August 9, 2023

# Second Quarter 2023

## Earnings Results

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# Forward-Looking Statements and Non-GAAP Financial Measures

This presentation contains forward looking statements. These statements are not historical facts but rather are based on our current expectations and projections regarding our business, operations and other factors relating thereto. Words such as “may,” “will,” “could,” “would,” “should,” “anticipate,” “predict,” “potential,” “continue,” “expects,” “intends,” “plans,” “projects,” “believes,” “estimates” and similar expressions are used to identify these forward-looking statements. These statements are only predictions and as such are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. You should not rely on our forward-looking statements as predictions of future events, as actual results may differ materially from those in the forward-looking statements because of several factors, including those described in more detail above and in our filings with the U.S. Securities and Exchange Commission, including the section entitled “Risk Factors” contained therein. FTC Solar undertakes no duty or obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or changes in its expectations, except as required by law.

In addition, projections, assumptions and estimates of the Company’s future performance and the future performance of the markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk. Furthermore, new risks and uncertainties arise from time to time, and it is impossible for the Company to predict those events or how they may affect the Company. If any of these trends, risks or uncertainties actually occurs or continues, the Company’s business, revenue and financial results could be harmed, the trading prices of its securities could decline and you could lose all or part of your investment. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this cautionary statement.

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

# Overview



## 2Q-3Q 2023

- Project delays impact near-term revenue
  - Contracted revenue push from Q2 to Q4 – domestic content
  - Bidding activity remains high, timing to purchase order slower / push outs
  - Delays more impactful at current run-rates

## 4Q 2023

- Significant uptick in project activity and wins in last few weeks
- Positioned well for return to growth in Q4, accelerating into 2024

# Remain Well Positioned

1) Improved manufacturing cost
   - Now in-line with large peers, will further improve with scale
2) New project margins enable target gross margins
   - Target GM 12%-18% at $150m rate/q, 20%+ long-term
   - Achieved 90bps expansion in Q2 on lower revenue, now 58 points higher over 3 quarters
3) Now in market with 1P solution
   - Significantly enhances market opportunity
   - Now UL certified on 1P, new 140mw 1P award (part of new 1-gigawatt award)
4) Continued international traction
   - New 120mw award in South Africa,
   - New 300mw award in Spain and Italy. First awards, expands served market
5) Backlog has grown to $1.6 billion
   - New multi-project awards which include near-term purchase orders on first projects
6) Continued focus on operating expense
   - Q2 better than range. Will continue to cap overall spend, while supporting growth

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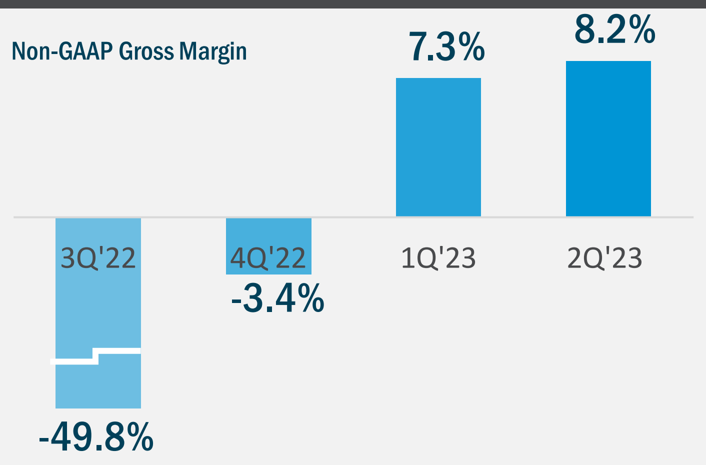
# Q2 Financial Performance

**Delayed projects impact revenue. Gross margin shows continued improvement.**

| Y/Y | | Q/Q | |
|---|---|---|---|
| Revenue ⬆ | Non-GAAP Gross Margin ⬆ | Revenue ⬇ | Non-GAAP Gross Margin ⬆ |
| up 5% | up 2,560bps | down 21% | up 90bps |




| | U.S. GAAP | | | | Non-GAAP | | | |
|---|---|---|---|---|---|---|---|---|
| | Three months ended June 30, | | | | | | | |
| (in thousands, except per share data) | 2023 | | 2022 | | 2023 | | 2022 | |
| Revenue | $ | 32,359 | $ | 30,721 | $ | 32,359 | $ | 30,721 |
| Gross margin percentage | | 6.8% | | (21.2%) | | 8.2% | | (17.5%) |
| Total operating expenses | $ | 12,568 | $ | 18,727 | $ | 9,740 | $ | 12,448 |
| Loss from operations[(a)] | $ | (10,367) | $ | (25,239) | $ | (7,239) | $ | (17,741) |
| Net loss | $ | (10,414) | $ | (25,683) | $ | (7,163) | $ | (18,226) |
| Diluted loss per share | $ | (0.09) | $ | (0.26) | $ | (0.06) | $ | (0.18) |

[(a)] Adjusted EBITDA for Non-GAAP

See reconciliations of all non-GAAP to GAAP measures in the appendix to this presentation.

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# Outlook

## 3Q'23

- Targeting revenue to be approximately flat with 2Q
- Gross margin will directionally follow revenue

## Looking Ahead

- Revenue growth in Q4 with continued/resumption in margin expansion
- Q4 highest revenue quarter of year
- Meaningful improvement in 2024

| | 3Q'23 Guidance |
|---|---|
| Revenue ($M) | $24.0-$34.0 |
| Non-GAAP Gross Profit ($M) | $0.7-$3.1 |
| Non-GAAP Gross Margin (%) | 3%-9% |
| Non-GAAP OpEx ($M) | $10-$11 |
| Adjusted EBITDA ($M) | $(10.3)-$(6.9) |

# Q&A

# Appendix

# Reconciliation of Non-GAAP Gross Margin and Operating Expenses



The following table reconciles U.S. GAAP gross margin to Non-GAAP gross margin for the three months ended June 30, 2023, and 2022, respectively:

| | Three months ended June 30, | |
|---|---|---|
| **(in thousands, except percentages)** | **2023** | **2022** |
| **U.S. GAAP revenue** | $ 32,359 | $ 30,721 |
| **U.S. GAAP gross profit (loss)** | $ 2,201 | $ (6,512) |
| Depreciation expense | 125 | 87 |
| Stock-based compensation | 316 | 1,059 |
| Other costs | — | — |
| **Non-GAAP gross profit (loss)** | $ 2,642 | $ (5,366) |
| **Non-GAAP gross margin percentage** | 8.2% | (17.5%) |

The following table reconciles U.S. GAAP operating expenses to Non-GAAP operating expenses for the three months ended June 30, 2023, and 2022, respectively:

| | Three months ended June 30, | |
|---|---|---|
| **(in thousands)** | **2023** | **2022** |
| **U.S. GAAP operating expenses** | $ 12,568 | $ 18,727 |
| Depreciation expense | (71) | (57) |
| Amortization expense | (136) | — |
| Stock-based compensation | (2,646) | (2,079) |
| Non-routine legal fees | 25 | (3,822) |
| Severance | — | (111) |
| Other (costs) credits | — | (210) |
| **Non-GAAP operating expenses** | $ 9,740 | $ 12,448 |

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# Reconciliation of Non-GAAP Loss from Operations



The following table reconciles U.S. GAAP loss from operations to Adjusted EBITDA for the three months ended June 30, 2023, and 2022, respectively:

| | Three months ended June 30, | |
|---|---|---|
| (in thousands) | 2023 | 2022 |
| **U.S. GAAP loss from operations** | $ (10,367) | $ (25,239) |
| Depreciation expense | 196 | 144 |
| Amortization expense | 136 | — |
| Stock-based compensation | 2,962 | 3,138 |
| Non-routine legal fees | (25) | 3,822 |
| Severance | — | 111 |
| Other costs | — | 210 |
| Other income (expense) | (141) | 73 |
| **Adjusted EBITDA** | $ (7,239) | $ (17,741) |

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

The following table reconciles U.S. GAAP Net loss to Adjusted EBITDA and Adjusted Net Loss for the three months ended June 30, 2023, and 2022, respectively:

| | Three months ended June 30, | | | |
|---|---|---|---|---|
| | 2023 | | 2022 | |
| (in thousands, except shares and per share data) | Adjusted EBITDA | Adjusted Net Loss | Adjusted EBITDA | Adjusted Net Loss |
| **Net loss per U.S. GAAP** | $ (10,414) | $ (10,414) | $ (25,683) | $ (25,683) |
| Reconciling items - | | | | |
| Provision for income taxes | (122) | — | 90 | — |
| Interest expense, net | 28 | — | 427 | — |
| Amortization of debt issue costs in interest expense | — | 178 | — | 176 |
| Depreciation expense | 196 | — | 144 | — |
| Amortization of intangibles | 136 | 136 | — | — |
| Stock-based compensation | 2,962 | 2,962 | 3,138 | 3,138 |
| Non-routine legal fees[a] | (25) | (25) | 3,822 | 3,822 |
| Severance[b] | — | — | 111 | 111 |
| Other costs[c] | — | — | 210 | 210 |
| **Adjusted Non-GAAP amounts** | $ (7,239) | $ (7,163) | $ (17,741) | $ (18,226) |
| | | | | |
| **U.S. GAAP net loss per share:** | | | | |
| Diluted | N/A | $ (0.09) | N/A | $ (0.26) |
| | | | | |
| **Adjusted Non-GAAP net loss per share (Adjusted EPS):** | | | | |
| Diluted | N/A | $ (0.06) | N/A | $ (0.18) |
| | | | | |
| **Weighted-average common shares outstanding:** | | | | |
| Diluted | N/A | 112,669,296 | N/A | 100,321,943 |

(a) Non-routine legal fees represent legal fees and other costs incurred for matters that were not ordinary or routine to the operations of the business.

(b) Severance costs were incurred in 2022 related to agreements with certain executives due to restructuring changes.

(c) Other costs in 2022 include shareholder follow on registration costs pursuant to our IPO and acquisition related expenses.

# Notes to Reconciliations of Non-GAAP Financial Measures



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

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

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