



# CORPORATE OVERVIEW

Q2 2026



## Legal Disclaimer

### Forward-Looking Statements

This presentation contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include information concerning the potential contributions of Shoals' business initiatives, and our possible or assumed business strategies and potential growth opportunities. Forward-looking statements include statements that are not historical facts and can be identified by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "seek," "should," "will," "would" or similar expressions and the negatives of those terms.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks and uncertainties include, among others: if we fail to retain our key personnel and attract additional qualified personnel, our business strategy and prospects could suffer, and other risks and uncertainties described in the Company's most recent Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission. Given these uncertainties, you should not place undue reliance on forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this presentation. You should read this presentation with the understanding that our actual future results may be materially different from what we expect.

Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

### Non-GAAP Financial Information

This presentation includes Adjusted Gross Profit, Adjusted Gross Profit Percentage, Adjusted EBITDA, Adjusted Net Income, Adjusted Diluted Earnings per Share ("EPS") and Net Debt, which are unaudited financial measures that exclude items and therefore are not in accordance with U.S. generally accepted accounting principles ("GAAP"). These are presented as supplemental measures of the Company's performance.

A reconciliation of Adjusted EBITDA guidance, which is a forward-looking measure that is a non-GAAP measure, to the most closely comparable GAAP measure is not provided because we are unable to provide such reconciliation without unreasonable effort. The inability to provide a quantitative reconciliation is due to the uncertainty and inherent difficulty in predicting the occurrence, the financial impact and the periods in which the components of the applicable GAAP measure and non-GAAP adjustments may be recognized. The GAAP measure may include the impact of such items as non-cash share-based compensation, amortization of intangible assets and the tax effect of such items, in addition to other items we have historically excluded from Adjusted EBITDA. We expect to continue to exclude these items in future disclosures of these non-GAAP measures and may also exclude other similar items that may arise in the future.

### Market and Industry Data

This presentation also contains information regarding the Company's market and industry that is derived from third-party research and publications. That information may rely upon a number of assumptions and limitations, and the Company has not independently verified its accuracy or completeness.

# SHOALS TECHNOLOGIES GROUP™

30 years of  
experience and  
commitment  
to quality,  
transforming solar  
power industry

Shoals is a leading provider of electrical balance of systems (EBOS) solutions for utility-scale, commercial, and industrial solar photovoltaic (PV) and energy storage projects.

## HIGHLIGHTS

- ▶ Founded in 1996 as a Tier 1 automotive supplier
- ▶ Launched Solar EBOS in 2002
- ▶ Debuted on the Nasdaq in 2021 (SHLS)
- ▶ Commitment to US manufacturing – New Facility in Tennessee in 2026
- ▶ Headquartered outside Nashville, Tennessee, USA, our products are certified Made in Tennessee
- ▶ PV magazine award 2024 for 2kV solutions
- ▶ Over 60 patents issued and pending globally
- ▶ Largest EBOS supplier worldwide with over 80 GW under contract, in construction, and operating<sup>1</sup>

<sup>1</sup>Through Q1 2026.



# PURPOSE AND WINNING ASPIRATION

## Inventing Simple

▼  
**HOW**

Through our core values of:

- Responsibility
- Integrity
- Agility
- Innovation
- Accountability
- Commitment

▼  
**WHAT**

Deliver value to customers' energy assets via reliable and efficient solutions

▼  
**WHY**

Positively impact the world by enabling global electrification and making the complex simple



# CONNECTING ALL PARTS OF THE SOLAR FIELD

Electrical Balance of Systems (EBOS) connects all major components of the solar field.



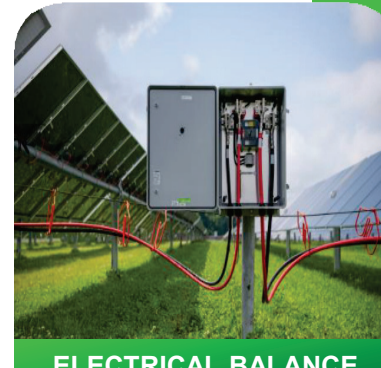
TRACKERS / RACKING



MODULES



INVERTERS



ELECTRICAL BALANCE OF SYSTEMS (EBOS)

We are the Central Nervous System of the Solar Field

Selected Publicly Traded Companies



First Installed

Last Installed

Project Timeline





# DEEP CUSTOMER RELATIONSHIPS WITH INDUSTRY LEADERS

Including such partners as:

## ENGINEERING, PROCUREMENT & CONSTRUCTION (EPC)



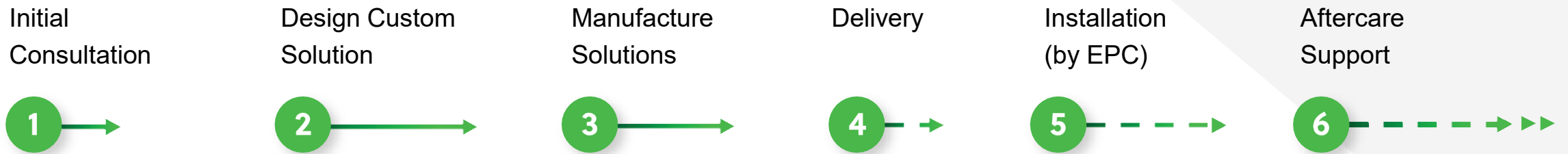
## DEVELOPER





# CREATING AN UNMATCHED EXPERIENCE FOR OUR CUSTOMERS

Our **consultative engineering capability** creates a unique relationship with our customers. We become a critical part of their business, delivering **custom manufactured solutions every time**.



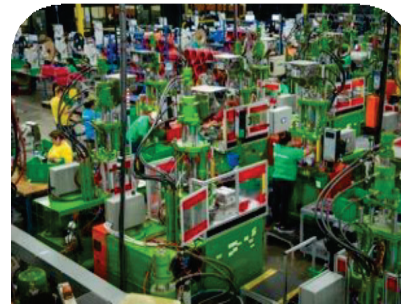
Full Cycle From Project Identification to Interconnection: 24 - 30 Months



Upfront engineering application expertise



Blueprint & design confirmation



Remove complexity from the field



Timely delivery of plug-n-play solutions



Operations and maintenance support

# WHY SHOALS?

## Shoals goes above and beyond

**Inventing Simple®** isn't just a slogan to us, it's a way of life. Great doesn't need to be complicated. Simple design equals easy install! Share your drawings with us and we'll optimize your project layout free of charge. How simple is that?



I deal with 100 vendors and Shoals has to be the top 5%. They provide really good technical service.”

— Site Operations, Public Utility



### LAYOUT

Our talented engineering team takes the drawings, and wires the field, using fewer components for a more affordable system, reducing failure points.



### MAIN COMPONENTS

We design our solution to fit perfectly with your module, tracker and inverter. Our system is customized according to their specific parameters.



### CONNECTORS

We only work with the specific connectors for your modules. "Compatible" connectors are not allowed when enhancing quality.



### CODE

Our solutions are installed worldwide. Let us know the specific standards and code your project is working with.



### TECHNICAL SPECIFICATIONS

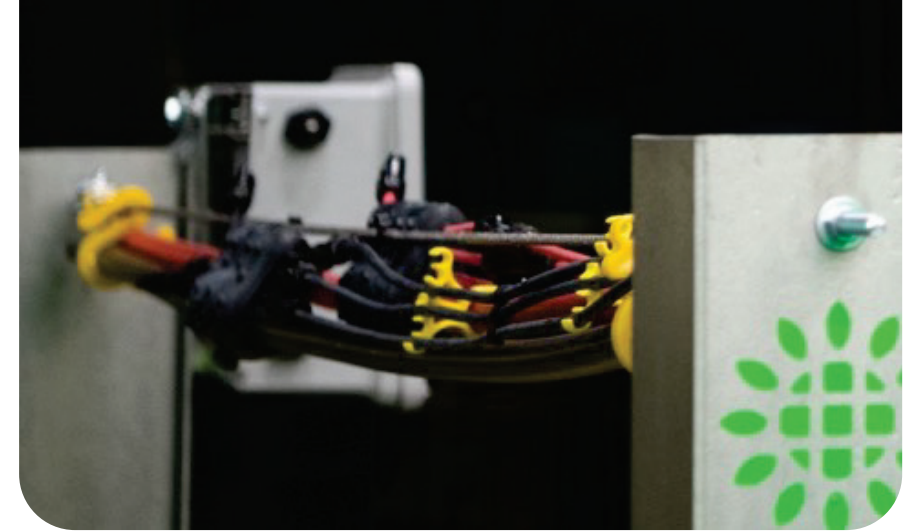
We know that each project is unique. Share your technical specifications and we will follow them to bring you the best solution.



# SHOALS VS. TRADITIONAL EBOS PROVIDERS

## Differentiators that make a difference

Our customizable plug & play EBOS solutions reduce materials, installation labor, and Operations & Maintenance touch points over the project's lifespan, significantly cutting timelines, reducing costs, and enhancing longevity and financial return.



### FLEXIBILITY

- ✓ Customizable EBOS toolkit of solutions addresses installation and design challenges.
- ✓ Streamlined designs and prefabricated components minimize the need for extensive civil works, significantly reducing both time and expenses.
- ✓ Solutions allow for agile adjustments to project layouts and configurations as needed, without compromising on performance or reliability.

### INNOVATION

- ✓ Innovative EBOS solutions optimize overall PV system performance.
- ✓ Patented two-process molding technology chemically bonds to jacket of cable, establishing hermetic seal.
- ✓ Cutting-edge wireless communication protocol, LoRa (Long Range), ensures efficient data transmission across solar PV systems, driving enhanced performance.

### OPTIMIZATION

- ✓ Value-add engineering capabilities deliver optimized site layouts.
- ✓ High quality designs improve system efficiencies and enable a better energy yield.
- ✓ Prefabricated components are quickly and easily installed by semi-skilled labor – speeding installation and reducing labor costs.



# WELL-POSITIONED IN AN ESSENTIAL GLOBAL INDUSTRY

## Global demand for electricity continues to increase, driven by:

- Rapid proliferation of data centers, driven by growth in Artificial Intelligence
- Increase domestic manufacturing in the U.S. and ongoing electrification of the transportation and building sectors
- Shift from fossil fuels to renewable energy
- Growing demand from emerging and developing economies

~69%

of all new electricity-generating capacity additions in Q1 2025 in the U.S. came from PV solar.<sup>1</sup>

~4.3%

increase in global electricity demand in 2024. Global electricity demand is forecasted to increase at ~4% out to 2027.<sup>2</sup>

~50%

of the global electricity demand growth out to 2027 is expected to come from solar energy, up from 40% in 2024.<sup>2</sup>

**Rising Electricity Demand Creates Secular Tailwind for Ongoing Renewable Energy Development**

<sup>1</sup>Wood Mackenzie "US Solar Market Insight, Full Report, Q2 2025" (June 2025)

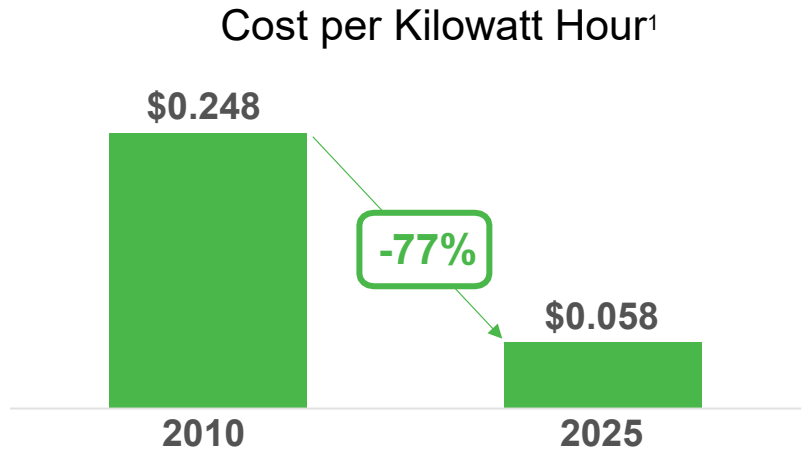
<sup>2</sup>International Energy Agency "Electricity 2025 Analysis and forecast to 2027" report (February 2025)



# Facilitating Development of Much-Needed Solar Capacity



Solar has become THE cost-effective option for meeting growing demand...



U.S. weighted average levelized cost of electricity (LCOE) for utility-scale solar declined ~77% between 2010 and 2025<sup>1</sup>.

...but practical impediments have impeded new solar installations



Availability of skilled labor



Lengthy interconnection and permitting queue



Higher interest rates challenge economics



Availability of utility equipment

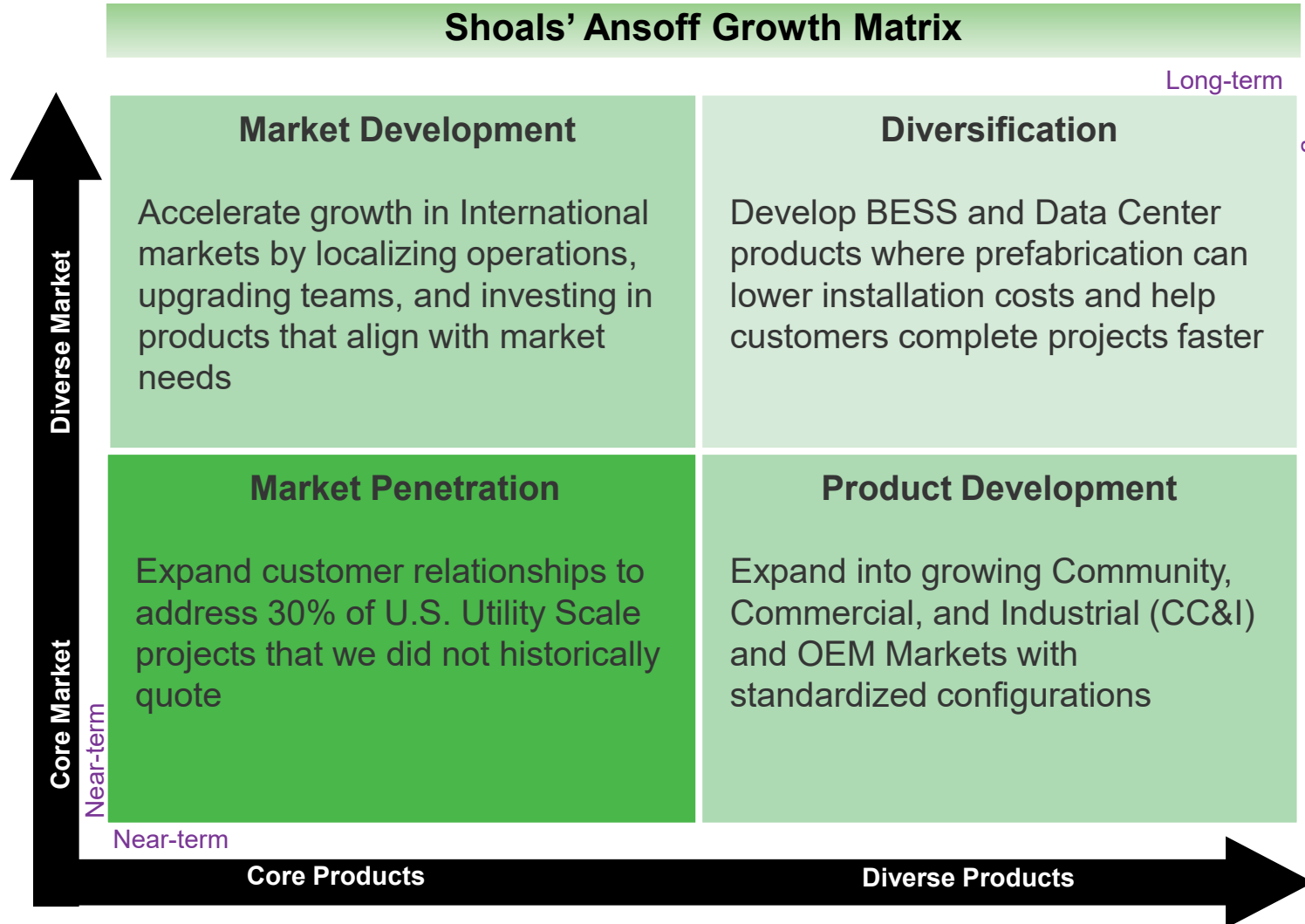
Shoals is Uniquely Positioned to Address Industry Challenges and Facilitate Ongoing Solar Development

<sup>1</sup>Lazard's levelized cost of energy+ analysis, June 2025

# DIVERSIFYING WITHIN OUR CORE AND DEVELOPING NEW MARKETS



## Shoals' Ansoff Growth Matrix



## Key Highlights

### Market Penetration – U.S. Utility Scale

- Diversity in our order book continues to grow, making progress with customers we had not quoted before

### Market Development – International

- Clear and focused strategy is bearing fruit with growing pipeline of projects across key markets

### Product Development – CCI & OEM

- Successfully launched and exceeded plan in CCI and OEM segments

### Diversification – BESS & Data Center

- Large BESS opportunities continue to materialize, and market is even more favorable since the passing of the OBBB
- Data Center potential is an organically growing opportunity to solve for lack of electricians and busway solution delays

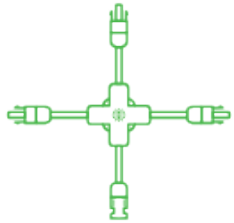
# PRODUCT PORTFOLIO

Shoals' product roadmap is shaped by the latest industry trends and evolving customer needs



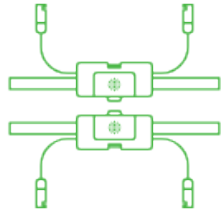
## Electrical Balance of Systems

Optimizing Balance of System (BOS) products is what Shoals does best. When designing your harnessing system, we strive for efficiency and ease of use, thereby reducing the need for specialized labor in construction.



### Homeruns, Interconnection & Extensions

Our patented prefabricated interconnection & extension solutions and homerun harnesses reduce the specialized labor required in PV project installations, making the integration of solar panels a breeze.



### Big Lead Assembly (BLA), mini BLA, Long Tail BLA (LT BLA)

The BLA® trunk bus system takes all the complexity out of wiring your solar field. Using our latest in-line fuse and wire manufacturing technology, we offer you a site free of traditional DC string combiners.



### Transition Boxes

The Transition Box adds additional versatility to the BLA solution for above-ground to below-ground transitions.



### Combiners, Recoiners and Disconnects

The next evolution of combiner, recombiter, and disconnect boxes optimizes both cost and layout without sacrificing quality or performance.

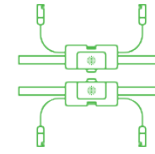


### Junction Boxes

J-boxes are enclosures attached to the back of a solar panel to hold the electrical components needed to integrate the panel into the energy system. Designed for durability, the j-box simplifies installation and maintenance.



# BLA VALUE PROPOSITION



## OTHER EBOS SOLUTIONS

### Installation requires licensed electricians and special tools

- Trenching
- Underground conduit
- 6-step process for every connection
- Complex wiring architecture

### Redundant wiring wastes time and materials

- Every string requires two wire runs
- Same distances covered multiple times
- Multiple intermediate interconnection points (combiner boxes)

### Field work creates quality control issues

- Connectors fabricated onsite
- “Crimped” connections prone to faults
- Systems vulnerable to human error
- Significant rework

## SHOALS' BLA EBOS SOLUTION

↓ LABOR    ↑ INSTALL ABOVE GROUND

### Reduces labor rates & hours

- Plug & Play push connectors
- Installable by general labor
- No electricians required

### Enables above-ground installation

- No trenching or buried conduit
- Hung from mounting structure

### INNOVATIVE DESIGNS ENABLE MUCH LESS MATERIAL

### Significantly reduces wire runs

- Strings combined in the row
- 67% fewer string runs
- 95% fewer inverter runs

### Eliminates combiner boxes

- Direct connections between components
- Inline fusing
- No complex wiring

### MOVING FABRICATION TO THE FACTORY

### Increases safety & reliability

- Pre-terminated connectors
- Factory fabricated
- Reduction in failure points

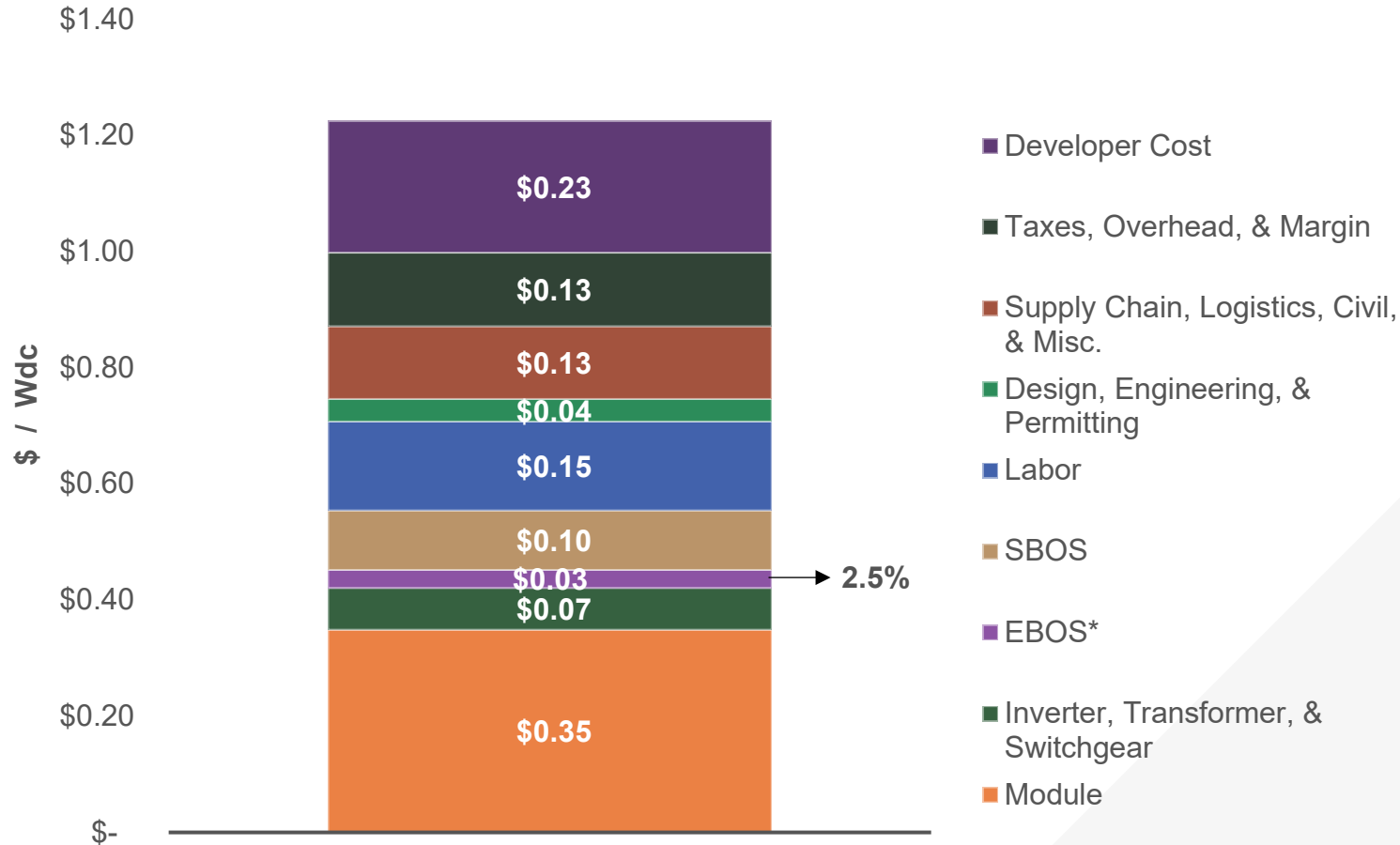
### Reduces maintenance requirements

- Everything above ground & accessible
- Less potential for installation errors
- 83% fewer connection points to maintain

# UTILITY SCALE SOLAR – CAPEX BREAKDOWN

EBOS is Highly Critical, but Low Overall Cost

## 2024 CapEx Breakdown<sup>1</sup>



EBOS represents only **2.5%<sup>1</sup>** of total utility scale solar project cost.

All-in systems  
cost<sup>1</sup>: **\$1.23 / Wdc**

\*Shoals BLA and other EBOS solutions included within this category

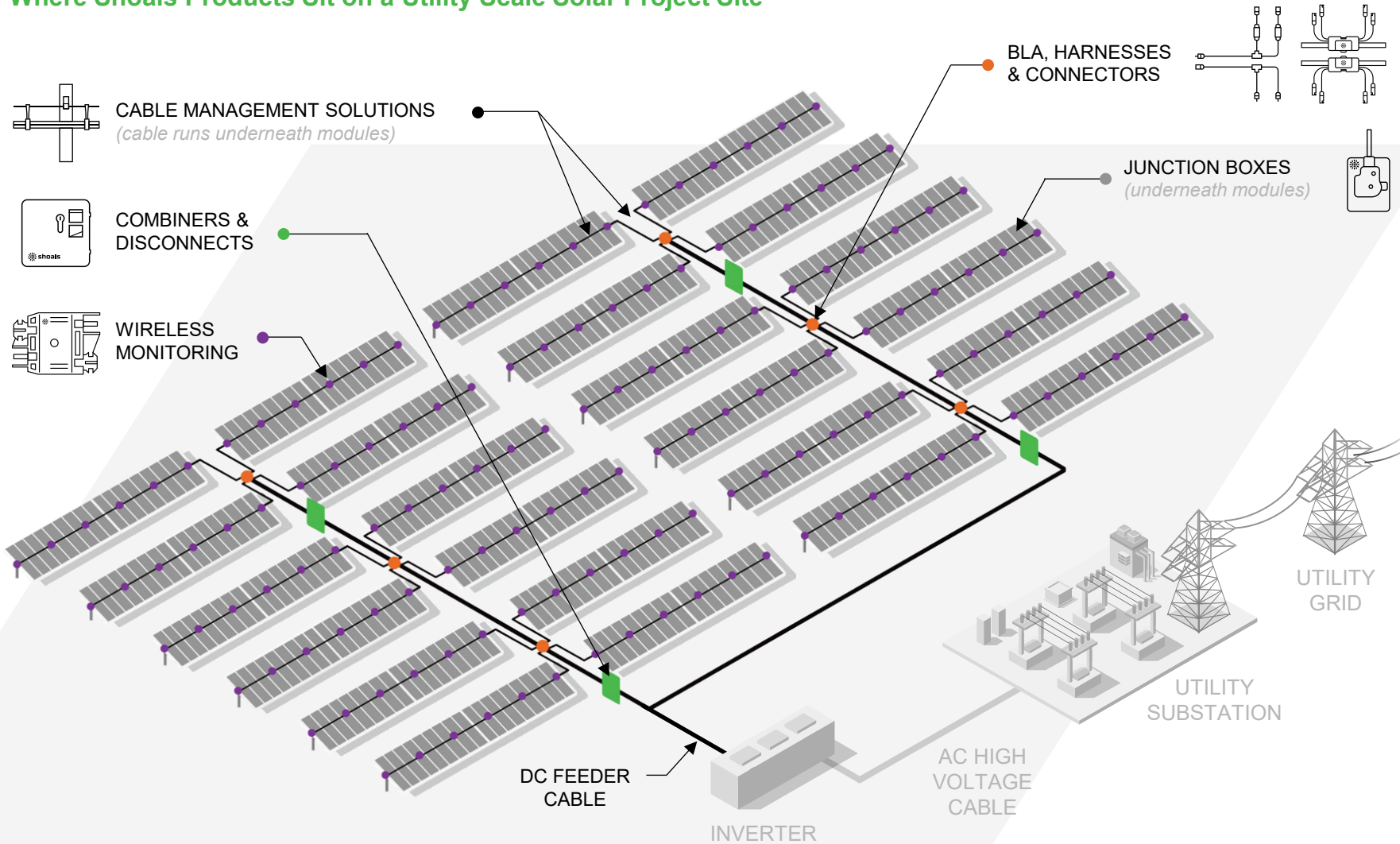
<sup>1</sup>Per Wood Mackenzie's Interactive US Solar PV System Price Model, H1 2024, System #5 Scenario with Central Inverter and Bifacial Module.





# UTILITY SCALE SOLAR

## Where Shoals Products Sit on a Utility Scale Solar Project Site



● BLA TRUNK BUS



● DISCONNECT BOX



● CABLE MANAGEMENT SOLUTION

# BATTERY ENERGY STORAGE SOLUTIONS (BESS)

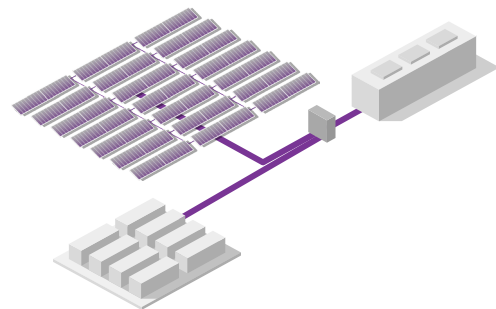


## Paths to Market

### Solar + Storage

(Independent Power Producer  
/ Utility)

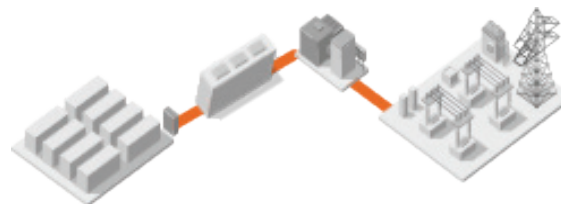
- ✓ Grid reliability and stabilization
- ✓ Lower electricity bills and better project economics
- ✓ Peak shaving and load shifting



### Grid Firming

(Utility)

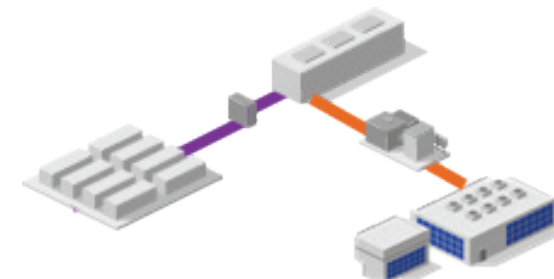
- ✓ Peak shaving and energy arbitrage
- ✓ Frequency regulation
- ✓ Grid resiliency and stability
- ✓ Operational resilience



### Data Center Power / UPS

(Hyperscaler)

- ✓ Peak shaving and energy arbitrage
- ✓ Frequency regulation
- ✓ Grid resiliency and stability
- ✓ Operational resilience



# SHOALS – FORGING AHEAD

Embracing our past, driving towards a new future

**Building on our strong foundation, we are taking decisive steps today to shape our future direction:**

- ✓ Our portfolio has never been more complete, solving real business problems with innovative new product solutions,
- ✓ The commercial team is executing our strategy and driving share gains,
- ✓ Our new manufacturing facility will enable visible and meaningful operational improvements,
- ✓ Our growth opportunities (i.e., Battery Energy Storage Systems, International, Community, Commercial & Industrial, and Original Equipment Manufacturer) are beginning to contribute meaningfully, and
- ✓ Our position as a domestic manufacturer gives us a competitive advantage.



# Most Recent Quarterly Financial Highlights



# QUARTERLY HIGHLIGHTS

**\$141M**

Revenue

Above our Q1 2026  
guidance range

**\$21M**

Adjusted  
EBITDA<sup>1</sup>

At the high end of our  
Q1 2026 guidance  
range

**\$758M**

Backlog &  
Awarded  
Orders

A **company record**  
BLAO & \$628M with  
shipment dates in  
upcoming four  
quarters

**1.1**

Book-to-Bill

Strong demand for  
Shoals products,  
continued growth, and  
diversified customer  
base in new bookings

<sup>1</sup>See Appendix for reconciliation of Non-GAAP measures.

# First Quarter Financial Snapshot

	Q1 2026	Q1 2025	\$ Change YoY	% Change YoY
\$ thousands				
<b>Revenue</b>	\$ 140,557	\$ 80,361	\$ 60,196	74.9%
Cost of Goods Sold	99,547	52,221	47,326	90.6%
<b>Gross Profit</b>	<b>41,010</b>	<b>28,140</b>	<b>12,870</b>	<b>45.7%</b>
Gross Profit %	29.2%	35.0%	—	(580bps)
Plant optimization expense	621	—	621	100.0%
<b>Adjusted Gross Profit<sup>1</sup></b>	<b>\$ 41,631</b>	<b>\$ 28,140</b>	<b>\$ 13,491</b>	<b>47.9%</b>
Adjusted Gross Profit % <sup>1</sup>	29.6%	35.0%	—	(540bps)
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$ 21,112</b>	<b>\$ 13,505</b>	<b>\$ 7,607</b>	<b>56.3%</b>
Adj. EBITDA % <sup>1</sup>	15.0%	16.8%	—	(180bps)
<b>Adjusted Net Income<sup>1</sup></b>	<b>\$ 12,145</b>	<b>\$ 5,734</b>	<b>\$ 6,411</b>	<b>111.8%</b>
Adj. Net Income % <sup>1</sup>	8.6%	7.1%	—	150bps
<b>Adjusted Diluted EPS<sup>1</sup></b>	<b>\$ 0.07</b>	<b>\$ 0.03</b>	<b>\$ 0.04</b>	<b>108.5%</b>

<sup>1</sup>See Appendix for reconciliation of Non-GAAP measures.

**\$140.6M**

**Q1 Revenue**

**29.6%**

**Q1 Adjusted  
Gross Profit %<sup>1</sup>**

**\$41.6M**

**Q1 Adjusted  
Gross Profit<sup>1</sup>**

**\$21.1M**

**Q1 Adjusted EBITDA<sup>1</sup>,  
15.0% Adjusted  
EBITDA Margin<sup>1</sup>**

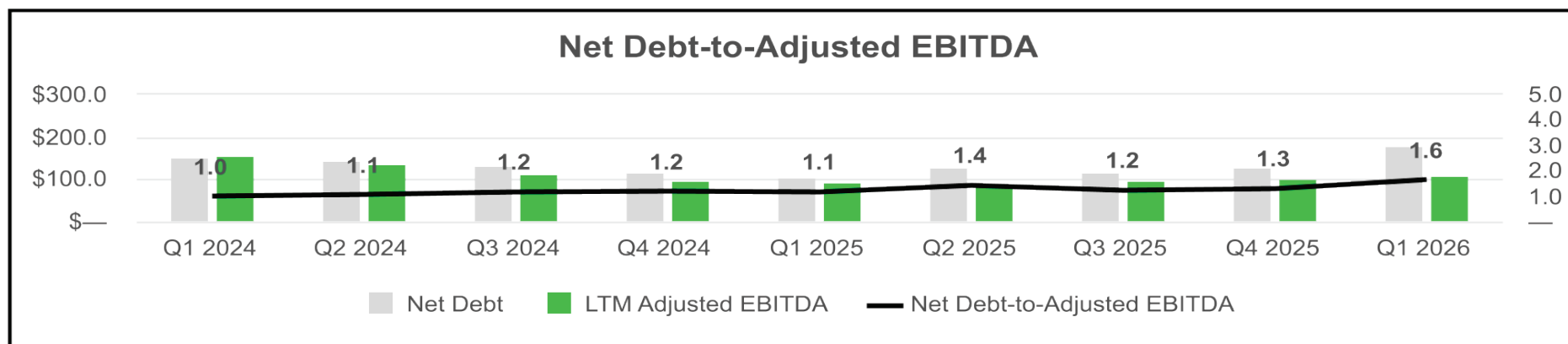
**\$12.1M**

**Q1 Adjusted  
Net Income<sup>1</sup>**

**\$0.07**

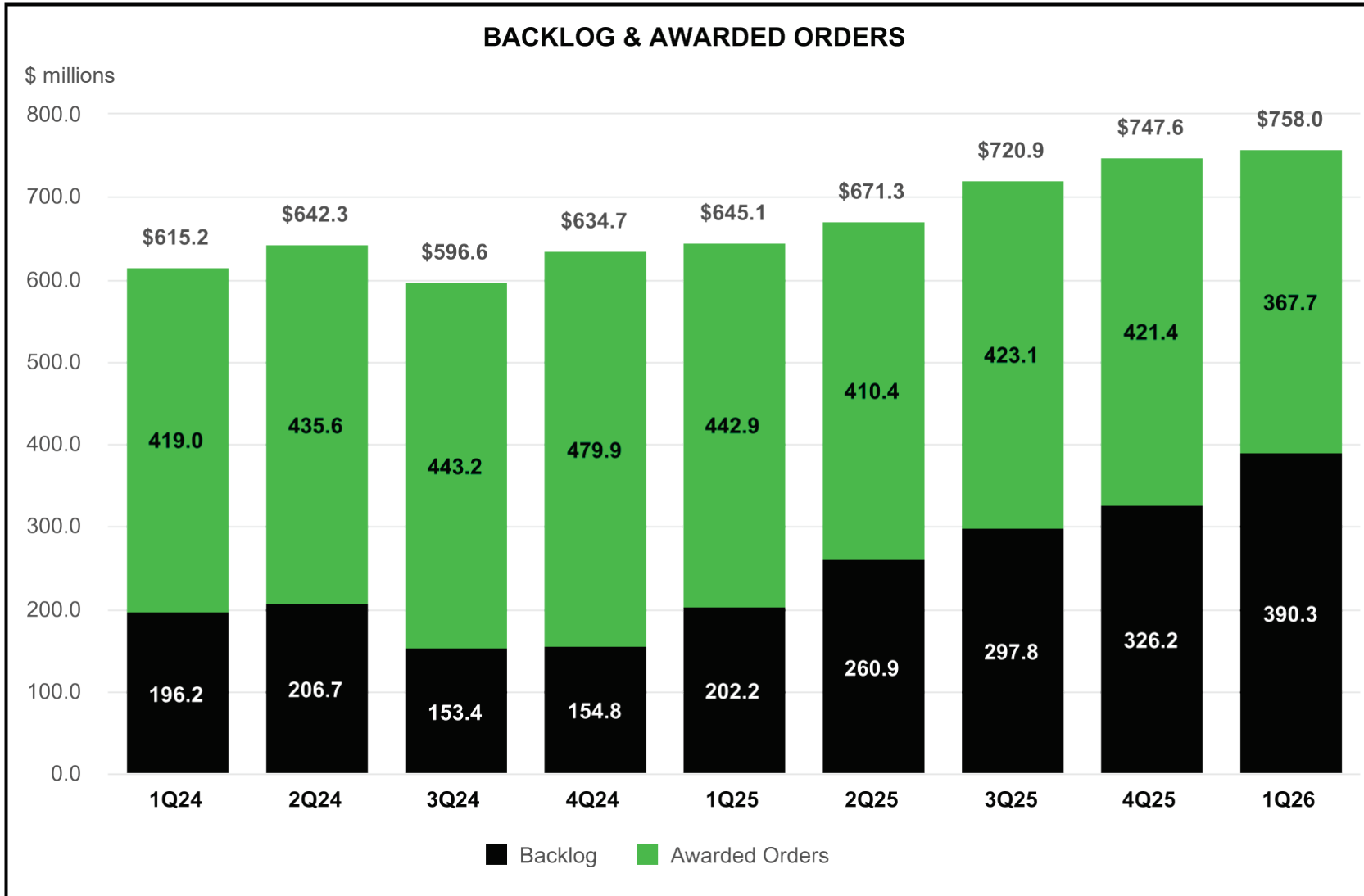
**Q1 Adjusted  
Diluted EPS<sup>1</sup>**

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Cash & Cash Equivalents	\$35.6	\$4.7	\$8.6	\$7.3	\$1.9
Total Long-term Debt	\$141.8	\$131.8	\$126.8	\$136.8	\$181.8
Less: Cash & Cash Equivalents	\$35.6	\$4.7	\$8.6	\$7.3	\$1.9
Net Debt <sup>1</sup>	\$106.2	\$127.1	\$118.2	\$129.5	\$179.9
Adjusted EBITDA	\$13.5	\$24.7	\$32.2	\$31.6	\$21.1
LTM Adjusted EBITDA	\$93.0	\$89.7	\$97.1	\$102.1	\$109.7
<b>Total Long-term Debt-to-Adjusted EBITDA</b>	<b>1.5</b>	<b>1.5</b>	<b>1.3</b>	<b>1.3</b>	<b>1.7</b>
<b>Net Debt-to-Adjusted EBITDA</b>	<b>1.1</b>	<b>1.4</b>	<b>1.2</b>	<b>1.3</b>	<b>1.6</b>
<b>Total Liquidity<sup>2</sup></b>	<b>\$93.9</b>	<b>\$72.9</b>	<b>\$81.8</b>	<b>\$70.6</b>	<b>\$17.3</b>



<sup>1</sup> Net Debt equals Total Long-Term Debt minus Cash and Cash Equivalents

<sup>2</sup> Total Liquidity equals Cash and Cash Equivalents plus available borrowing capacity on Revolving Credit Facility minus Letters of Credit



# \$758.0M

As of March 31, 2026  
in **record backlog & awarded orders**

**+18% YoY**

# \$390.3M

As of March 31, 2026  
in **record backlog**

# \$627.6M

to deliver in Forward  
Four Quarters

# \$130.4M

Beyond Q1 2027



Full year **2026** expectations:

<b>\$600-640M</b> 2026 Full Yr Revenue (30% YoY Growth at Midpoint)	<b>\$118-132M</b> 2026 Adj. EBITDA <sup>1</sup> (26% YoY Growth at Midpoint)
<b>\$65-85M</b> 2026 Full Yr Operating Cash Flow (340% YoY Growth at Midpoint)	<b>\$20-30M</b> 2026 Capital Expenditures (24% YoY Reduction at Midpoint)
<b>\$8-12M</b> 2026 Interest Expense (Flat YoY at Midpoint)	

<sup>1</sup>A reconciliation of Adjusted EBITDA guidance which is a forward-looking measure that is non-GAAP, to the most closely comparable GAAP measure is not provided because we are unable to provide such reconciliation without unreasonable effort. The inability to provide a quantitative reconciliation is due to the uncertainty and inherent difficulty in predicting the occurrence, the financial impact and the periods in which the components of the applicable GAAP measures and non-GAAP adjustments may be recognized. The GAAP measures may include the impact of such items as non-cash share-based compensation, amortization of intangible assets and the tax effect of such items, in addition to other items we have historically excluded from Adjusted EBITDA. We expect to continue to exclude these items in future disclosures of these non-GAAP measures and may also exclude other similar items that may arise in the future.

# Appendix

## Non-GAAP Reconciliations, Adjusted Gross Profit

Adjusted Gross Profit	Three Months Ended March 31,	
	2026	2025
Revenue	\$ 140,557	\$ 80,361
Cost of revenue	99,547	52,221
Gross profit	\$ 41,010	\$ 28,140
Gross profit percentage	29.2%	35.0%
Plant optimization expense <sup>(b)</sup>	\$ 621	\$ —
Adjusted gross profit	\$ 41,631	\$ 28,140
Adjusted gross profit percentage	29.6%	35.0%

(b) For the three months ended March 31, 2026 and 2025, represents \$0.6 million and zero of expenses incurred in connection with actions taken to consolidate our operations into a newly constructed facility, including items such as professional fees, relocation, facility set-up and other costs. We believe excluding expenses from these events provides investors with a better view of the operating performance of our business and allows for comparability through periods.

Adjusted EBITDA	Three Months Ended March 31,	
	2026	2025
Net loss	\$ (297)	\$ (282)
Interest expense	2,903	2,415
Interest income	(59)	(118)
Income tax expense (benefit)	(89)	2,297
Depreciation expense	2,199	1,391
Amortization of intangibles	1,902	1,896
Equity-based compensation	3,317	2,661
(Gain) loss on sale of asset	2	—
Wire insulation shrinkback litigation expenses <sup>(a)</sup>	3,707	2,529
Plant optimization expenses <sup>(b)</sup>	621	—
Shareholder litigation expenses <sup>(c)</sup>	1,656	716
Litigation settlement expense <sup>(c)</sup>	5,250	—
Adjusted EBITDA	\$ 21,112	\$ 13,505

<sup>(a)</sup> For the three months ended March 31, 2026 and 2025, represents \$3.7 million and \$2.5 million, respectively, of expenses incurred in connection with the lawsuit initiated by the Company against the supplier of the defective wire. We consider this litigation distinct from ordinary course legal matters given the expected magnitude of the expenses, the nature of the allegations in the Company's complaint, the amount of damages sought, and the impact of the matter underlying the litigation on the Company's financial results. In the future, we also intend to exclude from our non-GAAP measures the benefit of recovery, if any. We believe excluding expenses from these discrete litigation events provides investors with a better view of the operating performance of our business and allows for comparability through periods.

<sup>(b)</sup> For the three months ended March 31, 2026 and 2025, represents \$0.6 million and zero of expenses incurred in connection with actions taken to consolidate our operations into a newly constructed facility, including items such as professional fees, relocation, facility set-up and other costs. We believe excluding expenses from these events provides investors with a better view of the operating performance of our business and allows for comparability through periods.

<sup>(c)</sup> For the three months ended March 31, 2026, represents \$1.6 million of expenses incurred in connection with the Company's defense of certain derivative and class action litigation and \$5.3 million in settlement expenses associated with this litigation. For the three months ended March 31, 2025, represents \$0.7 million of expenses incurred in connection with the Company's defense of certain derivative and class action litigation. We consider expenses incurred in connection with these legal matters distinct from normal matters and expenses within the operation of our business.

Adjusted Net Income

Three Months Ended March 31,

	2026	2025
Net loss	\$ (297)	\$ (282)
Amortization of intangibles	1,902	1,896
Amortization / write-off of deferred financing costs	156	156
Equity-based compensation	3,317	2,661
(Gain) loss on sale of asset	2	—
Wire insulation shrinkback litigation expenses <sup>(a)</sup>	3,707	2,529
Plant optimization expenses <sup>(b)</sup>	621	—
Shareholder litigation expenses <sup>(c)</sup>	1,656	716
Litigation settlement expense <sup>(c)</sup>	5,250	—
Tax impact of adjustments <sup>(d)</sup>	(4,169)	(1,942)
<b>Adjusted Net Income</b>	<b>\$ 12,145</b>	<b>\$ 5,734</b>

(a) For the three months ended March 31, 2026 and 2025, represents \$3.7 million and \$2.5 million, respectively, of expenses incurred in connection with the lawsuit initiated by the Company against the supplier of the defective wire. We consider this litigation distinct from ordinary course legal matters given the expected magnitude of the expenses, the nature of the allegations in the Company's complaint, the amount of damages sought, and the impact of the matter underlying the litigation on the Company's financial results. In the future, we also intend to exclude from our non-GAAP measures the benefit of recovery, if any. We believe excluding expenses from these discrete litigation events provides investors with a better view of the operating performance of our business and allows for comparability through periods.

(b) For the three months ended March 31, 2026 and 2025, represents \$0.6 million and zero of expenses incurred in connection with actions taken to consolidate our operations into a newly constructed facility, including items such as professional fees, relocation, facility set-up and other costs. We believe excluding expenses from these events provides investors with a better view of the operating performance of our business and allows for comparability through periods.

(c) For the three months ended March 31, 2026, represents \$1.6 million of expenses incurred in connection with the Company's defense of certain derivative and class action litigation and \$5.3 million in settlement expenses associated with this litigation. For the three months ended March 31, 2025, represents \$0.7 million of expenses incurred in connection with the Company's defense of certain derivative and class action litigation. We consider expenses incurred in connection with these legal matters distinct from normal matters and expenses within the operation of our business.

(d) Shoals Technologies Group, Inc. is subject to U.S. Federal income taxes, in addition to state and local taxes. Represents the estimated tax impact of all Adjusted Net Income add-backs, excluding those which represent permanent differences between book versus tax.

# Non-GAAP Reconciliations, Adjusted Diluted EPS

Adjusted Diluted EPS	Three Months Ended March 31,	
	2026	2025
Diluted weighted average shares outstanding	167,555	166,960
Adjusted Net Income	\$ 12,145	\$ 5,734
Adjusted Diluted EPS	\$ 0.07	\$ 0.03