Agreement nor would this eliminate any of our obligations under the Tax Receivable Agreement, even though Yuma (or such corporation) would be merged with us or with a wholly- owned subsidiary of ours~~ . Payments under the Tax Receivable Agreement will generally be based on the tax reporting positions that we determine except with respect to the agreed tax treatment provided for in the Tax Receivable Agreement. The ~~57~~ Tax Receivable Agreement ~~(" TRA ")~~ and a related side letter (the " TRA Side Letter, "), which is treated as part of the ~~TRA~~ **Tax Receivable Agreement** , provide that the parties will treat payments under the Tax Receivable Agreement and TRA Side Letter that are attributable to certain tax benefits from exchanges of LLC **common** ~~Units~~ **units** under the Exchange Agreement and from the purchase of LLC **common** ~~Units~~ **units** from Yuma **and TPG** (with the net proceeds of the IPO **and follow- on**) as upward purchase price adjustments to the extent permitted by law and other than amounts treated as interest under the Code. We will not be reimbursed for any payments previously made under the Tax Receivable Agreement, even if the tax benefits underlying such payment are disallowed (although future amounts otherwise payable under the Tax Receivable Agreement may be reduced as a result thereof). In addition, the actual state or local tax savings we realize may be different than the amount of such tax savings we are deemed to realize under the Tax Receivable Agreement, which will be based on an assumed combined state and local tax rate applied to our reduction in taxable income as determined for U. S. federal income tax purposes as a result of the Tax Receivable Agreement. As a result, in certain circumstances, payments could be made under the Tax Receivable Agreement in excess of the benefits that we actually realize in respect of the tax attributes subject to the Tax Receivable Agreement. **As a newly public company, we are subject to financial and other reporting and corporate governance requirements that may be difficult for us to satisfy, have resulted in increased costs and diverted resources and management attention from operating our business. In February 2023, we completed our IPO. As a result, we are required to file with the SEC annual and quarterly information and other reports that are specified in the Exchange Act and SEC regulations. Thus, we will need to ensure that we have the ability to prepare, on a timely basis, financial statements that comply with SEC reporting requirements. We are also subject to other reporting and corporate governance requirements, including the listing standards of Nasdaq and the provisions of the Sarbanes- Oxley Act of 2002 (the " Sarbanes- Oxley Act ") and the regulations promulgated thereunder, which impose significant new compliance obligations upon us. As a public company, we are required, among other things, to: • prepare and distribute periodic reports and other stockholder communications in compliance with our obligations under the federal securities laws and Nasdaq rules; • define and expand the roles and the duties of our board of directors and its committees; • institute more comprehensive compliance, investor relations and internal audit functions; • evaluate and maintain our system of internal control over financial reporting in compliance with the requirements of Section 404 of the Sarbanes- Oxley Act and related rules and regulations of the SEC and the Public Company Accounting Oversight Board; and • involve and retain outside legal counsel and accountants in connection with the activities listed above Section 404 of the Sarbanes- Oxley Act requires our management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. We are also required to have our independent registered public accounting firm attest to, and issue an opinion on, the effectiveness of our internal control over financial reporting. If we are unable to assert that our internal control over financial reporting is effective, or if, when required, our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our Class A common stock to**

decline. The changes necessitated by becoming a public company require a significant commitment of resources and management oversight that has increased and may continue to increase our costs and might place a strain on our systems and resources. As a result, our management' s attention might be diverted from other business concerns. We are subject to risks relating to litigation and regulatory investigations and proceedings, which may have a material adverse effect on our business. From time to time, we are involved in various claims, suits, investigations and legal proceedings. Such legal claims or regulatory matters could involve matters relating to commercial disputes, government regulatory and compliance, intellectual property, antitrust, tax, employment or shareholder issues, product liability claims and other issues on a global basis. If we receive an adverse judgment in any such matter, we could be required to pay substantial damages and cease certain practices or activities. Regardless of the merits of the claims, litigation and other proceedings may be both time- consuming and disruptive to our business. The defense and ultimate outcome of any lawsuits or other legal proceedings may result in higher operating expenses and a decrease in operating margin, which could have a material adverse effect on our business, financial condition, or results of operations. Any existing or future lawsuits could be time- consuming, result in significant expense and divert the attention and resources of our management and other key employees, as well as harm our reputation, business, financial condition or results of operations. Risks Related to Our Indebtedness and Financing Our indebtedness could adversely affect our financial flexibility, financial condition **,** and our competitive position. In connection with the Transactions, we incurred substantial indebtedness under the 2023 Credit Agreement. The obligations of the borrower, the LLC, under the 2023 Credit Agreement and related loan documents are severally guaranteed by us and certain of the LLC' s existing and future direct and indirect wholly- owned domestic subsidiaries, subject to certain exceptions. Our level of indebtedness increases the risk that we may be unable to generate cash sufficient to pay amounts due in respect of our indebtedness. Our indebtedness could have other important consequences to you and significant effects on our business. For example, it could: • increase our vulnerability to adverse changes in general economic, industry and competitive conditions ~~;~~ **;** • require us to dedicate a substantial portion of our cash flow from operations to make payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes ~~;~~ **;** • limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate ~~;~~ **;** • restrict us from exploiting business opportunities ~~;~~ **;** • make it more difficult to satisfy our financial obligations, including payments on our indebtedness ~~;~~ **;** • place us at a disadvantage compared to our competitors that have less debt ~~;~~ **;** and • limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions, debt service requirements, execution of our business strategy or other general corporate purposes. In addition, the 2023 Credit Agreement contains, and the agreements evidencing or governing any other future indebtedness may contain, restrictive covenants that limit or will limit our ability to engage in activities that may be in our long- term best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our indebtedness. In addition, a default by us under the 2023 Credit Agreement or an agreement governing any other future indebtedness may trigger cross- defaults under any other future agreements governing our indebtedness. Upon the occurrence of an event of default or cross- default under any of the present or future agreements governing our indebtedness, the lenders could elect to declare all amounts outstanding to be due and payable and exercise other remedies as set forth in the agreements. If any of our indebtedness were to be accelerated, there can be no assurance that our assets would be sufficient to repay this indebtedness in full, which could have a material adverse effect on our ability to continue to operate as a going concern. ~~58~~ The 2023 Credit Agreement contains, and the agreements evidencing or governing any other future indebtedness may contain, financial restrictions on us and our subsidiaries, including restrictions on our or our subsidiaries' ability to, among other things: • place liens on our or our subsidiaries' assets ~~;~~ **;** • incur additional indebtedness ~~;~~ **;** • change the nature of our business ~~;~~ **;** and • change our or our subsidiaries' fiscal year or organizational documents. Our ~~substantial~~ indebtedness could adversely affect our financial condition. Our indebtedness could limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions, debt service requirements, stock repurchases or other purposes. It may also increase our vulnerability to adverse economic, market and industry conditions, limit our flexibility in planning for, or reacting to, changes in our business operations or to our industry overall, and place us at a disadvantage in relation to our competitors that have lower debt levels. Any or all of the foregoing events and / or factors could have a material adverse effect on our business, financial condition and results of operations. We may raise additional capital, which could have a dilutive effect on the existing holders of our common stock and adversely affect the market price of our common stock. We periodically evaluate opportunities to access capital markets, taking into account our financial condition, regulatory capital ratios, business strategies, anticipated asset growth and other relevant considerations. It is possible that future acquisitions, organic growth or changes in regulatory capital requirements could require us to increase the amount or change the composition of our current capital, including our common equity. For all of these reasons and others, and always subject to market conditions, we may issue additional shares of common stock or other capital securities in public or private transactions. The issuance of additional common stock, debt, or securities convertible into or exchangeable for our common stock or that represent the right to receive common stock, or the exercise of such securities, could be substantially dilutive to holders of our common stock. Holders of our common stock have no preemptive or other rights that would entitle them to purchase their pro rata share of any offering of shares of any class or series and, therefore, such sales or offerings could result in dilution of the ownership interests of our stockholders. Because we do not intend to pay any cash dividends on our common stock in the near term, capital appreciation, if any, of our common stock will be your sole source of potential gain for the foreseeable future. We do not intend to pay cash dividends on our common stock in the near term. We currently intend to retain all available funds and any future earnings for use in the operation and expansion of our future businesses and do not anticipate paying any cash dividends in the foreseeable future. Should we decide in the future to pay cash dividends on our common stock, as a holding company, our ability to pay dividends and meet other obligations depends upon the receipt of dividends or other payments from our subsidiaries. In addition, the ~~terms of the~~

~~separation agreement and the~~ 2023 Credit Agreement ~~restrict~~ **restricts** , and any future financing agreements may also restrict, our ability to pay dividends. **In particular** ~~Under the separation agreement, we cannot make any payment or declaration of any dividend or other distribution on Nextracker securities without the prior written consent of Flex unless expressly authorized by the LLC' s governing documents in effect as of February 1, 2022. Furthermore~~ , the 2023 Credit Agreement restricts our ability to pay dividends on our common stock except where certain conditions are met. As a result, capital appreciation, if any, of our common stock will be your sole source of potential gain for the foreseeable future. ~~59~~ Servicing our debt requires ~~a significant amount of~~ cash, and we may not have sufficient cash flow from our business to pay our ~~substantial~~ debt. The LLC' s ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations. We may still incur substantially more debt or take other actions which would intensify the risks discussed above. We and our subsidiaries may be able to incur substantial additional debt in the future, subject to the restrictions contained in our debt instruments, some of which may be secured debt. Our 2023 Credit Agreement restricts our ability to incur additional indebtedness, including secured indebtedness, but if the facility matures or is repaid, we may not be subject to such restrictions under the terms of any subsequent indebtedness. Risks related to our Class A common stock ~~There is no guarantee a public market for our Class A common stock and an active trading market will develop or be sustained. Our common stock has been trading on a national securities exchange for less than six months. Prior to the IPO, there was no public market for our Class A common stock. An active trading market once developed may not be sustained. The lack of an active trading market may impair the value of your shares and your ability to sell your shares at the time you wish to sell them. An inactive trading market may also impair our ability to both raise capital by selling shares of Class A common stock and acquire other complementary technologies or businesses by using our shares of Class A common stock as consideration. An inactive trading market may also impair our ability to both raise capital by selling shares of Class A common stock and acquire other complementary technologies or businesses by using our shares of Class A common stock as consideration.~~ The price of our Class A common stock may continue to fluctuate substantially, and you could lose all or part of your investment. The market price of our Class A common stock has since the IPO fluctuated substantially, is highly volatile and may continue to fluctuate substantially due to many factors, including those described in this " Risk Factors " section, many of which are beyond our control and may not be related to operating performance. These fluctuations could cause you to lose all or part of your investment in our Class A common stock. Factors that could cause fluctuations in trading price of our common stock include the following: • volume and customer mix for our products ~~;~~ **;** • the introduction of new products by us or others in our industry ~~;~~ **;** • disputes or other developments with respect to our or others' intellectual property rights ~~;~~ **;** • product liability claims or other litigation ~~;~~ **;** • quarterly variations in our results of operations or those of others in our industry **;** ~~; 60~~ • media exposure of our products or of those of others in our industry ~~;~~ **;** • changes in governmental regulations or in the status of our regulatory approvals or applications ~~;~~ **;** • changes in earnings estimates or recommendations by securities analysts ~~;~~ **;** • general market conditions and other factors, including factors unrelated to our operating performance or the operating performance of our competitors ~~;~~ **;** • changes in our capital structure or dividend policy, including as a result of future issuances of securities, sales of large blocks of Class A common stock by our stockholders, ~~including Flex,~~ TPG and our employees, or our incurrence of debt ~~; and • announcements or actions taken by Flex as our controlling stockholder~~ . In recent years, the stock markets generally have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may significantly affect the market price of our Class A common stock, regardless of our actual operating performance. In addition, in the past, class action litigation has often been instituted against companies whose securities have experienced periods of volatility in market price. Securities litigation brought against us following volatility in our stock price, regardless of the merit or ultimate results of such litigation, could result in substantial costs, which would harm our financial condition and operating results and divert management' s attention and resources from our business. We cannot predict the effect our multi- class share structure may have on the market price of our Class A common stock. We cannot predict whether our multi- class share structure will result in a lower or more volatile market price of our Class A common stock, adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multi- class share structures in certain of their indices. In July 2017, FTSE Russell announced that it would require new constituents of its indices to have greater than 5 % of a company' s voting rights in the hands of public stockholders. Under such policies, the multi- class structure of our common stock would make us ineligible for inclusion in certain indices and, as a result, mutual funds, exchange- traded funds, and other investment vehicles that attempt to track those indices would not invest in our Class A common stock. It is unclear what effect, if any, these policies will have on the valuations of publicly traded companies excluded from such indices, but it is possible that they may depress valuations, as compared to similar companies that are included. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. In addition, several stockholder advisory firms and large institutional investors oppose the use of multi- class share structures. As a result, our multi- class share structure may cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure, and may result in large institutional investors not purchasing shares of our Class A common stock. As a result of the foregoing factors, the market price and trading volume of our Class A common stock could be adversely affected. Securities analysts may not publish favorable research or reports about our business or may publish no information at all, which could cause our stock price or trading volume to decline. The trading market for our Class A common stock may be influenced to some extent by the research and reports that industry or financial analysts publish about us and our business. We do not control these analysts. As a newly public company, we may be slow to attract research coverage and the analysts who publish information about our Class A common stock will have had relatively little experience with us, which could affect their ~~61~~ ability to accurately forecast our results and could make it more likely that we fail to meet their estimates. **If** ~~In the event we obtain securities or industry analyst coverage, if~~ any of the analysts who cover us provide inaccurate or unfavorable research or issue an adverse opinion regarding our stock price, our stock price could decline. If one or more of these analysts cease coverage of us or fail to publish reports covering us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline. If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our operating results could fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. It is possible that interpretation, industry practice and guidance may evolve over time. If our assumptions change or if actual circumstances differ from our assumptions, our operating results may be adversely affected and could fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock. ~~A significant portion of our total outstanding shares are restricted from immediate resale but may be sold into the market in the near future. Future sales or other distributions of shares of our Class A common stock could cause the market price of our Class A common stock to drop significantly, even if our business is doing well. Sales of a substantial number of shares of our Class A common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell their shares, could result in a decrease in the market price of our Class A common stock. As of March 31, 2023, we have 144, 090, 587 outstanding shares of Class A and Class B common stock. This includes the shares that we sold in the IPO, which may be resold in the public market without restriction, unless purchased by our affiliates. Approximately 113 million shares of our common stock are currently restricted as a result of securities laws or 180- day lock- up agreements. Subject to the restrictions described in the paragraph below, future sales of shares of our Class A common stock in the public market by Flex and TPG will be subject to the volume and other restrictions of Rule 144 under the Securities Act, for so long as Flex or TPG, respectively, is deemed to be our affiliate, unless the shares to be sold are registered with the SEC. Certain affiliates of Flex and TPG have rights, subject to some conditions, to require us to file registration statements covering its shares or to include its shares in registration statements that we may file for ourselves or other stockholders. We are unable to predict whether or when Flex or TPG will sell or otherwise dispose of shares of our Class A or Class B common stock. The sale or other disposition by Flex or TPG of a substantial number of shares, or a perception that such sales or other dispositions could occur, could significantly reduce the market price of our Class A common stock. Additionally, in connection with our IPO, we, certain of our officers and directors, Flex and TPG agreed with the underwriters that, without the prior written consent of each of J. P. Morgan Securities LLC and BofA Securities, Inc., we and they will not, subject to certain exceptions and extensions, during the period ending 180 days after the IPO date, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, or enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequences of ownership of shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock or publicly disclose the intention to make any such offer, sale, pledge or disposition. J. P. Morgan Securities LLC and BofA Securities, Inc. may, in their sole discretion and at any time without notice, release all or any portion of the shares of our common stock subject to the lock- up. 62 In connection with our IPO, we filed a registration statement on Form S- 8 registering under the Securities Act the shares of our Class A common stock reserved for issuance under our Equity Incentive Plan. These shares can be freely sold in the public market, subject to volume limitations applicable to affiliates and the lock- up agreements described above. We expect to incur significant additional costs as a result of being a public company, which may adversely affect our business, financial condition and results of operations. We have incurred and expect to continue to incur costs associated with corporate governance requirements that have become applicable to us as a public company, including rules and regulations of the SEC, under the Sarbanes- Oxley Act of 2002, the Dodd – Frank Wall Street Reform and Consumer Protection Act of 2010, and the Exchange Act, as well as the rules of Nasdaq. These rules and regulations are expected to significantly increase our accounting, legal and financial compliance costs and make some activities more time- consuming. We also expect these rules and regulations to make it more expensive for us to maintain directors' and officers' liability insurance. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our board of directors or as executive officers. Accordingly, increases in costs incurred as a result of becoming a publicly traded company may adversely affect our business, financial condition and results of operations. If we experience material weaknesses in the future or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to accurately report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our Class A common stock. As a result of becoming a public company, we are required, under Section 404 of the Sarbanes – Oxley Act of 2002, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting beginning with our Annual Report on Form 10- K for the year ending March 31, 2024. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting, such~~

~~that there is a reasonable possibility that a material misstatement of a company' s annual and interim financial statements will not be detected or prevented on a timely basis. We are further enhancing internal controls, processes and related documentation necessary to perform the evaluation needed to comply with Section 404. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are effective. The effectiveness of our controls and procedures may be limited by a variety of factors, including: • faulty human judgment and simple errors, omissions or mistakes; • fraudulent action of an individual or collusion of two or more people; • inappropriate management override of procedures; and • the possibility that any enhancements to controls and procedures may still not be adequate to assure timely and accurate financial control. Our auditors will be required to express an opinion on the effectiveness of our internal controls beginning with our Annual Report on Form 10- K for the year ending March 31, 2024. If we are unable to confirm that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal controls, we could lose investor confidence in the accuracy and completeness of our financial reports, which could cause the price of our Class A common stock to decline. Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud. We are subject to the periodic reporting requirements of the Exchange Act. We designed our disclosure controls and procedures to provide reasonable assurance that information we must disclose in reports we file or submit 63 under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision- making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.~~ Provisions in our corporate charter documents and under Delaware law ~~and certain contractual rights granted to Flex~~ could make an acquisition of us more difficult and may prevent attempts by our stockholders to replace or remove our current management. Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws ~~and certain contractual rights that have been granted to Flex under the separation agreement~~ may discourage, delay or prevent a merger, acquisition or other change in control of us that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our Class A common stock, thereby depressing the market price of our Class A common stock. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Because our board of directors is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace current members of our management team. Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the DGCL, which prohibits a person who owns in excess of 15 % of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15 % of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. Our amended and restated certificate of incorporation specifies that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another state court in Delaware or the federal district court for the District of Delaware) will be the sole and exclusive forum for most legal actions involving actions brought against us by stockholders. Notwithstanding the foregoing, the exclusive forum provision will not apply to any claim to enforce any liability or duty created by the Exchange Act or any other claim for which the U. S. federal courts have exclusive jurisdiction. Our amended and restated certificate of incorporation provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. We believe this exclusive forum provision benefits us by providing increased consistency in the application of Delaware law by chancellors particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi- forum litigation. However, such provisions may have the effect of discouraging lawsuits against our directors and officers. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in such action. ~~64~~ Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third- party claims against us and may reduce the amount of money available to us. Our amended and restated certificate of incorporation provides that we will indemnify our directors and officers to the fullest extent permitted by Section 145 of the DGCL. In addition, as permitted by the DGCL, our amended and restated certificate of incorporation and our indemnification agreements that we have entered into with our directors and officers provide that: • we will indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by applicable law. Such law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to our best interests and, with with respect to any criminal proceeding, had no reasonable cause to believe such person' s conduct was unlawful ~~;~~ **;** • we may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law ~~;~~ **;** • we are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification ~~;~~ **;** • the rights conferred in our amended and restated certificate of incorporation are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons ~~;~~ **;** and • we may not retroactively amend our amended and restated certificate of incorporation provisions to reduce our indemnification obligations to directors, officers, employees and agent **. Risks related to the Spin Transactions Under the Tax Matters Agreement, Nextracker will be restricted from taking certain actions that could adversely affect the intended tax treatment of the Spin Distribution or the Mergers, and such restrictions could significantly impair Nextracker' s ability to implement strategic initiatives that otherwise would be beneficial. The Tax Matters Agreement was entered into by us, Yuma and Flex immediately prior to the Spin Distribution and which governs the rights, responsibilities and obligations of such parties with respect to taxes (including taxes arising in the ordinary course of business and taxes incurred as a result of the Tax Distributions, as defined in Note 6 in the notes to the consolidated financial statements included elsewhere in this Annual Report on Form 10- K (the" Distributions"), and the Mergers), tax attributes, tax returns, tax contests and certain other matters (the " Tax Matters Agreement "), generally imposes certain restrictions on Nextracker that could adversely affect the intended tax treatment of the Spin Distribution or the Mergers, subject to certain exceptions. As a result of these restrictions, Nextracker' s, ability to engage in certain transactions, such as the issuance or purchase of stock or certain business combinations, may be limited. If we take any enumerated actions or omissions, or if certain events relating to us occur that would cause the Spin Distribution or the Mergers to become taxable, we may be required to bear the cost of any resulting tax liability under the Tax Matters Agreement. Any such indemnification obligation likely would be substantial and likely would have a material adverse effect on us. These restrictions may reduce our ability to engage in certain business transactions that otherwise might be advantageous to us, which could adversely affect our business, result of operations, or financial condition** . General risk factors If we fail to manage our future growth effectively, we may be unable to execute our business plan, maintain high levels of customer service or adequately address competitive challenges. We have experienced significant growth in recent periods. We intend to continue to expand our business significantly within existing and new markets. This growth has placed, and any future growth may place, a significant strain on our management, operational and financial infrastructure. In particular, we will be required to expand, train and manage our growing employee base and scale and improve our IT infrastructure in tandem with that headcount growth. Our management will also be required to maintain and expand our relationships with customers, suppliers and other third parties and attract new customers and suppliers, as well as manage multiple geographic locations. Our current and planned operations, personnel, IT and other systems and procedures might be inadequate to support our future growth and may require us to make additional unanticipated investment in our infrastructure. Our success and ability to further scale our business will depend, in part, on our ability to manage these changes in a cost- effective and efficient manner. If we cannot manage our growth effectively, we may be unable to take advantage of market opportunities, execute our business strategies or respond to competitive pressures. This could also result in declines in quality or customer satisfaction, increased costs, difficulties in introducing new offerings or other operational difficulties. Any failure to effectively manage growth could adversely impact our reputation and could have a material adverse effect on our business, financial condition and results of operations. If we fail to retain our key personnel or if we fail to attract additional qualified personnel, we may not be able to achieve our anticipated level of growth and our business could suffer. Our future success and ability to implement our business strategy depends, in part, on our ability to attract and retain key personnel, and on the continued contributions of members of our senior management team and key ~~65~~ **technical personnel, each of whom would be difficult to replace. All of our employees, including our senior management, are free to terminate their employment relationships with us at any time. Competition for highly skilled individuals with technical expertise is extremely intense, and we face challenges identifying, hiring and retaining qualified personnel in many areas of our business. Integrating new employees into our team could prove disruptive to our operations, require substantial resources and management attention and ultimately prove unsuccessful. An inability to retain our senior management and other key personnel or to attract additional qualified personnel could limit or delay our strategic efforts, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Future acquisitions, strategic investments, partnerships, or alliances could be difficult to identify and integrate, divert the attention of key management personnel, disrupt our business, dilute stockholder value and adversely affect our business, financial condition, and results of operations. As part of our business strategy, we expect to make investments in and / or acquire complementary companies, services or technologies. Our ability as an organization to acquire and integrate other companies, services or technologies in a successful manner in the future is not guaranteed. We may not be able to find suitable acquisition candidates, and we may not be able to complete such acquisitions on favorable terms, if at all. If we do complete acquisitions, we may not ultimately strengthen our competitive position or ability to achieve our business objectives, and any acquisitions we complete could be viewed negatively by our end- customers or investors. In addition, our due diligence may fail to identify all of the problems, liabilities or other shortcomings or challenges of an acquired business, product or technology, including issues related to intellectual property, product quality or product architecture, regulatory compliance practices, revenue recognition or other accounting practices or issues with employees or customers. If we are unsuccessful at integrating such acquisitions, or the technologies associated with such acquisitions, into our company, the revenue and results of operations of the combined company could be adversely affected. Any integration process may require significant time and resources, and we may not be able to manage the process successfully. We may not successfully evaluate or utilize the acquired technology or personnel, or accurately forecast the financial impact of an acquisition transaction, causing unanticipated write- offs or accounting charges. We may have to**

pay cash, incur debt or issue equity securities to pay for any such acquisition, each of which could adversely affect our financial condition and the market price of our Class A common stock. The sale of equity or issuance of debt to finance any such acquisitions could result in dilution to our stockholders. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations.