February 2023



SHOALS TECHNOLOGIES GROUP, INC.

Q4 2022 Investor Presentation

DISCLAIMER

Forward-Looking Statements and Other Information

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 our possible or assumed future results of operations, business strategies, technology developments, financing and investment plans, dividend policy, competitive position, industry and regulatory environment, potential growth opportunities and the effects of competition. 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. 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 report. You should read this report with the understanding that our actual future results may be materially different from what we expect. Important factors that could cause actual results to differ materiality from of expectations are included in Item 1A "Risk Factors".

The following is a summary of some of the material risks and uncertainties that could materially adversely affect Shoals Technologies Group, Inc.'s (the "Company's") business, financial condition and results of operations. You should read this summary together with the more detailed description of each risk factor contained in the Company's Annual Report on Form 10-K and, if applicable, any in the latest Form 10-Q: (i) if demand for solar energy projects does not continue to grow or grows at a slower rate than we anticipate, we may not be able to achieve our anticipated level of growth and our business will suffer; (ii) our industry has historically been cyclical and experienced periodic downturns; (iii) current macroeconomic events, including heightened inflation, rise in interest rates and potential recession could impact our business and financial results; (iv) the interruption of the flow of components and materials from international vendors has disrupted our supply chain, including as a result of the imposition of additional duties, tariffs and other charges on imports and exports; (v) if we fail to retain our key personnel and attract additional qualified personnel or we or our suppliers face disputes with labor unions, we may not be able to achieve our anticipated level of growth and our business could suffer; (vi) our products are primarily manufactured and shipped from our production facilities in Tennessee, and any damage or disruption at these facilities may harm our business; (vii) if we fail to, or incur significant costs in order to, obtain, maintain, protect, defend or enforce our intellectual property and other proprietary rights, our business and results of operations could be materially harmed; (viii) acquisitions, joint ventures and/or investments and the failure to integrate acquired businesses, could disrupt our business and/or dilute or adversely affect the price of our common stock; (ix) we may experience delays, disruptions or quality control problems in our manufacturing operations in part due to vendor concentration; (x) our future growth in the EV charging market is highly dependent on the demand for, and consumers' willingness to adopt, EVs; (xi) a significant drop in the price of electricity sold may harm our business, financial condition, results of operations and prospects; (xii) a further increase in interest rates, or a reduction in the availability of tax incentives or project debt capital in the global financial markets could make it difficult for end customers to finance the cost of a solar energy system and could reduce the demand for our products; (xiii) 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; (xiv) 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, resulting in a decline in the price of our Class A common stock; (xv) compromises, interruptions or shutdowns of our information technology 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; (xvi) our indebtedness could adversely affect our financial flexibility and our competitive position; (xvii) our indebtedness may restrict our current and future operations, which could adversely affect our ability to respond to changes in our business and to manage our operations; (xviii) developments in alternative technologies may have a material adverse effect on demand for our offerings; (xix) existing electric utility industry, renewable energy and solar energy policies and regulations, and any subsequent changes, may present technical, regulatory and economic barriers to the purchase and use of solar energy systems that may significantly reduce demand for our products or harm our ability to compete; (xx) changes in the U.S. trade environment, including the imposition of import tariffs and antidumping and countervailing duties, could adversely affect the amount or timing of our revenue, results of operations or cash flows; (xxi) we are a holding company and our principal asset is our interest in Shoals Parent and, accordingly, we are dependent upon Shoals Parent and its consolidated subsidiaries for our results of operations, cash flows and distributions; (xxii) future sales of our Class A common stock, or the perception that such sales may occur, could depress our Class A common stock price; (xxiii) provisions in our certificate of incorporation and our bylaws may have the effect of delaying or preventing a change of control or changes in our management; (xxiv) our certificate of incorporation also provides that the Court of Chancery of the State of Delaware will be the 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; and (xxv) if we fail to maintain effective internal controls over financial reporting, we may be unable to accurately or timely report our financial condition or results of operations, which may adversely affect our business.

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.

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DISCLAIMER

Non-GAAP Financial Information

This presentation includes Adjusted EBITDA and Adjusted Net Income (which are shown in the reconciliations set forth in the Appendix hereto), 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.

The Company defines Adjusted EBITDA as net income (loss) plus (i) interest expense, net, (ii) income tax expense, (iii) depreciation expense, (iv) amortization of intangibles, (v) payable pursuant to the TRA adjustment, (vi) gain on termination of TRA, (vii) loss on debt repayment, (viii) equity-based compensation, (ix) acquisition-related expenses, (x) COVID-19 expenses and (xi) non-recurring and other expenses. The Company defines Adjusted Net Income as net income (loss) attributable to Shoals Technologies Group, Inc. plus (i) net income impact from assumed exchange of Class B common stock to Class A common stock as of the beginning of the earliest period presented, (ii) amortization of intangibles, (iii) amortization of deferred financing fees, (iv) payable pursuant to the TRA adjustment, (v) gain on termination of TRA, (vi) loss on debt repayment, (vii) equity-based compensation, (viii) acquisition-related expenses, (ix) COVID-19 expenses and (x) non-recurring and other expenses, all net of applicable income taxes.

The Company presents non-GAAP measures because we believe they assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, we use Adjusted EBITDA and Adjusted Net Income: (i) as factors in evaluating management's performance when determining incentive compensation; (ii) to evaluate the effectiveness of our business strategies; and (iii) because our credit agreement uses measures similar to Adjusted EBITDA and Adjusted Net Income to measure our compliance with certain covenants. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP.

Please see the Appendix for the reconciliations of certain non-GAAP financial measures to the comparable GAAP measures.

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.

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AGENDA



01 Company Overview

02 Technology and Value Proposition

03 Growth Strategy

04 Financial Overview and Business Update

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COMPANY OVERVIEW

WHO WE ARE

Leading Provider of Electrical Balance of System ("EBOS") solutions for solar energy

- Products used on more than **50% of all U.S.-based solar projects** installed in 2022[1]
- Significantly larger than next largest competitor
- Growing rapidly and taking share ⇒ **36% CAGR in revenues** from 2020-2022

Sell patented products that are less costly to install and more reliable than competing solutions

- Install faster ⇒ **fewer labor hours** than conventional products
- Without licensed electricians ⇒ designed to be **installed by general labor**
- With **greater reliability** ⇒ fewer connections and pre-terminated "plug-n-play" connectors

Focus on selling complete systems rather than individual components

- **78% of revenues from "system solutions"** that include multiple products[2]
- Each system is **custom designed** for the customer's project
- Highly consultative sales process that creates **12+ months of visibility**

(1) Estimated based 16.4GWs of total utility scale solar installations in the United States in 2022 per IHS Markit PV Installations Tracker Q4-2022, December 2022.
(2) For the twelve months ended December 31, 2022.

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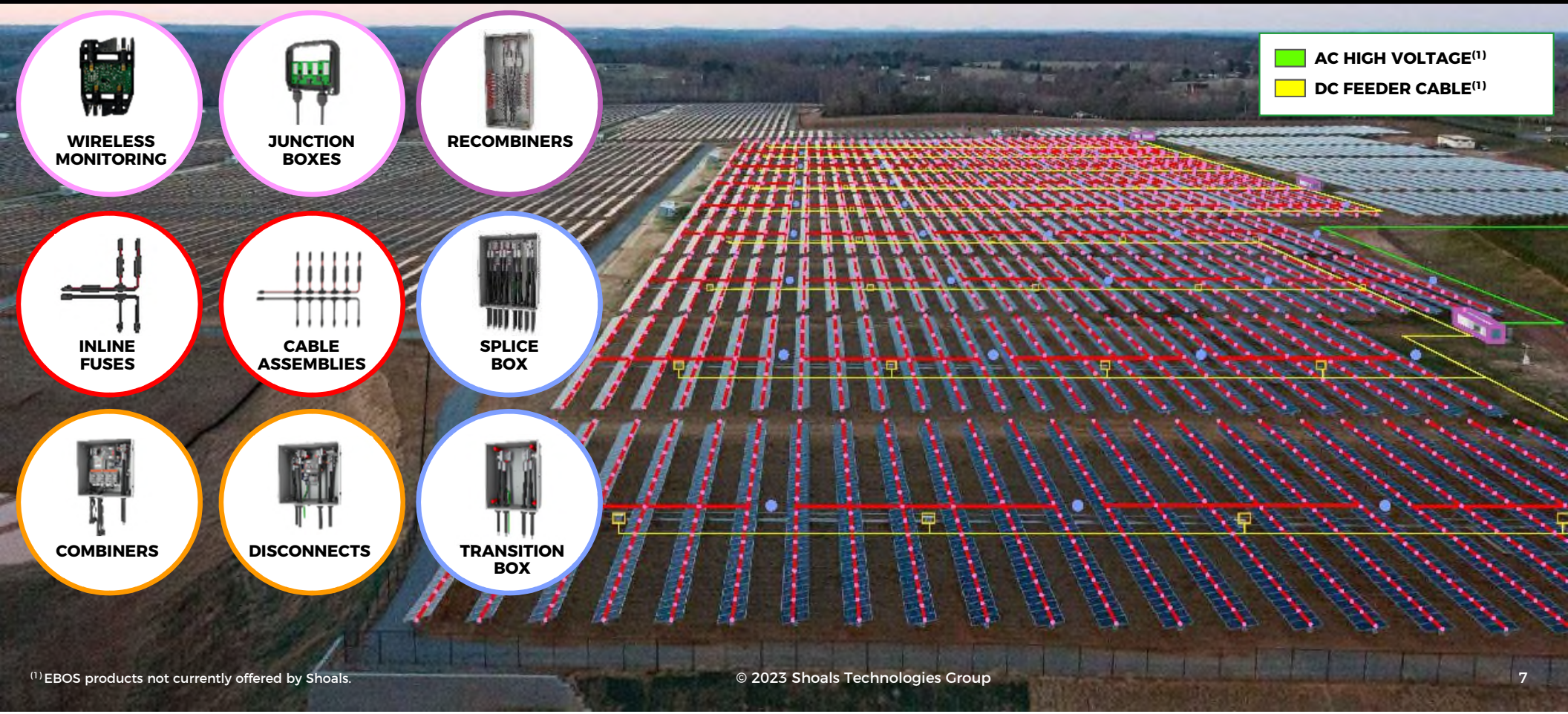
OUR PRODUCTS

MISSION CRITICAL EBOS COMPONENTS



(1) EBOS products not currently offered by Shoals.

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EBOS IS AN ATTRACTIVE SEGMENT…

Must Have Product…	EBOS is required for every solar project regardless of size, location or technology
…That's Technology Agnostic…	EBOS works with all types of panels, mounting systems and inverters
…With a High Consequence of Failure…	Failures can have major consequences including lost revenue, equipment damage, fire damage, injury or death
…Where Price Isn't the Focus…	EBOS is 6% of total project cost and single components are <1%
…and Requires a High Level of Customization	Each EBOS system is unique to project and requires significant upfront engineering

Creates…



Low technology risk



Strong preference for incumbent suppliers



Low price pressure



Barriers to entry

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...THAT'S

GROWING FASTER

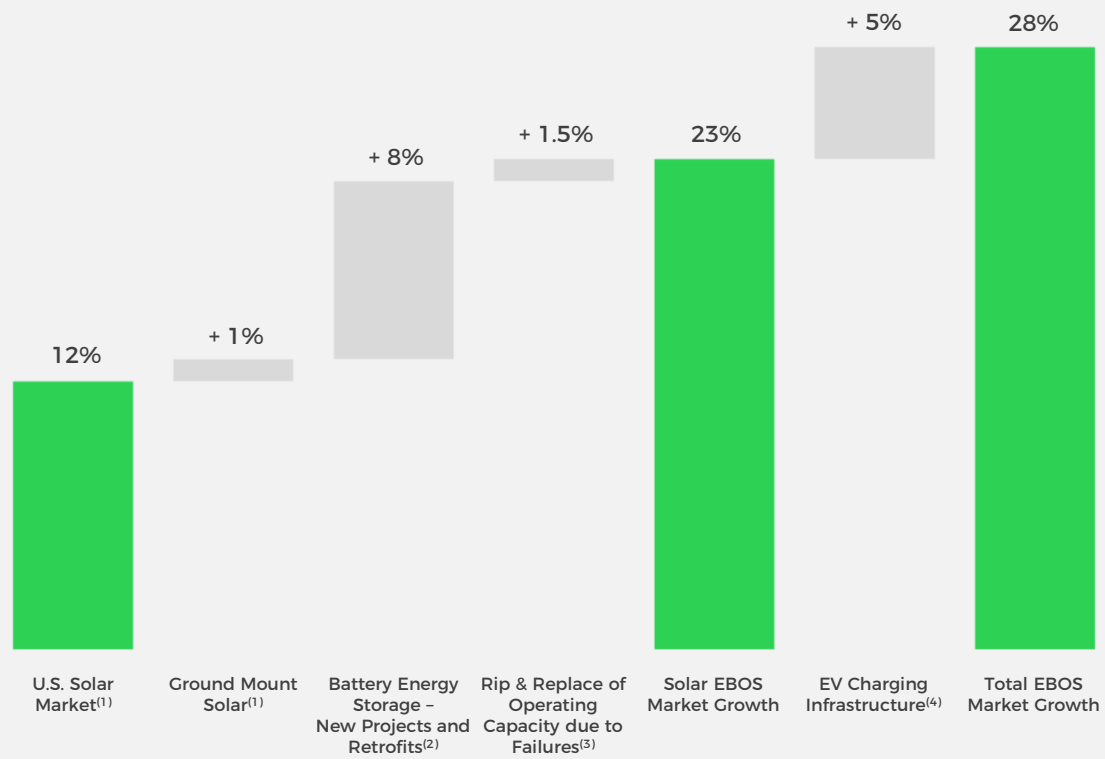
THAN THE OVERALL SOLAR MARKET

EBOS market has several growth accelerants

- Primarily ground mount, which is growing faster than the overall market
- Beneficiary of battery energy storage – both new and retrofits
- Rip and replace of existing solar fleet
- EBOS for emerging EV charging market

(1) Based on IHS Solar Market Tracker – North America: Second half 2022.
(2) Based on Lawrence Berkeley National Laboratory Hybrid Power Plants: Status of Operating and Proposed Plants, August 2022. Assumes EBOS for solar + storage requires an additional 3¢ per watt of solar capacity. Includes 2025 solar + storage projects which have interconnection agreements executed or in progress.
(3) Assumes 5% of the utility scale solar fleet in operation at the end of 2020 (60.1 GW) is replaced with new EBOS in 2025 at an average cost of 3.5¢ per watt.
(4) Based on BloombergNEF Charging Infrastructure Forecast Model (CIFM), June 2022. Assumes none of "Hardware" spending was addressable in 2021 and 30% of "Hardware" spending is addressable in 2025.
Note: Assumes constant ASPs.

Compound Annual Growth Rate in Addressable Market for EBOS from 2021 to 2025



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WE HAVE A SIMPLE MISSION

01	**Create products that can be installed by anyone**
02	**Move assembly from the field to the factory**
03	**Leverage the factory environment to produce products with superior quality, reliability and safety**

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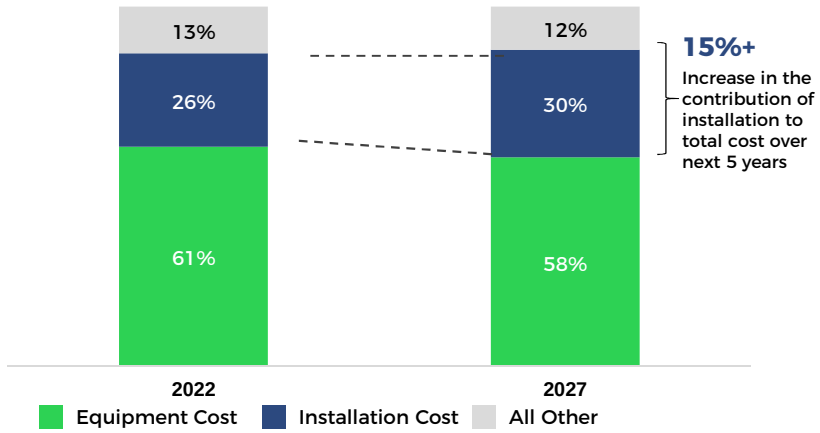
REDUCING INSTALLATION COST IS CRITICAL

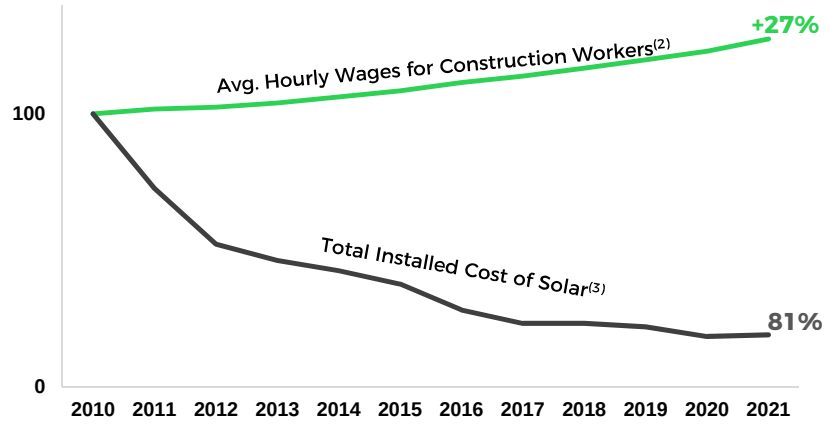
FOR CONTINUED COST REDUCTION IN SOLAR

Contribution of Equipment vs. Installation to the Cost of a Solar Energy Project(1)



Field labor has become one of the largest contributors to the cost of building a solar energy project...

Hourly Wages For Field Labor vs. Total Installed Cost of Utility Scale Solar



...and hourly wages for construction workers are only rising

(1) Wood Mackenzie H1 2020 U.S. Solar PV System Pricing, June 2020. Based on average construction cost for a 50 MW ground-mounted solar energy project using single-axis trackers in the U.S. Installation cost includes labor, civil and EPC overhead and margin categories. Equipment costs include modules, inverter, mounting system and EBOS categories.
(2) Based on Bureau of Labor Statistics, Department of Labor annual mean wage data for 47-0000 Construction and Extraction Occupations.
(3) Installed cost of utility-scale solar using single-axis trackers per BloombergNEF 1H 2022 U.S. Renewable Energy Market Outlook, April 2022.

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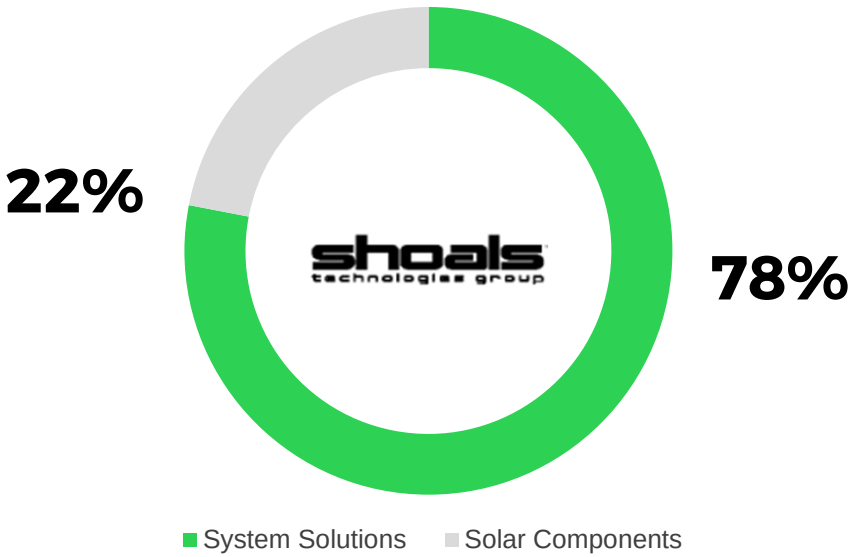
WE FOCUS ON CUSTOM "SYSTEM SOLUTIONS"

Revenue Mix For the Year Ended December 31, 2022



System Solutions bundle…

- Proprietary components
- Pre-construction design and engineering, including specifying and optimizing the system
- Proprietary installation methods
- Technical support

System Solutions create…

- High customer engagement through a consultative sales process
- Revenue visibility ⇒ 12 months of lead time on most orders
- Higher margins
- Barriers to entry for competitors

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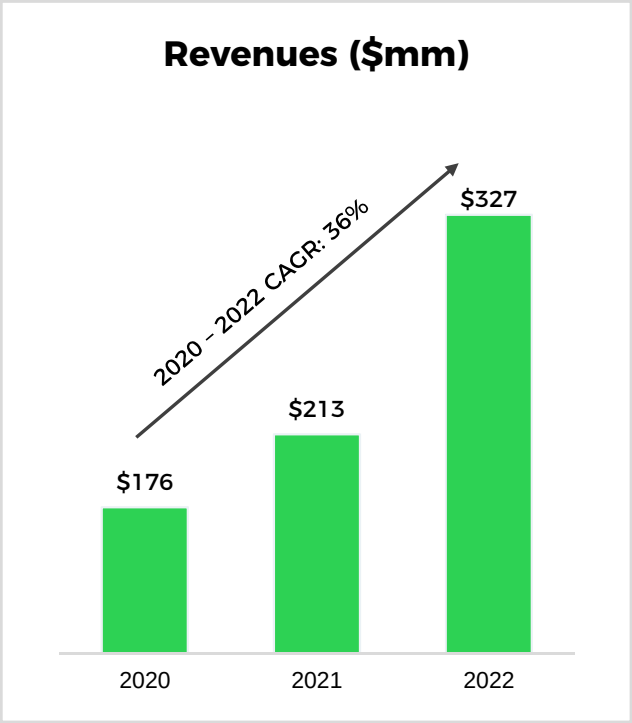
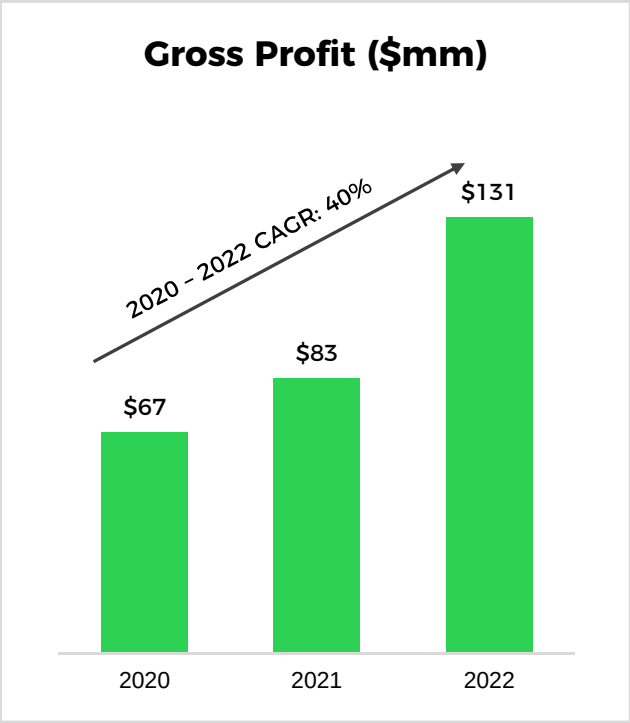
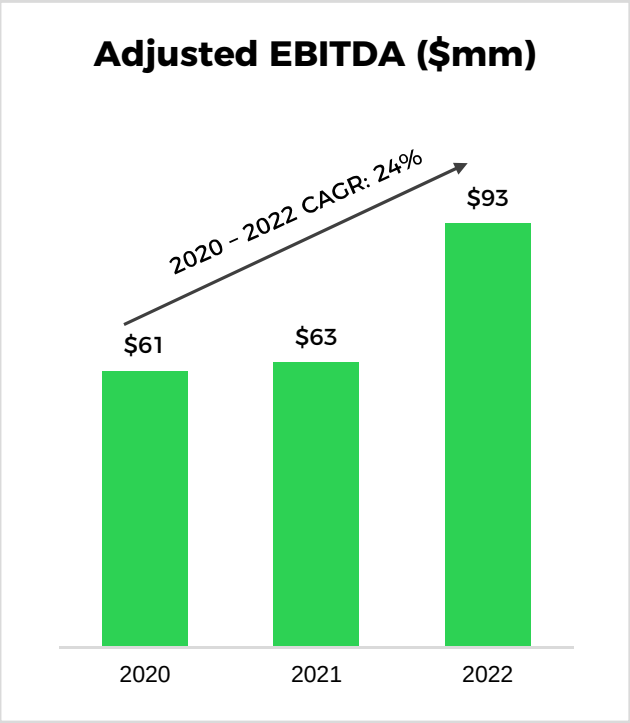
PROVEN FINANCIAL PERFORMANCE







Note: See Appendix for reconciliation of non-GAAP measures.

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OUR COMMITMENT TO ESG

At Shoals™, we challenge and support each other to design, develop, and deliver solutions that have the potential to change the world. In 2021, we published our inaugural ESG report and look forward to sharing future progress and disclosure enhancements.

Environmental Stewardship

We are building **quality, innovative, and simple solutions** for an electrified future, with a focus on solving problems that **promote the adoption of solar energy and energy delivery**.

We are committed to **protecting public health and the planet** by working to operate in an environmentally responsible manner that is aligned with our mission.

40+
Gigawatt Under Contract

ISO 9001:2015
Certified Quality Management

Social Commitments

We have been operating in the U.S. for more than a quarter century, **supporting communities** from which we have grown.

As we continue to support the world's transition to a brighter energy future, we are shining the light on ourselves, **building a stronger, safer, and an ever more cohesive** network where everyone may thrive.

~700
Employees

0.44
Total Recordable Incident Rate

Governance Responsibilities

From the automotive industry to electrified technology, we are known as a company **dedicated to ingenuity and integrity**.

Our actions are aimed to **uphold and deliver on our common set of values and Code of Ethics**. Through our inspired and principled approach, we are and will continue to be a leading trusted EBOS solutions partner.

20
Cumulative Issued Patents

75%
Independent Directors

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Note: This slide reflects the Shoals 2021 ESG report.

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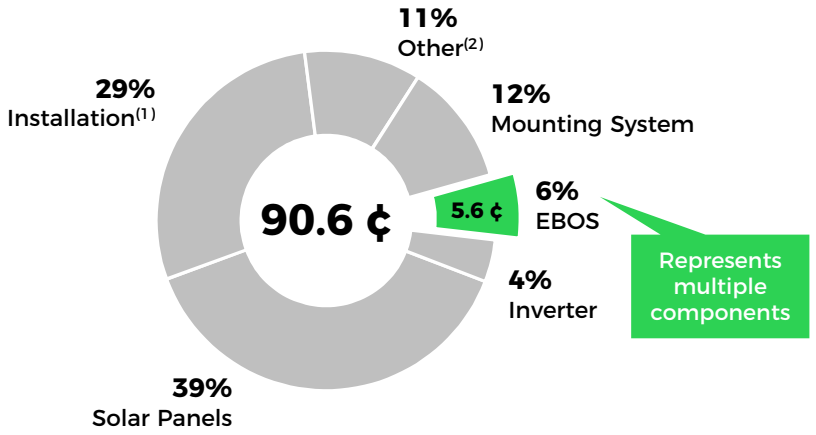
TECHNOLOGY AND VALUE PROPOSITION

EBOS IS A UNIQUE CATEGORY

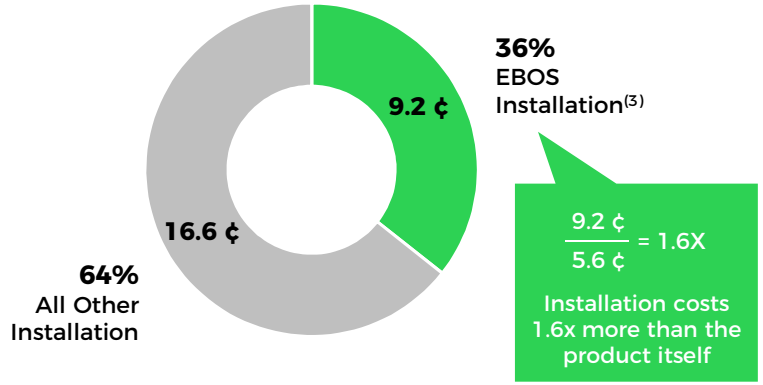
Cheap to buy...

Contribution to Construction Cost (¢ per watt)
50MW Solar Project Using Trackers



...but expensive to install

EBOS Contribution to Installation Cost (¢ per watt)(1)
50MW Solar Project Using Trackers



The cost of installing an EBOS component can be equal to, or in excess of, the cost of the product itself, which creates opportunities for high value innovation in product design and installation methods

Source: Wood Mackenzie H1 2020 U.S. Solar PV System Pricing, June 2020. Estimate for 50 MW site using single-axis trackers. Figures do not sum to 100% due to rounding.
(1) Includes labor, civil, and EPC overhead & margin categories.
(2) Includes design & engineering, permitting, logistics and taxes categories.
(3) Management estimates based on feedback from Tier 1 EPCs.

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CONVENTIONAL HOMERUN EBOS SYSTEMS HAVE

THREE BIG ISSUES



Installation methods that require electricians and special tools

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



Redundant wiring that wastes time and material

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



Too much work done in the field where it's hard to control quality

- Every connector fabricated onsite
- "Crimped" connections prone to faults
- Systems vulnerable to human error
- Significant rework

Result = High installation costs and low reliability

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CONVENTIONAL HOMERUN EBOS REQUIRES

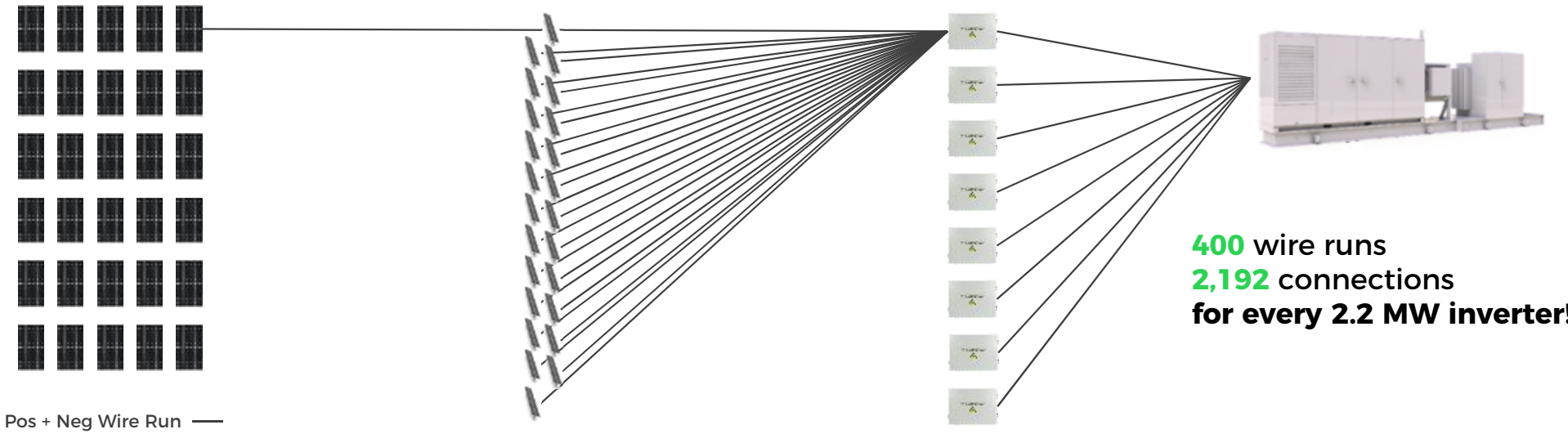
THOUSANDS OF WIRE RUNS & CONNECTIONS

30 PANELS PER STRING

24 STRINGS PER COMBINER

8 COMBINERS PER INVERTER

1 2.2 MW INVERTER



Pos + Neg Wire Run

400 wire runs
2,192 connections
for every 2.2 MW inverter!

A 100 MW solar project using conventional homerun EBOS will require approximately
18,000 individual wire runs and 100,000 connections

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INSTALLING CONVENTIONAL HOMERUN EBOS REQUIRES

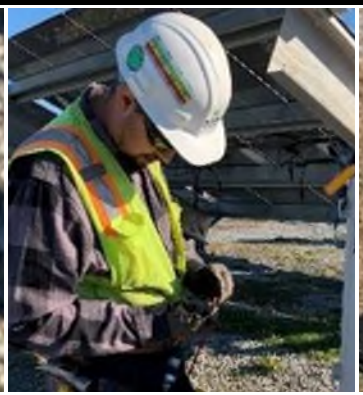
LICENSED ELECTRICIANS



LAY
Lay the wire out to cut the wire to length



MEASURE
Measure out the appropriate length to expose the copper wire



STRIP
Strip the cable jacket



CRIMP
Crimp on the appropriate end (either positive or negative)



INSPECT
Inspect work for any defects



INSTALL
Install the finished product down the row and into the combiner box

Conventional Homerun EBOS requires a large number of **time consuming, manual operations** that need to be performed in the field using licensed electricians with special tools

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SHOALS' COMBINE-AS-YOU-GO SYSTEM

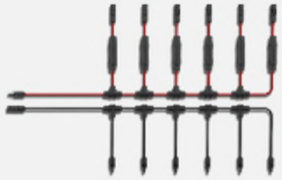
SOLVES THE ISSUES WITH CONVENTIONAL HOMERUN EBOS

Big Lead Assembly ("BLA")



Proprietary above ground feeder cable **eliminates underground conduits and combiner boxes** and installs using general labor

Interconnect Harness



Pre-fabricated wire harnesses with inline fuses eliminate measuring, cutting and crimping in the field and **reduce individual wire runs**

Plug-n-Play Connectors



Simple push connectors speed installation, reduce errors and make the system **installable by general labor** rather than requiring licensed electricians

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THE SIX ADVANTAGES

OF SHOALS' COMBINE-AS-YOU-GO SYSTEM

01 Can be installed by anyone

- Plug-n-play push connectors
- Installable by general labor
- No electricians required

LOWER LABOR RATES AND FEWER LABOR HOURS

02 Enables above-ground installation

- Hung from mounting structure
- No trenching or buried conduit
- No wire fishing

NO EXCAVATION

03 Reduces wire runs dramatically

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

FEWER LABOR HOURS AND LESS MATERIAL

04 Eliminates combiner boxes

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

LOWER LABOR RATES, FEWER LABOR HOURS AND LESS MATERIAL

05 Increases safety and reliability

- Pre-terminated connectors
- Factory rather than field fabricated
- Fewer failure points

LESS POTENTIAL FOR FAILURE

06 Reduces maintenance requirements

- Everything above ground
- Less potential for installation errors
- 83% Fewer connection points to maintain

LOWER ONGOING MAINTENANCE EXPENSE

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WHAT THE INDUSTRY SAYS ABOUT US

43%

Lower Installation Cost (1)

20%

Lower Material Cost (1)

(1) Cost savings and customer feedback based on GRAPH survey of 120 solar industry participants. Figures represent median of responses.

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> "**Shoals has the better mousetrap**... You don't need licensed electricians which is huge"
>
> – Project Manager, Solar Developer

> "On projects of 100MW, it's a **seven-figure swing** [versus homerun]. I really can't think of a reason we wouldn't use BLA"
>
> – Director of Construction, EPC/Developer

> "The BLA is **driving costs out and improving reliability** – it's the big players that are leading the charge, switching to BLA, and more people seem to be doing it all the time"
>
> – Vice President, Major Solar EPC

> "I've been to [Shoals'] facility and they're **incredible from a manufacturing standpoint**... I think they actually exceed six sigma"
>
> – Engineer, EPC

> "I deal with 100 vendors and **Shoals has to be the top 5%**. They provide really good technical service"
>
> – Site Operations, Public Utility

> "I honestly have not seen a **single competitor come close to Shoals**"
>
> – Director of Construction, Major EPC and Developer

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PATENTS, CONSULTATIVE SALES PROCESS AND PROPRIETARY MANUFACTURING

CREATE A COMPETITIVE MOAT



Patents limit competitors' ability to develop products that can replicate the benefits provided by Shoals

- 66 Issued and pending patents
- Known as the standard bearers of EBOS innovation
- EBOS related IP in place or in process for domestic and select foreign markets



Most of what we sell are custom solutions that require a highly consultative sales process

- 9 of top 10 top EPCs are existing Shoals customers
- Deep subject matter expertise required to design, specify and optimize each system
- Requires customer-facing applications engineering capabilities



Proprietary manufacturing process that enables high customization with very high throughput

- All projects are unique and custom
- Processes, systems and equipment designed for high mix – high volume
- Manufactured in the USA, more important now than ever with IRA and Infrastructure Bill

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GROWTH STRATEGY

OUR GROWTH STRATEGY

01 Win the Customer and Take Share with BLA

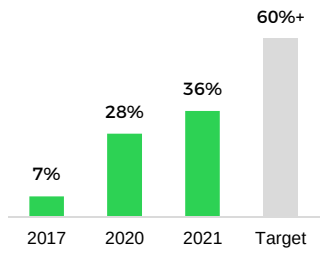
02 Grow Wallet Share with Complementary Solar Products

03 Grow Wallet Size with Battery Storage Products

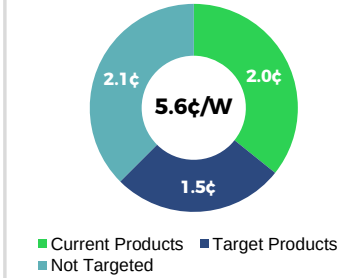
04 Expand Internationally

05 Introduce Time and Cost Saving Solutions for EV Charging Infrastructure

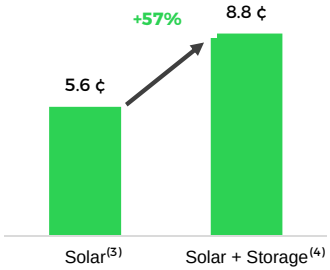
Estimated BLA Share in the U.S.(1) (2)



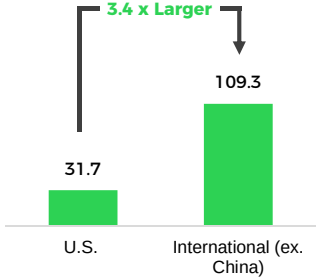
EBOS Customer "Wallet"(3)



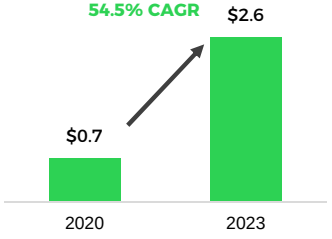
EBOS Spend per Watt



2024 Ground Mounted Installations (GW)(5)



U.S. Investment in EV Charging Infrastructure ($B)(6)



(1) Based on the total MWs of BLA products shipped in the period compared to the total MWs of ground mounted solar installed over the same period per Wood Mackenzie US Solar Capacity Data: Q2 2022.
(2) For the years ended December 31, 2017, 2020 and 2021.
(3) Based on Wood Mackenzie H1 2020 U.S. Solar PV System Pricing, June 2020, and management estimates. Estimate for 50 MW site using single-axis trackers.
(4) NREL 2021 U.S. Solar Photovoltaic System and Energy Storage Cost Benchmarks (p. 36). Based on average of NREL estimates for EBOS cost for two- and four-hour duration 60 MW battery storage systems. Assumes 1 MW of battery capacity for every 4 MW of solar capacity.
(5) Based on MWs of ground-mount solar installed in 2024 per IHS Markit PV Installations Tracker Q2-2022, June 2022.
(6) Estimated annual public and commercial EV charging infrastructure investment in the U.S. for hardware, installation and O&M as per BloombergNEF Charging Infrastructure Forecast Model (CIFM), June 2022.

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BLA CONTINUES TO GAIN SHARE

EPCs and Developers

At IPO (January 2021)	Today
Converted 4	Converted 36
In Transition 10	In Transition 14
Prospects 11	Prospects 72

Highlights

- 9X number of EPC and developer converted since IPO.
- 3 additional customers converted to BLA in Q4 2022
- ~55% increase in prospects, in transition, and converted since Q4 2021 demonstrates continued robust demand for BLA as labor rates and general inflation continue to rise.

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NEW PRODUCT STATUS

	Product Development	Commercial Status	Revenue Timing
 **Wire Management** • Safely secures cabling • Replaces "zip ties" that have a high rate of failure • High margin product category	• First release complete	• Quoting globally • Surpassed 800MW of deliveries	• 4Q 2022
 **"BLA 2.0"** • Incorporates EBOS content not currently offered by Shoals • Comprehensive solution that takes more labor out of the field • Increases customer wallet share	• Bundled offer complete.	• Quoting globally	• 2Q 2023
 **IV Curve Benchmarking** • Plug-n-play string-level monitoring (current, temp, IV curve trace, incline) • Real-time data at thousands of points across the system • Cuts truck rolls and facilitates targeted maintenance	• Alpha units deployed • Beta units deployed in 2Q	• Commercial release 2Q2023 • Target base customers and new accounts	• 2H 2023
 **High Capacity Plug-n-play Wire Harnesses** • Extends plug-n-play to high capacity feeder cable category • Creates additional labor savings versus current products and methods • Enables greater site design flexibility	• UL certification of connectors in progress • Expect completion early 3Q	• Commercial launch concurrent with UL certification • ID of alpha customers underway	• 4Q 2023

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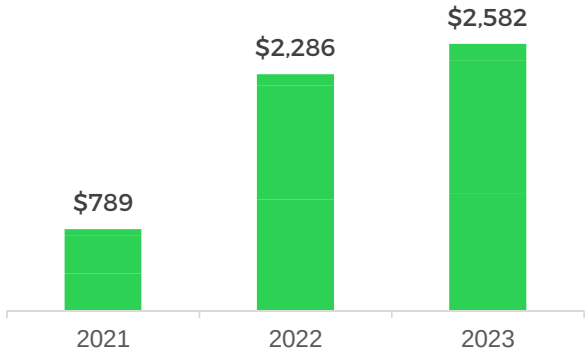
EV CHARGING IS AN ATTRACTIVE MARKET FOR SHOALS

Rapidly Growing Demand

Spending on Public & Commercial EV Charging Infrastructure
($ in millions)(1)



Spend on EV charging stations is forecast to more than triple from 2021 to 2023

High Labor Content

Public & Commercial EV Charging Infrastructure
% of spend by cost category(1)



More than half of the cost of an EV charging station is EBOS

Inefficient Means & Methods

- Duplicative homeruns
- Expensive trenching / boring
- Wire run in underground conduit
- Fabrication of components in the field
- Complex interconnection of components
- Skilled labor and special tools

Time consuming and costly means and methods that require skilled labor

(1) Estimated annual public and commercial EV charging infrastructure investment in the U.S. for hardware, installation and O&M as per BloombergNEF Charging Infrastructure Forecast Model (CIFM), June 2022.

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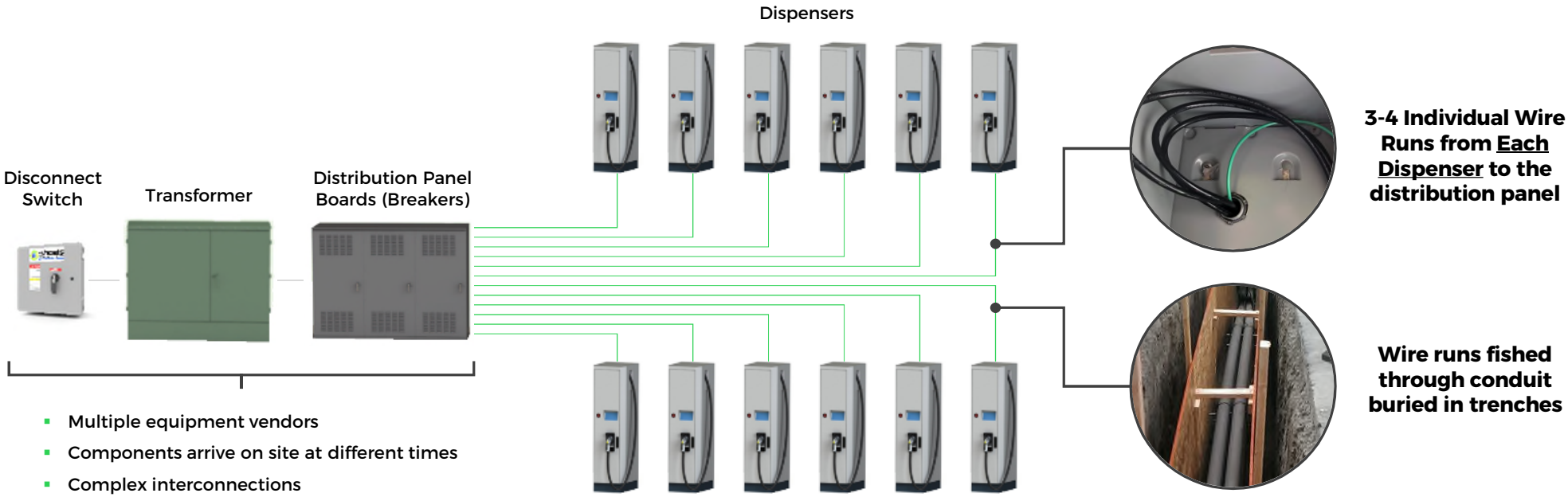
CONVENTIONAL EV CHARGING SYSTEMS



- Multiple equipment vendors
- Components arrive on site at different times
- Complex interconnections

3-4 Individual Wire Runs from <u>Each</u> <u>Dispenser</u> to the distribution panel

Wire runs fished through conduit buried in trenches

Commercial EV chargers require multiple components, often from different suppliers

Every dispenser is individually connected to the distribution panel with three to four homeruns

Wire runs are made through underground conduit that requires trenching across the site

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SHOALS EV CHARGING SYSTEM SOLUTIONS

Shoals eMobility charging product focuses on four product families

01 Fuel Power Center



- Prefabricated plug-n-play EV power center
- All components installed in the factory
- Modular Interlocking system
- Reduce site disruption and overall time on site

02 Raceways



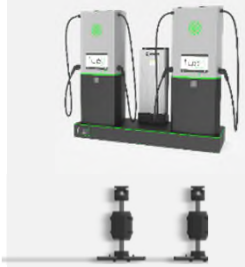
- Above-ground cable raceway that eliminates the need for trenching
- Compatible with both conventional cabling and EV-BLA
- Reduces cost of deployment and time on site by up to 40%

03 EV-BLA



- Patented trunk bus solution similar to solar BLA
- Eliminates individual homeruns from each dispenser. Reduces wire runs by up to 75%
- Capable of above-ground installation
- Utilizes plug-n-play connectors for rapid deployment
- Estimated total deployed cost reduction of 30-40%

04 Quick Connect Bases for Chargers



- Prefabricated skidded dispenser with up to four Level 2 charge points
- Flexible choice of charger OEM
- Designed to install at the intersection of four parking spots
- Reduces placement (fewer pads), cabling and interconnection costs
- Ideal solution for fleets, retail, office and MUD

Targeting 20-30% reduction in installed cost versus conventional solutions

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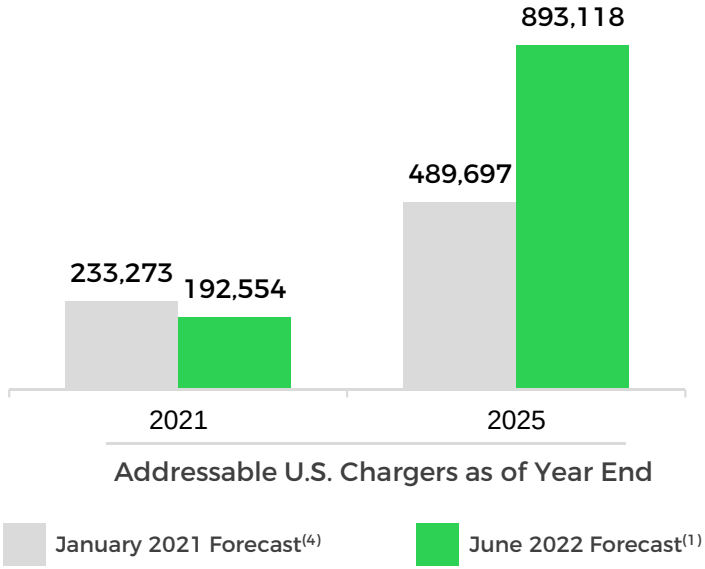
EV BUSINESS POTENTIAL

	YE2021	YE2025
Number of Addressable Chargers in the U.S. (Points)[1]	192,554	893,118
Points Added in the U.S. During 2022 Through 2025[1]		700,564
Average Shoals Addressable Spend per Point[2]		$5,000
Implied 2022-2025 U.S. Market Opportunity		**$3.5B**

Following announcements by the Biden Administration and automakers of new incentives for EVs and EV Infrastructure, BNEF has nearly tripled their estimate for 2021 to 2025 charge point additions.[3] These figures do not include additional upside from the Inflation Reduction Act.



EV Charging solutions can be a significant business for Shoals

(1) Based on BloombergNEF Charging Infrastructure Forecast Model (CIFM 3.0.1), June 2022. Assumes all U.S. chargers except Home chargers are addressable by Shoals equipment.
(2) Shoals management estimate.
(3) Based on BloombergNEF Charging Infrastructure Forecast Model (CIFM 1.0.1), January 2021 of 256,424 points added in the U.S. during 2022 through 2025, compared with 700,564 points added in the U.S. during 2022 through 2025 in BloombergNEF Charging Infrastructure Forecast Model (CIFM 3.0.1), June 2022.
(4) Based on BloombergNEF Charging Infrastructure Forecast Model (CIFM 1.0.1), January 2021. Assumes all U.S. chargers except Home chargers are addressable by Shoals equipment.

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FINANCIAL OVERVIEW AND BUSINESS UPDATE

SIMPLE MODEL THAT DELIVERS
STRONG FINANCIAL RESULTS

Core Objectives	Tactics	Results
Grow faster than the market	• Take market share with disruptive products	✓ 36% CAGR in revenues from 2020-2022
Deliver 30%+ EBITDA margins	• Locate manufacturing in low-cost regions	✓ ~225 bps increase in Gross Margin from 2020-2022
	• Use automation to reduce labor content	✓ Direct labor <17% of COGS
	• Leverage growing volumes to reduce materials costs	✓ Factory overhead <7% of COGS
	• Tightly control factory overhead and SG&A	✓ SG&A <18% of revenues
Minimize capital intensity	• Customize manufacturing equipment in-house rather than purchase custom-built machines	✓ $10.5 million of cumulative capex from 2020-2022 (~1.5% of sales over period)

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HIGH REVENUE VISIBILITY DRIVEN BY LONG PROJECT LEAD TIMES…

Project Identified
Shoals receives preliminary design drawings

EPC Award
Shoals receives verbal award

Shoals Purchase Order
Shoals receives binding purchase order



6 months	3 months	3 months	2-3 months
• EPC advances preliminary engineering and design • Shoals prepares preliminary design, layout, and pricing	• EPC completes final design • Shoals completes final design, layout, and pricing	• EPC completes pre-EBOS construction activities • Shoals production lead time	• Shoals delivers system

The procurement process typically gives us 12+ months of visibility on demand and many customers give us long-term forecasts with their needs, further enhancing our visibility

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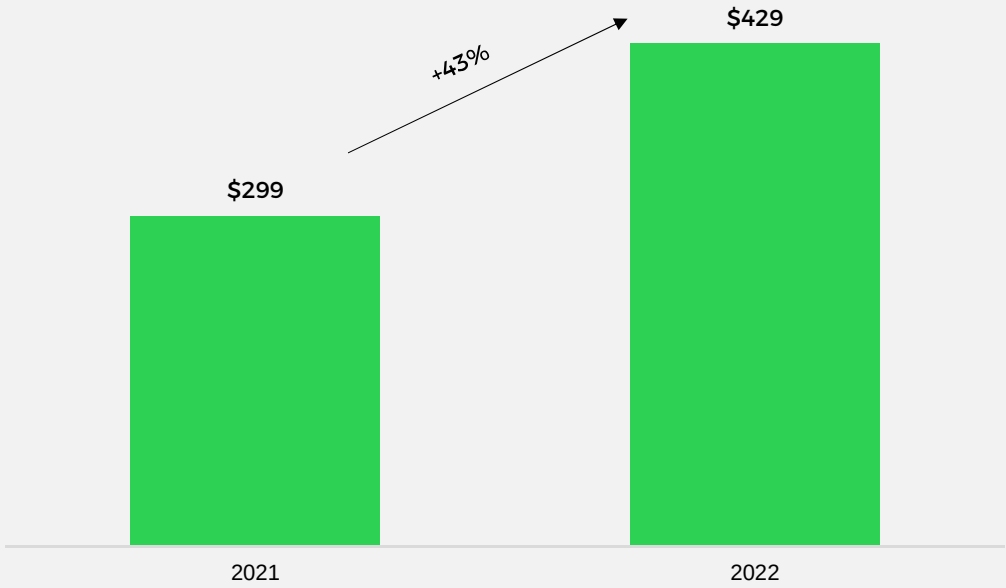
ORDER BOOK CONTINUES TO GROW

Fourth quarter quotes up 49% year-over-year

Backlog and awarded orders up 43% from fourth quarter 2021

Backlog and Awarded Orders as of Dec 31st ($mm)(1)



(1) Backlog defined as signed purchase orders and take or pay contracts with volume commitments. Awarded orders defined as orders where we are in the process of documenting a contract but for which a contract has not yet been signed.

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THREE SIMPLE REASONS TO INVEST IN SHOALS



Gain Exposure to the Largest Part of the Solar Market…

- Ground mount solar is the **fastest growing source of new generation** in the U.S.(1)
- Utility-scale market is **over 6X the size of residential market**(2)
- EBOS is **required for every project**
- EBOS is **less exposed to price pressure** than other equipment categories



…With a Company that Can Grow Faster Than the Market…

- **"Category killer product"** that's gaining share from conventional solutions
- **Increasing wallet share** with new products
- **Growing wallet size** with energy storage
- **Large overseas growth** opportunity – international market is 4.0X size of U.S.(3)
- **Significant additional upside** from EV charging products



…And Deliver Strong Returns for Shareholders

- **~36%** top line growth(4)
- **~30%** EBITDA Margins(4)
- **Strong free cash flow** generation
- Self-funding – **no new equity capital** required to grow the business

(1) Comparison of generation growth based on FERC data for new generation with capacities in excess of 1 MW placed in service between 2015 and 2020.
(2) IHS Markit Solar Market Tracker – North America: First Half 2021.
(3) IHS Markit PV Installations Tracker Q2-2021, June 2021. Based on 2023 estimated market sizes. International market excludes China.
(4) Based on historical results for 2020, 2021 and 2022.

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APPENDIX

RECONCILIATION OF NON-GAAP MEASURES

$, thousands	3 Months Ended December 31,		12 Months Ended December 31,	
	2022	2021	2022	2021
Net Income (loss)	$ 118,302	$ (2,152)	$ 143,013	$ 3,944
Interest expense, net	5,778	3,638	18,538	14,549
Income tax expense	3,502	3,209	8,987	86
Depreciation expense	487	436	1,858	1,701
Amortization of intangibles	2,021	2,272	8,651	8,352
Payable pursuant to the TRA adjustment [(a)]	6,675	(2,015)	6,675	1,663
Gain on termination of TRA	(110,883)	-	(110,883)	-
Loss on debt repayment	-	-	-	15,990
Equity-based compensation	4,221	4,382	16,108	11,286
Acquisition-related expenses	10	652	42	2,349
COVID-19 expenses [(b)]	-	70	-	339
Non-recurring and other expenses [(c)]	-	777	-	2,598
Adjusted EBITDA	**$ 30,113**	**$ 11,269**	**$ 92,989**	**$ 62,857**

(a) Represents an adjustment to eliminate the adjustment of the payable pursuant to the TRA.
(b) Represents costs incurred as a direct impact from the COVID-19 pandemic, disinfecting and reconfiguration of facilities, medical professionals to conduct daily screenings of employees and direct legal costs associated with the pandemic.
(c) Represents certain costs associated with non-recurring professional services, our prior private equity owners' expenses and other costs.

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RECONCILIATION OF NON-GAAP MEASURES

$, thousands	3 Months Ended December 31,		12 Months Ended December 31,	
	2022	2021	2022	2021
Net income (loss) attributable to Shoals Technologies Group, Inc.	$ 112,611	$ (1,837)	$ 127,611	$ 2,348
Net income (loss) impact from assumed exchange of Class B common stock to Class A common stock [(a)]	5,691	(315)	15,402	1,596
Adjustment to the provision for income tax [(b)]	(1,433)	20	(3,726)	(456)
Tax effected net income (loss)	116,869	(2,132)	139,287	3,488
Amortization of intangibles	2,021	2,272	8,651	8,352
Amortization of deferred financing costs	342	277	1,365	1,230
Tax receivable agreeement liability adjustment [(c)]	6,675	(2,015)	6,675	1,663
Gain on termination of TRA	(110,883)	-	(110,883)	-
Loss on debt repayment	-	-	-	15,990
Equity-based compensation	4,221	4,382	16,108	11,286
Acquisition-related expenses	10	652	42	2,349
COVID-19 expenses [(d)]	-	70	-	339
Non-recurring and other expenses [(e)]	-	777	-	2,598
Tax impact of adjustments [(f)]	5,779	(3,409)	1,158	(11,381)
Adjusted Net Income	**$ 25,034**	**$ 874**	**$ 62,403**	**$ 35,914**

(a) Reflects net income to Class A common stock from assumed exchange of corresponding shares of our Class B common stock held by our Founder and management.
(b) Shoals Technologies Group, Inc. is subject to U.S. Federal income taxes, in addition to state and local taxes with respect to its allocable share of any net taxable income of Shoals Parent LLC. The adjustment to the provision for income tax reflects the effective tax rates, assuming Shoals Technologies Group, Inc. owns 100% of the units in Shoals Parent LLC.
(c) Represents an adjustment to eliminate the adjustment of the payable pursuant to the TRA.
(d) Represents costs incurred as a direct impact from the COVID-19 pandemic, disinfecting and reconfiguration of facilities, medical professionals to conduct daily screenings of employees and direct legal costs associated with the pandemic.
(e) Represents certain costs associated with non-recurring professional services, our prior private equity owners' expenses and other costs.
(f) Represents the estimated tax impact of all Adjusted Net Income add-backs, excluding those which represent permanent differences between book versus tax.

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