

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2026**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number **001-42838**

Legence Corp.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

33-2905250

(I.R.S. Employer Identification No.)

1601 Las Plumas Avenue

San Jose, CA

(Address of Principal Executive Offices)

95133

(Zip Code)

(833) 534-3623

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.01 per share	LGN	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

As of May 11, 2026, there were 108,037,932 shares of total common stock of the Registrant outstanding, including 76,866,798 shares of Class A common stock, par value \$0.01 per share, and 31,171,134 shares of Class B common stock, par value \$0.01 per share.

Table of Contents

Cautionary Statement Regarding Forward-Looking Statements	4
Part I. Financial Information	
Item 1. Financial Statements	6
Condensed Consolidated Balance Sheets (Unaudited) as of March 31, 2026 and December 31, 2025	6
Condensed Consolidated Statements of Operations (Unaudited) for the Three Months Ended March 31, 2026 and 2025	7
Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited) for the Three Months Ended March 31, 2026 and 2025	8
Condensed Consolidated Statements of Changes in Equity (Unaudited) for the Three Months Ended March 31, 2026 and 2025	9
Condensed Consolidated Statements of Cash Flows (Unaudited) for the Three Months Ended March 31, 2026 and 2025	10
Notes to the Condensed Consolidated Financial Statements (Unaudited)	11
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	35
Item 3. Quantitative and Qualitative Disclosures About Market Risk	49
Item 4. Controls and Procedures	49
Part II. Other Information	
Item 1. Legal Proceedings	51
Item 1A. Risk Factors	51
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	51
Item 5. Other Information	52
Item 6. Exhibits	53
Signatures	54

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the information in this Quarterly Report on Form 10-Q (this “Quarterly Report”) may contain “forward-looking statements.” All statements, other than statements of historical fact included in this Quarterly Report regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this Quarterly Report, words such as “may,” “assume,” “forecast,” “could,” “should,” “will,” “plan,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” “budget” and similar expressions are used to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management’s current belief, based on currently available information, as to the outcome and timing of future events at the time such statement was made. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements included in this Quarterly Report. Examples of forward-looking statements include, among others, statements we make regarding:

- our business strategy, including with respect to our supply chain, expanded or new service offerings and potential expansion into new domestic or international markets;
- expectations regarding our business or financial outlook;
- expectations regarding opportunities, technological developments, competitive positioning, future economic and regulatory conditions and other trends in particular markets or industries;
- the business plans or financial condition of our customers;
- our ability to achieve or maintain certain financial and operational metrics;
- our ability to comply with and liabilities related to environmental, health and safety laws, regulations and obligations;
- our ability to obtain, maintain and comply with permits and governmental approvals;
- our ability to remain competitive and adapt to developments in the industries in which we operate;
- our ability to secure contracts and maintain relationships with our existing customers;
- our ability to comply with increasing scrutiny, regulatory requirements and changing stakeholder expectations with respect to sustainability and environmental, social and governance matters;
- potential benefits from, and future financial and operational performance of, acquired businesses and our investments;
- expected value of contracts or intended contracts with customers, as well as the expected timing, scope, services, term or results of any awarded or expected projects;
- the expected future value of our intangible assets;
- expectations regarding the future availability and price of materials and equipment necessary for the performance of our business;
- the expected impact of global and domestic economic or political conditions on our business, financial condition, results of operations, cash flows, liquidity, and demand for our services, including inflation, interest rates, tariffs, recessionary economic conditions and commodity prices;
- the expected impact of changes and potential changes in climate and the physical and transition risks associated with climate change;
- the expected impact of existing or potential legislation or regulation;
- the future demand for, availability of and costs related to labor resources in the industries we serve;
- the expected recognition and realization of our remaining performance obligations or backlog;
- credit markets;

- our pending legal matters; and
- our plans, objectives, expectations and intentions contained in this Quarterly Report that are not historical.

We caution you that these forward-looking statements are subject to all of the risks and uncertainties incident to the business in which we operate, most of which are difficult to predict and many of which are beyond our control. These risks include, but are not limited to, the risks described under “Part I, Item 1A. Risk Factors” and “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our annual report on Form 10-K for the year ended December 31, 2025 (the “2025 Annual Report”) and “Part II, Item 1A. Risk Factors” of this Quarterly Report.

Should one or more of the risks or uncertainties referred to in the 2025 Annual Report or this Quarterly Report occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified in their entirety by the statements in this section, to reflect events or circumstances after the date of this Quarterly Report.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Legence Corp.
Condensed Consolidated Balance Sheets
(In thousands, except par value and share amounts)
(Unaudited)

	March 31, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 244,620	\$ 230,166
Accounts receivable, net	827,255	584,060
Contract assets, net	355,750	259,941
Prepaid expenses and other current assets	42,974	36,179
Total current assets	1,470,599	1,110,346
Property and equipment, net of accumulated depreciation of \$106,729 and \$98,650 as of March 31, 2026 and December 31, 2025, respectively	115,361	92,333
Operating lease right-of-use assets (including \$19,082 and \$20,025 as of March 31, 2026 and December 31, 2025, respectively, from related parties)	143,794	117,139
Goodwill	841,958	764,336
Intangible assets, net	843,266	551,420
Other assets	68,130	43,822
Total assets^(a)	\$ 3,483,108	\$ 2,679,396
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$ 350,316	\$ 246,161
Accrued compensation and benefits	120,264	68,064
Accrued and other current liabilities	73,849	16,475
Contract liabilities	543,280	339,462
Current portion of operating lease liabilities (including \$3,946 and \$3,920 as of March 31, 2026 and December 31, 2025, respectively, from related parties)	27,402	21,300
Current portion of long-term debt	18,297	16,694
Total current liabilities	1,133,408	708,156
Long-term debt, net of current portion (including \$96,545 and \$84,735 as of March 31, 2026 and December 31, 2025, respectively, from related parties)	1,008,769	812,398
Operating lease liabilities, net of current portion (including \$16,290 and \$17,282 as of March 31, 2026 and December 31, 2025, respectively, from related parties)	123,250	103,762
Tax receivable agreement liability - related party	208,838	207,448
Deferred tax liabilities, net	45,149	46,714
Other long-term liabilities	12,655	12,123
Total liabilities^(a)	2,532,069	1,890,601
Commitments and contingencies (Note 18)		
Stockholders' equity		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, no shares issued or outstanding as of March 31, 2026 and December 31, 2025	—	—
Class A common stock \$0.01 par value, 1,000,000,000 shares authorized, 67,338,099 and 63,856,975 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	673	638
Class B common stock \$0.01 par value, 200,000,000 shares authorized, 40,699,833 and 41,479,954 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	407	415
Additional paid-in capital	796,998	701,791
Accumulated deficit	(293,855)	(309,949)
Accumulated other comprehensive income (loss)	1,221	(698)
Total Legence stockholders' equity	505,444	392,197
Noncontrolling interests	445,595	396,598
Total stockholders' equity	951,039	788,795
Total liabilities and stockholders' equity	\$ 3,483,108	\$ 2,679,396

^(a) As of March 31, 2026, total assets include \$18.8 million and total liabilities include \$8.7 million for consolidated variable interest PCs as defined in “[Note 6—Variable Interest Entities and Equity Method Investments](#)”. As of December 31, 2025, total assets include \$21.8 million and total liabilities include \$9.4 million for consolidated variable interest PCs. Substantially all of the remaining total assets and total liabilities are attributable to the consolidated Legence Holdings variable interest entity, excluding the Tax receivable agreement liability (refer to “[Note 14—Tax Receivable Agreement](#)”) and deferred tax assets net of valuation allowance of \$51.9 million and \$29.5 million included in Other assets as of March 31, 2026 and December 31, 2025, respectively. Assets of the variable interest entities can only be used to settle the liabilities of those entities. Refer to “[Note 6—Variable Interest Entities and Equity Method Investments](#)” for additional information.

See Notes to Condensed Consolidated Financial Statements.

Legence Corp.
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	2026	2025
Revenue	\$ 1,037,893	\$ 505,953
Cost of revenue	851,739	394,249
Gross profit	186,154	111,704
Selling, general and administrative	116,095	69,459
Depreciation and amortization	36,828	26,092
Acquisition-related costs	11,432	157
Gain on sale of property and equipment	(64)	(98)
Equity in earnings of joint venture	(504)	(460)
Income from operations	22,367	16,554
Other expense (income):		
Interest expense (including \$1,680 and \$4,296 for the three months in 2026 and 2025, respectively, from related parties)	17,000	29,641
Interest income	(1,320)	(755)
Credit agreement amendment fees	3,243	2,877
Other income, net	(569)	(108)
Total other expense, net	18,354	31,655
Income (loss) before income tax	4,013	(15,101)
Income tax (benefit) expense	(13,381)	4,038
Net income (loss)	17,394	(19,139)
Net income attributable to noncontrolling interests	1,300	2,074
Net income (loss) attributable to Legence	\$ 16,094	\$ (21,213)
Earnings per share:		
Basic	\$ 0.24	
Diluted	\$ 0.13	
Weighted-average Class A Common Stock outstanding:		
Basic	67,151	
Diluted	108,431	

See Notes to Condensed Consolidated Financial Statements.

Legence Corp.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2026	2025
Net income (loss)	\$ 17,394	\$ (19,139)
Other comprehensive income (loss), net:		
Gain (loss) related to interest rate swaps, net of tax	3,110	(6,214)
Other comprehensive income (loss)	3,110	(6,214)
Comprehensive income (loss)	20,504	(25,353)
Comprehensive income attributable to noncontrolling interests	2,472	2,074
Comprehensive income (loss) attributable to Legence	\$ 18,032	\$ (27,427)

See Notes to Condensed Consolidated Financial Statements.

Legence Corp.
Condensed Consolidated Statements of Changes in Equity
(In thousands, except share amounts)
(Unaudited)

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Legence Stockholders' Equity	Non- controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
Balance, December 31, 2025	63,856,975	\$ 638	41,479,954	\$ 415	\$ 701,791	\$ (309,949)	\$ (698)	\$ 392,197	\$ 396,598	\$ 788,795
Tax receivable agreement liability and deferred taxes arising from exchanges of Class B Common Stock	—	—	—	—	(5,112)	—	—	(5,112)	—	(5,112)
Stock-based compensation for RSUs and stock options	—	—	—	—	4,025	—	—	4,025	—	4,025
Issuance of Class A Common Stock for acquisitions	2,701,003	27	—	—	106,410	—	—	106,437	—	106,437
Noncontrolling interest adjustment for changes in proportionate ownership in Legence Holdings LLC and issuances of Class A Common Stock	—	—	—	—	(23,681)	—	(19)	(23,700)	23,700	—
Exchange of Class B Common Stock to Class A Common Stock	780,121	8	(780,121)	(8)	—	—	—	—	—	—
Contribution from Legence Parent for Series A Interests and Restricted Series C Interests	—	—	—	—	—	—	—	—	22,825	22,825
Contribution from Legence Parent II for Series A Interests	—	—	—	—	13,565	—	—	13,565	—	13,565
Other comprehensive income	—	—	—	—	—	—	1,938	1,938	1,172	3,110
Net income	—	—	—	—	—	16,094	—	16,094	1,300	17,394
Balance, March 31, 2026	67,338,099	\$ 673	40,699,833	\$ 407	\$ 796,998	\$ (293,855)	\$ 1,221	\$ 505,444	\$ 445,595	\$ 951,039

	Member's Equity	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Member's Equity	Non- controlling Interests	Total Equity
Balance, December 31, 2024	\$ 443,738	\$ (250,169)	\$ 9,111	\$ 202,680	\$ 912	\$ 203,592
Reclassification of vested Legence Parent Series A Interests from liabilities	33	—	—	33	—	33
Other comprehensive loss	—	—	(6,214)	(6,214)	—	(6,214)
Net (loss) income	—	(21,213)	—	(21,213)	2,074	(19,139)
Balance, March 31, 2025	\$ 443,771	\$ (271,382)	\$ 2,897	\$ 175,286	\$ 2,986	\$ 178,272

See Notes to Condensed Consolidated Financial Statements.

Legence Corp.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2026	2025
Cash flows from operating activities:		
Net income (loss)	\$ 17,394	\$ (19,139)
Adjustments to reconcile net income (loss) to cash provided by operating activities:		
Amortization of intangible assets	32,554	21,462
Depreciation of property and equipment	9,722	7,889
Amortization of debt issuance costs and discounts	425	1,084
Stock-based compensation	36,652	(4,458)
Compensation expense - Performance Interests	3,763	—
Deferred taxes	(19,321)	(1,452)
Equity in earnings of joint venture	(504)	(460)
Operating lease right-of-use asset lease expense	6,877	4,001
Other	31	(200)
Changes in operating assets and liabilities:		
Accounts receivable, net	(59,199)	32,451
Contract assets	(25,711)	(9,991)
Prepaid expenses and other current assets	(1,549)	(664)
Accounts payable	26,144	(5,733)
Accrued compensation and benefits	24,044	11,009
Accrued and other current liabilities	(5,856)	1,919
Contract liabilities	79,141	(4,932)
Operating lease liabilities, current and long-term	(5,153)	(3,272)
Other long-term assets and liabilities	658	(53)
Cash provided by operating activities	120,112	29,461
Cash flows from investing activities:		
Purchases of property and equipment	(17,822)	(5,364)
Consideration paid for acquisitions, net of cash acquired	(281,330)	(453)
Proceeds from sale of property and equipment	133	67
Cash used in investing activities	(299,019)	(5,750)
Cash flows from financing activities:		
Term loan borrowings (including \$15,000 and \$2,495 in 2026 and 2025, respectively, from related parties)	200,000	2,495
Term loan payments	(2,494)	(6,604)
Revolver borrowings	25,000	—
Revolver payments	(25,000)	—
Notes payable payments	(1,905)	(3,379)
Finance lease payments	(1,288)	(849)
Debt issuance costs	(892)	—
Payments for deferred offering costs	(60)	(7,416)
Cash provided by (used in) financing activities	193,361	(15,753)
Increase in cash and cash equivalents	14,454	7,958
Cash and cash equivalents, beginning of period	230,166	81,167
Cash and cash equivalents, end of period	\$ 244,620	\$ 89,125

The supplemental disclosures to the Condensed Consolidated Statements of Cash Flows are included in "[Note 19 – Other Financial Information](#)."

See Notes to Condensed Consolidated Financial Statements.

Note 1 - Nature of Operations and Basis of Presentation

Organization

Legence Corp. was incorporated as a Delaware corporation on January 9, 2025 as a holding company for the purpose of facilitating an initial public offering (“IPO”) and other related transactions in order to carry on the business of Legence Holdings LLC (“Legence Holdings”). Legence Holdings and its subsidiaries are a leading provider of engineering, installation and maintenance services for mission-critical systems in buildings. The Company focuses on high-growth sectors that have technically demanding buildings, including technology, life sciences, healthcare and education. The Company specializes in designing, fabricating and installing complex heating, ventilation and air conditioning (“HVAC”), process piping and other mechanical, electrical and plumbing (“MEP”) systems for new facilities and upgrading HVAC, lighting and building controls in existing facilities to enhance building performance, improve reliability and drive efficiency. Services are primarily provided on a fixed price basis.

All references to the “Company” or “Legence” in this report are to Legence Corp. and its consolidated subsidiaries.

Initial Public Offering and Organizational Transactions

On September 15, 2025, the Company completed its IPO. In connection with the IPO, the Company completed a corporate reorganization (the “Corporate Reorganization”) that established an UP-C structure in which Legence Corp. became the managing member of Legence Holdings, Legence Holdings interests were recapitalized into LGN A Units and LGN B Units (collectively, “LGN Units”), Legence Parent II LLC (“Legence Parent II”), Legence Parent Management Aggregator LLC (“Management Aggregator I”) and Legence Parent II Management Aggregator LLC (“Management Aggregator II,” and together with Management Aggregator I, the “Management Aggregators”) were formed, and Legence Parent LLC (“Legence Parent”) subscribed for Class B common stock (“Class B Common Stock”) for nominal consideration and retained a portion of its pre-IPO ownership in Legence Holdings through LGN B Units. The number of LGN A Units corresponds on a one-for-one basis with shares of the Company’s Class A common stock, par value \$0.01 (the “Class A Common Stock”), while the number of LGN B Units corresponds on a one-for-one basis with shares of the Company’s Class B Common Stock. Class A Common Stock (corresponding to LGN A Units) is held by Legence Parent and Legence Parent II (through their respective wholly-owned subsidiaries, since the fourth quarter of 2025, as described below) and public shareholders.

The Corporate Reorganization was accounted for in a manner consistent with a reorganization of entities under common control. The unaudited Condensed Consolidated Financial Statements for periods prior to the IPO and Corporate Reorganization relate to Legence Holdings. Prior to the Corporate Reorganization, Legence Corp. had no operations.

Additionally, as part of the Corporate Reorganization, Legence Corp. entered into an exchange agreement (the “Exchange Agreement”) in which the holders of LGN B Units may exchange their LGN B Units, together with an equal number of corresponding shares of Class B Common Stock, for shares of Class A Common Stock of Legence Corp. on a one-for-one basis or the cash equivalent thereof (based on the 10-day volume weighted average price of the shares of Class A Common Stock at the time of exchange) as determined by Legence (the “Exchange Right”). If the Company elects the exchange to be settled in cash, the cash used to settle the redemption must be funded through a private sale or public offering of Class A Common Stock.

In the fourth quarter of 2025, Legence Parent and Legence Parent II formed Legence Parent ML LLC and Legence Parent II ML LLC (together, the “ML Entities”), which now hold the interests in Legence Holdings and Legence Corp. previously held by Legence Parent and Legence Parent II (collectively, the “Parent Entities”).

The accompanying unaudited Condensed Consolidated Financial Statements were prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and the instructions to Form 10-Q and Regulation S-X. Accordingly, these unaudited Condensed Consolidated Financial Statements do not include all information or notes required by GAAP for annual financial statements and should be read together with the Company’s audited Consolidated Financial Statements and notes thereto from the Form 10-K for the year ended December 31, 2025, filed with the SEC on March 30, 2026 (the “2025 Annual Report”). In the opinion of management, the accompanying unaudited Condensed Consolidated Financial Statements include all adjustments (consisting of normal recurring adjustments) that are necessary for a fair presentation of the Company’s financial position, results of operations, comprehensive income (loss) and cash flows for the interim periods presented. The December 31, 2025 Condensed Consolidated Balance Sheet data was derived from the 2025 audited Consolidated Financial Statements but does not

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

include all disclosures required by GAAP. The preparation of the unaudited Condensed Consolidated Financial Statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the related revenues and expenses and disclosures as of the date of the financial statements. Actual results could differ from those estimates.

Results of operations for the three months ended March 31, 2026 are not necessarily indicative of the results that will be realized for the year ended December 31, 2026, or for any future period. These condensed consolidated financial statements should be read in conjunction with the 2025 Annual Report.

Note 2 - Summary of Significant Accounting Policies

Refer to “Note 2. Summary of Significant Accounting Policies” in the 2025 Annual Report for the discussion of our significant accounting policies.

Recent Accounting Pronouncements

Hedge Accounting Improvements - In December 2025, the FASB issued Accounting Standards Update ASU 2025-09, “*Derivatives and Hedging (Topic 815): Hedge Accounting Improvements*” (“Update 2025-09”). The guidance introduces targeted refinements intended to align hedge accounting with risk management activities, including greater flexibility in hedge designation and clarifications for certain instruments. Update 2025-09 is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the impact that the adoption of Update 2025-09 will have on the Consolidated Financial Statements.

Targeted Improvements to the Accounting for Internal-Use Software - In September 2025, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2025-06, “*Intangibles-Goodwill and Other- Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*” (“Update 2025-06”), which removes references to the project stages and requires entities to begin capitalizing software costs when both of the following occur: (1) management has authorized and committed to funding the software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended. Update 2025-06 is effective for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years. Early adoption and a prospective, retrospective or modified transition approach are permitted. The Company is currently evaluating the impact that the adoption of Update 2025-06 will have on its Consolidated Financial Statements.

Measurement of Credit Losses for Accounts Receivable and Contract Assets - In July 2025, the FASB issued ASU 2025-05, “*Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*” (“Update 2025-05”), which allows entities to elect a practical expedient for current accounts receivables and contract assets to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The Company adopted Update 2025-05 as of January 1, 2026, on a prospective basis, and it did not have a material impact on the Condensed Consolidated Financial Statements.

Business Combinations and Consolidation - In May 2025, the FASB issued ASU 2025-03, “*Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*” (“Update 2025-03”). This update revises current guidance for determining the accounting acquirer for a transaction effected primarily by exchanging equity interests in which the legal acquiree is a VIE that meets the definition of a business. It requires that an entity consider the same factors that are currently required for determining which entity is the accounting acquirer in other acquisition transactions. Update 2025-03 is effective for fiscal years beginning after December 15, 2026 and interim reporting periods within those annual reporting periods, with early adoption permitted. Update 2025-03 requires that an entity apply the new guidance prospectively to any acquisition that occurs after the initial application date. The Company is currently evaluating the impact that the adoption of Update 2025-03 will have on its Consolidated Financial Statements.

Income Statement - Expense Disaggregation - In November 2024, the FASB issued ASU 2024-03, “*Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures*” (“Update 2024-03”). This update requires disclosure, in the notes to the financial statements, of disaggregated information about certain income statement costs and expenses on an interim and annual basis. Update 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact that the adoption of Update 2024-03 will have on its Consolidated Financial Statements.

Note 3 - Revenue Recognition and Related Balance Sheet Accounts

Revenue is recognized when control of the promised goods or services is transferred to the customer, either at a point-in-time or over-time, as the performance obligation is satisfied. The amount of revenue recognized reflects the transaction price, which is the consideration that the Company expects to receive in exchange for those goods or services provided. Most of the Company's contracts are considered to have a single performance obligation satisfied over time using the input method (i.e., "Cost-to-Cost Input Method").

The consideration promised in a contract with customers may include fixed amounts, variable amounts, or both. The Company estimates variable consideration and includes it in the transaction price to the extent it is probable that a significant future reversal in the amount of cumulative revenue recognized under the contract will not occur when the uncertainty associated with the variable consideration is resolved.

Management reassesses the amount of variable consideration each reporting period, and changes to estimated variable consideration are accounted for as a cumulative adjustment to revenue recognized in the current period. Recognizing changes in the transaction price requires significant judgments of various factors, including, but not limited to, dispute resolution developments and outcomes and anticipated negotiation results.

In satisfying the Company's performance obligations to its customers, the Company routinely procures goods and services from third parties that are inputs into an integrated single performance obligation typically under fixed-price contracts. Procurement from third parties often consists of goods and services provided by subcontractors that the Company engages to perform specified tasks on its behalf and/or under its direction. The Company earns a margin related to these costs under either fixed-margin or fixed-price arrangements with its customers. The Company determined that it is the principal in these arrangements as the Company controls the goods and services procured from third parties.

For some transactions, customers may withhold a portion of the contract price as a contract retention until the project is substantially complete or completed to ensure performance; however, these arrangements typically do not constitute a significant financing component.

Contract Estimates and Changes in Estimates

After contract inception, the transaction price may change for various reasons, including executed or unresolved change orders, executed or unresolved contract modifications, claims to or from the customer or owner, and back-charge recoveries. The customers may partially or fully agree with such modifications or affirmative claims. Most changes are considered variable consideration until approved by both parties.

Contracts with customers are often modified through change orders. Many change orders are for goods or services that are not distinct within the context of the original contract, and, therefore, are not treated as separate performance obligations.

For contracts where the Company applies the Cost-to-Cost Input Method, the accuracy of the Company's revenue and profit recognition in each reporting period depends on the accuracy of management's estimates of the cost to complete each project. Contract costs include labor, material, subcontractors and various overhead costs such as maintenance, depreciation, consumables, or equipment rentals, which are either directly related to the fulfillment of specific contract performance obligations or indirectly contribute to the overall customer service delivery fulfillment of multiple contracts and obligations. Costs associated with change orders, unresolved contract modifications, claims to or from owners and back-charge recoveries are recorded as incurred. Revisions to estimated total costs are reflected in the Company's measure of progress.

These revisions, as well as the stage of completion of contracts in process and the mix of contracts at different margins, may cause fluctuations in gross profit from period to period, which may have a significant impact on the Condensed Consolidated Financial Statements. At the time a loss on a contract becomes probable, the entire amount of the estimated loss is accrued. Management monitors for circumstances that may affect the accuracy of its estimates.

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Disaggregation of Revenue

The Company's revenue was derived from contracts to provide goods or services in the Engineering & Consulting and Installation & Maintenance segments. Refer to "[Note 16—Segment Information](#)" for additional information on reportable segments.

The Company disaggregates revenue by service line as management believes this category best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. See details in the following table (in thousands):

Revenue by Service Line and Segment	Three Months Ended March 31,	
	2026	2025
Engineering & Consulting:		
Engineering & Design	\$ 97,571	\$ 106,542
Program & Project Management	68,230	38,905
Total Engineering & Consulting segment	165,801	145,447
Installation & Maintenance:		
Installation & Fabrication	758,592	289,682
Maintenance & Service	113,500	70,824
Total Installation & Maintenance segment	872,092	360,506
Revenue	\$ 1,037,893	\$ 505,953

One customer of the Installation & Maintenance segment represented 17.5% and 6.2% of the Company's revenue for the three months ended March 31, 2026 and March 31, 2025, respectively. No other single customer accounted for more than 10% of revenue for the three months ended March 31, 2026 and March 31, 2025.

Contract Assets and Liabilities

Due to the nature of the Company's performance obligations and the timing of contractual payment terms, the Company has material contract asset and liability balances.

Contract assets include \$140.1 million and \$98.5 million of contract retentions as of March 31, 2026 and December 31, 2025, respectively. Contract retentions included in contract assets are generally subject to substantial project completion and acceptance by the customer.

Contract assets and contract liabilities fluctuate based on factors that occur in the normal course of business, including the volume of projects in progress at period end, the timing of negotiated payment terms, billing frequency and other differences in payment terms relative to revenue recognition.

The Company recognized \$70.1 million of contract assets and \$124.7 million of contract liabilities as part of purchased assets and liabilities related to acquisitions completed during the three months ended March 31, 2026. Refer to "[Note 4—Acquisitions](#)" for further information. The remaining increase in contract assets from December 31, 2025 to March 31, 2026 was primarily due to the increase in the Company's volume of project activity from both Installation & Maintenance and Engineering & Consulting segments, as reflected in increased revenue from these segments for the three months ended March 31, 2026. The remaining change in contract liabilities from December 31, 2025 to March 31, 2026 is primarily due to the timing and amount of revenue recognized.

During the three months ended March 31, 2026 and March 31, 2025, the Company recognized revenue of \$200.7 million and \$72.8 million, respectively, related to contract liabilities outstanding as of December 31, 2025 and December 31, 2024, respectively.

Contracts Receivable

Included in the contracts receivable balance is retention for which the Company has an unconditional right to payment and is only subject to the passage of time. Retentions included in Contracts Receivable as of both March 31, 2026 and December 31, 2025 were \$9.6 million.

Remaining Performance Obligations

The Company had approximately \$4,196.5 million in remaining performance obligations as of March 31, 2026, which represent the expected revenue values under the Company’s contracted or otherwise secured fixed-price project commitments. The Company expects to recognize approximately 65% to 75% of the remaining performance obligations within the next 12 months. The majority of the remaining performance obligations after the first 12 months are expected to be recognized within the following two years.

Although remaining performance obligations reflect expected revenue values that are considered to be firm, cancellations, scope adjustments or project deferrals may occur that impact their volume or the expected timing of their recognition.

Note 4 - Acquisitions

Acquisitions are recorded under the acquisition method of accounting, and the total consideration transferred is allocated to the acquired net tangible and identifiable intangible assets based primarily on their fair values as of the acquisition dates. The estimated fair value of identified intangible assets are Level 3 fair value measurements and are determined using discounted cash flow techniques. Such fair value is estimated using a multi-period excess earnings method for customer relationships and backlog and a relief from royalty method for trade names. The significant assumptions used in estimating fair value of customer relationships and backlog include i) the estimated life the asset will contribute to cash flows, such as remaining contractual terms, (ii) revenue growth rates and EBITDA margins, (iii) attrition rate of customers, and (iv) the estimated discount rates that reflect the level of risk associated with receiving future cash flows. The significant assumptions used in estimating fair value of trade names include estimated discount rates and estimated royalties that would be paid to license a comparable asset. The royalty rates used in this method are based on published comparable market royalty transactions.

2026 Acquisitions:

On November 13, 2025, the Company entered into an equity purchase agreement to acquire all of the outstanding equity of The Bowers Group, Inc. (“Bowers”). The acquisition was completed on January 2, 2026. Bowers is a mechanical contracting company based in Maryland. This acquisition adds mechanical contracting capabilities to the Company’s existing electrical contracting capabilities in the mid-Atlantic region. The Bowers operations and associated goodwill are included in the Installation & Maintenance segment.

On March 1, 2026, the Company acquired Metrix Engineers, LLC (“Metrix”). Metrix is an MEP engineering business based in Washington. This acquisition expands the Company’s geographic footprint in engineering services. The Metrix operations and associated goodwill are included in the Engineering & Consulting segment.

Total consideration transferred of \$460.0 million for the 2026 acquisitions consists of the following, subject to customary post-closing purchase price adjustments (in thousands):

	Bowers	Metrix	Total
Cash	\$ 283,104	\$ 25,181	\$ 308,285
Issuance of Legence Corp. Class A Common Stock	98,635	7,802	106,437
Deferred consideration	44,941	—	44,941
Holdback	—	299	299
Total consideration transferred	\$ 426,680	\$ 33,282	\$ 459,962

For the Bowers acquisition, the Company issued 2,551,672 shares of Class A Common Stock. The deferred consideration is payable on December 31, 2026, in cash, Class A Common Stock, or a combination, at the Company’s discretion. The

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Company incurred incremental term loan borrowings of \$200.0 million to partially finance the Bowers acquisition. Refer to “[Note 7—Debt.](#)” For the Metrix acquisition, the Company issued 149,331 shares of Class A Common Stock.

A summary of the purchased assets and liabilities for the 2026 acquisitions acquired at their fair value was as follows (in thousands):

	Bowers	Metrix	Total
Cash	\$ 27,934	\$ 34	\$ 27,968
Accounts receivable	180,536	3,267	183,803
Contract assets	67,416	2,691	70,107
Prepaid expenses and other current assets	3,432	81	3,513
Property and equipment	15,611	359	15,970
Operating lease right-of-use assets	21,679	902	22,581
Goodwill	72,197	5,425	77,622
Intangible assets	302,000	22,400	324,400
Other assets	468	—	468
	<u>691,273</u>	<u>35,159</u>	<u>726,432</u>
Accounts payable	(79,834)	(47)	(79,881)
Accrued compensation and benefits	(28,156)	—	(28,156)
Accrued and other current liabilities	(11,505)	(4)	(11,509)
Contract liabilities	(123,752)	(925)	(124,677)
Current portion of operating lease liabilities	(4,000)	(180)	(4,180)
Current portion of long-term debt	(1,276)	—	(1,276)
Long-term debt, net of current portion	(1,391)	—	(1,391)
Operating lease liabilities, net of current portion	(14,679)	(721)	(15,400)
	<u>(264,593)</u>	<u>(1,877)</u>	<u>(266,470)</u>
Net acquired assets	<u>\$ 426,680</u>	<u>\$ 33,282</u>	<u>\$ 459,962</u>

Finite-lived intangible assets that are being amortized using the straight-line method over their estimated lives at the applicable acquisition dates in 2026 consist of the following (in thousands, except weighted-average useful lives):

	Bowers	Metrix	Total	Weighted- average Useful Life (in years)
Customer relationships	\$ 199,900	\$ 18,700	\$ 218,600	11.0
Trade names	46,600	—	46,600	10.0
Contract backlog	55,500	3,700	59,200	2.0
	<u>\$ 302,000</u>	<u>\$ 22,400</u>	<u>\$ 324,400</u>	

Goodwill arising from acquisitions is derived largely from expected synergies and growth as well as the acquired assembled workforces. Goodwill is deductible for tax purposes for the 2026 acquisitions.

During the three months ended March 31, 2026, the Company incurred acquisition-related costs of \$10.5 million and \$0.9 million for the Bowers and Metrix acquisitions, respectively, which is included in Acquisition-related costs on the Condensed Consolidated Statements of Operations.

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

The purchase price allocation presented above reflects preliminary fair value estimates. The Company is in the process of finalizing working capital amounts and valuation amounts for certain intangible assets acquired. The Company has recorded preliminary estimates for these items and will record adjustments, if any, upon finalization of the respective valuations. The Company expects to complete the purchase price allocations of the 2026 acquisitions as soon as practicable but no later than one year from the respective acquisition dates.

2025 Acquisitions:

On October 1, 2025, the Company acquired Innovative Mechanical & Design, LLC (“IMD”). IMD is a mechanical contracting business based in Colorado. This acquisition expands the Company’s geographic footprint in mechanical services. The IMD operations and associated goodwill are included in the Installation & Maintenance segment.

During the year ended December 31, 2025, the Company completed one other immaterial acquisition (“Other 2025 Acquisition”). The business is a part of the Engineering & Consulting segment and is an MEP engineering business based in Arizona. This acquisition expands the Company’s customer base and provides additional opportunities for cross-selling.

Total consideration transferred of \$21.5 million for the 2025 acquisitions consists of the following (in thousands):

	IMD	Other 2025 Acquisition	Total
Cash	\$ 9,302	\$ 6,909	\$ 16,211
Issuance of Legence Corp. Class A Common Stock	3,589	449	4,038
Holdback	1,000	250	1,250
Purchase price receivable	(37)	—	(37)
Total consideration transferred	<u>\$ 13,854</u>	<u>\$ 7,608</u>	<u>\$ 21,462</u>

The Company issued 145,600 shares of Class A Common Stock as part of the 2025 acquisitions. Holdback amounts reflect consideration transferred to be paid in cash after the acquisition date assuming conditions for release of the holdback are met. As of March 31, 2026, there was \$1.3 million in holdback included in Accrued and other current liabilities on the Condensed Consolidated Balance Sheets related to 2025 acquisitions.

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

A summary of the purchased assets and liabilities for the 2025 acquisitions acquired at their fair value was as follows (in thousands):

	IMD	Other 2025 Acquisition	Total
Cash	\$ —	\$ 76	\$ 76
Accounts receivable	3,293	989	4,282
Contract assets	419	225	644
Prepaid expenses and other current assets	—	3	3
Property and equipment	1,318	23	1,341
Operating lease right-of-use assets	634	121	755
Goodwill	3,232	3,139	6,371
Intangible assets	7,690	4,070	11,760
Other assets	—	8	8
	<u>16,586</u>	<u>8,654</u>	<u>25,240</u>
Accounts payable	(1,100)	(64)	(1,164)
Accrued compensation and benefits	(215)	(74)	(289)
Accrued and other current liabilities	(152)	(18)	(170)
Contract liabilities	(631)	(769)	(1,400)
Current portion of operating lease liabilities	(238)	(104)	(342)
Operating lease liabilities, net of current portion	(396)	(17)	(413)
	<u>(2,732)</u>	<u>(1,046)</u>	<u>(3,778)</u>
Net acquired assets	<u>\$ 13,854</u>	<u>\$ 7,608</u>	<u>\$ 21,462</u>

Goodwill arising from acquisitions is derived largely from expected synergies and growth as well as the acquired assembled workforces. Goodwill is deductible for tax purposes for the 2025 acquisitions.

Supplemental Pro Forma Information

The following unaudited supplemental pro forma results of operations for Legence are presented as if the Bowers acquisition had been consummated on January 1, 2025. There is no pro forma information included for the three months ended March 31, 2026, as the Company's actual financial results for the period fully reflect the acquisition of Bowers. Pro forma results for the Metrix acquisition are not presented as they are not material to the Company's Condensed Consolidated Financial Statements. These unaudited supplemental pro forma results are provided for illustrative purposes only and may not be indicative of the actual results that would have been achieved by the combined companies or the future results of the combined companies (in thousands).

	Three Months Ended March 31, 2025
Revenue	\$ 682,737
Net loss attributable to Legence	\$ (31,561)

These pro forma combined historical results were adjusted for: an increase in interest expense for debt incurred by the Company to finance the transactions, increased depreciation and amortization expense due to the fair value of fixed assets and intangible assets, adjustments for operating lease right-of-use asset lease expense, recognition of retention bonuses and other share-based payments as compensation expense, accretion of deferred consideration, reclassification of transaction expenses to the beginning of the pro forma period, and other adjustments including income tax effects and noncontrolling interests. The pro forma combined historical results do not eliminate the impact of acquisition-related costs or any cost

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

savings or other synergies that may result from the acquisitions. The pro forma results include \$14.5 million of acquisition-related costs that are not expected to have a continuing impact on the Company's operations.

Results of Operations

For the three months ended March 31, 2026, Revenue of \$243.3 million and Net loss attributable to Legence of \$9.2 million are included in the Condensed Consolidated Statements of Operations for the Bowers acquisition. Results of operations for the Metrix acquisition are not disclosed as they are not material to the Company's Condensed Consolidated Financial Statements.

Note 5 - Goodwill and Intangible Assets

The following is a summary of changes in the carrying value of Goodwill by segment (in thousands):

Carrying value of Goodwill	Engineering & Consulting	Installation & Maintenance	Total
Balance, December 31, 2025	\$ 412,987	\$ 351,349	\$ 764,336
Acquisitions	5,425	72,197	77,622
Balance, March 31, 2026	<u>\$ 418,412</u>	<u>\$ 423,546</u>	<u>\$ 841,958</u>
Accumulated goodwill impairment			
Balance, December 31, 2025	\$ 47,821	\$ 47,407	\$ 95,228
Balance, March 31, 2026	<u>\$ 47,821</u>	<u>\$ 47,407</u>	<u>\$ 95,228</u>

The Company's identifiable intangible assets consist of the following (in thousands, except weighted-average remaining lives):

	March 31, 2026			Weighted-average Remaining Life (in years)
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	
Customer relationships	\$ 877,398	\$ (227,785)	\$ 649,613	8.7
Trade names	227,028	(86,545)	140,483	6.1
Contract backlog	60,770	(7,600)	53,170	1.7
	<u>\$ 1,165,196</u>	<u>\$ (321,930)</u>	<u>\$ 843,266</u>	
	December 31, 2025			Weighted-average Remaining Life (in years)
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	
Customer relationships	\$ 658,798	\$ (209,054)	\$ 449,744	8.3
Trade names	180,428	(80,068)	100,360	5.4
Contract backlog	1,570	(254)	1,316	1.4
	<u>\$ 840,796</u>	<u>\$ (289,376)</u>	<u>\$ 551,420</u>	

The value of acquired identifiable intangibles at the applicable acquisition dates in 2026 is \$324.4 million. Refer to "[Note 4—Acquisitions](#)" for further information.

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Future amortization of intangible assets as of March 31, 2026 was as follows (in thousands):

Year ended December 31:

2026 (nine months remaining)	\$	99,394
2027		128,196
2028		98,604
2029		98,270
2030		97,007
Thereafter		321,795
	\$	843,266

Note 6 - Variable Interest Entities and Equity Method Investments

The Company holds interests in a number of joint ventures and other entities, some of which are VIEs. The Company consolidates a VIE when it is the primary beneficiary. For unconsolidated joint ventures, the Company accounts for its investment using the equity method.

Consolidated Variable Interest Entities

In connection with the Corporate Reorganization, Legence Corp. became the sole managing member of Legence Holdings, in which Legence Corp. operates and controls all of the business and affairs of Legence Holdings, and has the obligation to absorb losses and receive benefits from Legence Holdings. Accordingly, Legence Holdings is evaluated under the guidance for limited partnerships and similar entities in ASC 810, Consolidation, and is considered a variable interest entity. Legence Corp. has both (i) the power to direct the activities that most significantly impact Legence Holdings' economic performance and (ii) the right to receive benefits or the obligation to absorb losses that could be significant to Legence Holdings. Accordingly, Legence Corp. is the primary beneficiary and consolidates Legence Holdings in its consolidated financial statements. The assets of Legence Holdings can only be used to settle its own obligations. Refer to "[Note 12—Noncontrolling Interests](#)".

The Company has various contractual relationships with two professional corporations ("PCs") that provide engineering and design services in New York and California. The Company does not own any equity interest in the PCs but provides most of the administrative functions, personnel and other resources required for the PCs to fulfill contracts with their customers. The Company receives fees from the PCs for these services. The Company is the primary beneficiary of the PCs. As such, the Company consolidates the PCs within the Condensed Consolidated Financial Statements.

The table below shows the carrying amounts and classification of the PCs' assets and liabilities included on the Company's Condensed Consolidated Balance Sheets, excluding intercompany balances (in thousands):

	March 31, 2026	December 31, 2025
Cash	\$ 2,173	\$ 5,019
Accounts receivable, net	13,028	12,868
Contract assets, net	3,382	3,699
Total current assets	18,583	21,586
Other assets	210	224
Total assets	\$ 18,793	\$ 21,810
Accrued and other current liabilities	\$ 1,770	\$ 2,359
Contract liabilities	6,923	7,012
Total liabilities	\$ 8,693	\$ 9,371

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

The assets of the PCs can only be used to settle their own obligations. The Company and the PCs have a promissory note agreement that allows each PC to borrow up to \$1.0 million from the Company; however, no amounts have been borrowed. The Company's Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Operations and Condensed Consolidated Statements of Cash Flows, net of intercompany eliminations, are impacted by the performance of the PCs. The Company's Condensed Consolidated Financial Statements show noncontrolling interests, which represent the equity owned by the PCs' owner.

Equity Method Investments

The Company has investments in, and transactions with, a number of unconsolidated joint ventures. The investments and earnings are immaterial. In addition, the Company recognized immaterial related-party revenue from subcontracts with these joint ventures during the three months ended March 31, 2026 and 2025, respectively. These amounts are included in Revenue on the Condensed Consolidated Statements of Operations.

Note 7 - Debt

Debt obligations consist of the following (in thousands):

	March 31, 2026	December 31, 2025
Term loan	\$ 995,278	\$ 797,772
Notes payable	26,167	27,345
Finance lease liabilities	12,818	10,642
Total debt	1,034,263	835,759
Less: Current portion	(18,297)	(16,694)
Less: Unamortized debt issuance costs and discounts	(7,197)	(6,667)
Long-term debt, net of current portion	\$ 1,008,769	\$ 812,398

Term loan

Legence Holdings has entered into a credit agreement (as amended from time to time) with Jefferies Finance LLC as the administrative agent for a group of lenders, which provides for a term loan credit facility and a revolving credit facility. The term loan matures on December 2031, and is secured by a lien on substantially all assets of Legence Holdings and its wholly-owned subsidiaries, subject to customary exclusions. A portion of the term loan is held by entities associated with the Company and BX Aggregators. They are subject to the same terms described below, including interest payments, principal payments and maturity. The credit agreement has been amended from time to time, including as described below:

- On January 2, 2026, Legence Holdings obtained a \$200.0 million incremental term loan, and used the proceeds to fund acquisition-related payments. In connection with the amendment, Legence Holdings incurred \$4.1 million of fees, of which \$3.2 million relate to third parties and are recognized in Credit agreement amendment fees on the Condensed Consolidated Statements of Operations.
- On January 15, 2026, Legence Holdings amended its credit agreement to modify and clarify the terms governing letters of credit, while confirming that all existing letters of credit remain in effect and all other provisions of the agreement remain unchanged.

Interest on Secured Overnight Financing Rate ("SOFR") rate term loans is payable based on the selected interest period if less than three months or quarterly if the selected interest period is three months or longer. Interest on base rate loans is payable quarterly.

As of March 31, 2026, principal payments on the term loans of \$2.5 million are payable quarterly, with any remaining principal balance due on December 16, 2031. Subject to the requirements of the agreement, Legence Holdings may also be required, as applicable, to make additional principal payments based on its excess cash flow, as defined in the credit agreement. The credit agreement contains customary representations and warranties and customary events of default, as well as certain affirmative and negative covenants. Legence Holdings is in compliance with the financial covenants as of March 31, 2026.

Revolving Credit Facility

The credit agreement provides Legence Holdings with a revolving credit facility in an aggregate principal amount of \$200.0 million. Borrowings under the revolving credit facility are secured by a lien on substantially all the assets of Legence Holdings and its wholly-owned subsidiaries on a pari passu basis with the term loan facility.

Advances, including standby letters of credit, under the revolving credit facility may be elected to be treated as either SOFR rate loans or base rate loans.

SOFR rate revolving loans bear interest at SOFR plus 2.25% and base rate revolving loans bear interest at 1.25% plus the base rate which is the highest of (a) the federal funds rate plus 0.50%, (b) the prime rate and (c) the SOFR rate for one month plus 1.00%. Interest on SOFR rate revolving loans is payable based on the selected interest period if less than three months or quarterly if the selected interest period is three months or longer. Interest on base rate revolving loans is payable quarterly.

In January 2026, Legence Holdings borrowed and repaid \$25.0 million under the revolving credit facility. The weighted-average interest rate was 5.95%.

In addition, a revolver commitment fee is payable quarterly for the unused portion of the revolving credit facility at a rate of 0.38% to 0.50% based on Legence Holdings's Net Leverage Ratio. As of March 31, 2026, the rate for the unused portion of the revolving credit facility is 0.38%. The revolving credit facility may be used to issue standby letters of credit, which reduce the available borrowings. As of March 31, 2026, there are \$30.7 million letters of credit outstanding under the revolving credit facility, with an interest rate of 2.38%.

As of March 31, 2026, \$169.3 million was available to be borrowed under the revolving credit facility. There were no outstanding borrowings under the revolving credit facility as of March 31, 2026 and December 31, 2025.

The credit agreement, in addition to customary affirmative covenants, contains a springing financial maintenance covenant that requires the Consolidated First Lien Net Leverage Ratio to be less than 8.50 to 1.00 if certain testing conditions are satisfied. The springing financial maintenance covenant is only tested if as of the last day of a Test Period (generally quarterly) the amount of loans and/or letters of credit outstanding under the revolving credit facility is greater than 35% of the facility size. The springing financial maintenance covenant was not required to be tested during the periods presented in the Condensed Consolidated Financial Statements, and the Company is in compliance with the financial covenant as of March 31, 2026.

Notes payable

As part of the consideration transferred to acquire certain companies in prior years, the Company issued notes payable to former owners of acquired companies. The former owners are considered related parties when they are employees or Parent interests holders. The Company can prepay these notes without penalty.

The Company issued a promissory note payable in connection with a 2022 acquisition. As of March 31, 2026 and December 31, 2025, the outstanding balance is \$10.8 million and \$10.6 million, respectively, and the carrying value is \$10.3 million and \$10.1 million, respectively, recorded in Long-term debt, net of current portion on the Condensed Consolidated Balance Sheets. The stated interest rate is 5.5%. All principal and interest are due at the earlier of the end of the 5-year term in 2027 or upon a sale event as defined in the note agreement.

The Company issued promissory notes payable in connection with a 2023 acquisition and a 2022 acquisition, and the holders of the promissory notes were related parties as of March 31, 2026 and December 31, 2025. As of both March 31, 2026 and December 31, 2025, the outstanding balance is \$13.7 million and the carrying value is \$12.9 million and \$12.8 million, respectively. As of March 31, 2026 and December 31, 2025, \$10.9 million and \$10.8 million, respectively, are recorded in Long-term debt, net of current portion on the Condensed Consolidated Balance Sheets. As of both March 31, 2026 and December 31, 2025, \$2.0 million is recorded in Current portion of long-term debt on the Condensed Consolidated Balance Sheets. The promissory notes have a range of stated interest rates from 5.5% to 6.0% and maturities ranging from 2026 to 2028, at which time all principal and interest are due. The promissory note related to the 2022 acquisition requires the Company to repay all principal and interest earlier if the Company undergoes a change of control as defined in the note agreement.

Note 8 - Fair Value Measurements

The Company recognizes certain financial assets and liabilities at fair value on a recurring basis following the fair value hierarchy detailed in ASC Topic 820, *Fair Value Measurement*:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2: Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3: Inputs are unobservable inputs that reflect the reporting entity's own assumptions on which assumptions the market participants would use in pricing the asset or liability based on the best available information.

The following table presents the input level used to determine the fair value of the financial instruments measured at fair value on a recurring basis (in thousands):

	March 31, 2026		
	Level 1	Level 2	Level 3
Assets:			
Cash equivalents - money market	\$ 164,409	\$ —	\$ —
Interest rate swap instruments	\$ —	\$ 2,593	\$ —
Liabilities:			
Interest rate swap instruments	\$ —	\$ 635	\$ —

	December 31, 2025		
	Level 1	Level 2	Level 3
Assets:			
Cash equivalents - money market	\$ 572	\$ —	\$ —
Interest rate swap instruments	\$ —	\$ 42	\$ —
Liabilities:			
Interest rate swap instruments	\$ —	\$ 1,194	\$ —

The carrying value of Cash approximates fair value due to its short-term nature.

Interest Rate Swap Instruments: Additional derivative instrument disclosures for the Company's interest rate swaps can be found in "[Note 9—Derivatives](#)."

For determining the fair value of the interest rate swap contracts, the Company uses significant observable market data or assumptions (Level 2 inputs) that market participants use in pricing similar assets or liabilities, including assumptions about counterparty risk. The fair value estimates reflect an income approach based on the terms of the interest rate swap contracts and inputs corroborated by observable market data, including interest rate curves.

Financial Instruments Not Carried at Fair Value: The table below shows the fair value and carrying value of the term loan and promissory notes (a component of notes payable) included in Total debt as shown in "[Note 7—Debt](#)" (in thousands):

	March 31, 2026		December 31, 2025	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Term loan	\$ 997,965	\$ 989,346	\$ 803,995	\$ 792,515
Promissory notes	\$ 24,127	\$ 23,197	\$ 21,490	\$ 22,906

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

The fair value of the term loan as of March 31, 2026 and December 31, 2025 was derived by taking the mid-point of the trading prices from observable market inputs in the secondary bond market for the term loan (Level 2 measurement) and multiplying it by the outstanding face value of the term loan.

The fair value of the promissory notes as of March 31, 2026 and December 31, 2025 was calculated using a discounted cash flow methodology under the income approach, using interest rate indices, risk premiums, and adjustments for the size and subordination of the instrument (Level 3 measurement).

The carrying value of the remaining notes payable and finance lease liabilities approximates fair value as of March 31, 2026 and December 31, 2025.

Note 9 - Derivatives

Interest Rate Swaps: The Company has multiple interest rate swap agreements designated as cash flow hedges. The Company utilizes these interest rate swap agreements to reduce exposure to fluctuations in variable interest rates for future interest payments on its term loan. The total notional amount is \$785.0 million as of March 31, 2026 and December 31, 2025. Failure of the interest rate swap counterparties to make payments may result in the loss of any potential benefit to the Company under the interest rate swap agreements. The Company mitigates risk of non-performance by counterparties by dealing with highly rated counterparties. The Company does not use financial instruments for trading or speculative purposes. Additional information regarding the fair value of the Company's interest rate swaps can be found in "[Note 8—Fair Value Measurements](#)".

The fair value of derivative instruments is presented on the Condensed Consolidated Balance Sheets, as follows (in thousands):

	Balance Sheet Location	March 31, 2026	December 31, 2025
Derivatives designated as hedging instruments			
Interest rate swap asset (short-term)	Prepaid expenses and other current assets	\$ 1,671	\$ 42
Interest rate swap asset (long-term)	Other assets	\$ 922	\$ —
Interest rate swap liability (short-term)	Accrued and other current liabilities	\$ 328	\$ 886
Interest rate swap liability (long-term)	Other long-term liabilities	\$ 307	\$ 308

The following table presents the gross changes in Accumulated Other Comprehensive Income ("AOCI") from the Company's cash flow hedges (in thousands):

	Three Months Ended March 31,	
	2026	2025
Beginning balance	\$ (698)	\$ 9,111
Unrealized gain (loss) recognized in AOCI	3,483	(3,398)
Gain reclassified from AOCI to Interest expense	(373)	(2,816)
Other comprehensive income (loss)	3,110	(6,214)
Other comprehensive income attributable to noncontrolling interests	1,191	—
Ending balance	\$ 1,221	\$ 2,897

For the three months ended March 31, 2026 and 2025, there was no ineffectiveness recognized in earnings.

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

The following table provides additional details related to the interest rate swap agreements, as amended, that were in effect as of March 31, 2026 (notional in thousands):

Effective Date ⁽¹⁾	Maturity Date	Notional Amount ⁽²⁾	Fixed Interest Rate ⁽³⁾
February 28, 2023	December 31, 2026	\$337,500	3.4396%
February 28, 2023	December 31, 2026	\$337,500	3.3750%
January 31, 2024	December 31, 2026	\$110,000	4.0433%
December 31, 2026	December 31, 2027	\$200,000	3.2480%
December 31, 2026	December 31, 2027	\$200,000	3.2480%
December 31, 2026	December 31, 2028	\$100,000	3.4581%
December 31, 2026	December 31, 2028	\$100,000	3.6995%

- (1) The interest rate swaps with effective dates of December 31, 2026 were added in July 2025 and March 2026 are not included in the notional amount as of March 31, 2026.
(2) For the interest rate swap with a notional amount of \$110,000, the notional amount was \$140,000 from January 31, 2024 to September 14, 2025, and was reduced to \$110,000 on September 15, 2025 in connection with a debt prepayment on that date.
(3) Payments will be made to the Company if the one-month SOFR exceeds the fixed interest rates for the respective interest rate swaps.

The following table provides additional details related to the interest rate swap agreements, as amended, that were in effect as of December 31, 2025 (notional in thousands):

Effective Date ⁽¹⁾	Maturity Date	Notional Amount ⁽²⁾	Fixed Interest Rate ⁽³⁾
February 28, 2023	December 31, 2026	\$337,500	3.4396%
February 28, 2023	December 31, 2026	\$337,500	3.3750%
January 31, 2024	December 31, 2026	\$110,000 — \$140,000	4.0433%
December 31, 2026	December 31, 2027	\$200,000	3.2480%
December 31, 2026	December 31, 2027	\$200,000	3.2480%

- (1) The interest rate swaps with effective dates of December 31, 2026 were added during July 2025 and are not included in the notional amount as of December 31, 2025.
(2) For interest rate swaps with ranges, the notional amount is \$140,000 from January 31, 2024 to September 14, 2025 and \$110,000 from September 15, 2025 to December 31, 2026, due to a \$30,000 reduction in notional amount in connection with a debt prepayment on September 15, 2025.
(3) Payments will be made to the Company if the one-month SOFR exceeds the fixed interest rates for the respective interest rate swaps.

Note 10 - Stockholders' Equity

Secondary offering transactions

On January 8, 2026, the underwriters fully exercised their 30-day overallotment option related to the secondary offering completed on December 16, 2025, to purchase from the ML Entities up to 1,260,326 shares of Class A Common Stock, 780,121 of which were issued in exchange for LGN B Units, together with an equal number of corresponding shares of Class B Common Stock, held by Legence Parent ML. As a result of the exchanges, the LGN B Units that were previously classified as noncontrolling interests were converted into LGN A Units held by Legence Corp. and its subsidiaries, thereby increasing the Company's ownership interest in Legence Holdings. The Company did not issue or sell any shares of Class A Common Stock and did not receive any proceeds from the sale of shares by the ML Entities in connection with the foregoing transactions.

On April 9, 2026, the Company completed a secondary offering of 15,394,112 shares of Class A Common Stock on behalf of the ML Entities at a public offering price of \$54.00 per share, including the full exercise by the underwriters of their overallotment option to purchase up to an additional 2,007,927 shares (the "Subsequent Secondary Offering"). In connection with the Subsequent Secondary Offering, Legence Parent ML exchanged 9,528,699 issued and outstanding LGN B Units, together with an equal number of corresponding shares of Class B Common Stock, for an equal number of shares of Class A Common Stock. As a result of the exchange, the LGN B Units that were previously classified as noncontrolling interests were converted into LGN A Units held by Legence Corp. and its subsidiaries, thereby increasing

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

the Company's ownership interest in Legence Holdings. The Company did not issue or sell any shares of Class A Common Stock and did not receive any proceeds from the sale of shares by the ML Entities in the Subsequent Secondary Offering.

Acquisition issuances

In connection with the 2026 acquisitions described in "[Note 4—Acquisitions](#)", the Company issued 2,701,003 shares of Class A Common Stock as noncash consideration.

ESPP Plan

On February 25, 2026, the Board adopted the 2026 Employee Stock Purchase Plan ("2026 ESPP"), including the reservation of 1,580,053 shares of Class A Common Stock for issuance under the 2026 ESPP. The 2026 ESPP is subject to the approval of our stockholders. Pursuant to the 2026 ESPP, eligible employees may contribute up to 15% of their eligible cash compensation during quarterly offering periods for the purchase of Class A Common Stock up to an annual maximum of \$25,000 per employee. The maximum number of shares that may be purchased by an eligible employee during an offering period is 1,000 shares. On each purchase date, participants are entitled to acquire shares of Class A Common Stock at 90% of the Company's closing price on such date.

Note 11 - Stock-Based Compensation and Long-term Incentive Awards

Management Aggregator I and Management Aggregator II issue Series A Interests and Restricted Series C Interests to the Company's employees. Series A Interests awards are comprised of time vesting interests (60%) ("Time Interests"), performance vesting interests (20%) ("Performance Interests"), and exit vesting interests (20%) ("Exit Interests"). The Management Aggregators are solely responsible for settling these awards and cannot direct Legence Holdings to settle or declare distributions for such purpose. The Time Interests and Restricted Series C Interests are remeasured at fair value each period, with changes recognized as capital contributions from the Management Aggregators through Legence Parent and Legence Parent II.

Series A Interests

The compensation expense (benefit) for Time Interests was as follows (in thousands):

	Three Months Ended March 31,	
	2026	2025
Selling, general and administrative	\$ 25,284	\$ (3,643)
Cost of revenue	6,554	(843)
Compensation expense (benefit)	<u>\$ 31,838</u>	<u>\$ (4,486)</u>

For the three months ended March 31, 2026, the Parent Entities distributed \$11.1 million to holders of Time Interests, which the Company recorded as compensation expense. There were no distributions for Time Interests for the three months ended March 31, 2025. As of March 31, 2026, the unrecognized compensation expense related to Time Interests is approximately \$23.7 million to be recognized over a remaining weighted-average term of 1.2 years.

The compensation expense for Performance Interests was as follows (in thousands):

	Three Months Ended March 31,	
	2026	2025
Selling, general and administrative	\$ 3,055	\$ —
Cost of revenue	708	—
Compensation expense	<u>\$ 3,763</u>	<u>\$ —</u>

Payments related to the Performance Interests and Exit Interests are contingent upon the achievement of specified market thresholds and require the recipient's continued employment through distribution dates. Once the applicable thresholds are

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

achieved, holders are entitled to receive payments upon each qualifying distribution from the Parent Entities. For the three months ended March 31, 2026, the Parent Entities distributed \$3.8 million to holders of Performance Interests, which the Company recorded as compensation expense. There were no distributions for Performance Interests for the three months ended March 31, 2025. There were no distributions for Exit Interests and no compensation expense recorded for Exit Interests for the three months ended March 31, 2026 or 2025. Because additional distributions are dependent on future liquidity events that are not considered probable as of the financial statement dates, no compensation was accrued for these awards as of March 31, 2026 or December 31, 2025.

Restricted Series C Interests

The compensation expense for Restricted Series C Interests was as follows (in thousands):

	Three Months Ended March 31,	
	2026	2025
Selling, general and administrative	\$ 359	\$ 13
Cost of revenue	430	15
Compensation expense	<u>\$ 789</u>	<u>\$ 28</u>

For the three months ended March 31, 2026, the Parent Entities distributed \$0.3 million to holders of Restricted Series C Interests, which the Company recorded as compensation expense. There were no distributions for Restricted Series C Interests for the three months ended March 31, 2025. As of March 31, 2026, the unrecognized compensation expense related to Restricted Series C Interests is approximately \$1.8 million to be recognized over a remaining weighted-average term of 2.7 years.

Note 12 - Noncontrolling Interests

Legence Corp. is the sole managing member of Legence Holdings, and the Company consolidates the financial results of Legence Holdings. Therefore, the Company reports a noncontrolling interest on the portion of net assets and income not attributable to Legence.

The following table summarizes the change in ownership of Legence Holdings during the three months ended March 31, 2026. Please refer to "[Note 10—Stockholders' Equity](#)" for additional information related to activity during the three months ended March 31, 2026.

	Ownership			Ownership Percentage		
	Legence Corp. (LGN A Units)	Non- controlling interests (LGN B Units)	Total	Legence Corp. (LGN A Units)	Non- controlling interests (LGN B Units)	Total
Balance, December 31, 2025	63,856,975	41,479,954	105,336,929	60.6 %	39.4 %	100.0 %
Issuance of Class A Common Stock for acquisitions	2,701,003	—	2,701,003	1.0 %	(1.0)%	— %
Effects of exercise of underwriters' overallotment option	780,121	(780,121)	—	0.7 %	(0.7)%	— %
Balance, March 31, 2026	<u>67,338,099</u>	<u>40,699,833</u>	<u>108,037,932</u>	<u>62.3 %</u>	<u>37.7 %</u>	<u>100.0 %</u>

Net income (loss) attributable to Legence Holdings is attributed to the Company and the noncontrolling interest based on their relative ownership percentages. Changes in ownership that do not result in a loss of control are accounted for as equity transactions in accordance with ASC Topic 810, Consolidation.

Noncontrolling interests as presented on the Condensed Consolidated Balance Sheets and Condensed Consolidated Statements of Operations reflect balances and activity related to the following:

- a. Legence Parent ML's ownership of Legence Holdings.
- b. Contributions from Legence Parent for Series A Interests and Restricted Series C Interests based on the percentage that Legence Parent contributes relative to the total contributions of Series A Interests and Restricted Series C Interests from Legence Parent and Legence Parent II. These capital contributions from Legence Parent recorded in noncontrolling interests are reclassified to additional paid-in capital on a proportional basis when a change in ownership occurs related to an exchange of LGN B Units.
- c. Noncontrolling interests for the PCs, as discussed in ["Note 6—Variable Interest Entities and Equity Method Investments."](#)

Note 13 - Earnings Per Share

The Company calculates basic and diluted earnings per share ("EPS") in accordance with ASC Topic 260, Earnings Per Share. Basic EPS is calculated using Net income (loss) attributable to Legence divided by the weighted-average number of shares of Class A Common Stock outstanding during the period. Diluted EPS is calculated using Net income (loss) attributable to Legence divided by the weighted-average number of shares of Class A Common Stock outstanding during the period, adjusted to give effect to potentially dilutive securities. The effect of potentially dilutive securities under the treasury stock method are not included in the computation of diluted EPS for periods in which there is a Net loss attributable to Legence, because to do so would be anti-dilutive. Potentially dilutive securities evaluated under the if-converted method are assessed each reporting period to determine their impact on diluted EPS. Class B Common Stock does not have economic rights in the Company, including no rights to dividends or distributions upon liquidation, and as a result, is not considered a participating security for basic and diluted EPS. As such, basic and diluted EPS of Class B Common Stock has not been presented.

The Company's potentially dilutive securities consist of (i) unvested restricted stock units ("RSUs") and unexercised stock options, with the dilutive effect calculated using the treasury stock method, (ii) exchange of LGN B Units to shares of Class A Common Stock, with the dilutive effect calculated using the if-converted method and (iii) settlement of deferred consideration related to the Bowers acquisition with shares of Class A Common Stock using the if-converted method.

The following table sets forth the computation of basic and diluted EPS. Prior to the IPO, Legence Holdings was a single-member limited liability company and did not present earnings per share. Due to the IPO and Corporate Reorganization, the Company's capital structure before and after the IPO is not comparable and would not be meaningful to the users of these Condensed Consolidated financial statements. As a result, only earnings per share for the three months ended March 31, 2026 are presented.

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

(in thousands, except per share data)	Three Months Ended March 31, 2026	
Numerator—basic:		
Net income	\$	17,394
Less: Net income attributable to noncontrolling interests		1,300
Net income attributable to Legence—basic	\$	16,094
Denominator—basic:		
Weighted-average Class A Common Stock outstanding—basic		67,151
Earnings per share—basic	\$	0.24
Numerator—diluted:		
Net income attributable to Legence—basic	\$	16,094
Net income effect of dilutive securities:		
Effect of RSUs and stock options		(10)
Effect of assumed exchange of LGN B Units		(2,137)
Effect of assumed exchange of LGN B Units prior to exercise of underwriters' overallotment option		(3)
Net income attributable to Legence—diluted	\$	13,944
Denominator—diluted:		
Weighted-average Class A Common Stock outstanding—basic		67,151
Weighted-average effect of dilutive securities:		
Effect of RSUs and stock options		519
Effect of assumed exchange of LGN B Units		40,700
Effect of assumed exchange of LGN B Units prior to exercise of underwriters' overallotment option		61
Weighted-average Class A Common Stock outstanding—diluted		108,431
Earnings per share—diluted	\$	0.13

Anti-dilutive securities that could potentially dilute EPS in the future are set forth below (in thousands):

	Three Months Ended March 31, 2026	
Stock options		214
RSUs		149
Deferred consideration related to Bowers acquisition		992

Note 14 - Tax Receivable Agreement

In connection with the IPO and Corporate Reorganization, the Company entered into the Tax Receivable Agreement (“TRA”) with Legence Parent and Legence Parent II (the “TRA Members”), which are related parties. The TRA generally provides for the payment by the Company to the TRA Members of 85% of the net cash tax savings, if any, in U.S. federal, state and local income tax the Company realizes, or is deemed to realize, as a result of the Company’s (i) allocable share of existing tax basis acquired in connection with the IPO and increases to such allocable share of existing tax basis; (ii) the utilization of certain tax attributes of the blocker entities that became subsidiaries of the Company pursuant to the Corporate Reorganization; (iii) increases in tax basis resulting from future redemptions or exchanges (or deemed exchanges in certain circumstances) of Legence Holdings LGN B Units for Class A Common Stock or cash and certain distributions (or deemed distributions) by Legence Holdings pursuant to the Exchange Agreement; and (iv) certain additional tax benefits arising from payments made under the TRA. The annual tax benefits are computed on a with and without basis by calculating the income taxes due including such tax benefits, and the income taxes due without such benefits. The

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Company retains the benefit of the remaining 15% of these cash savings, if any. Payments under the TRA are not conditioned upon any continued ownership interest in Legence Holdings or the Company.

On January 8, 2026, the underwriters fully exercised their 30-day overallotment option related to the secondary offering completed on December 16, 2025. The exchange resulted in an increase to the TRA liability of \$9.8 million. The exercise of the overallotment option and the impact on future TRA payments resulted in an increase to net deferred tax assets of \$4.7 million. The net impact is a decrease to Additional paid-in capital of \$5.1 million. Refer to “[Note 10—Stockholders' Equity](#)” for additional information.

The TRA liability is classified as current or long term based on the expected date of payment. As of March 31, 2026, the current portion of the TRA liability is \$8.2 million and is included in Accrued and other current liabilities on the Condensed Consolidated Balance Sheet.

Note 15 - Income Taxes

The income tax (benefit) expense and effective income tax rate were as follows (in thousands):

	Three Months Ended March 31,	
	2026	2025
Income tax (benefit) expense	\$ (13,381)	\$ 4,038
Effective income tax rate	(333.4)%	(26.7)%

The Company evaluates its estimated annual effective income tax rate based on current and forecasted business results and enacted tax laws on a quarterly basis and applies this tax rate to ordinary income or loss to calculate the estimated tax liability or benefit, adjusted for discrete events arising in each respective quarter. Due to the nature of the legal structure, the effective tax rate is impacted by changes in the mix of earnings because some of the pass-through earnings are taxed at the Company level or through other corporations.

For the three months ended March 31, 2026, the effective tax rate was lower than the U.S. federal statutory rate of 21%, primarily due to the release of valuation allowance on deferred tax assets related to the future TRA payments. This resulted in a \$20.3 million income tax benefit recognized in Income tax (benefit) expense on the Condensed Consolidated Statement of Operations for the three months ended March 31, 2026. For the three months ended March 31, 2025, the effective tax rate was lower than the U.S. federal statutory rate of 21%, primarily due to the loss before income tax from pass-through business not subject to income taxes at the Company level.

A valuation allowance is provided when it is more likely than not that a portion or all of a deferred tax asset will not be realized. In prior periods, a partial valuation allowance was maintained against the deferred tax assets based on management’s assessment of the amount that was more-likely-than not to be realized. Each reporting period, management evaluates the realizability of deferred tax assets by considering all available positive and negative evidence, including forecasted taxable income, character of deductions, reversals of taxable temporary differences, and tax planning strategies. As of March 31, 2026, in part from the impact of the exercise of the underwriters’ overallotment option, management determined that there was sufficient positive evidence to conclude that it is more-likely-than-not that the deferred tax asset of \$20.3 million associated with future TRA payments is realizable. The Company maintains a partial valuation allowance associated with the Company’s investment in Legence Holdings that would only be fully realized upon the sale of the Company’s interest in Legence Holdings.

Note 16 - Segment Information

Legence reports its results under two reportable segments: (1) Engineering & Consulting, and (2) Installation & Maintenance. Segments are presented according to the nature of the business activities, and reflect the Company’s consideration of financial information provided to the chief executive officer, who is the Chief Operating Decision Maker (“CODM”). The CODM primarily uses gross profit to assess performance and allocate resources, including decisions such as the annual budget review and approval, allocation of resources to hire additional key personnel, entering new markets and development of new technologies, evaluating executive performance, and determining performance-related bonus plans in each segment.

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Engineering & Consulting: The Engineering & Consulting segment designs HVAC and other MEP systems for buildings, develops strategies to reduce energy usage and enhance building performance, improve reliability and drive efficiency and provides program and project management services for customers' installation and retrofit projects. Within this segment, there are two primary service offerings – Engineering & Design and Program & Project Management.

Installation & Maintenance: The Installation & Maintenance segment fabricates and installs HVAC systems, process piping and other MEP systems in new and existing industrial, commercial and institutional buildings and provides ongoing preventive and corrective maintenance services for those systems. Within this segment, there are two primary service offerings – Installation & Fabrication and Maintenance & Service.

All intercompany transactions are eliminated in the Company's Condensed Consolidated Statements of Operations.

The following table presents relevant segment information (in thousands):

	Three Months Ended March 31,	
	2026	2025
Revenue:		
Engineering & Consulting	\$ 165,801	\$ 145,447
Installation & Maintenance	872,092	360,506
Revenue	<u>\$ 1,037,893</u>	<u>\$ 505,953</u>
Cost of revenue:		
Engineering & Consulting	\$ 115,388	\$ 85,794
Installation & Maintenance	\$ 736,351	\$ 308,455
Gross profit:		
Engineering & Consulting	\$ 50,413	\$ 59,653
Installation & Maintenance	135,741	52,051
Gross profit	<u>\$ 186,154</u>	<u>\$ 111,704</u>

The following table presents the reconciliation from Gross profit to Income (loss) before income tax (in thousands):

	Three Months Ended March 31,	
	2026	2025
Gross profit	\$ 186,154	\$ 111,704
Selling, general and administrative	116,095	69,459
Depreciation and amortization	36,828	26,092
Acquisition-related costs	11,432	157
Gain on sale of property and equipment	(64)	(98)
Equity in earnings of joint venture	(504)	(460)
Interest expense	17,000	29,641
Interest income	(1,320)	(755)
Credit agreement amendment fees	3,243	2,877
Other income, net	(569)	(108)
Income (loss) before income tax	<u>\$ 4,013</u>	<u>\$ (15,101)</u>

Separate measures of Legence's assets, including capital expenditures, are not produced or utilized by management to evaluate segment performance.

Note 17 - Related Party Transactions

The Company's related party transactions include transactions with certain entities associated with the Company and BX Aggregators.

As discussed in "[Note 6—Variable Interest Entities and Equity Method Investments](#)", the Company had related-party revenue from certain unconsolidated joint ventures.

As discussed in "[Note 7—Debt](#)", a portion of the Company's term loan is held by entities associated with the Company and BX Aggregators. As discussed in "[Note 7—Debt](#)", the Company issued certain related party promissory notes in connection with certain acquisitions.

As discussed in "[Note 14—Tax Receivable Agreement](#)", the Company entered into the TRA with TRA Members, which are related parties.

The Company has various lease agreements with entities owned by members of its management team and/or owners of the Parent Entities.

Note 18 - Commitments and Contingencies

Legal Proceedings

The Company is involved in various claims and legal proceedings incidental to its normal business activities. When a potential loss from a proceeding or claim is considered probable and the amount can be reasonably estimated or a range of loss can be determined, a loss contingency is recorded. The Company also provides disclosure when it is reasonably possible that a material loss will be incurred. Although the outcome of such claims and proceedings cannot be predicted with certainty, the Company vigorously defends its position in all such matters. The Company is not aware of any known contingencies, claims or lawsuits that will have a material effect on its financial position, results of operations or cash flows other than those described herein.

Insurance

The Company carries various insurance policies to address identified risks of loss including cyber, general liability, worker's compensation, automobile liability and professional liability risks. As of March 31, 2026 and December 31, 2025, a liability for known and expected but not yet reported claims of \$2.9 million and \$2.6 million, respectively, was reflected in Accrued and other current liabilities on the Condensed Consolidated Balance Sheets. The determination of such claims and expenses and the appropriateness of the related liability is continually reviewed and updated by management.

The Company is self-insured for its medical coverage. The Company is responsible for the first \$0.3 million of claims for each participant enrolled in the medical coverage plan. Any claims exceeding \$0.3 million are covered through a stop-loss insurance plan. A liability for expected but not yet reported claims in the amount of \$2.8 million and \$3.2 million was reflected in Accrued compensation and benefits on the Condensed Consolidated Balance Sheets as of March 31, 2026 and December 31, 2025, respectively.

Surety

As a requirement under certain contracts, various Legence subsidiaries procure performance and payment bonds through surety underwriters. As a condition for having surety companies write bonds on Legence subsidiaries' behalf, Legence enters into indemnification agreements with the surety companies. Total outstanding bonds were approximately \$1,562.4 million and \$561.5 million as of March 31, 2026, and December 31, 2025, respectively.

Customer Guarantees

As part of its normal course of business, the Company offers guaranteed energy savings to customers under certain contracts. As of March 31, 2026 and December 31, 2025, total guarantees were \$299.8 million and \$307.4 million, respectively. Historically, the Company has not incurred material losses in connection with these guarantees. Further, management is not aware of any changes in the ability of the Company to meet these guarantees and does not expect to incur significant losses related to these guarantees in the foreseeable future.

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Letters of Credit

As discussed in “[Note 7—Debt](#)”, the standby letters of credit are secured through the revolving credit facility. As of March 31, 2026 and December 31, 2025, the Company had \$30.7 million and \$5.7 million, respectively, in standby letters of credit primarily related to surety bonds and the deductibles of insurance policies.

Tax Receivable Agreement

Amounts payable under the TRA are accounted for in accordance with ASC Topic 450, Contingencies. Refer to “[Note 14—Tax Receivable Agreement](#)” for additional information.

Note 19 - Other Financial Information

Accounts receivable, net consists of the following (in thousands):

	March 31, 2026	December 31, 2025
Contracts receivable, net	\$ 818,575	\$ 569,812
Accounts receivable—other	8,680	14,248
Accounts receivable, net	\$ 827,255	\$ 584,060

Prepaid expenses and other current assets consists of the following (in thousands):

	March 31, 2026	December 31, 2025
Interest rate swaps	\$ 1,671	\$ 42
Prepaid expenses	23,754	22,597
Inventories	14,246	11,303
Deferred contract costs	3,303	2,237
Prepaid expenses and other current assets	\$ 42,974	\$ 36,179

Accrued and other current liabilities consists of the following (in thousands):

	March 31, 2026	December 31, 2025
Deferred consideration	\$ 46,129	\$ —
Current portion of tax receivable agreement liability - related party	8,150	—
Other accrued liabilities	19,570	16,475
Accrued and other current liabilities	\$ 73,849	\$ 16,475

Legence Corp.
Notes to Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Condensed Consolidated Statements of Cash Flows Information

Additional cash flow information was as follows (in thousands):

	Three Months Ended March 31,	
	2026	2025
Cash paid for interest and taxes		
Interest paid, net of interest rate swaps ⁽¹⁾	\$ 16,158	\$ 28,301
Income taxes paid, net of refunds	\$ 125	\$ 2,972
Non-cash investing activities		
(Decrease) increase in Property and equipment additions included in Accounts payable	\$ (1,846)	\$ 1,010
Non-cash financing activities		
Deferred offering costs included in Accounts payable	\$ —	\$ 4,767
Deferred offering costs included in Accrued and other current liabilities	\$ —	\$ 2,556
Contribution from Legence Parent for Series A Interests and Restricted Series C Interests	\$ 22,825	\$ —
Contribution from Legence Parent II for Series A Interests	\$ 13,565	\$ —
Tax receivable agreement liability and deferred taxes arising from exchanges of Class B Common Stock	\$ 5,112	\$ —
Supplemental non-cash lease information		
Right-of-use assets obtained in exchange for new operating lease liabilities ⁽²⁾	\$ 28,998	\$ 6,929
Right-of-use assets obtained in exchange for new finance lease liabilities ⁽²⁾	\$ 1,296	\$ 1,746
Right-of-use asset modifications for operating leases	\$ 1,745	\$ 363

(1) The Company classifies the cash flows resulting from its interest rate swaps in Cash provided by operating activities on the Condensed Consolidated Statements of Cash Flows consistent with the interest that is hedged. Refer to [“Note 9—Derivatives”](#) for additional information on the Company’s interest rate swaps.

(2) Includes right-of-use assets acquired. Refer to [“Note 4—Acquisitions”](#).

Refer to [“Note 4—Acquisitions”](#) for disclosure of non-cash financing of acquisitions through issuance of Class A Common Stock and deferred consideration.

Note 20 - Subsequent Events

Refer to [“Note 10—Stockholders' Equity”](#) for a discussion of the Subsequent Secondary Offering.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited Condensed Consolidated Financial Statements and the related notes thereto that appear elsewhere in this Quarterly Report on Form 10-Q and our audited Consolidated Financial Statements and the related notes thereto contained in our 2025 Annual Report. In addition to historical consolidated financial information, the following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs and expected performance. The forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described or referenced under "Cautionary Statement Regarding Forward-Looking Statements" and "Part II. Other Information, Item 1A. Risk Factors" in this Quarterly Report and under "Cautionary Statement Regarding Forward-Looking Statements" and "Part I, Item 1A. Risk Factors" in our 2025 Annual Report. Our actual results may differ materially from those contained in or implied by any forward-looking statements. We do not undertake any obligation to publicly update any forward-looking statements except as otherwise required by applicable law. The following management's discussion and analysis reflects the historical results of operations and financial position of Legence Holdings LLC prior to our initial public offering (the "IPO") and the series of organizational transactions completed in connection therewith (the "Corporate Reorganization") and that of Legence Corp. and its consolidated subsidiaries, including Legence Holdings LLC, following the completion of the Corporate Reorganization and the IPO.

Overview

We are a leading provider of engineering, installation and maintenance services for mission-critical systems in buildings. We focus on high-growth sectors that have technically demanding buildings, including technology, life sciences, healthcare and education. We specialize in designing, fabricating and installing complex HVAC, process piping and other mechanical, electrical and plumbing ("MEP") systems for new facilities and upgrading HVAC, lighting and building controls in existing facilities to enhance building performance, improve reliability and drive efficiency. Our clients include large technology and industrial companies and public sector institutions who contract with us directly to provide services, as well as intermediaries such as architects and general contractors who subcontract MEP services to us as part of a larger project.

Highlights and Recent Developments

On November 13, 2025, the Company entered into an equity purchase agreement to acquire all of the outstanding equity of The Bowers Group, Inc ("Bowers"). The acquisition was completed on January 2, 2026. In connection with the consummation of the Bowers acquisition, Legence Holdings obtained a \$200.0 million incremental term loan, and used the proceeds to fund acquisition-related payments. The incremental term loan increased the quarterly principal payments to \$2.5 million.

On February 25, 2026, the Board adopted the 2026 Employee Stock Purchase Plan ("2026 ESPP"), including the reservation of 1,580,053 shares of Class A Common Stock for issuance under the 2026 ESPP. The 2026 ESPP is subject to the approval of our stockholders.

On March 1, 2026, the Company acquired Metrix Engineers, LLC.

In March 2026, we entered into interest rate swap agreements.

These items are further described under "[Note 4—Acquisitions](#)," "[Note 7—Debt](#)," "[Note 10—Stockholders' Equity](#)" and "[Note 9—Derivatives](#)," respectively, in Notes to Condensed Consolidated Financial Statements included in Item 1. Financial Statements".

On April 9, 2026, the Company completed a secondary offering of 15,394,112 shares of Class A Common Stock on behalf of the ML Entities at a public offering price of \$54.00 per share, including the full exercise by the underwriters of their option to purchase up to an additional 2,007,927 shares. In connection with the transaction, Legence Parent ML exchanged 9,528,699 issued and outstanding LGN B Units, together with an equal number of corresponding shares of Class B Common Stock, for an equal number of shares of Class A Common Stock. As a result of the exchange, the LGN B Units that were previously classified as noncontrolling interests were converted into LGN A Units held by Legence Corp. and its subsidiaries, thereby increasing the Company's ownership interest in Legence Holdings. The Company did not issue or sell

any shares of Class A Common Stock and did not receive any proceeds from the sale of shares by the ML Entities in the offering.

Disaggregation of Revenue

The contribution to our revenue by building type and client end market is as follows (dollars in thousands):

	Three Months Ended March 31,			
	2026		2025	
	\$	%	\$	%
Revenue by Building Type				
Existing building	\$ 409,611	39.5 %	\$ 316,531	62.6 %
New building	628,282	60.5 %	189,422	37.4 %
Revenue	\$ 1,037,893	100.0 %	\$ 505,953	100.0 %
Revenue by Client End Market⁽¹⁾				
Data centers & technology ⁽²⁾	\$ 643,248	62.0 %	\$ 200,427	39.6 %
Life sciences & healthcare ⁽³⁾	137,789	13.3 %	97,620	19.3 %
Education ⁽⁴⁾	93,724	9.0 %	78,920	15.6 %
Mixed-use ⁽⁵⁾	27,339	2.6 %	35,395	7.0 %
State & local government ⁽⁶⁾	28,384	2.7 %	21,301	4.2 %
Other ⁽⁷⁾	107,409	10.4 %	72,290	14.3 %
Revenue	\$ 1,037,893	100.0 %	\$ 505,953	100.0 %

- (1) The information provided in the table under “Revenue by Client End Market” represents the revenue generated from clients in each of the end markets indicated in that period; provided, that where the client is a lessor, we use the lessee’s end market.
- (2) Includes facilities housing servers, networking equipment, systems critical for storing and managing data, operational facilities for internet service providers, software companies, IT development hubs, AI development facilities, and high-precision manufacturing plants producing semiconductor chips and electronics.
- (3) Includes facilities supporting life sciences research and development, pharmaceutical manufacturing and healthcare facilities providing inpatient and outpatient health services.
- (4) Includes kindergarten through twelfth-grade educational facilities, as well as colleges, universities and research facilities.
- (5) Includes buildings or complexes combining commercial and retail.
- (6) Includes facilities owned or operated by state and municipal government agencies to the extent not otherwise included in the education client end market.
- (7) Includes a variety of other industries such as manufacturing, aerospace & defense, energy, agriculture, multi-family, hospitality & entertainment, among others, as well as the federal government.

We operate through two segments: Engineering & Consulting and Installation & Maintenance.

Engineering & Consulting

Our Engineering & Consulting segment designs HVAC and other MEP systems for buildings, develops strategies to help reduce energy usage and enhance building performance, improve reliability and drive efficiency and provides program and project management services for clients’ installation and retrofit projects. Our Engineering & Consulting segment has two principal service offerings:

- *Engineering & Design.* We provide planning, design and engineering services for HVAC, process piping and other MEP systems in both new and existing buildings. We also develop strategies for building owners and operators to help reduce their utility consumption and enhance building performance, improve reliability, and drive efficiency.

- *Program & Project Management.* We provide comprehensive program and project management services, including facility condition and operational assessments, space utilization and capacity analyses, funding source identification and construction management. For certain clients, we provide design-build services through energy savings performance contracts (“ESPC”) for building retrofits. Under ESPC contracts, financing sources provide the funds required to pay us for the upgrades and receive a portion of the client’s energy savings to recoup their investment and generate a return.

Installation & Maintenance

Our Installation & Maintenance segment fabricates and installs HVAC systems, process piping and other MEP systems in new and existing industrial, commercial and institutional buildings and provides ongoing preventive and corrective maintenance services for those systems. Our Installation & Maintenance segment has two principal service offerings:

- *Installation & Fabrication.* We provide HVAC, electrical, plumbing, process and control system installations, refurbishments and renovations in technically demanding new and existing buildings. We perform both “design-build” and “plan and specification” (“P&S”) projects. Under design-build projects, we provide the design for the project and install it. Under P&S projects, our client is responsible for designing the project and we install it to their specifications. For certain jobs, we also fabricate customized components that are not readily available for purchase from other third-party vendors or provide modular construction services based on a client’s specifications.
- *Maintenance & Service.* We provide preventive maintenance, emergency repair and break-fix services over the life of a building’s mechanical systems. Our services include regular inspections and maintenance to prevent downtime; responding to calls and sending technicians onsite to repair a system failure or malfunction; and other complementary services such as facility energy analysis, automation and optimization, system certification and testing. We typically provide preventive maintenance services under annual or longer-term agreements that range from one to five years. The majority of these services are provided using a cost-plus contract type.

Key Factors Affecting Our Performance

We believe that our financial performance, results of operations and future success depend on a number of factors that present significant opportunities for us but also pose risks and challenges, including those described below and in the information contained or referenced under “Part II. Other Information, Item 1A. Risk Factors” below.

Commercial Construction Activity

Demand for our services depends in part on commercial construction activity, which is subject to business and economic cycles. We typically see greater demand for our services when the economy is growing and interest rates are stable or falling because these conditions encourage businesses to invest in their facilities. We typically see less demand for our services when the economy is contracting and interest rates are rising. To mitigate the impact of downturns in the economy on our business, we have focused on sectors with strong secular growth that we believe are less sensitive to macroeconomic conditions, including technology, life sciences and education, and on services that help clients reduce their energy costs because we believe cost reduction is attractive to clients in all economic environments.

Investment in Technology and Related Infrastructure

We derive a significant portion of our revenues from technology companies, and demand for our services depends, in part, on technology companies making continued investments in their facilities. Investment in technology is subject to a number of factors, including the frequency and nature of innovations, whether or not developing or implementing those innovations requires new physical infrastructure and the availability of capital to fund investments in that infrastructure.

Service Mix

The margin we earn can vary significantly based on the type of service we perform, the size of the job as well as other factors. We typically earn higher margins on engineering and design, program and project management, consulting and maintenance services than we earn on installation and fabrication services and higher margins on smaller jobs than we earn on larger jobs. Our overall margins can vary between quarters based on service mix in the period.

Labor Costs and Productivity

Our largest expense is the wages and salaries of our employees. Our margins depend on our ability to accurately estimate the amount of labor that each job will require because our customer contracts are typically fixed-price. We have a long track record of accurately estimating our job costs.

Subcontractor and Equipment Expenses

We subcontract certain scopes of work to third parties, particularly in our Program & Project Management service line within our Engineering & Consulting segment. We record the amounts we pay to subcontractors as subcontractor expense in our cost of revenue.

We also purchase certain types of equipment that we install in our clients' facilities, including chillers, heat pumps, packaged HVAC systems, pumps, valves and switchgear, primarily in our Installation & Fabrication service line within our Installation & Maintenance segment. We record the amounts we pay for equipment in our cost of revenue.

We may pass both subcontractor and equipment costs on directly to our customers as a specific line item or incorporate them into our overall price for the job. Variability in the amount of subcontracting that we do, subcontractor pricing, equipment purchases, including equipment that is fabricated in-house, and associated markups can impact our margins. Generally, these markups may not be as large as the markup on our labor and, therefore, the volume of subcontractor and equipment costs can also impact our margins.

The following table presents our subcontractor and equipment expenses (dollars in thousands):

	Three Months Ended March 31,	
	2026	2025
Subcontractor Expense	\$ 156,109	\$ 71,583
Equipment Expense	\$ 282,682	\$ 109,602

Acquisitions

We have a pipeline of acquisition opportunities and intend to continue to pursue acquisitions as part of our strategy to increase our scale, expand existing or acquire new capabilities, access new clients, or broaden our geographic reach. While we target acquisitions that will enhance our growth and profitability, they may add redundant operating expenses in the short-term. Our ability to successfully execute strategic acquisitions depends upon a number of factors, including sustained execution of a disciplined acquisition strategy and our ability to effectively integrate acquired companies or assets into our business.

Effects of Seasonality

Our revenues are subject to seasonal fluctuations, particularly in regions with colder winter climates and areas prone to extreme weather events, such as wildfires, storms, flooding, and hurricanes. We generally see greater levels of activity in the spring and summer months than we do in the winter months due to reduced construction activity during inclement weather and less use of air conditioning during colder months. Activity in our business also fluctuates with the academic calendar, as most schools and colleges prefer to have work performed on their facilities when classes are not in session, which drives increased revenue from education clients during the second and third quarters of the year. Additionally, activity levels in our business can be affected by state and local government spending cycles and fiscal calendars, which can be impacted by a wide variety of factors. Consequently, we may occasionally experience consecutive quarterly declines in revenues or earnings that are not indicative of the future performance of our business.

Supply Chain Disruptions and Other Global Factors

We continue to monitor the impact of global economic conditions on our operations, financial results and liquidity, such as the impact of tariffs, supply chain challenges and geopolitical tensions. Import duties, tariffs and other import restrictions restrict the global supply of, and raise prices for, supplies needed for our business. In addition, the imposition of tariffs on certain foreign goods and the occurrence of a trade war or other governmental action related to tariffs or trade agreements

or policies may adversely impact demand for our services, our costs, our customers and the U.S. economy. The impact on our future operations and results of operations as a result of these global trends remains uncertain and we may face challenges including increases in costs for logistics and supply chains, intermittent supplier delays and shortages of certain components needed for our business, such as HVAC equipment, electrical equipment, steel and aluminum. These tariffs, restrictions and strained trade relations may affect our ability to source materials and products, potentially leading to increased costs and operational challenges and decreased demand for our offerings. We are closely monitoring the regulatory environment and actions of the current U.S. administration that could impact our business.

From time to time, as a result of macroeconomic conditions, we have been impacted by inflation, including escalating transportation, commodity and other supply chain costs and disruptions. We continue to monitor macroeconomic conditions to remain flexible and to optimize and enable our business to evolve as appropriate to address the challenges presented from these conditions. If our costs are subject to significant inflationary pressures, we may not be able to offset such higher costs through price increases, which could adversely affect our business, results of operations or financial condition.

Results of Operations

For the Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025

A summary of our consolidated results of operations, selected data as a percentage of revenues for the periods indicated, as well as the dollar and percentage change from the prior year period is presented as follows (dollars in thousands):

	Three Months Ended March 31,		Year over Year Change	
	2026	2025		
	\$	\$	\$	%
Revenue	\$ 1,037,893	\$ 505,953	\$ 531,940	105.1 %
Cost of revenue	851,739	394,249	457,490	116.0 %
Gross profit	186,154	111,704	74,450	66.6 %
Selling, general and administrative	116,095	69,459	46,636	67.1 %
Depreciation and amortization	36,828	26,092	10,736	41.1 %
Acquisition-related costs	11,432	157	11,275	*
Gain on sale of property and equipment	(64)	(98)	34	(34.7)%
Equity in earnings of joint venture	(504)	(460)	(44)	9.6 %
Income from operations	22,367	16,554	5,813	35.1 %
Interest expense	17,000	29,641	(12,641)	(42.6)%
Interest income	(1,320)	(755)	(565)	74.8 %
Credit agreement amendment fees	3,243	2,877	366	12.7 %
Other income, net	(569)	(108)	(461)	426.9 %
Total other expense, net	18,354	31,655	(13,301)	(42.0)%
Income (loss) before income tax	4,013	(15,101)	19,114	*
Income tax (benefit) expense	(13,381)	4,038	(17,419)	*
Net income (loss)	17,394	(19,139)	36,533	*
Net income attributable to noncontrolling interests	1,300	2,074	(774)	(37.3)%
Net income (loss) attributable to Legence	\$ 16,094	\$ (21,213)	\$ 37,307	*

* Not meaningful.

Revenue

Consolidated revenue increased \$531.9 million, or 105.1%, during the three months ended March 31, 2026 compared to the three months ended March 31, 2025. The increase is attributable to the results of our operating segments, which are discussed below.

The following table presents our revenue by reportable segment, as well as our primary service lines (dollars in thousands):

	Three Months Ended March 31,				Year over Year Change	
	2026		2025		\$	%
	\$	% of Total	\$	% of Total		
Revenue:						
Engineering & Consulting						
Engineering & Design	\$ 97,571	9.4 %	\$ 106,542	21.0 %	\$ (8,971)	(8.4)%
Program & Project Management	68,230	6.6 %	38,905	7.7 %	29,325	75.4 %
Total Engineering & Consulting segment	165,801	16.0 %	145,447	28.7 %	20,354	14.0 %
Installation & Maintenance						
Installation & Fabrication	758,592	73.1 %	289,682	57.3 %	468,910	161.9 %
Maintenance & Service	113,500	10.9 %	70,824	14.0 %	42,676	60.3 %
Total Installation & Maintenance segment	872,092	84.0 %	360,506	71.3 %	511,586	141.9 %
Revenue	\$ 1,037,893	100.0 %	\$ 505,953	100.0 %	\$ 531,940	105.1 %

Engineering & Consulting: Engineering & Consulting segment revenue increased \$20.4 million, or 14.0%, for the three months ended March 31, 2026 compared to the three months ended March 31, 2025.

The Engineering & Design service line revenue decreased \$(9.0) million, or (8.4)%, during the three months ended March 31, 2026 compared to the three months ended March 31, 2025. The decrease is attributable to lower demand, primarily from education and mixed-use clients.

The Program & Project Management service line revenue increased \$29.3 million, or 75.4%, during the three months ended March 31, 2026 compared to the three months ended March 31, 2025. The increase is attributable to higher demand, primarily from education clients, hospitality & entertainment clients within Other, and data centers & technology clients.

Installation & Maintenance: Installation & Maintenance segment revenue increased \$511.6 million, or 141.9%, for the three months ended March 31, 2026 compared to the three months ended March 31, 2025.

The Installation & Fabrication service line accounted for \$468.9 million, or 91.7%, of the increase in Installation & Maintenance segment revenue. Organic revenue growth, driven mainly by data centers & technology clients, accounted for slightly over half of the increase in Installation & Fabrication service line revenue. The majority of the remaining increase in the Installation & Fabrication service line revenue resulted from the acquisition of Bowers.

The Maintenance & Service service line accounted for \$42.7 million, or 8.3% of the increase in the Installation & Maintenance segment revenue. Approximately two-thirds of the increase in Maintenance & Service service line revenue resulted from the acquisition of Bowers. Organic revenue growth accounted for the majority of the remaining increase in Maintenance & Service service line revenue, primarily from data centers & technology, education, life sciences & healthcare and state & local government clients.

Gross Profit

Consolidated gross profit increased \$74.5 million, or 66.6%, during the three months ended March 31, 2026 compared to the three months ended March 31, 2025. The increase is attributable to the results of our Installation & Maintenance segment, as discussed below.

The following table presents our consolidated gross profit by reportable segment (dollars in thousands):

	Three Months Ended March 31,						
	2026		2025		Year over Year Change		
	\$	% Margin	\$	% Margin	\$	%	% Margin
Gross profit:							
Engineering & Consulting segment	\$ 50,413	30.4 %	\$ 59,653	41.0 %	\$ (9,240)	(15.5)%	(10.6)%
Installation & Maintenance segment	135,741	15.6 %	52,051	14.4 %	83,690	160.8 %	1.2 %
Gross profit	<u>\$ 186,154</u>	17.9 %	<u>\$ 111,704</u>	22.1 %	<u>\$ 74,450</u>	66.6 %	(4.2)%

Engineering & Consulting: The \$(9.2) million, or (15.5)% decrease in gross profit for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 was driven by a lower project margin and the impact of higher compensation expense related to legacy Series A Interests paid for by entities outside of Legence, partially offset by higher revenue. The lower project margin primarily reflects a higher percentage of subcontractor expenses, a revenue mix shift toward our lower margin Program & Project Management service line and lower project margins in our Engineering & Design service line.

Installation & Maintenance: The \$83.7 million, or 160.8%, increase in gross profit for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 was primarily due to organic revenue and margin growth, partially offset by the impact of higher compensation expense related to legacy Series A Interests paid for by entities outside of Legence. Approximately one-third of the increase in gross profit resulted from the acquisition of Bowers. The increase in margin was primarily due to strong project execution and greater economies of scale in customer fulfillment support costs.

Selling, General & Administrative

Selling, general and administrative expenses increased \$46.6 million during the three months ended March 31, 2026 compared to the three months ended March 31, 2025, primarily driven by \$40.6 million in compensation expense largely due to higher compensation expense related to legacy Series A Interests paid for by entities outside of Legence as well as higher headcount. Lease and related expenses increased \$2.9 million. Selling, general and administrative expenses as a percentage of revenue declined from 13.7%, during the three months ended March 31, 2025, to 11.2% during the three months ended March 31, 2026.

Depreciation and Amortization

The increase in depreciation and amortization is primarily attributable to an increase in the amortization of intangible assets associated with acquisitions completed in late 2025 and during the three months ended March 31, 2026.

Acquisition-related costs

The increase in acquisition-related costs of \$11.3 million is primarily due to costs associated with the Bowers acquisition, including \$9.3 million of transaction compensation expense.

Interest Expense

The decrease in interest expense is primarily attributable to lower average borrowings during the three months ended March 31, 2026 as compared to the three months ended March 31, 2025.

Income Tax (Benefit) Expense

Income tax benefit was \$13.4 million for the three months ended March 31, 2026, and resulted in a negative effective tax rate of negative 333.4%, as compared to income tax expense of \$4.0 million for the three months ended March 31, 2025 and a negative effective tax rate of negative 26.7%. For the three months ended March 31, 2026, the effective tax rate was lower than the U.S. federal statutory rate of 21%, primarily due to the release of valuation allowance on deferred tax assets related to the TRA liability. For the three months ended March 31, 2025, the effective tax rate was lower than the U.S.

federal statutory rate of 21% primarily due to the loss before income tax from pass-through entities that are not subject to income taxes at the Company level.

Liquidity and Capital Resources

Overview

As of March 31, 2026 and December 31, 2025, our primary sources of liquidity included \$244.6 million and \$230.2 million, respectively, of cash and cash equivalents, \$169.3 million and \$194.3 million, respectively, available to be borrowed under the Revolving Credit Facility, as well as cash flows from operations. We expect our primary sources of liquidity to be cash flows from operations, borrowings incurred under our Revolving Credit Facility or proceeds from offerings of debt or equity securities. Access to additional liquidity, such as a further increase in the borrowing capacity under our existing Revolving Credit Facility or a new financing arrangement, will depend upon our future financial position and debt market conditions.

To date, our primary uses of capital have included funding working capital, capital expenditures for equipment used in our business, acquisitions and refinancing or repayment of debt and associated interest. Although our capital expenditures have historically been low relative to our revenues, we expect an increase in future periods due to our investment in fabrication capacity expansion within our Installation & Maintenance segment.

Although we cannot provide any assurance that our cash flows from operations will be sufficient to fund our operations or that additional capital will be available to us on acceptable terms, or at all, we believe our primary sources of liquidity are sufficient to fund our ongoing working capital, investing and financing requirements for at least the next twelve months and beyond. In the event that we require additional capital, we may seek to raise funds at any time through equity, equity-linked arrangements and debt. If we are unable to raise additional capital when desired and on reasonable terms, our business, results of operations, and financial condition would be adversely affected. Refer to “Part II, Item 1A. Risk Factors” for additional information.

Cash Flows

The information presented below was derived from our Condensed Consolidated Statements of Cash Flows within the Condensed Consolidated Financial Statements and summarizes cash flow activity (dollars in thousands):

	Three Months Ended March 31,	
	2026	2025
Cash provided by (used in):		
Operating activities	\$ 120,112	\$ 29,461
Investing activities	(299,019)	(5,750)
Financing activities	193,361	(15,753)
Increase in cash and cash equivalents	<u>\$ 14,454</u>	<u>\$ 7,958</u>

Please refer to the supplemental cash flow information included in “Item 1. Financial Statements, [Note 19—Other Financial Information](#)” in Notes to Condensed Consolidated Financial Statements for further details.

Operating Activities

Cash flow from operating activities is primarily influenced by the level of revenue we generate and the margin we earn on that revenue. It is also influenced by the timing of working capital investment associated with the services that we provide. Our working capital needs may increase when we commence large volumes of work under circumstances where project costs are required to be paid before such costs are billed and associated receivables are collected. Conversely, on some projects we receive up-front payments before project commencement. Our management strives to negotiate payment terms that minimize the working capital investment that we are required to make in connection with large projects. Additionally, changes in project timing due to delays or accelerations and other economic, regulatory, market and political factors may affect customer spending and, thus, impact cash flows from operating activities. We typically require higher working

capital investment during the second half of the year as activity levels increase in the spring and summer months and lower working capital investment during the first half of the year as activity levels decrease while we receive final payments on services delivered during the previous period.

Cash flows provided by operating activities increased \$90.7 million for the three months ended March 31, 2026 compared to the three months ended March 31, 2025. The increase mainly reflects fluctuations in the primary components of working capital, as detailed in the Condensed Consolidated Statements of Cash Flows. Operating cash flows from contract liabilities increased \$84.1 million during the three months ended March 31, 2026 compared to the three months ended March 31, 2025, primarily due to increased billings net of recognized revenue. Operating cash flows from accounts payable increased \$31.9 million during the three months ended March 31, 2026 compared to the three months ended March 31, 2025, primarily due to increased business activity and timing of payments. These increases are partially offset by a \$107.4 million decrease in operating cash flows from accounts receivable and contract assets during the three months ended March 31, 2026 compared to the three months ended March 31, 2025. The change in accounts receivable and contract assets is primarily driven by higher revenue and the timing of billing and collection, including the impact of the operations of the Bowers business during the period.

Investing Activities

Cash flows used in investing activities primarily consist of payments for the acquisition of businesses, capital expenditures and proceeds from the sale of property and equipment.

Cash flows used in investing activities increased \$293.3 million for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 due to the acquisition of Bowers and Metrix during the three months ended March 31, 2026.

Financing Activities

Financing cash flows primarily consist of the issuance and repayment of short-term and long-term debt and financing lease payments.

For the three months ended March 31, 2026, cash provided by financing activities was \$193.4 million, compared to cash used in financing activities of \$15.8 million for the three months ended March 31, 2025. The \$209.1 million increase in cash flows from financing activities is attributable to term loan and revolver borrowings of \$200.0 million and \$25.0 million, respectively, offset by revolver payments of \$25.0 million during the three months ended March 31, 2026.

Debt

The ensuing discussion is not a complete description of all of the terms of our significant debt instruments. Please refer to “[Note 7—Debt](#)” and “[Note 17—Related Party Transactions](#)” in Notes to Condensed Consolidated Financial Statements included in “Item 1. Financial Statements” for further information.

Credit Agreement

On December 16, 2020, Legence Holdings entered into a credit agreement with Jefferies Finance LLC as the administrative agent for a group of lenders, which provides for a term loan credit facility and a revolving credit facility. The term loan matures on December 16, 2031, and is secured by substantially all assets of the Company, subject to customary exclusions.

On January 2, 2026, Legence Holdings obtained a \$200.0 million incremental term loan, and used the proceeds to fund acquisition-related payments. The incremental term loan increased the quarterly principal payments to \$2.5 million.

On January 15, 2026, Legence Holdings amended its credit agreement to modify and clarify the terms governing letters of credit, while confirming that all existing letters of credit remain in effect and all other provisions of the agreement remain unchanged.

Subject to the requirements of the credit agreement, Legence Holdings may also be required, as applicable, to make additional principal payments based on its excess cash flow, as defined in the agreement.

Under the terms of the Credit Agreement, Legence Holdings and its subsidiaries may be able to incur substantial additional indebtedness in the future, subject to certain conditions.

The credit agreement contains a springing financial maintenance covenant that requires the First Lien Net Leverage Ratio not to exceed 8.50 to 1.00 if certain testing conditions are satisfied. The credit agreement generally defines this as the ratio of first lien secured indebtedness (net of cash) to consolidated pro forma adjusted EBITDA for the preceding four fiscal quarters. The springing financial maintenance covenant is only tested if, as of the last day of each fiscal quarter, the amount of loans and/or letters of credit outstanding under the Revolving Credit Facility is greater than 35% of the aggregate revolving credit commitments. The springing financial maintenance covenant was not required to be tested during the periods presented in the Condensed Consolidated Financial Statements.

The Credit Agreement includes customary covenants restricting the ability of Legence Holdings and its subsidiaries to, among other things, incur additional indebtedness, sell or convey assets, make loans to or investments in others, enter into mergers, incur liens and pay dividends or distributions.

Tax Receivable Agreement

In connection with the Corporate Reorganization and the IPO, the Company entered into the TRA with Legence Parent and Legence Parent II (the “TRA Members”). This agreement generally provides for the payment by us to the TRA Members of 85% of the net cash savings, if any, in U.S. federal, state and local income tax that we (a) actually realize with respect to taxable periods ending after the IPO or (b) are deemed to realize in the event the TRA terminates early at our election, as a result of our breach or upon a change of control (as defined under the TRA, which includes certain mergers, asset sales and other forms of business combinations and certain changes to the composition of our board of directors) with respect to any taxable periods ending on or after such early termination event, in each case, as a result of (i) our allocable share of existing tax basis acquired in connection with the IPO and increases to such allocable share of existing tax basis; (ii) our utilization of certain tax attributes of the blocker entities that became subsidiaries of the Company pursuant to the Corporate Reorganization; (iii) increases in tax basis resulting from future redemptions or exchanges (or deemed exchanges in certain circumstances) of Legence Holdings interests for Class A Common Stock or cash and certain distributions (or deemed distributions) by Legence Holdings pursuant to the Exchange Agreement; and (iv) certain additional tax benefits arising from payments made under the TRA. We will retain the benefit of the remaining 15% of these cash savings, if any. If the TRA terminates early, we could be required to make a substantial, immediate lump-sum payment.

We expect that the payments that we will be required to make under the TRA could be substantial. The exact amount of expected future payments under the TRA is dependent upon a number of factors, including the Company’s cash tax savings, the timing of exercises of the Exchange Right, the enacted tax rate in the years in which it utilizes tax attributes subject to the TRA, and current taxable income forecasts. These estimated rates and forecasts are subject to change based on actual results and realizations, which could have a material impact on the liability to be paid. Due to the uncertainty of these factors, we cannot precisely quantify the likely tax benefits we will realize. Any payments made by us to the TRA Members under the TRA will not be available for reinvestment in Legence Holdings (or indirectly, its business) and generally will reduce the amount of overall cash flow that might have otherwise been available to us. We expect to fund the required payments under the TRA with our actual cash tax savings generated by the exchanges of LGN B Units in the UP-C structure. Our ability to satisfy our long-term liquidity requirements depends on our future operating performance, which is affected by and subject to prevailing economic conditions, market conditions in our industry and financial, business and other factors that we will not be able to predict or control.

The term of the TRA commenced upon the IPO and will continue until all such tax benefits have been utilized or expired and all required payments are made, unless we exercise our right to terminate the TRA (or the TRA is terminated due to other circumstances, including our breach of a material obligation thereunder or certain mergers or other changes of control) by making the termination payment specified in the agreement.

Our current and long-term TRA liability is \$8.2 million and \$208.8 million, respectively, as of March 31, 2026. Please refer to “Item 1. Financial Statements, [Note 14—Tax Receivable Agreement](#)” and “[Note 17—Related Party Transactions](#)” in Notes to Condensed Consolidated Financial Statements for further information.

Material Cash Requirements

As of March 31, 2026, our material cash requirements primarily consist of obligations under our financing arrangements and lease arrangements. As of March 31, 2026, the outstanding term loan balance is \$995.3 million and the estimated future interest payments are \$332.2 million. Future interest payments are estimated using the interest rate applicable as of March 31, 2026 applied to the outstanding balance, which decreases each quarter by principal payments of \$2.5 million until the debt matures on December 16, 2031.

Additionally, we have various contingent obligations that we anticipate could require the use of cash based on contractual obligations as of March 31, 2026; however, the final amount payable or the timing may not be fixed and determinable. Such contingent obligations include the following:

- Some of our customers require us to secure surety bonds from reputable financial institutions to guarantee execution on certain projects. In the event Legence or its subcontractors fail to meet its performance obligations, customers have the option to request that the surety bond provider fund the completion of the project using other service providers. Under the terms of these agreements, we are liable for any disbursement made by the bonding company because of our failure to perform. Surety bonds expire at various times ranging from final completion of a project to a period extending beyond contract completion in certain circumstances. Such amounts can also fluctuate from period to period based upon the mix and level of our bonded operating activity. For example, public sector contracts require surety bonds more frequently than private sector contracts, and accordingly, our bonding requirements typically increase as the amount of our public sector work increases. Our estimated maximum exposure as it relates to the value of the surety bonds outstanding is lowered on each bonded project as the cost to complete is reduced, and each commitment under a surety bond generally extinguishes concurrently with the expiration of its related contractual obligation. As of March 31, 2026 and December 31, 2025, \$1,562.4 million and \$561.5 million, respectively, of backlog and awarded contracts was subject to surety bond obligations.
- As part of our normal course of business, we offer guaranteed energy savings to customers under certain contracts. As of March 31, 2026 and December 31, 2025, total guarantees were \$299.8 million and \$307.4 million, respectively. Should the guaranteed energy savings not be achieved, these guarantees would become due to the customers. Historically, we have not incurred notable losses in connection with these guarantees.
- We have standby letters of credit that are secured through the revolving credit facility. Please refer to “Item 1. Financial Statements, [Note 7—Debt](#)” in Notes to Condensed Consolidated Financial Statements for further information. Obligations under these letters of credit are not normally called, as we typically comply with the underlying requirements. As of March 31, 2026 and December 31, 2025, we had \$30.7 million and \$5.7 million, respectively, in standby letters of credit primarily related to surety bonds and the deductibles of insurance policies. Please refer to “Item 1. Financial Statements, [Note 18—Commitments and Contingencies](#)” in Notes to Condensed Consolidated Financial Statements for further information.
- Payments for collective bargaining agreements, multiemployer pension plan liabilities and liabilities related to our deferred compensation and other employee benefit plans.
- Payments under the TRA.

Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted EBITDA Margin are financial measures not presented in accordance with GAAP but are intended to provide useful and supplemental information to investors and analysts as they evaluate our performance. Adjusted EBITDA is defined as net income (loss) adjusted to exclude, or otherwise reflect, interest expense, interest income, income tax (benefit) expense, depreciation and amortization, credit agreement amendment fees, net gain on sale and disposition of property and equipment, acquisition and integration costs, system deployment costs, strategic initiative costs, indemnification asset adjustments, Tax Receivable Agreement liability remeasurements and stock-based compensation expense (benefit). Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by revenue. Adjusted EBITDA should not be considered an alternative to net income (loss) that is derived in accordance with GAAP. Management believes that the exclusion of the above-described items from net income (loss) in the presentation of the non-GAAP measures identified above enables us and our investors to more effectively evaluate our operations period over period and to identify operating trends that might not be apparent due to, among other reasons, the variable nature of these

items, both in value and frequency, period over period. In addition, management believes these measures may be useful for investors in comparing our operating results with those of other companies.

Our non-GAAP financial measures may not be comparable to similarly titled measures used by other companies, have limitations as analytical tools and should not be considered in isolation, or substitutes for analysis of our operating results as reported under GAAP. Additionally, we do not consider our non-GAAP financial measures superior to, or a substitute for, the equivalent measures calculated and presented in accordance with GAAP. Some of the limitations are that such non-GAAP measures:

- may exclude the recurring expenses of depreciation and amortization of property and equipment and definite-lived intangible assets and the assets being depreciated and amortized may have to be replaced in the future;
- do not reflect changes in our working capital needs;
- do not reflect the interest (income) expense on our indebtedness; or
- do not reflect the income tax (benefit) expense we are required to make.

In order to evaluate our business, we encourage you to review the financial statements included elsewhere in this Quarterly Report, and not rely on a single financial measure to evaluate our business.

The following table provides a reconciliation of our net income (loss), the most directly comparable financial measure presented in accordance with GAAP, to Adjusted EBITDA, and a calculation of Adjusted EBITDA Margin for the periods presented herein (dollars in thousands):

	Three Months Ended March 31,	
	2026	2025
Net income (loss)	\$ 17,394	\$ (19,139)
Interest expense	17,000	29,641
Interest income	(1,320)	(755)
Income tax (benefit) expense	(13,381)	4,038
Depreciation and amortization	42,276	29,351
Credit agreement amendment fees ⁽¹⁾	3,243	2,877
Net gain on sale and disposition of property and equipment	(64)	(98)
Acquisition and integration costs ⁽²⁾	11,693	1,468
System deployment costs ⁽³⁾	—	1,106
Strategic initiative costs ⁽⁴⁾	1,199	6,788
Indemnification asset adjustments ⁽⁵⁾	(105)	—
Tax Receivable Agreement liability remeasurements ⁽⁶⁾	(249)	—
Stock-based and other non-cash compensation expense (benefit) ⁽⁷⁾	40,415	(4,458)
Adjusted EBITDA	\$ 118,101	\$ 50,819
Net income (loss) margin	1.7 %	(3.8)%
Adjusted EBITDA margin	11.4 %	10.0 %

(1) Represents costs incurred in connection with our debt refinancings in each of the periods presented.

(2) For the three months ended March 31, 2026 and 2025, the figures include \$11.4 million and \$0.2 million, respectively, of acquisition costs recorded in acquisition-related costs and \$0.3 million and \$1.3 million, respectively, of acquisition integration costs recorded in selling, general and administrative costs in the Condensed Consolidated Statements of Operations.

(3) Represents consulting and initial upfront costs associated with implementing and optimizing certain enterprise resource planning systems.

- (4) Represents (i) consulting, legal, accounting, and other expenses in connection with non-recurring extraordinary company transactions, including fees related to our IPO that did not meet the requirements to be deferred issuance costs and (ii) consulting, legal, accounting, and other expenses in connection with secondary offerings conducted on behalf of our selling shareholders.
- (5) Represents adjustments to an indemnification asset related to unrecognized tax benefits acquired in a prior acquisition recorded in Other income, net in the Condensed Consolidated Statements of Operations and is fully offset in Income tax (benefit) expense in the Condensed Consolidated Statements of Operations.
- (6) TRA liability remeasurements are recorded in Other income, net in the Condensed Consolidated Statements of Operations.
- (7) Includes compensation expense for legacy Series A Interests and Restricted Series C Interests, as well as RSUs and stock options.

Backlog and Awarded Contracts and Book-to-Bill Ratio

We track backlog and awarded contracts. Our backlog and awarded contracts measure has two components: backlog and awarded contracts. Backlog represents, as of any date of determination, the expected revenue values of the remaining performance obligations under our contracted fixed-price projects. Awarded contracts represent, as of any date of determination, the expected revenue values of projects awarded to us following a request for proposals but for which a formal contract has not yet been signed.

We believe that these measures enable us to more effectively forecast our future results and working capital needs, as well as better identify future operating trends that may not otherwise be apparent. We believe this measure is also useful for investors in forecasting our future results and comparing us to our competitors. We also track our book-to-bill ratio, based on backlog and awarded contracts, for the same reasons. Our backlog is equivalent to our remaining performance obligations. Our awarded contracts are not performance obligations. As a result, there are no adjustments being made that would be reflected in a reconciliation. Our methodology for calculating backlog and awarded contracts or book-to-bill ratio may not be consistent with methodologies used by other companies.

We only include fixed-price contracts in our backlog and awarded contracts because they have defined revenue values. We do not include cost-plus contracts, which are primarily generated in our Maintenance & Service service line, in our backlog and awarded contracts because their total revenue values are not known. Historically, cost-plus projects have comprised a relatively small portion of our revenue. We calculate our book-to-bill ratio by taking our additions to backlog and awarded contracts, excluding additions that were attained through acquisition, for the period, and dividing it by revenue from fixed-price contracts for the same period. A book-to-bill ratio of 1.0 indicates that we are booking backlog and awarded contracts at the same pace as we are recognizing revenue, suggesting stable revenue in future periods. A book-to-bill ratio above 1.0 indicates that backlog and awarded contracts are outpacing revenue, which could indicate an increase in revenue in future periods. Conversely, a book-to-bill ratio below 1.0 indicates that backlog and awarded contracts are trailing revenue, which could indicate a decrease in future revenue. Given that backlog and awarded contracts and book-to-bill ratio are operational measures and that our methodology for calculating backlog and awarded contracts and book-to-bill ratio does not meet the definition of a non-GAAP measure, as that term is defined by the Commission, a quantitative reconciliation for each is not required nor provided.

The following table presents our backlog and awarded contracts and book-to-bill ratio by reportable segment with book-to-bill ratio calculated during the periods noted (dollars in thousands):

	March 31,	
	2026	2025
Engineering & Consulting		
Backlog	\$ 656,457	\$616,302
Awarded contracts	355,221	279,993
Backlog and awarded contracts	\$ 1,011,678	\$ 896,295
Book-to-bill ratio for the three months ended March 31	1.0x	1.3x
Installation & Maintenance		
Backlog	\$ 3,540,062	\$ 1,237,454
Awarded contracts	831,110	506,126
Backlog and awarded contracts	\$ 4,371,172	\$ 1,743,580
Book-to-bill ratio for the three months ended March 31	1.2x	1.4x
Total		
Backlog	\$ 4,196,519	\$ 1,853,756
Awarded contracts	1,186,331	786,119
Backlog and awarded contracts	\$ 5,382,850	\$ 2,639,875
Book-to-bill ratio for the three months ended March 31	1.2x	1.4x

The increase in backlog and awarded contracts from March 31, 2025 to March 31, 2026 resulted from an increase in awards in both segments. The increase in Engineering & Consulting was primarily driven by new projects within the state & local government and education end markets. The increase in Installation & Maintenance was primarily driven by new projects within the data centers & technology end market.

Critical Accounting Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our Condensed Consolidated Financial Statements. The preparation of the Condensed Consolidated Financial Statements in conformity with GAAP requires us to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the related revenues and expenses and disclosures in the financial statements. Actual results could differ from those estimates. Our significant accounting policies are discussed in "Item 1. Financial Statements, [Note 2—Summary of Significant Accounting Policies](#)" in Notes to Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report and in "Note 2—Summary of Significant Accounting Policies" in Notes to Consolidated Financial Statements as presented in our 2025 Annual Report. These policies, along with our underlying judgments and assumptions made in their application, have a significant impact on our Condensed Consolidated Financial Statements.

We identify our critical accounting policies as those that are the most pervasive and important to the portrayal of our financial position and operating results and that require the most difficult, subjective and/or complex judgments regarding estimates in matters that are inherently uncertain. Our critical accounting policies are those related to revenue recognition, goodwill, the TRA, income taxes, acquisitions and valuation of intangible assets. Refer to "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates" in Part II of our 2025 Annual Report.

Recent Accounting Pronouncements

Refer to "Item 1. Financial Statements, [Note 2—Summary of Significant Accounting Policies](#)" in Notes to Condensed Consolidated Financial Statements for more information regarding recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, we are exposed to financial risks such as changes in interest rates and inflation risk associated with our input costs. We utilize derivative instruments, classified as cash flow hedges, to manage interest rate exposures on our floating rate debt.

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our long-term debt. The interest expense associated with our long-term debt will vary with market rates. We seek to mitigate this risk with an appropriate amount of fixed rate debt obligations through interest rate derivative contracts that fix the interest rate on the respective floating rate debt obligations. Without taking into consideration the effect of our interest rate swap agreements, based upon our outstanding principal amount of floating rate debt of \$995.3 million as of March 31, 2026, and \$797.8 million as of December 31, 2025, an increase in the current interest rate levels of 1.0% would result in an increase in our annual interest expense of \$10.0 million and \$8.0 million, respectively.

Inflation Risk

Rising or consistently high rates of inflation, including as a result of geopolitical tensions and trade wars, have the potential to increase costs of labor and other inputs for our services. We have experienced, and may experience in the future, higher than expected inflation, including escalating transportation, commodity and other supply chain costs and disruptions. If our costs are subject to significant inflationary pressures, we may not be able to offset such higher costs through price increases, which could adversely affect our business, results of operations or financial condition.

Credit Risk

Financial instruments that potentially subject us to a concentration of credit risk consist principally of contract assets and accounts receivable. Exposure to losses on receivables is principally dependent on each customer's financial condition. We monitor the exposure for credit losses and maintain allowances for anticipated losses. We may also require prepayments for certain of our services. Concentrations of credit risk with respect to our receivables are somewhat limited due to the large number of customers comprising our customer base and their dispersion among many different geographies.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2026, the end of the period covered by this Quarterly Report. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in SEC rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Based on the evaluation of our disclosure controls and procedures as of March 31, 2026, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses in our internal control over financial reporting described below. However, after giving full consideration to such material weaknesses, and the additional analyses and other procedures that we performed to ensure that our Condensed Consolidated Financial Statements included in this Quarterly Report were prepared in accordance with U.S. GAAP, our management has concluded that such Condensed Consolidated Financial Statements present fairly, in all material respects, our financial position, results of operations and cash flows for the periods disclosed in conformity with U.S. GAAP.

We and our independent registered public accounting firm have identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial

reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. Specifically, we did not (i) design and implement effective general information technology controls (“GITCs”) for multiple business units’ information systems that are relevant to the preparation of the consolidated financial statements and which provide appropriate segregation of duties to adequately restrict general user and privileged access to financial information systems to appropriate Company personnel or (ii) fully maintain certain components of the Committee of Sponsoring Organizations of the Treadway Commission framework, including elements of information and communication and control activities. As a result, we have observed at a few business units a lack of evidence of sufficient journal entry review as well as conflicts whereby personnel have the ability to both prepare and post journal entries to the general ledger. The Company’s business process controls that are dependent on these ineffective controls, or that rely on data produced from these systems, could be adversely affected. We determined that these material weaknesses remained unremediated as of March 31, 2026.

Remediation Plan for the Material Weaknesses

In response to the material weaknesses described above, our management, with the oversight of the Audit Committee, is in the process of developing and implementing a remediation plan. During the first quarter of 2026, we have continued to implement a more robust internal control IT framework that includes bolstered enterprise-wide access request protocols. We have also made personnel changes and have rolled out bolstered processes at multiple business units to document and verify the journal entry review process and remove existing conflicts. To support those efforts, we have engaged a third-party firm to assist with the documentation of our processes and internal controls and to identify additional control owner training gaps that should be addressed in support of the implementation of effective GITCs and other controls. Such training includes best practices on how to sufficiently document and evidence the operation of such GITCs and adequate journal entry review processes. We have also hired a Chief Information Officer with extensive knowledge in enterprise-wide technology strategy and integration who will further assist in the supervision of the remediation of the GITC deficiencies. We will continue to dedicate significant efforts and resources to ensure reporting requirements are met and proper segregation of duties are maintained to address the material weaknesses identified above.

The material weaknesses will be considered remediated when our management designs and implements effective controls that operate for a sufficient period of time and management has concluded, through testing, that these controls are effective. Our management will monitor the effectiveness of its remediation plans and will make changes it determines to be appropriate. We have not incurred any material costs to date and do not expect to incur any material costs in connection with the remediation of the material weaknesses in the future, based on our current remediation plan. We cannot assure you that the measures that we have taken, and that will be taken will remedy the material weaknesses or will be sufficient to prevent future material weaknesses from occurring. We also cannot assure you that we have identified all of our existing material weaknesses.

If we are unable to remediate our existing material weaknesses or identify additional material weaknesses and are unable to comply with the requirements of Section 404 of SOX in a timely manner or attest, starting with the filing of our Annual Report on Form 10-K for the year ended December 31, 2026, that our internal controls over financial reporting are effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, starting with the filing our Annual Report on Form 10-K for the year ended December 31, 2026, our business processes controls that are dependent on these ineffective controls, or that rely on data produced from these systems, could be adversely affected, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our Class A Common Stock could be negatively affected. In such cases, we also could become subject to investigations by the Nasdaq, the SEC or other regulatory authorities, which could require additional financial and management resources.

Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our internal control system is supported by written policies and procedures and contains self-monitoring mechanisms. Appropriate actions are taken by management to correct deficiencies as they are identified.

Changes in Internal Control over Financial Reporting

Except for the remediation efforts related to the material weaknesses described above, there was no change in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2026 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we and our subsidiaries may be involved in various legal proceedings, claims and litigation arising in the ordinary course of business. We believe these matters will not have a material adverse effect on our business, financial condition or results of operations. Refer to "Part I. Financial Information, Item 1. Financial Statements, [Note 18—Commitments and Contingencies](#)" in Notes to Condensed Consolidated Financial Statements for additional information.

Item 1A. Risk Factors

Our business faces many risks. In addition to the other information set forth in this Quarterly Report, you should carefully consider the risk factors and other cautionary statements described under "Item 1A. Risk Factors" in our 2025 Annual Report, and the risk factors and other cautionary statements contained in our subsequent SEC filings. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results. There have been no material changes in our risk factors from those described in the 2025 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Securities

On January 2, 2026, we and Legence Subsidiary Holdings, LLC, a Delaware limited liability company (the "Purchaser"), consummated the previously announced acquisition of Bowers (the "Bowers Acquisition") pursuant to the Equity Purchase Agreement (the "Purchase Agreement" and, the consummation of the transactions contemplated thereby, the "Bowers Acquisition Closing"), dated as of November 13, 2025, by and among the Company, the Purchaser, Bowers, and Wayne E. Bowers Revocable Living Trust, Quiet Harbor Trust and The David O'Donnell Revocable Trust dated Nov. 15, 2008 (collectively, the "Sellers"). The Purchase Agreement provided for a series of transactions, on the terms and subject to the conditions set forth therein, whereby (i) the Sellers caused Bowers and certain of its subsidiaries to convert into Maryland limited liability companies and the Sellers contributed 100% of the Bowers Interests to a newly formed Delaware limited liability company wholly owned by the Sellers ("NewCo"), which joined as a party to the Purchase Agreement, and (ii) the Purchaser purchased from NewCo all of the Bowers Interests in exchange for 2,551,672 shares of Class A Common Stock and approximately \$325 million in cash, subject to customary post-closing adjustments.

In addition, on the terms and subject to the conditions set forth in the Purchase Agreement, on the Deferred Consideration Date, NewCo will receive an amount equal to \$50 million, payable in either, or any combination of, as determined in the Purchaser's sole discretion, (i) cash or (ii) shares of Class A Common Stock. The amount of Deferred Consideration Shares will be determined based on the volume weighted average sales price of the Class A Common Stock, as traded on Nasdaq, calculated for the 10 trading day period ending on the last trading day that occurs at least 3 days prior to the Deferred Consideration Date.

The issuance of the Stock Consideration was, and the issuance of any Deferred Consideration Shares will be, on the terms and subject to the conditions set forth in the Purchase Agreement, completed in reliance on an exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act") pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

On March 1, 2026, we and our wholly owned subsidiary, OCI Associates, LLC, acquired certain assets from Metrix Engineers, LLC ("Metrix") in exchange for approximately \$25 million in cash, subject to customary post-closing adjustments, and 149,331 shares of Class A Common Stock, which shares, at Metrix's direction, were issued to beneficial

owners of Metrix in reliance on an exemption from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as transactions by an issuer not involving any public offering.

The stock issuances described above did not involve any underwriters, underwriting discounts or commissions, or any public offering and we believe such issuances are exempt from the registration requirements of the Securities Act by virtue of Section 4(a)(2) thereof.

Issuer Purchases of Equity Securities

We did not repurchase any equity securities registered under Section 12 of the Exchange Act during the first quarter of 2026.

Item 5. Other Information

Trading Plans

During the quarter ended March 31, 2026, no directors or officers, as defined in Rule 16a-1(f), adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” each as defined in Regulation S-K Item 408.

Item 6. Exhibits

Exhibit Number	Description
2.1	Equity Purchase Agreement, dated as of November 13, 2025, by and among The Bowers Group, Inc., a Maryland corporation, Wayne E. Bowers Revocable Living Trust, Quiet Harbor Trust and The David O'Donnell Revocable Trust dated Nov. 15, 2008, collectively as the sellers, Legence Subsidiary Holdings, LLC, as the purchaser, and Legence Corp., as parent of the purchaser (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, File No. 001-42838, filed with the SEC on November 14, 2025).
3.1	Amended and Restated Certificate of Incorporation of Legence Corp. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, File No. 001-42838, filed with the Commission on September 15, 2025).
3.2	Amended and Restated Bylaws of Legence Corp. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, File No. 001-42838, filed with the Commission on September 15, 2025).
3.3	Amended and Restated Limited Liability Company Agreement of Legence Holdings LLC, dated as of September 11, 2025 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, File No. 001-42838, filed with the Commission on September 15, 2025).
†10.1	Amendment No. 12 to Credit Agreement, dated as of January 2, 2026 (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K, File No. 001-42838, filed with the Commission on January 2, 2026).
†10.2	Amendment No. 13 to Credit Agreement, dated as of January 15, 2026 (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K, File No. 001-42838, filed with the Commission on March 30, 2026).
+10.3	2026 Employee Stock Purchase Plan (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form S-8, File No. 333-294093, filed with the Commission on March 6, 2026).
*+10.4	2026 Form of Stock Option Grant Notice and Award Agreement.
*+10.5	2026 Form of RSU Grant Notice and Award Agreement.
*31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
*101.SCH	Inline XBRL Taxonomy Extension Schema Document.
*101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
*101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
*101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
*101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
*104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Filed herewith.

† Certain of the schedules and exhibits to the agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished to the U.S. Securities and Exchange Commission upon request.

+ Indicates management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereto duly authorized.

Date: May 14, 2026

LEGENCE CORP.

By: /s/ Stephen Butz
Stephen Butz
Chief Financial Officer
(principal financial officer)

By: /s/ Philippe Le Bris
Philippe Le Bris
Chief Accounting Officer
(principal accounting officer)

LEGENCE CORP.
2025 OMNIBUS INCENTIVE PLAN
STOCK OPTION GRANT NOTICE

Pursuant to the terms and conditions of the Legence Corp. 2025 Omnibus Incentive Plan, as amended from time to time (the “**Plan**”), Legence Corp., a Delaware corporation (the “**Company**”), hereby grants to the individual listed below (“**you**” or the “**Participant**”) the right and option to purchase all or any part of the number of Shares set forth below (the “**Option**”). This Option award (this “**Award**”) is subject to the terms and conditions set forth herein and in the Stock Option Agreement attached hereto as Exhibit A (the “**Agreement**”) and the Plan, each of which is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Type of Option:	Non-Qualified Stock Option
Participant:	[NAME]
Date of Grant:	[●]
Vesting Commencement Date:	[●]
Total Number of Shares Subject to this Option:	[●] Shares
Exercise Price:	[\$●] per Share
Expiration Date:	[●]
Vesting Schedule:	Subject to <u>Section 3</u> of the Agreement, the Plan and the other terms and conditions set forth herein, the Option shall vest according to the following schedule, so long as you remain continuously employed by the Company or an Affiliate from the Date of Grant through each such vesting date:

Vesting Date	Percentage of Option That Vests
First Anniversary of the Vesting Commencement Date	33.33%
Second Anniversary of the Vesting Commencement Date	33.33%
Third Anniversary of the Vesting Commencement Date	33.34%

By your signature below, you agree to be bound by the terms and conditions of the Plan, the Agreement and this Stock Option Grant Notice (this “**Grant Notice**”). You acknowledge that you have reviewed the Agreement, the Plan and this Grant Notice in their entirety and fully understand all provisions of the Agreement, the Plan and this Grant Notice and have had an opportunity to obtain the advice of counsel prior to executing this Grant Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee

regarding any questions or determinations arising under the Agreement, the Plan or this Grant Notice. This Grant Notice may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

Notwithstanding any provision of this Grant Notice or the Agreement, if you have not executed and delivered to the Company this Grant Notice within 90 days following the Date of Grant, then this Award will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company, unless otherwise determined by the Committee.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Grant Notice to be executed by an officer thereunto duly authorized, and the Participant has executed this Grant Notice, effective for all purposes as provided above.

LEGENGE CORP.

By:
Name:
Title:

PARTICIPANT

Name: [NAME]

Signature Page to
Stock Option Grant Notice

EXHIBIT A

STOCK OPTION AGREEMENT

This Stock Option Agreement (together with the Grant Notice to which this Agreement is attached, this “**Agreement**”) is made as of the Date of Grant set forth in the Grant Notice to which this Agreement is attached by and between Legence Corp., a Delaware corporation (the “**Company**”), and [NAME] (the “**Participant**”). Capitalized terms used but not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1. **Award.** In consideration of the Participant’s continued employment with, or service to, the Company or an Affiliate and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, effective as of the Date of Grant set forth in the Grant Notice (the “Date of Grant”), the Company hereby grants to the Participant the right and option to purchase all or any part of an aggregate of the number of Shares set forth in the Grant Notice on the terms and conditions set forth in the Grant Notice, this Agreement and the Plan, which is incorporated herein by reference as a part of this Agreement. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

2. **Exercise Price.** The exercise price of each Share subject to this Option shall be the exercise price set forth in the Grant Notice (the “Exercise Price”), which has been determined to be not less than the Fair Market Value of a Share at the Date of Grant.

3. **Vesting.**

(a) Except as otherwise set forth in this Section 3 hereof, the Option shall vest in accordance with the vesting schedule set forth in the Grant Notice. Upon the Participant’s termination of employment prior to the Option vesting in full (but after giving effect to any accelerated vesting pursuant to this Section 3), the unvested portion of the Option (and all rights arising from such portion and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

(b) Notwithstanding anything in the Grant Notice, this Agreement or the Plan to the contrary, subject to Section 10:

(i) upon the Participant’s termination of employment due to the Participant’s death or Disability, any portion of this Option that remains unvested shall become vested as of the date of such termination of employment;

(ii) upon a Change in Control, if this Award is not continued or assumed by, or substituted for a substantially equivalent award of, the successor or survivor entity (as determined in the discretion of the Committee), any portion of this Option that remains unvested shall become vested as of immediately prior to the occurrence of such Change in Control; and

(iii) if this Award is continued or assumed by, or substituted for a substantially equivalent award of, the successor or survivor entity in connection with a Change in Control (as determined in the discretion of the Committee), and the Participant subsequently incurs a Change in Control Qualifying Termination, any portion of this Option (or any award substituted therefor) that remains unvested shall immediately become vested as of the date of such Change in Control Qualifying Termination.

(c) For purposes of this Agreement:

(i) “**Change in Control Qualifying Termination**” means a Participant’s termination of employment by the Company or an Affiliate without Cause or by the Participant for Good Reason that occurs on or during the two-year period immediately following a Change in Control.

(ii) “**Good Reason**” means, with respect to the Participant’s termination of employment, (A) in the case where there is no employment agreement, offer letter, consulting agreement, severance agreement or plan, change in control agreement, or similar agreement or plan in effect between the Company or its Affiliates and the Participant at the time of the termination of employment (or where there is such an agreement or plan in effect, but it does not define “good reason” (or words of like import)), the occurrence of any of the following events without the written consent of the Participant: (1) a material diminution in the Participant’s base salary or target bonus opportunity other than as part of one or more reductions in base salaries or target bonus opportunities that apply equally to each of the members of the Company’s executive leadership team in substantially the same proportions; (2) a material diminution in the Participant’s authority, duties, responsibilities or reporting relationship with the Company or any Affiliate; or (3) the relocation of the geographic location of the Participant’s principal place of employment by more than 50 miles from the location of the Participant’s principal place of employment (including, as applicable, the Participant’s home office if the Participant primarily works remotely) as of immediately prior to the occurrence of the Change in Control; (B) in the case where there is an employment agreement, offer letter, consulting agreement, severance agreement or plan, change in control agreement or similar agreement or plan in effect between the Company or any Affiliate and the Participant at the time of the termination of employment that defines “good reason” (or words of like import), “good reason” as defined under such agreement or plan. Notwithstanding the foregoing provisions of this definition or any other provision of the Plan to the contrary, any assertion by the Participant of a termination for Good Reason shall not be effective unless all of the following conditions are satisfied: (x) such Participant must provide written notice to the Company of the existence of such condition(s) within 30 days after the initial occurrence of such condition(s); (y) the condition(s) specified in such notice must remain uncorrected for 30 days following the Company’s receipt of such written notice; and (z) the date of such Participant’s termination of employment must occur within 90 days after the initial occurrence of the condition(s) specified in such notice.

4. **Exercise of Option.**

(a. Subject to the earlier expiration of this Option as provided herein, this Option may be exercised by (i) providing written notice to the Company in the form prescribed by the Committee from time to time at any time and from time to time after the Date of Grant, which notice shall be delivered to the Company in the form, and in the manner, designated by the Committee from time to time, and (ii) paying the Exercise Price in full in a manner permitted by Section 4(d); *provided, however*, that this Option shall not be exercisable for more than the percentage of the aggregate number of Shares subject to this Option with respect to which this Option has become vested and exercisable pursuant to the vesting schedule set forth in the Grant Notice or as provided in this Section 4.

(b. This Option may be exercised only while the Participant remains an employee of the Company or an Affiliate and will terminate and cease to be exercisable upon the Participant's termination of employment, except as otherwise provided pursuant to Section 6.8 of the Plan (*provided, however*, that, for purposes of this Agreement, the phrase "Termination of Service" as used in Section 6.8 of the Plan shall be deemed to say "termination of employment").

(c. This Option shall not be exercisable in any event after the Expiration Date set forth in the Grant Notice.

(d. The Exercise Price for the Shares as to which this Option is exercised shall be paid in full at the time of exercise in cash (including check, bank draft or money order payable to the order of the Company or wire transfer of immediately available funds). If permitted by the Committee in its sole discretion, the Exercise Price for the Shares as to which this Option is exercised may be paid (i) by delivering or constructively tendering to the Company Shares having a Fair Market Value equal to the Exercise Price (provided such Shares used for this purpose must have been held by the Participant for such minimum period of time as may be established from time to time by the Committee to avoid adverse accounting consequences), (ii) through a broker-assisted "cashless exercise" in accordance with a Company-established policy or program for the same, (iii) by "net issuance exercise" pursuant to which the Company reduces the number of Shares otherwise deliverable upon exercise of this Option by a number of Shares with an aggregate Fair Market Value equal to the aggregate Exercise Price at the time of exercise or (iv) any combination of the foregoing. No fraction of a Share shall be issued by the Company upon exercise of an Option or accepted by the Company in payment of the exercise price thereof; rather, the Participant shall provide a cash payment for such amount as is necessary to effect the issuance and acceptance of only whole Shares.

(e. The holder of this Option shall not be, and shall not have any of the rights or privileges of, a stockholder of the Company in respect of any Shares purchasable upon the exercise of any part of this Option unless and until such Shares shall have been issued by the Company to such holder (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 4.3(b)(iii) of the Plan.

5. Restrictive Covenants.

(a. The Participant acknowledges and agrees that the grant of this Option further aligns the Participant's interests with the Company's long-term business interests, and as a condition to the Company's willingness to enter into this Agreement, the Participant agrees to abide by the terms set forth in Exhibit B, which Exhibit B is deemed to be part of this Agreement as if fully set forth herein. The Participant acknowledges and agrees that the Restrictive Covenants are reasonable and enforceable in all respects. By accepting this Award, the Participant agrees to be bound, and promises to abide, by the terms set forth in Exhibit B and expressly acknowledges and affirms that this Award would not be granted to the Participant if the Participant had not agreed to be bound by such provisions.

(b. Notwithstanding any provision in this Agreement or the Plan to the contrary, in the event the Company determines that the Participant has failed to abide by any of the terms set forth in Exhibit B or the provisions of any other confidentiality, non-disclosure, non-competition, non-solicitation, non-disparagement or other restrictive covenants in any other agreement by and between the Company or any Affiliate and the Participant, then, in addition to and without limiting the remedies set forth in Exhibit B:

(i) all outstanding Options (whether vested or unvested) that have not been exercised as of the date of such determination will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company; and

(ii) the Participant shall, within 30 days following the Participant's receipt of a written notice from the Company, pay to the Company a cash amount equal to the Fair Market Value of any Shares previously received by the Participant pursuant to the exercise of the Option as of the date of receipt of such Shares (less aggregate exercise price), together with an amount equal to any dividends or other payments received in respect of such Shares, and the Participant shall reimburse the Company for any costs or fees (including attorneys' fees) in the event the Participant fails to timely make such payments.

6. **Tax Withholding.** To the extent that the receipt, vesting or exercise of this Award results in compensation income or wages to the Participant for federal, state, local and/or foreign tax purposes, the Participant shall make arrangements satisfactory to the Company regarding the payment of any income tax, social insurance contribution or other applicable taxes that are required to be withheld in respect of this Award, which arrangements include the delivery of cash or cash equivalents, Shares (including previously owned Shares (which are not subject to any pledge or other security interest), net exercise, a broker-assisted sale, or other cashless withholding or reduction of the amount of shares otherwise issuable or delivered pursuant to this Award), other property, or any other legal consideration the Committee deems appropriate. If such tax obligations are satisfied through net exercise or the surrender of previously owned Shares, the maximum number of Shares that may be so withheld (or surrendered) shall be the number of Shares that have an aggregate Fair Market Value on the date of withholding or surrender equal to the aggregate amount of such tax liabilities determined based on the greatest withholding rates for federal, state, local and/or foreign tax purposes,

including payroll taxes, that may be utilized without creating adverse accounting treatment for the Company with respect to this Award, as determined by the Committee. Any fraction of a Share required to satisfy such tax obligations shall be disregarded and the amount due shall be paid instead in cash to the Participant. The Participant acknowledges that there may be adverse tax consequences upon the receipt, vesting or exercise of this Award or disposition of the underlying shares and that the Participant has been advised, and hereby is advised, to consult a tax advisor. The Participant represents that the Participant is in no manner relying on the Board, the Committee, the Company or an Affiliate or any of their respective managers, directors, officers, employees or authorized representatives (including attorneys, accountants, consultants, bankers, lenders, prospective lenders and financial representatives) for tax advice or an assessment of such tax consequences.

7. **Non-Transferability.** During the lifetime of the Participant, this Option may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the Shares underlying the Option have been issued, and all restrictions applicable to such Shares have lapsed, and this Option shall be exercisable, during the Participant's lifetime, only by the Participant. Neither the Option nor any interest or right therein shall be liable for the debts, contracts or engagements of the Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means, whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

8. **Compliance with Applicable Law.** Notwithstanding any provision of this Agreement to the contrary, the issuance of Shares hereunder will be subject to compliance with all applicable requirements of applicable law with respect to such securities and with the requirements of any stock exchange or market system upon which the Shares may then be listed. No Shares will be issued hereunder if such issuance would constitute a violation of any applicable law or regulation or the requirements of any stock exchange or market system upon which the Shares may then be listed. In addition, Shares will not be issued hereunder unless (a) a registration statement under the Securities Act is in effect at the time of such issuance with respect to the shares to be issued or (b) in the opinion of legal counsel to the Company, the shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any Shares hereunder will relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority has not been obtained. As a condition to any issuance of Shares hereunder, the Company may require the Participant to satisfy any requirements that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

9. **Rights as a Stockholder.** The Participant shall have no rights or privileges of a stockholder of the Company with respect to any Shares purchasable upon the exercise of any part of the Option unless and until the Participant has become the holder of record of such Shares and such Shares have been delivered to the Participant (including through electronic delivery to a brokerage account). No adjustments shall be made for dividends in cash or other property, distributions or other rights for which the record date is prior to the date of such issuance, recordation and delivery, except as otherwise specifically provided for in the Plan or this Agreement. Except as otherwise provided herein, after such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to such Shares, including, without limitation, the right to receipt of dividends and distributions on such Shares.

10. **Execution of Receipts and Releases.** Any issuance or transfer of Shares or other property to the Participant or the Participant's legal representative, heir, legatee or distributee, in accordance with this Agreement shall be in full satisfaction of all claims of such Person hereunder. As a condition precedent to such payment or issuance, the Company may require the Participant or the Participant's legal representative, heir, legatee or distributee to execute (and not revoke within any time provided to do so) a release and receipt therefor in such form as it shall determine appropriate; provided, however, that any review period under such release will not modify the exercise period with respect to vested Option.

11. **No Right to Continued Employment, Service or Awards.** Nothing in the adoption of the Plan, nor the award of this Option thereunder pursuant to the Grant Notice and this Agreement, shall confer upon the Participant the right to continued employment by, or a continued service relationship with, the Company or any Affiliate, or any other entity, or affect in any way the right of the Company or any such Affiliate, or any other entity to terminate such employment or other service relationship at any time. Unless otherwise provided in a written employment agreement or by applicable law, the Participant's employment by the Company, or any such Affiliate, or any other entity shall be on an at-will basis, and the employment relationship may be terminated at any time by either the Participant or the Company, or any such Affiliate, or other entity for any reason whatsoever, with or without cause or notice. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee or its delegate, and such determination shall be final, conclusive and binding for all purposes. The grant of this Option is a one-time benefit that was made at the sole discretion of the Company and does not create any contractual or other right to receive a grant of Awards or benefits in the future in lieu of Awards in the future, including any adjustment to wages, overtime, benefits or other compensation. Any future Awards will be granted at the sole discretion of the Company.

12. **Legal and Equitable Remedies.** The Participant acknowledges that a violation or attempted breach of any of the Participant's covenants and agreements in this Agreement will cause such damage as will be irreparable, the exact amount of which would be difficult to ascertain and for which there will be no adequate remedy at law, and accordingly, the parties hereto agree that the Company and its Affiliates shall be entitled as a matter of right to an injunction issued by any court of competent jurisdiction, restraining the Participant or the affiliates, partners or agents of the Participant from such breach or attempted violation of such

covenants and agreements, as well as to recover from the Participant any and all costs and expenses sustained or incurred by the Company or any Affiliate in obtaining such an injunction, including reasonable attorneys' fees. The parties to this Agreement agree that no bond or other security shall be required in connection with such injunction. Any exercise by either of the parties to this Agreement of its rights pursuant to this Section 12 shall be cumulative and in addition to any other remedies to which such party may be entitled.

13. Notices. All notices and other communications under this Agreement shall be in writing and shall be delivered to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Company, at the Company's headquarters, to the attention of the General Counsel; and

If to the Participant, at the Participant's last known address on file with the Company.

Any notice that is delivered personally or by overnight courier or telecopier in the manner provided herein shall be deemed to have been duly given to the Participant when it is mailed by the Company or, if such notice is not mailed to the Participant, upon receipt by the Participant. Any notice that is addressed and mailed in the manner herein provided shall be conclusively presumed to have been given to the party to whom it is addressed at the close of business, local time of the recipient, on the fourth day after the day it is so placed in the mail.

14. Consent to Electronic Delivery; Electronic Signature. In lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Participant has access. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

15. Agreement to Furnish Information. The Participant agrees to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any applicable statute or regulation.

16. Entire Agreement; Amendment. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to this Option; provided, however, that the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment, consulting and/or severance agreement between the Company (or an Affiliate or other entity) and the Participant in effect as of the date a

determination is to be made under this Agreement. Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. The Committee may, in its sole discretion, amend this Agreement from time to time in any manner that is not inconsistent with the Plan; provided, however, that except as otherwise provided in the Plan or this Agreement, any such amendment that materially reduces the rights of Participant shall be effective only if it is in writing and signed by both Participant and an authorized officer of the Company.

17. Severability and Waiver. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of such provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Waiver by any party of any breach of this Agreement or failure to exercise any right hereunder shall not be deemed to be a waiver of any other breach or right. The failure of any party to take action by reason of such breach or to exercise any such right shall not deprive the party of the right to take action at any time while or after such breach or condition giving rise to such rights continues.

18. Company Recoupment of Awards. The Participant's rights with respect to this Award shall in all events be subject to (a) any right that the Company may have under any Company recoupment policy or other agreement or arrangement with the Participant, and (b) any right or obligation that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission or any other Applicable Law. The Participant's acceptance of this Award will constitute the Participant's acknowledgment of and consent to the Company's application, implementation and enforcement of any Company recoupment, clawback or similar policy that may apply to the Participant and this Award, whether adopted before or after the Date of Grant (whether through clawback, cancellation, recoupment, rescission, payback, reduction or other similar action in accordance therewith) and any Applicable Law relating to clawback, cancellation, recoupment, rescission, payback or reduction of compensation or other similar action, and the Participant's agreement that the Company may take any actions that may be necessary to effectuate any such policy or Applicable Law, without further consideration or action.

19. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED THEREIN, EXCLUSIVE OF THE CONFLICT OF LAWS PROVISIONS OF DELAWARE LAW.

20. Conformity to Securities Laws. Participant acknowledges that this Agreement is intended to conform to the extent necessary with all Applicable Laws, including, without limitation, the provisions of the Securities Act and the Exchange Act, and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission and state securities laws and regulations. Notwithstanding anything herein to the contrary, this Option

shall be administered, granted and exercised only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law and the Plan, this Agreement shall be deemed amended to the extent necessary to conform to Applicable Law.

21. Successors and Assigns. The Company may assign any of its rights under this Agreement without the Participant's consent. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein and in the Plan, this Agreement will be binding upon the Participant and the Participant's beneficiaries, executors, administrators and the Person(s) to whom this Option may be transferred by will or the laws of descent or distribution.

22. Headings; References; Interpretation. Headings are for convenience only and are not deemed to be part of this Agreement. The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All references herein to Sections shall, unless the context requires a different construction, be deemed to be references to the Sections of this Agreement. The word "or" as used herein is not exclusive and is deemed to have the meaning "and/or." All references to "including" shall be construed as meaning "including without limitation." Unless the context requires otherwise, all references herein to a law, agreement, instrument or other document shall be deemed to refer to such law, agreement, instrument or other document as amended, supplemented, modified and restated from time to time to the extent permitted by the provisions thereof. All references to "dollars" or "\$" in this Agreement refer to United States dollars. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

23. Counterparts. The Grant Notice may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Delivery of an executed counterpart of the Grant Notice by facsimile or portable document format (.pdf) attachment to electronic mail shall be effective as delivery of a manually executed counterpart of the Grant Notice.

24. Section 409A. This Option is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A. However, notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Committee determines that this Option (or any portion thereof) may be subject to Section 409A, the Committee shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other Person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the

Committee determines are necessary or appropriate for this Option either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

[Remainder of Page Intentionally Blank]

EXHIBIT B

RESTRICTIVE COVENANTS

The Company and its subsidiaries operate in a highly sensitive and competitive commercial environment. As part of the Participant's employment and/or service with the Company and its subsidiaries, the Participant has had and will be exposed to highly confidential and sensitive information regarding the business operations of the Company and its subsidiaries, including corporate strategy, pricing, and other market information, know-how, trade secrets, and valuable customer, supplier, lessor, regulatory, and employee relationships. It is critical that the Company take all necessary steps to safeguard its legitimate protectable interests in such information and to prevent any of its competitors or any other Persons from obtaining any such information. Therefore, in exchange for good, valuable, sufficient, and mutually-agreed-upon consideration, including, without limitation, the Company's agreement to award an Option to the Participant; the Participant's access to Confidential Information, customer lists, and other valuable and proprietary information of the Company and its subsidiaries; and the Company's provision of specialized training and other professional benefits and resources to the Participant, each Participant agrees to be bound by the following restrictive covenants:

1. Confidentiality.

(a) The Participant agrees that, during the period of the Participant's employment and/or service with the Company or its subsidiaries and thereafter (or to the maximum extent permitted by applicable law), the Participant shall not, without the express, written consent of the relevant member of the Company or its subsidiaries, disclose to any Person, or use or otherwise exploit for the Participant's own benefit or for the benefit of any other Person, any of the Company's or its subsidiaries' Confidential Information, except as may be required in the course of the Participant's employment and/or service with the Company or its subsidiaries. For this purpose, "**Confidential Information**" means the confidential and proprietary information of the Company or its subsidiaries in whatever form (including in written, oral, visual or electronic form or on any magnetic or optical disc or memory and wherever located) and includes, but is not limited to, information relating to: internal business and management practices and procedures; salary, bonus, and other personal information relating to employees or consultants of the Company or its subsidiaries; corporate financial and business information, strategies and plans of the Company or its subsidiaries; corporate human resource information; litigation affecting the Company or its subsidiaries or their employees, officers, or directors; information relating to customers; marketing plans and strategies; product information; market information, processes, trade secrets, inventions, know-how, and methods and procedures of operation; information relating to suppliers, advertising, contractual relations, performance, sales, pricing, financial, ideas, data, and concepts originated by the Company or its subsidiaries and/or Persons with whom the Company or its subsidiaries may have business relationships; provided, that, Confidential Information shall not include information which (i) is or becomes generally available to the public other than as a result of a disclosure by the Participant or its affiliates in violation of this Exhibit B, (ii) which is developed independently by the Participant or its affiliates after the Date of Grant without violating the obligations set forth herein or (iii) is required to be disclosed pursuant to any law or order applicable to the Participant or its affiliates.

(b) 18 U.S.C. §1833(b) provides: “An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.” Nothing in this Exhibit B is intended to conflict with 18 U.S.C. §1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. §1833(b). Accordingly, the parties to this Exhibit B have the right to disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. The parties also have the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

2. Non-Competition. During the period commencing on the Date of Grant and ending on the first anniversary of the Participant’s termination of employment or service with the Company or its subsidiaries (the “Restricted Period”), the Participant shall not, directly or indirectly, individually or on behalf of any Person, company, enterprise, or entity, or as a sole proprietor, partner, equityholder, director, officer, principal, agent, employee or executive, or in any other capacity or relationship, (i) own any interest in, participate in (whether as a director, officer, employee, member or partner), consult with, render services for (including as an employee), or in any manner engage in, or on behalf of, any business or enterprise, in each case, that is competitive with (A) the business conducted in the Mechanical (including heating, ventilation and air conditioning), Electrical and Plumbing industry and (B) any other business (1) engaged in by the Company or any of its subsidiaries or (2) in which the Company or any of its subsidiaries has taken any actual, concrete steps or is planning to take such actual, concrete steps to conduct business, including by submitting a letter of intention or similar indication of interest, entering into a confidentiality agreement or inclusion in a “deal pipeline” sheet which is presented to the Board, in each case, with respect to the potential acquisition or similar transaction of a business conducting such business activities, in each case, as of the date hereof and through the date of Participant’s last date of employment with the Company or any of its subsidiaries (collectively, the “Business”), within any state, territory, jurisdiction or other locality within the United States in which the Company or its subsidiaries engages in the Business and in which the Participant provided services during the last twenty-four (24) months of the Participant’s employment or service with the Company or its subsidiaries, or (ii) take any preparatory steps to engage in any of the activities described in clause (i) above; provided, however, that nothing in this Section 2 shall prevent the Participant or any of its affiliates from being a passive owner of less than two percent (2%) of any Person’s publicly traded securities, so long as neither the Participant nor any of its affiliates has any active participation in the business thereto. Additionally, nothing in this Section 2 shall prevent the Participant from, following the Participant’s termination of employment or service with the Company or its subsidiaries, being employed or engaged by any person or entity where such work would not involve any level of strategic, advisory, technical, creative, or sales, or other activity similar to that which the Participant provided to the Company or its subsidiaries.

3. Non-Solicitation. During the Restricted Period, the Participant shall not, directly or indirectly, (a) for purposes of engaging in competition with the Business, solicit or induce, or in any manner attempt to solicit or induce, any employee, independent contractor, consultant, or other individual service provider of the Company or its subsidiaries to terminate his or her employment or services (or in the case of a consultant, materially reducing such services) or in any way interfere with or disrupt the relationship between any such Person and the Company or its subsidiaries, (b) for purposes of engaging in competition with the Business, hire or engage any individual that is or within twelve (12) months of such proposed hiring or engagement was an employee or independent contractor of the Company or its subsidiaries or (c) solicit or induce, or in any manner attempt to solicit or induce, any customer, client, or other business relation of the Company or any of its subsidiaries with whom the Participant had material contact or about whom the Participant obtained Confidential Information during the Participant's employment or service to cease doing business with, reduce the amount of business conducted with, or alter the terms of the relationship with, the Company or its subsidiaries or in any way interfere with the relationship between any such customer, client, or business relation and the Company or its subsidiaries; provided, that generalized advertisement of employment opportunities including in trade or industry publications (not focused specifically on or directed in any way at the employees or an employee of Company or its subsidiaries) shall not be deemed to cause a breach of this Section 3.

4. Non-Disparagement. The Participant agrees that, subject to Section 8 below, from and after the Date of Grant through the Restricted Period, the Participant will not, and will cause each of its controlled affiliates not to, make, publish, or communicate any Disparaging Statements regarding the Company or its subsidiaries or their affiliates (or their respective businesses, products or services), or their respective current or former directors, officers, managers, members, partners, employees or direct or indirect equityholders. "Disparaging Statement" means any written or oral statement of fact that is false and that is intended to, or would reasonably be expected to, materially harm the reputation of the subject thereof; for the avoidance of doubt, statements of opinion (that do not imply false, undisclosed facts), privileged communications, and truthful statements made without malice shall not constitute Disparaging Statements. Notwithstanding the foregoing, nothing in this Section 4 shall prohibit the Participant from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or administrative or arbitral proceedings or an authorized government agency or truthful testimony given in response to a lawful subpoena.

5. Acknowledgment. The Participant acknowledges that (a) the Company and its affiliates would be irreparably damaged if the Participant or any of the Participant's affiliates were to breach any of the covenants set forth in this Exhibit B, (b) the covenants set forth in this Exhibit B are necessary for the protection of the Company's and its affiliates' Confidential Information, trade secrets, customer lists, and other legitimate, protectable business interests, and the Company would not have entered into the Agreement without such covenants, (c) the restrictions contained in this Exhibit B are reasonable with respect to subject matter, time period and geographical area, and (d) the Participant is entering into this Exhibit B in exchange for good, valuable, and mutually-agreed-upon consideration that is independent of the Participant's

employment with the Company, including, without limitation, the grant of Option contemplated by the Agreement.

6. Injunctive Relief; Modification. The Participant agrees that the Company would suffer irreparable harm and continuing damage for which money damages would be insufficient if the Participant was to breach any of the restrictions in this Exhibit B. As such, the Participant agrees that in the event of any such breach, the Company will be entitled to an injunction, a decree for specific performance, other equitable relief in a court of appropriate jurisdiction, and all other relief as may be proper (including money damages if appropriate), to the extent permitted by law, without the need to post any bond. If a court or arbitrator of competent jurisdiction finds any of the restrictions in this Exhibit B to be excessively broad as to duration, activity, or subject, it is the intention of the parties that such court or arbitrator shall modify such restrictions so as to render them enforceable to the maximum extent allowed by applicable law, and shall enforce them as so modified.

7. Amendments; Definitions. Without limiting the foregoing, the Company may amend any restrictive covenant provisions or obligations herein without the Participant's consent or approval to provide for less restrictive limitations as to duration, geographical area, scope of activity to be restrained, or to incorporate legal developments that do not make any limitations herein more restrictive. Capitalized terms used but not defined in this Exhibit B shall have the meanings ascribed to such terms in the Stock Option Agreement to which this Exhibit B is attached (the "Agreement").

8. Whistleblower Protections. Nothing in this Exhibit B or the Agreement prevents or prohibits the Participant from (a) reporting possible violations of any applicable law or regulation to any governmental agency or entity, including but not limited to, the United States Department of Justice, the United States Securities and Exchange Commission, the United States Congress, and any Inspector General of any United States federal agency ("Governmental Agencies"), or making other disclosures of relevant and necessary information or documents in any action, investigation, or proceeding as required by law or legal process, including with respect to disclosures that are protected under the whistleblower provisions of United States federal, state or local law or regulation, (b) participating, cooperating, or testifying in any action, investigation, or proceeding with, or providing information to, any Governmental Agency, and/or pursuant to the Sarbanes-Oxley Act; (c) seeking or accepting any U.S. Securities and Exchange Commission awards or other relief in connection with protected whistleblower activity; or (d) initiating communications with, or responding to any inquiry from, any regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation. Additionally, nothing in this Exhibit B or the Agreement shall prevent the Participant from (i) disclosing or discussing discrimination (including harassment occurring between employees or between an employer and an employee) in the workplace, at work-related events coordinated by or through us, or off the employment premises, (ii) opposing, disclosing, reporting, or participating in an investigation of sexual harassment, or (iii) speaking with law enforcement, the Equal Employment Opportunity Commission, the state division of human rights, a local commission on human rights or an attorney retained by the Participant.

9. **Governing Law.** This Exhibit B shall be governed by, and construed in accordance with, the internal laws of the state in which the Participant primarily provides services to the Company or any of its subsidiaries, and any claim, dispute, or proceeding with respect to such Participant arising out of this Exhibit B shall be brought exclusively in the state and federal courts located in such state.

10. **State Law Modifications.** Notwithstanding the foregoing provisions of this Exhibit B, if the Participant primarily resides and provides services to the Company or its subsidiaries in a state listed on Appendix B-1, or if otherwise required with respect to the Participant by the applicable law of a particular state, the modifications set forth on Appendix B-1 for such state shall apply to the Participant.

Appendix B-1

Certain Modifications to Restrictive Covenants

Certain foregoing provisions of Exhibit B are hereby modified in certain states as described below. For the avoidance of doubt, except as expressly set forth below, all other terms of the Agreement (including Exhibit B) shall apply to the Participant.

Arizona

Section 1(a): The non-disclosure covenant in Section 1(a) shall apply during the Participant's employment or service with the Company or its subsidiaries, for a period of five years thereafter, and to the extent the information qualifies as a trade secret under applicable law, at all times thereafter.

California

Section 2 and Section 3: For purposes of Section 2 and Section 3, the "Restricted Period" shall commence on the Date of Grant and end on the Participant's termination of employment or service with the Company or its subsidiaries.

Section 3: Section 3(b) shall be deemed deleted.

Section 8: The following shall be added to the end of Section 8:

"The Participant acknowledges that nothing in this Exhibit B or the Agreement prohibits or restricts the Participant from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Participant has reason to believe is unlawful."

Colorado

Section 1(a): "Confidential Information" shall not include information resulting from the Participant's general training, knowledge, skill, or experience, whether gained on the job or otherwise, information that is readily ascertainable to the public, or information that the Participant otherwise has a right to disclose as legally protected conduct.

Section 2: For purposes of Section 2, the post-employment portion of the Restricted Period shall apply only if the Participant earns at or above the threshold amount for highly compensated workers as determined on an annual basis by the Division of Labor Standards of Statistics in the Department of Labor and Employment, as set forth in CO Rev. Stat. 8-2-113.

Section 3(c): For purposes of Section 3(c), the post-employment portion of the Restricted Period shall apply only if you earn at least 60% of the amount for highly compensated workers as determined on an annual basis by the Division of Labor Standards of Statistics in the Department of Labor and Employment in annual compensation, as set forth in CO Rev. Stat. 8-2-113.

Section 5: The following shall be added to the end of Section 5:

“The Participant further acknowledges and agrees that the restrictions contained in this Exhibit B are intended to protect, and no broader than reasonably necessary for the protection of, the Company’s and its subsidiaries’ trade secrets.”

Section 8: The following shall be added to the end of Section 8:

“Additionally, nothing in the Agreement or this Exhibit B shall prevent the Participant from discussing or disclosing (whether orally or in writing) information about any alleged discriminatory or unfair employment practice or unlawful acts in the workplace, such as harassment or discrimination, or any other conduct the Participant has reason to believe is unlawful.”

Section 11: The following shall be added as a new Section 11 titled “Notice”:

“The Participant acknowledges receipt of a separate notice that the Company has provided to the Participant contemporaneously with the Agreement and this Exhibit B which identifies this Exhibit B by name, states that this Exhibit B contains non-competition and non-solicitation covenants that could restrict the Participant’s options for subsequent employment following the termination of the Participant’s employment or service with the Company or its subsidiaries, and directs Participant to the specific sections of this Exhibit B containing such covenants (the “Notice”). The Participant acknowledges receipt of this Exhibit B (inclusive of the restrictions in Section 2) and such separate Notice from the Company at least fourteen (14) days before the earlier of the effective date of the restrictions in Section 2, or the effective date of the consideration for the restrictions in Section 2. Notwithstanding anything in this Exhibit B to the contrary, this Exhibit B will not become effective until the later of (A) the date that the Agreement (inclusive of this Exhibit B) was executed by both of the parties and the Notice was executed by the Participant, and (B) the fifteenth (15th) day after the date that the Notice and the Agreement (inclusive of this Exhibit B) were delivered to the Participant.”

District of Columbia

Section 2: For purposes of Section 2, the post-employment portion of the Restricted Period shall apply only if the Participant earn or are reasonably expected to earn at or above the minimum qualifying annual compensation per year (which amount shall increase each year in proportion to the annual average increase, if any, in the Consumer Price Index for All Urban Consumers in the Washington Metropolitan Statistical Area published by the Bureau of Labor Statistics of the United States Department of Labor for the previous calendar year adjusted to the nearest whole dollar) as set forth in DC Code § 32-581.01(6).

Section 11: The following shall be added as a new Section 11 titled “Notice”:

“The Participant acknowledges and agrees that the Participant has had at least fourteen (14) calendar days to review the restrictive covenants set forth in this Exhibit B. To the extent the post-employment portion of the restrictions in Section 2 apply, the Participant acknowledges

receipt of the following notice: “The District’s Ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to request non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions. The Company has determined that you are a highly compensated employee. For more information about the Ban on Non-Compete Agreements Amendments Act of 2020, contact the District of Columbia Department of Employment Services (DOES).”

Florida

Section 1(a): The non-disclosure covenant in Section 1(a) shall apply during the Participant’s employment or service with the Company or its subsidiaries, for a period of five years thereafter, and to the extent the information qualifies as a trade secret under applicable law, at all times thereafter.

Section 2: Following the Participant’s employment or service with the Company or its subsidiaries, the restrictions set forth in Section 2 will only apply to actions taken by the Participant in a Restricted Capacity. For this purpose, “Restricted Capacity” means any role in which (1) the Participant would provide services similar to the services provided to the Company or its subsidiaries during the three (3) years preceding the Participant’s termination of employment or service, or (2) it would be reasonably likely that the Participant would use Confidential Information or customer relationships of the Company or its subsidiaries.

Section 11: The following shall be added as a new Section 11 titled “Notice”:

The Participant acknowledges that, in the course of Participant’s employment or service with the Company or its subsidiaries, the Participant will receive Confidential Information and/or access to customer relationships of the Company and its subsidiaries. The Participant understands that to the extent the Participant is providing services in violation of Section 2, it would be reasonably likely that the Participant would use Confidential Information and customer relationships to the detriment of the Company and its subsidiaries. The Participant acknowledges that the Participant’s annual compensation is at least twice the annual mean wage of the Florida county where the Participant resides. Additionally, the Participant acknowledges and agrees that the Participant has had at least seven (7) calendar days to review this Exhibit B, including the restrictive covenants set forth in Section 2. The Participant is hereby advised of the Participant’s right to consult with counsel prior to entering into the Agreement and this Exhibit B.

Georgia

Section 1(a): The non-disclosure covenant in Section 1(a) shall apply during the Participant’s employment or service with the Company or its subsidiaries, for a period of five years thereafter, and to the extent the information qualifies as a trade secret under applicable law, at all times thereafter.

Section 3(c): For purposes of Section 3(c), the post-employment portion of the Restricted Period shall only apply to customers, clients, or other business relations of the Company or any of its

subsidiaries with whom the Participant had material contact and solely with respect to products and services that are competitive with those provided by the Company and its subsidiaries.

Illinois

Section 1(a): The non-disclosure covenant in Section 1(a) shall apply during the Participant's employment or service with the Company or its subsidiaries, for a period of five years thereafter, and to the extent the information qualifies as a trade secret under applicable law, at all times thereafter.

Section 2 and Section 3: The post-employment portion of the Restricted Period shall apply only if the Participant has actual or expected annual earnings exceeding the thresholds for non-competition covenants and non-solicitation covenants (respectively) as set forth in 820 ILCS 90/10.

Section 8: The following shall be added to the end of Section 8:

“Further, nothing herein prohibits, prevents or otherwise restricts the Participant from (A) reporting any good faith allegation of unlawful employment practices to any federal, state or local government agency enforcing discrimination laws; (B) reporting any good faith allegation of criminal conduct to any appropriate federal, state or local official; (C) participating in a proceeding related to unlawful employment practices, including any litigation brought by any federal, state or local government agency or any other person who alleges that the Company Group has violated any state federal, or local law, regulation or rule; (D) making any truthful statement of disclosures required by law, regulation or legal process; (E) requesting or receiving confidential legal advice; (F) engaging in concerted activity to address work-related issues; or (G) making truthful statements or disclosures about alleged “unlawful employment practices” as defined in the Illinois Workplace Transparency Act (820 ILCS 96).”

Section 11: The following shall be added as a new Section 11 titled “Notice”:

“The Participant acknowledges and agrees that (i) the Participant has had at least fourteen (14) calendar days to review this Exhibit B, including the restrictive covenants set forth herein, (ii) the Participant has been advised of the Participant's right to consult with counsel prior to agreeing to be bound by this Exhibit B, including the restrictive covenants set forth herein, and (iii) the restrictions contained in this Exhibit B are supported by valid, sufficient, and mutually-agreed-upon consideration, including the grant of the Option under the Agreement.”

Massachusetts

Section 2: The following shall replace Section 2 in its entirety:

“During the period commencing on the Date of Grant and ending on the first anniversary of the Participant's termination of employment or service with the Company or its subsidiaries (the “Restricted Period”), the Participant shall not, directly or indirectly, individually or on behalf of any Person, company, enterprise, or entity, or as a sole proprietor, partner, equityholder, director,

officer, principal, agent, employee or executive, in each case, in any capacity in which the Participant would provide the same types of services that the Participant provided to the Company or its subsidiaries during the then most recent two (2) years of the Participant's employment or service, (i) own any interest in, participate in (whether as a director, officer, employee, member or partner), consult with, render services for (including as an employee), or in any manner engage in, or on behalf of, any business or enterprise, in each case, that is competitive with that is competitive with (A) the business conducted in the Mechanical (including heating, ventilation and air conditioning), Electrical and Plumbing industry and (B) any other business (1) engaged in by the Company or any of its subsidiaries or (2) in which the Company or any of its subsidiaries has taken any actual, concrete steps or is planning to take such actual, concrete steps to conduct business, including by submitting a letter of intention or similar indication of interest, entering into a confidentiality agreement or inclusion in a "deal pipeline" sheet which is presented to the Board, in each case, with respect to the potential acquisition or similar transaction of a business conducting such business activities, in each case, as of the date hereof and through the date of Participant's last date of employment with the Company or any of its subsidiaries (collectively, the "**Business**"), within any state, territory, jurisdiction or other locality within the United States in which the Company or its subsidiaries engages in the Business and in which the Participant provided services or had a material presence or influence during the last twenty-four (24) months of the Participant's employment or service with the Company or its subsidiaries, or (ii) take any preparatory steps to engage in any of the activities described in clause (i) above; provided, however, that nothing in this Section 2 shall prevent the Participant or any of its affiliates from being a passive owner of less than two percent (2%) of any Person's publicly traded securities, so long as neither the Participant nor any of its affiliates has any active participation in the business thereto. Additionally, for purposes of this Section 2, the post-employment portion of the Restricted Period shall not apply if the Participant is terminated without Cause or because of a layoff. For this purpose, "Cause" means, in addition to Cause as defined in any other agreement between the Participant and the Company or its affiliates, a reasonable and good faith basis for the Company to be dissatisfied with the Participant's job performance, conduct, or behavior."

Section 11: The following shall be added as a new Section 11 titled "Notice":

"The Participant acknowledges and agrees that, (i) the Participant has been advised, and is hereby advised, of the Participant's right to consult with counsel prior to agreeing to be bound by the Agreement and this Exhibit B, and (ii) the restrictions contained in this Exhibit B (including in Section 2) are supported by valid, sufficient, and mutually-agreed-upon consideration, which is independent of the Participant's continued employment with the Company Group, including, but not limited to, the grant of the Option pursuant to the Participant. The Participant further acknowledges and agrees that (A) if the Participant is entering into this Exhibit B in connection with the commencement of employment, the Participant received the Agreement and this Exhibit B by the earlier of a formal offer of employment and ten (10) business days before commencement of employment, and (B) if the Participant is entering into the Agreement and this Exhibit B after commencement of employment, the Participant has had at least ten (10) business days to review this Exhibit B (inclusive of the noncompetition obligation in Section 2) before the noncompetition obligations in Section 2 become effective. Notwithstanding anything

in this Exhibit B or the Agreement to the contrary, this Exhibit B (inclusive of the noncompetition obligation in Section 2) will not become effective until the later of (x) the date that the Agreement (inclusive of this Exhibit B) was executed by the Participant, and (y) the date immediately following the tenth (10th) business day after the date that the Agreement (inclusive of this Exhibit B) was delivered to the Participant.

Minnesota

Section 2: For purposes of Section 2, the “Restricted Period” shall commence on the Date of Grant and end on the Participant’s termination of employment or service with the Company or its subsidiaries.

North Dakota

Section 2: For purposes of Section 2, the “Restricted Period” shall commence on the Date of Grant and end on the Participant’s termination of employment or service with the Company or its subsidiaries.

Oklahoma

Section 2: For purposes of Section 2, the “Restricted Period” shall commence on the Date of Grant and end on the Participant’s termination of employment or service with the Company or its subsidiaries.

Section 3(c): The following shall replace Section 3(c):

“...directly solicit the sale of goods, services, or a combination of goods and services from the established customers of the Company or its subsidiaries.”

Oregon

Section 2: The post-employment portion of the Restricted Period (for purposes of this Section 2 only) shall apply only if (i) (A) the Company informs the Participant in a written employment offer received by the Participant at least two (2) weeks before the first day of the Participant’s employment or service that a non-competition agreement is required as a condition of employment or (B) the Participant executes this Exhibit B upon a bona fide advancement, (ii) the Participant is classified as exempt under state wage and hour law, (iii) the Participant has access to trade secrets of the Company or its subsidiaries or competitively sensitive Confidential Information, and (iv) as of the date of the Participant’s termination of employment, the total amount of the Participant’s annual gross salary and commissions, calculated on an annual basis, exceeds the threshold set forth in Or. Rev. Stat. § 653.295(1); provided, however, that if the Participant does not satisfy prongs (ii) or (iv) of the foregoing, the Company may, in its discretion, in order for the restrictions set forth in Section 2 to apply to the Participant during the post-employment portion of the Restricted Period, pay the Participant during the post-employment portion of the Restricted Period, the greater of compensation equal to at least fifty percent (50%) of (x) the Participant’s annual gross base salary and commissions at the time of

Termination or (y) the threshold set forth in [Or. Rev. Stat. § 653.295\(1\)](#) (the “[Garden Leave Payments](#)”); provided, further, that (1) in the event that the Company, in its discretion, waives such obligations of the Participant under [Section 2](#) at any time during the post-employment portion of the Restricted Period, the Company’s obligation to make the Garden Leave Payments to the Participant shall cease, (2) the Participant’s right to receive and retain any Garden Leave Payments is conditioned on the Participant’s compliance in full with the Participant’s obligations under [Section 2](#), and (3) any Garden Leave Payments paid by the Company will be payable as salary continuation, less all applicable federal, state, and local taxes and withholdings, in accordance with the Company’s standard regular payroll practices. The Participant acknowledges and agrees that any Garden Leave Payments shall reduce (and shall not be in addition to) any severance or separation pay that the Participant is otherwise entitled to receive from the Company or its subsidiaries pursuant to an agreement, plan, or otherwise.

Virginia

[Section 1\(a\)](#): The non-disclosure covenant in [Section 1\(a\)](#) shall apply during the Participant’s employment or service with the Company or its subsidiaries, for a period of five years thereafter, and to the extent the information qualifies as a trade secret under applicable law, at all times thereafter.

Washington

[Section 2](#): The post-employment portion of the Restricted Period (for purposes of this [Section 2](#) only) shall apply only if the Participant is (i) an employee of the Company or its subsidiaries whose earnings from the Company or its subsidiaries exceed the threshold set forth in RCW 49.62.020 when annualized or (ii) an independent contractor of the Company or any of its subsidiaries whose earnings from the Company or its subsidiaries exceed the threshold set forth in RCW 49.62.030 per year, each amount to be adjusted annually for inflation as calculated by the Washington Department of Labor and Industries pursuant to RCW 49.62.040. Further, to the extent the Participant’s employment or service is terminated by the Company or its subsidiaries as part of a layoff, then the post-employment portion of the Restricted Period (for purposes of this [Section 2](#) only) shall be enforced only to the extent that the Company or its subsidiaries, at its option, continues to pay the Participant his or her base salary, at the annual rate in effect as of the date of the Participant’s termination of employment or service with the Company or its subsidiaries, in accordance with the Company’s regular payroll practices, and subject to deduction for any compensation earned through subsequent employment during the period of enforcement (“[Garden Leave Payments](#)”). The Participant acknowledges and agrees that any Garden Leave Payments shall reduce (and shall not be in addition to) any severance or separation pay that the Participant is otherwise entitled to receive from the Company or its subsidiaries pursuant to an agreement, plan, or otherwise. Furthermore, if the Participant earns less than twice the applicable state minimum hourly wage, [Section 2](#) shall not restrict, restrain, or prohibit the Participant from having an additional job, supplementing the Participant’s income by working for another employer, working as an independent contractor or being self-employed, provided that such additional services do not raise issues of safety for the Participant, coworkers or the public, or interfere with the reasonable and normal scheduling expectations of the

Company or its subsidiaries. Nothing in the foregoing sentence alters the obligations of the Participant to the Company or its subsidiaries under existing law, including the common law duty of loyalty and laws preventing conflicts of interest and any corresponding policies addressing such obligations.

Wisconsin

Section 1(a): The non-disclosure covenant in Section 1(a) shall apply during the Participant's employment or service with the Company or its subsidiaries, for a period of five (5) years thereafter, and to the extent the information qualifies as a trade secret under applicable law, at all times thereafter. Additionally, with respect to Confidential Information that does not constitute trade secrets, the non-disclosure covenant in Section 1(a) will only apply in jurisdictions where disclosure of such information would be competitively damaging to the Company or its subsidiaries.

LEGENCE CORP.
2025 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT GRANT NOTICE

Pursuant to the terms and conditions of the Legence Corp. 2025 Omnibus Incentive Plan, as amended from time to time (the “**Plan**”), Legence Corp., a Delaware corporation (the “**Company**”), hereby grants to the individual listed below (“**you**” or the “**Participant**”) the number of Restricted Stock Units (the “**RSUs**”) set forth below. This award of RSUs (this “**Award**”) is subject to the terms and conditions set forth herein and in the Restricted Stock Unit Agreement attached hereto as Exhibit A (the “**Agreement**”) and the Plan, each of which is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Type of Award: Restricted Stock Units

Participant: [NAME]

Date of Grant: [●]

Vesting Commencement Date: [●]

Total Number of RSUs: [●]

Vesting Schedule: Subject to Section 2 of the Agreement, the Plan and the other terms and conditions set forth herein, the RSUs shall vest according to the following schedule, so long as you remain continuously employed by the Company or an Affiliate from the Date of Grant through each such vesting date:

Vesting Date	Percentage of RSUs That Vest
First Anniversary of the Vesting Commencement Date	33.33%
Second Anniversary of the Vesting Commencement Date	33.33%
Third Anniversary of the Vesting Commencement Date	33.34%

By your signature below, you agree to be bound by the terms and conditions of the Plan, the Agreement and this Restricted Stock Unit Grant Notice (this “**Grant Notice**”). You acknowledge that you have reviewed the Agreement, the Plan and this Grant Notice in their entirety and fully understand all provisions of the Agreement, the Plan and this Grant Notice, and have had an opportunity to obtain the advice of counsel prior to executing this Grant Notice.

You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations arising under the Agreement, the Plan or this Grant Notice. This Grant Notice may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

Notwithstanding any provision of this Grant Notice or the Agreement, if you have not executed and delivered to the Company this Grant Notice within 90 days following the Date of Grant, then this Award will terminate automatically without any further action by the Company and the RSUs will be forfeited without further notice and at no cost to the Company unless otherwise determined by the Committee.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Grant Notice to be executed by an officer thereunto duly authorized, and the Participant has executed this Grant Notice, effective for all purposes as provided above.

LEGENGE CORP.

By:
Name:
Title:

PARTICIPANT

Name: [NAME]

Signature Page to
Restricted Stock Unit Grant Notice

EXHIBIT A

RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement (together with the Grant Notice to which this Agreement is attached, this “**Agreement**”) is made as of the Date of Grant set forth in the Grant Notice to which this Agreement is attached by and between Legence Corp., a Delaware corporation (the “**Company**”), and [NAME] (the “**Participant**”). Capitalized terms used but not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1. Award. In consideration of the Participant’s continued employment with, or service to, the Company or an Affiliate and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, effective as of the Date of Grant set forth in the Grant Notice (the “**Date of Grant**”), the Company hereby grants to the Participant the number of RSUs set forth in the Grant Notice on the terms and conditions set forth in the Grant Notice, this Agreement and the Plan, which is incorporated herein by reference as a part of this Agreement. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. To the extent vested, each RSU represents the right to receive one Share, subject to the terms and conditions set forth in the Grant Notice, this Agreement and the Plan. Unless and until the RSUs have become vested in the manner set forth in Section 2, the Participant will have no right to receive any Shares or other payments in respect of the RSUs. Prior to settlement of this Award, the RSUs and this Award represent an unsecured obligation of the Company, payable only from the general assets of the Company.

2. Vesting of RSUs.

(a) Except as otherwise set forth in this Section 2 hereof, the RSUs shall vest in accordance with the vesting schedule set forth in the Grant Notice. Upon the Participant’s termination of employment prior to the vesting of all of the RSUs (but after giving effect to any accelerated vesting pursuant to this Section 2), any unvested RSUs (and all rights arising from such RSUs and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

(b) Notwithstanding anything in the Grant Notice, this Agreement or the Plan to the contrary, subject to Section 10:

(i) upon the Participant’s termination of employment due to the Participant’s death or Disability, all RSUs, if any, that remain unvested shall immediately become vested as of the date of such termination of employment;

(ii) upon a Change in Control, if this Award is not continued or assumed by, or substituted for a substantially equivalent award of, the successor or survivor entity (as determined in the discretion of the Committee), all RSUs, if any, that remain unvested shall become vested as of immediately prior to the occurrence of such Change in Control; and

(iii) if this Award is continued or assumed by, or substituted for a substantially equivalent award of, the successor or survivor entity in connection with a Change in Control (as determined in the discretion of the Committee), and the Participant subsequently incurs a Change in Control Qualifying Termination, all RSUs (or the portion of any award substituted therefor), if any, that remain unvested shall immediately become vested as of the date of such Change in Control Qualifying Termination.

(c) For purposes of this Agreement:

(i) “**Change in Control Qualifying Termination**” means a Participant’s termination of employment by the Company or an Affiliate without Cause or by the Participant for Good Reason that occurs on or during the two-year period immediately following a Change in Control.

(ii) “**Good Reason**” means, with respect to the Participant’s termination of employment, (A) in the case where there is no employment agreement, offer letter, consulting agreement, severance agreement or plan, change in control agreement, or similar agreement or plan in effect between the Company or its Affiliates and the Participant at the time of the termination of employment (or where there is such an agreement or plan in effect, but it does not define “good reason” (or words of like import)), the occurrence of any of the following events without the written consent of the Participant: (1) a material diminution in the Participant’s base salary or target bonus opportunity other than as part of one or more reductions in base salaries or target bonus opportunities that apply equally to each of the members of the Company’s executive leadership team in substantially the same proportions; (2) a material diminution in the Participant’s authority, duties, responsibilities or reporting relationship with the Company or any Affiliate; or (3) the relocation of the geographic location of the Participant’s principal place of employment (including, as applicable, the Participant’s home office if the Participant primarily works remotely) by more than 50 miles from the location of the Participant’s principal place of employment as of immediately prior to the occurrence of the Change in Control; (B) in the case where there is an employment agreement, offer letter, consulting agreement, severance agreement or plan, change in control agreement or similar agreement or plan in effect between the Company or any Affiliate and the Participant at the time of the termination of employment that defines “good reason” (or words of like import), “good reason” as defined under such agreement or plan. Notwithstanding the foregoing provisions of this definition or any other provision of the Plan to the contrary, any assertion by the Participant of a termination for Good Reason shall not be effective unless all of the following conditions are satisfied: (x) such Participant must provide written notice to the Company of the existence of such condition(s) within 30 days after the initial occurrence of such condition(s); (y) the condition(s) specified in such notice must remain uncorrected for 30 days following the Company’s receipt of such written notice; and (z) the date of such Participant’s termination of employment must occur within 90 days after the initial occurrence of the condition(s) specified in such notice.

3. **Dividend Equivalent Rights.** In the event that the Company declares and pays a regular cash dividend in respect of its outstanding Shares (which, for clarity, does not include

any extraordinary cash dividend) and, on the record date for such dividend, the Participant holds RSUs granted pursuant to this Agreement that have not been settled, the Company shall record in a bookkeeping account an amount equal to the cash dividends the Participant would have received if the Participant was the holder of record, as of such record date, of a number of Shares equal to the number of RSUs held by the Participant that have not been settled as of such record date (the “**Dividend Equivalent Rights**”), and such Dividend Equivalent Rights shall be subject to the same terms and conditions, including with respect to vesting, forfeitability and transferability, as the underlying RSUs. All amounts, if any, payable as a result of such Dividend Equivalent Rights shall be paid to the Participant in cash (or, at the discretion of the Company, in Shares) on or following, but no later than 30 days after, the date that the underlying RSU vests. For purposes of clarity, if any of the RSUs are forfeited by the Participant pursuant to the terms of this Agreement, then the Participant shall also forfeit the Dividend Equivalent Rights, if any, accrued with respect to such forfeited RSUs. No interest will accrue on the Dividend Equivalent Rights between the declaration and payment of the applicable dividends and the settlement of the Dividend Equivalent Rights.

4. Settlement of RSUs. As soon as administratively practicable following the vesting of RSUs pursuant to Section 2, but in no event later than thirty (30) days after such vesting date, the Company shall deliver to the Participant a number of Shares equal to the number of RSUs subject to this Award. All Shares issued hereunder shall be delivered either by delivering one or more certificates for such Shares to the Participant or by entering such Shares in book-entry form, as determined by the Committee in its sole discretion. The value of Shares shall not bear any interest owing to the passage of time. Neither this Section 4 nor any action taken pursuant to or in accordance with this Agreement shall be construed to create a trust or a funded or secured obligation of any kind.

5. Restrictive Covenants.

(a) The Participant acknowledges and agrees that the grant of the RSUs further aligns the Participant’s interests with the Company’s long-term business interests, and as a condition to the Company’s willingness to enter into this Agreement, the Participant agrees to abide by the terms set forth in Exhibit B, which Exhibit B is deemed to be part of this Agreement as if fully set forth herein. The Participant acknowledges and agrees that the Restrictive Covenants are reasonable and enforceable in all respects. By accepting this Award, the Participant agrees to be bound, and promises to abide, by the terms set forth in Exhibit B and expressly acknowledges and affirms that this Award would not be granted to the Participant if the Participant had not agreed to be bound by such provisions.

(b) Notwithstanding any provision in this Agreement or the Plan to the contrary, in the event the Company determines that the Participant has failed to abide by any of the terms set forth in Exhibit B or the provisions of any other confidentiality, non-disclosure, non-competition, non-solicitation, non-disparagement or other restrictive covenants in any other agreement by and between the Company or any Affiliate and the Participant, then, in addition to and without limiting the remedies set forth in Exhibit B:

(i) all RSUs (whether vested or unvested) that have not been settled as of the date of such determination (and all rights arising from such RSUs and from being a holder thereof, including all Dividend Equivalent Rights) will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company; and

(ii) the Participant shall, within 30 days following the Participant's receipt of a written notice from the Company, pay to the Company a cash amount equal to the Fair Market Value of any Shares previously received by the Participant pursuant to the settlement of the RSUs as of the date of receipt of such Shares, together with an amount equal to any dividends, Dividend Equivalent Rights or other payments received in respect of such Shares, and the Participant shall reimburse the Company for any costs or fees (including attorneys' fees) in the event the Participant fails to timely make such payments.

6. Tax Withholding. To the extent that the receipt, vesting or settlement of this Award results in compensation income or wages (including via Dividend Equivalent Rights) to the Participant for federal, state, local and/or foreign tax purposes, the Company shall have the authority to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy all applicable federal, state, local and foreign taxes (including the employee portion of any Federal Insurance Contributions Act obligation) required by Applicable Law to be withheld with respect to any taxable event arising in connection with this Award. In furtherance of the forgoing, the Participant may make arrangements satisfactory to the Company regarding the payment of any income tax, social insurance contribution or other applicable taxes that are required to be withheld in respect of this Award, which arrangements include (if and to the extent permitted by the Company) the delivery of cash or cash equivalents, Shares (including previously owned Shares (which are not subject to any pledge or other security interest), net settlement, a broker-assisted sale, or other cashless withholding or reduction of the amount of shares otherwise issuable or delivered pursuant to this Award), other property, or any other legal consideration the Committee deems appropriate. If such tax obligations are satisfied through net settlement or the surrender of previously owned Shares, the maximum number of Shares that may be so withheld (or surrendered) shall be the number of Shares that have an aggregate Fair Market Value on the date of withholding or surrender equal to the aggregate amount of such tax liabilities determined based on the greatest withholding rates for federal, state, local and/or foreign tax purposes, including payroll taxes, that may be utilized without creating adverse accounting treatment for the Company with respect to this Award, as determined by the Committee. Any fraction of a Share required to satisfy such tax obligations shall be disregarded and the amount due shall be paid instead in cash to the Participant. The Participant acknowledges that there may be adverse tax consequences upon the receipt, vesting or settlement of this Award or disposition of the underlying Shares and that the Participant has been advised, and hereby is advised, to consult a tax advisor. The Participant represents that the Participant is in no manner relying on the Board, the Committee, the Company or an Affiliate or any of their respective managers, directors, officers, employees or authorized representatives (including attorneys, accountants, consultants, bankers, lenders, prospective lenders and financial representatives) for tax advice or an assessment of such tax consequences.

7. **Non-Transferability.** During the lifetime of the Participant, the RSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the Shares underlying the RSUs have been issued, and all restrictions applicable to such Shares have lapsed. Neither the RSUs nor any interest or right therein shall be liable for the debts, contracts or engagements of the Participant or the Participant's successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means, whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

8. **Compliance with Applicable Law.** Notwithstanding any provision of this Agreement to the contrary, the issuance of Shares hereunder will be subject to compliance with all applicable requirements of Applicable Law. No Shares will be issued hereunder if such issuance would constitute a violation of any Applicable Law. In addition, Shares will not be issued hereunder unless (a) a registration statement under the Securities Act is in effect at the time of such issuance with respect to the Shares to be issued or (b) in the opinion of legal counsel to the Company, the Shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any Shares hereunder will relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority has not been obtained. As a condition to any issuance of Shares hereunder, the Company may require the Participant to satisfy any requirements that may be necessary or appropriate to evidence compliance with any Applicable Law and to make any representation or warranty with respect to such compliance as may be requested by the Company.

9. **Rights as a Stockholder.** The Participant shall have no rights as a stockholder of the Company with respect to any Shares that may become deliverable hereunder unless and until the Participant has become the holder of record of such Shares, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such Shares, except as otherwise specifically provided for in the Plan or this Agreement.

10. **Execution of Receipts and Releases.** Any issuance or transfer of Shares or other property to the Participant or the Participant's legal representative, heir, legatee or distributee, in accordance with this Agreement shall be in full satisfaction of all claims of such Person hereunder. As a condition precedent to such payment or issuance, the Company may require the Participant or the Participant's legal representative, heir, legatee or distributee to execute (and not revoke within any time provided to do so) a release and receipt therefor in such form as it shall determine appropriate; *provided*, that any review period under such release will not modify the date of settlement with respect to vested RSUs.

11. No Right to Continued Employment, Service or Awards. Nothing in the adoption of the Plan, nor the award of the RSUs thereunder pursuant to the Grant Notice and this Agreement, shall confer upon the Participant the right to continued employment by, or a continued service relationship with, the Company or any Affiliate, or any other entity, or affect in any way the right of the Company or any such Affiliate, or any other entity to terminate such employment or other service relationship at any time. Unless otherwise provided in a written employment agreement or by Applicable Law, the Participant's employment by the Company, or any such Affiliate, or any other entity shall be on an at-will basis, and the employment relationship may be terminated at any time by either the Participant or the Company, or any such Affiliate, or other entity for any or no reason whatsoever, with or without Cause or notice. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee or its delegate, and such determination shall be final, conclusive and binding for all purposes. The grant of the RSUs is a one-time benefit that was made at the sole discretion of the Company and does not create any contractual or other right to receive a grant of Awards or benefits in the future in lieu of Awards in the future, including any adjustment to wages, overtime, benefits or other compensation. Any future Awards will be granted at the sole discretion of the Company.

12. Legal and Equitable Remedies. The Participant acknowledges that a violation or attempted breach of any of the Participant's covenants and agreements in this Agreement will cause such damage as will be irreparable, the exact amount of which would be difficult to ascertain and for which there will be no adequate remedy at law, and accordingly, the parties hereto agree that the Company and its Affiliates shall be entitled as a matter of right to an injunction issued by any court of competent jurisdiction, restraining the Participant or the affiliates, partners or agents of the Participant from such breach or attempted violation of such covenants and agreements, as well as to recover from the Participant any and all costs and expenses sustained or incurred by the Company or any Affiliate in obtaining such an injunction, including reasonable attorneys' fees. The parties to this Agreement agree that no bond or other security shall be required in connection with such injunction. Any exercise by either of the parties to this Agreement of its rights pursuant to this Section 12 shall be cumulative and in addition to any other remedies to which such party may be entitled.

13. Notices. All notices and other communications under this Agreement shall be in writing and shall be delivered to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Company, at the Company's headquarters, to the attention of the General Counsel; and

If to the Participant, at the Participant's last known address on file with the Company.

Any notice that is delivered personally or by overnight courier or telecopier in the manner provided herein shall be deemed to have been duly given to the Participant when it is mailed by the Company or, if such notice is not mailed to the Participant, upon receipt by the Participant. Any notice that is addressed and mailed in the manner herein provided shall be conclusively

presumed to have been given to the party to whom it is addressed at the close of business, local time of the recipient, on the fourth day after the day it is so placed in the mail.

14. Consent to Electronic Delivery; Electronic Signature. In lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Participant has access, or to the Participant's account with the Company's equity plan administrator. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that the Participant's electronic signature is the same as, and shall have the same force and effect as, the Participant's manual signature.

15. Agreement to Furnish Information. The Participant agrees to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any Applicable Law.

16. Entire Agreement; Amendment. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the RSUs granted hereby; *provided, however*, that the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment, consulting and/or severance agreement between the Company (or an Affiliate or other entity) and the Participant in effect as of the date a determination is to be made under this Agreement. Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. The Committee may, in its sole discretion, amend this Agreement from time to time in any manner that is not inconsistent with the Plan; *provided, however*, that except as otherwise provided in the Plan or this Agreement, any such amendment that materially reduces the rights of the Participant shall be effective only if it is in writing and signed by both the Participant and an authorized officer of the Company.

17. Severability and Waiver. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of such provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Waiver by any party of any breach of this Agreement or failure to exercise any right hereunder shall not be deemed to be a waiver of any other breach or right. The failure of any party to take action by reason of such breach or to exercise any such right shall not deprive the party of the right to take action at any time while or after such breach or condition giving rise to such rights continues.

18. Company Recoupment of Awards. The Participant's rights with respect to this Award shall in all events be subject to (a) any right that the Company may have under any Company recoupment or clawback policy or other agreement or arrangement with the Participant, and (b) any right or obligation that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission or any other Applicable Law. The Participant's acceptance of this Award will constitute the Participant's acknowledgment of and consent to the Company's application, implementation and enforcement of any Company recoupment, clawback or similar policy that may apply to the Participant and this Award, whether adopted before or after the Date of Grant (whether through clawback, cancellation, recoupment, rescission, payback, reduction or other similar action in accordance therewith) and any Applicable Law relating to clawback, cancellation, recoupment, rescission, payback or reduction of compensation or other similar action, and the Participant's agreement that the Company may take any actions that may be necessary to effectuate any such policy or Applicable Law, without further consideration or action.

19. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED THEREIN, EXCLUSIVE OF THE CONFLICT OF LAWS PROVISIONS OF DELAWARE LAW.

20. Successors and Assigns. The Company may assign any of its rights under this Agreement without the Participant's consent. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein and in the Plan, this Agreement will be binding upon the Participant and the Participant's beneficiaries, executors, administrators and the Person(s) to whom the RSUs may be transferred by will or the laws of descent or distribution.

21. Headings; References; Interpretation. Headings are for convenience only and are not deemed to be part of this Agreement. The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All references herein to Sections shall, unless the context requires a different construction, be deemed to be references to the Sections of this Agreement. The word "or" as used herein is not exclusive and is deemed to have the meaning "and/or." All references to "including" shall be construed as meaning "including without limitation." Unless the context requires otherwise, all references herein to a law, agreement, instrument or other document shall be deemed to refer to such law, agreement, instrument or other document as amended, supplemented, modified and restated from time to time to the extent permitted by the provisions thereof. All references to "dollars" or "\$" in this Agreement refer to United States dollars. Whenever the context may require, the singular form of nouns and pronouns shall include the plural and vice versa. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary

meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

22. Counterparts. The Grant Notice may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Delivery of an executed counterpart of the Grant Notice by facsimile or portable document format (.pdf) attachment to electronic mail or via electronic acceptance in accordance with Section 14 shall be effective as delivery of a manually executed counterpart of the Grant Notice.

23. Section 409A. The Plan, this Agreement and the RSUs are intended to comply with or be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed, and interpreted in accordance with such intent. Notwithstanding any contrary provision in the Plan or this Agreement, any payment(s) of “nonqualified deferred compensation” (within the meaning of Section 409A of the Code) that are otherwise required to be made under the Plan or this Agreement to a “specified employee” (as defined under Section 409A of the Code) as a result of such employee’s separation from service (other than a payment that is not subject to Section 409A of the Code) shall be delayed for the first six (6) months following such separation from service (or, if earlier, until the date of death of the specified employee) and shall instead be paid (in a manner set forth in this Agreement) upon expiration of such delay period. Notwithstanding the foregoing, the Company and its Affiliates make no representations that the RSUs provided under this Agreement are exempt from or compliant with Section 409A of the Code and in no event shall the Company or any Affiliate be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code.

[Remainder of Page Intentionally Blank]

EXHIBIT B

RESTRICTIVE COVENANTS

The Company and its subsidiaries operate in a highly sensitive and competitive commercial environment. As part of the Participant's employment and/or service with the Company and its subsidiaries, the Participant has had and will be exposed to highly confidential and sensitive information regarding the business operations of the Company and its subsidiaries, including corporate strategy, pricing, and other market information, know-how, trade secrets, and valuable customer, supplier, lessor, regulatory, and employee relationships. It is critical that the Company take all necessary steps to safeguard its legitimate protectable interests in such information and to prevent any of its competitors or any other Persons from obtaining any such information. Therefore, in exchange for good, valuable, sufficient, and mutually-agreed-upon consideration, including, without limitation, the Company's agreement to award RSUs to the Participant; the Participant's access to Confidential Information, customer lists, and other valuable and proprietary information of the Company and its subsidiaries; and the Company's provision of specialized training and other professional benefits and resources to the Participant, each Participant agrees to be bound by the following restrictive covenants:

1. Confidentiality.

(a) The Participant agrees that, during the period of the Participant's employment and/or service with the Company or its subsidiaries and thereafter (or to the maximum extent permitted by applicable law), the Participant shall not, without the express, written consent of the relevant member of the Company or its subsidiaries, disclose to any Person, or use or otherwise exploit for the Participant's own benefit or for the benefit of any other Person, any of the Company's or its subsidiaries' Confidential Information, except as may be required in the course of the Participant's employment and/or service with the Company or its subsidiaries. For this purpose, "**Confidential Information**" means the confidential and proprietary information of the Company or its subsidiaries in whatever form (including in written, oral, visual or electronic form or on any magnetic or optical disc or memory and wherever located) and includes, but is not limited to, information relating to: internal business and management practices and procedures; salary, bonus, and other personal information relating to employees or consultants of the Company or its subsidiaries; corporate financial and business information, strategies and plans of the Company or its subsidiaries; corporate human resource information; litigation affecting the Company or its subsidiaries or their employees, officers, or directors; information relating to customers; marketing plans and strategies; product information; market information, processes, trade secrets, inventions, know-how, and methods and procedures of operation; information relating to suppliers, advertising, contractual relations, performance, sales, pricing, financial, ideas, data, and concepts originated by the Company or its subsidiaries and/or Persons with whom the Company or its subsidiaries may have business relationships; provided, that, Confidential Information shall not include information which (i) is or becomes generally available to the public other than as a result of a disclosure by the Participant or its affiliates in violation of this Exhibit B, (ii) which is developed independently by the Participant or its affiliates after the Date of Grant without violating the obligations set forth herein or (iii) is required to be disclosed pursuant to any law or order applicable to the Participant or its affiliates.

(b) 18 U.S.C. §1833(b) provides: “An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.” Nothing in this Exhibit B is intended to conflict with 18 U.S.C. §1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. §1833(b). Accordingly, the parties to this Exhibit B have the right to disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. The parties also have the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

2. Non-Competition. During the period commencing on the Date of Grant and ending on the first anniversary of the Participant’s termination of employment or service with the Company or its subsidiaries (the “Restricted Period”), the Participant shall not, directly or indirectly, individually or on behalf of any Person, company, enterprise, or entity, or as a sole proprietor, partner, equityholder, director, officer, principal, agent, employee or executive, or in any other capacity or relationship, (i) own any interest in, participate in (whether as a director, officer, employee, member or partner), consult with, render services for (including as an employee), or in any manner engage in, or on behalf of, any business or enterprise, in each case, that is competitive with (A) the business conducted in the Mechanical (including heating, ventilation and air conditioning), Electrical and Plumbing industry and (B) any other business (1) engaged in by the Company or any of its subsidiaries or (2) in which the Company or any of its subsidiaries has taken any actual, concrete steps or is planning to take such actual, concrete steps to conduct business, including by submitting a letter of intention or similar indication of interest, entering into a confidentiality agreement or inclusion in a “deal pipeline” sheet which is presented to the Board, in each case, with respect to the potential acquisition or similar transaction of a business conducting such business activities, in each case, as of the date hereof and through the date of Participant’s last date of employment with the Company or any of its subsidiaries (collectively, the “Business”), within any state, territory, jurisdiction or other locality within the United States in which the Company or its subsidiaries engages in the Business and in which the Participant provided services during the last twenty-four (24) months of the Participant’s employment or service with the Company or its subsidiaries, or (ii) take any preparatory steps to engage in any of the activities described in clause (i) above; provided, however, that nothing in this Section 2 shall prevent the Participant or any of its affiliates from being a passive owner of less than two percent (2%) of any Person’s publicly traded securities, so long as neither the Participant nor any of its affiliates has any active participation in the business thereto. Additionally, nothing in this Section 2 shall prevent the Participant from, following the Participant’s termination of employment or service with the Company or its subsidiaries, being employed or engaged by any person or entity where such work would not involve any level of strategic, advisory, technical, creative, or sales, or other activity similar to that which the Participant provided to the Company or its subsidiaries.

3. Non-Solicitation. During the Restricted Period, the Participant shall not, directly or indirectly, (a) for purposes of engaging in competition with the Business, solicit or induce, or in any manner attempt to solicit or induce, any employee, independent contractor, consultant, or other individual service provider of the Company or its subsidiaries to terminate his or her employment or services (or in the case of a consultant, materially reducing such services) or in any way interfere with or disrupt the relationship between any such Person and the Company or its subsidiaries, (b) for purposes of engaging in competition with the Business, hire or engage any individual that is or within twelve (12) months of such proposed hiring or engagement was an employee or independent contractor of the Company or its subsidiaries or (c) solicit or induce, or in any manner attempt to solicit or induce, any customer, client, or other business relation of the Company or any of its subsidiaries with whom the Participant had material contact or about whom the Participant obtained Confidential Information during the Participant's employment or service to cease doing business with, reduce the amount of business conducted with, or alter the terms of the relationship with, the Company or its subsidiaries or in any way interfere with the relationship between any such customer, client, or business relation and the Company or its subsidiaries; provided, that generalized advertisement of employment opportunities including in trade or industry publications (not focused specifically on or directed in any way at the employees or an employee of Company or its subsidiaries) shall not be deemed to cause a breach of this Section 3.

4. Non-Disparagement. The Participant agrees that, subject to Section 8 below, from and after the Date of Grant through the Restricted Period, the Participant will not, and will cause each of its controlled affiliates not to, make, publish, or communicate any Disparaging Statements regarding the Company or its subsidiaries or their affiliates (or their respective businesses, products or services), or their respective current or former directors, officers, managers, members, partners, employees or direct or indirect equityholders. "Disparaging Statement" means any written or oral statement of fact that is false and that is intended to, or would reasonably be expected to, materially harm the reputation of the subject thereof; for the avoidance of doubt, statements of opinion (that do not imply false, undisclosed facts), privileged communications, and truthful statements made without malice shall not constitute Disparaging Statements. Notwithstanding the foregoing, nothing in this Section 4 shall prohibit the Participant from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or administrative or arbitral proceedings or an authorized government agency or truthful testimony given in response to a lawful subpoena.

5. Acknowledgment. The Participant acknowledges that (a) the Company and its affiliates would be irreparably damaged if the Participant or any of the Participant's affiliates were to breach any of the covenants set forth in this Exhibit B, (b) the covenants set forth in this Exhibit B are necessary for the protection of the Company's and its affiliates' Confidential Information, trade secrets, customer lists, and other legitimate, protectable business interests, and the Company would not have entered into the Agreement without such covenants, (c) the restrictions contained in this Exhibit B are reasonable with respect to subject matter, time period and geographical area, and (d) the Participant is entering into this Exhibit B in exchange for good, valuable, and mutually-agreed-upon consideration that is independent of the Participant's

employment with the Company, including, without limitation, the grant of RSUs contemplated by the Agreement.

6. Injunctive Relief; Modification. The Participant agrees that the Company would suffer irreparable harm and continuing damage for which money damages would be insufficient if the Participant was to breach any of the restrictions in this Exhibit B. As such, the Participant agrees that in the event of any such breach, the Company will be entitled to an injunction, a decree for specific performance, other equitable relief in a court of appropriate jurisdiction, and all other relief as may be proper (including money damages if appropriate), to the extent permitted by law, without the need to post any bond. If a court or arbitrator of competent jurisdiction finds any of the restrictions in this Exhibit B to be excessively broad as to duration, activity, or subject, it is the intention of the parties that such court or arbitrator shall modify such restrictions so as to render them enforceable to the maximum extent allowed by applicable law, and shall enforce them as so modified.

7. Amendments; Definitions. Without limiting the foregoing, the Company may amend any restrictive covenant provisions or obligations herein without the Participant's consent or approval to provide for less restrictive limitations as to duration, geographical area, scope of activity to be restrained, or to incorporate legal developments that do not make any limitations herein more restrictive. Capitalized terms used but not defined in this Exhibit B shall have the meanings ascribed to such terms in the Restricted Stock Unit Agreement to which this Exhibit B is attached (the "Agreement").

8. Whistleblower Protections. Nothing in this Exhibit B or the Agreement prevents or prohibits the Participant from (a) reporting possible violations of any applicable law or regulation to any governmental agency or entity, including but not limited to, the United States Department of Justice, the United States Securities and Exchange Commission, the United States Congress, and any Inspector General of any United States federal agency ("Governmental Agencies"), or making other disclosures of relevant and necessary information or documents in any action, investigation, or proceeding as required by law or legal process, including with respect to disclosures that are protected under the whistleblower provisions of United States federal, state or local law or regulation, (b) participating, cooperating, or testifying in any action, investigation, or proceeding with, or providing information to, any Governmental Agency, and/or pursuant to the Sarbanes-Oxley Act; (c) seeking or accepting any U.S. Securities and Exchange Commission awards or other relief in connection with protected whistleblower activity; or (d) initiating communications with, or responding to any inquiry from, any regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation. Additionally, nothing in this Exhibit B or the Agreement shall prevent the Participant from (i) disclosing or discussing discrimination (including harassment occurring between employees or between an employer and an employee) in the workplace, at work-related events coordinated by or through us, or off the employment premises, (ii) opposing, disclosing, reporting, or participating in an investigation of sexual harassment, or (iii) speaking with law enforcement, the Equal Employment Opportunity Commission, the state division of human rights, a local commission on human rights or an attorney retained by the Participant.

9. **Governing Law.** This Exhibit B shall be governed by, and construed in accordance with, the internal laws of the state in which the Participant primarily provides services to the Company or any of its subsidiaries, and any claim, dispute, or proceeding with respect to such Participant arising out of this Exhibit B shall be brought exclusively in the state and federal courts located in such state.

10. **State Law Modifications.** Notwithstanding the foregoing provisions of this Exhibit B, if the Participant primarily resides and provides services to the Company or its subsidiaries in a state listed on Appendix B-1, or if otherwise required with respect to the Participant by the applicable law of a particular state, the modifications set forth on Appendix B-1 for such state shall apply to the Participant.

Appendix B-1

Certain Modifications to Restrictive Covenants

Certain foregoing provisions of Exhibit B are hereby modified in certain states as described below. For the avoidance of doubt, except as expressly set forth below, all other terms of the Agreement (including Exhibit B) shall apply to the Participant.

Arizona

Section 1(a): The non-disclosure covenant in Section 1(a) shall apply during the Participant's employment or service with the Company or its subsidiaries, for a period of five years thereafter, and to the extent the information qualifies as a trade secret under applicable law, at all times thereafter.

California

Section 2 and Section 3: For purposes of Section 2 and Section 3, the "Restricted Period" shall commence on the Date of Grant and end on the Participant's termination of employment or service with the Company or its subsidiaries.

Section 3: Section 3(b) shall be deemed deleted.

Section 8: The following shall be added to the end of Section 8:

"The Participant acknowledges that nothing in this Exhibit B or the Agreement prohibits or restricts the Participant from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Participant has reason to believe is unlawful."

Colorado

Section 1(a): "Confidential Information" shall not include information resulting from the Participant's general training, knowledge, skill, or experience, whether gained on the job or otherwise, information that is readily ascertainable to the public, or information that the Participant otherwise has a right to disclose as legally protected conduct.

Section 2: For purposes of Section 2, the post-employment portion of the Restricted Period shall apply only if the Participant earns at or above the threshold amount for highly compensated workers as determined on an annual basis by the Division of Labor Standards of Statistics in the Department of Labor and Employment, as set forth in CO Rev. Stat. 8-2-113.

Section 3(c): For purposes of Section 3(c), the post-employment portion of the Restricted Period shall apply only if you earn at least 60% of the amount for highly compensated workers as determined on an annual basis by the Division of Labor Standards of Statistics in the Department of Labor and Employment in annual compensation, as set forth in CO Rev. Stat. 8-2-113.

Section 5: The following shall be added to the end of Section 5:

“The Participant further acknowledges and agrees that the restrictions contained in this Exhibit B are intended to protect, and no broader than reasonably necessary for the protection of, the Company’s and its subsidiaries’ trade secrets.”

Section 8: The following shall be added to the end of Section 8:

“Additionally, nothing in the Agreement or this Exhibit B shall prevent the Participant from discussing or disclosing (whether orally or in writing) information about any alleged discriminatory or unfair employment practice or unlawful acts in the workplace, such as harassment or discrimination, or any other conduct the Participant has reason to believe is unlawful.”

Section 11: The following shall be added as a new Section 11 titled “Notice”:

“The Participant acknowledges receipt of a separate notice that the Company has provided to the Participant contemporaneously with the Agreement and this Exhibit B which identifies this Exhibit B by name, states that this Exhibit B contains non-competition and non-solicitation covenants that could restrict the Participant’s options for subsequent employment following the termination of the Participant’s employment or service with the Company or its subsidiaries, and directs Participant to the specific sections of this Exhibit B containing such covenants (the “Notice”). The Participant acknowledges receipt of this Exhibit B (inclusive of the restrictions in Section 2) and such separate Notice from the Company at least fourteen (14) days before the earlier of the effective date of the restrictions in Section 2, or the effective date of the consideration for the restrictions in Section 2. Notwithstanding anything in this Exhibit B to the contrary, this Exhibit B will not become effective until the later of (A) the date that the Agreement (inclusive of this Exhibit B) was executed by both of the parties and the Notice was executed by the Participant, and (B) the fifteenth (15th) day after the date that the Notice and the Agreement (inclusive of this Exhibit B) were delivered to the Participant.”

District of Columbia

Section 2: For purposes of Section 2, the post-employment portion of the Restricted Period shall apply only if the Participant earn or are reasonably expected to earn at or above the minimum qualifying annual compensation per year (which amount shall increase each year in proportion to the annual average increase, if any, in the Consumer Price Index for All Urban Consumers in the Washington Metropolitan Statistical Area published by the Bureau of Labor Statistics of the United States Department of Labor for the previous calendar year adjusted to the nearest whole dollar) as set forth in DC Code § 32-581.01(6).

Section 11: The following shall be added as a new Section 11 titled “Notice”:

“The Participant acknowledges and agrees that the Participant has had at least fourteen (14) calendar days to review the restrictive covenants set forth in this Exhibit B. To the extent the post-employment portion of the restrictions in Section 2 apply, the Participant acknowledges

receipt of the following notice: “The District’s Ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to request non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions. The Company has determined that you are a highly compensated employee. For more information about the Ban on Non-Compete Agreements Amendments Act of 2020, contact the District of Columbia Department of Employment Services (DOES).”

Florida

Section 1(a): The non-disclosure covenant in Section 1(a) shall apply during the Participant’s employment or service with the Company or its subsidiaries, for a period of five years thereafter, and to the extent the information qualifies as a trade secret under applicable law, at all times thereafter.

Section 2: Following the Participant’s employment or service with the Company or its subsidiaries, the restrictions set forth in Section 2 will only apply to actions taken by the Participant in a Restricted Capacity. For this purpose, “Restricted Capacity” means any role in which (1) the Participant would provide services similar to the services provided to the Company or its subsidiaries during the three (3) years preceding the Participant’s termination of employment or service, or (2) it would be reasonably likely that the Participant would use Confidential Information or customer relationships of the Company or its subsidiaries.

Section 11: The following shall be added as a new Section 11 titled “Notice”:

The Participant acknowledges that, in the course of Participant’s employment or service with the Company or its subsidiaries, the Participant will receive Confidential Information and/or access to customer relationships of the Company and its subsidiaries. The Participant understands that to the extent the Participant is providing services in violation of Section 2, it would be reasonably likely that the Participant would use Confidential Information and customer relationships to the detriment of the Company and its subsidiaries. The Participant acknowledges that the Participant’s annual compensation is at least twice the annual mean wage of the Florida county where the Participant resides. Additionally, the Participant acknowledges and agrees that the Participant has had at least seven (7) calendar days to review this Exhibit B, including the restrictive covenants set forth in Section 2. The Participant is hereby advised of the Participant’s right to consult with counsel prior to entering into the Agreement and this Exhibit B.

Georgia

Section 1(a): The non-disclosure covenant in Section 1(a) shall apply during the Participant’s employment or service with the Company or its subsidiaries, for a period of five years thereafter, and to the extent the information qualifies as a trade secret under applicable law, at all times thereafter.

Section 3(c): For purposes of Section 3(c), the post-employment portion of the Restricted Period shall only apply to customers, clients, or other business relations of the Company or any of its

subsidiaries with whom the Participant had material contact and solely with respect to products and services that are competitive with those provided by the Company and its subsidiaries.

Illinois

Section 1(a): The non-disclosure covenant in Section 1(a) shall apply during the Participant's employment or service with the Company or its subsidiaries, for a period of five years thereafter, and to the extent the information qualifies as a trade secret under applicable law, at all times thereafter.

Section 2 and Section 3: The post-employment portion of the Restricted Period shall apply only if the Participant has actual or expected annual earnings exceeding the thresholds for non-competition covenants and non-solicitation covenants (respectively) as set forth in 820 ILCS 90/10.

Section 8: The following shall be added to the end of Section 8:

"Further, nothing herein prohibits, prevents or otherwise restricts the Participant from (A) reporting any good faith allegation of unlawful employment practices to any federal, state or local government agency enforcing discrimination laws; (B) reporting any good faith allegation of criminal conduct to any appropriate federal, state or local official; (C) participating in a proceeding related to unlawful employment practices, including any litigation brought by any federal, state or local government agency or any other person who alleges that the Company Group has violated any state federal, or local law, regulation or rule; (D) making any truthful statement of disclosures required by law, regulation or legal process; (E) requesting or receiving confidential legal advice; (F) engaging in concerted activity to address work-related issues; or (G) making truthful statements or disclosures about alleged "unlawful employment practices" as defined in the Illinois Workplace Transparency Act (820 ILCS 96)."

Section 11: The following shall be added as a new Section 11 titled "Notice":

"The Participant acknowledges and agrees that (i) the Participant has had at least fourteen (14) calendar days to review this Exhibit B, including the restrictive covenants set forth herein, (ii) the Participant has been advised of the Participant's right to consult with counsel prior to agreeing to be bound by this Exhibit B, including the restrictive covenants set forth herein, and (iii) the restrictions contained in this Exhibit B are supported by valid, sufficient, and mutually-agreed-upon consideration, including the grant of RSUs under the Agreement."

Massachusetts

Section 2: The following shall replace Section 2 in its entirety:

"During the period commencing on the Date of Grant and ending on the first anniversary of the Participant's termination of employment or service with the Company or its subsidiaries (the "Restricted Period"), the Participant shall not, directly or indirectly, individually or on behalf of any Person, company, enterprise, or entity, or as a sole proprietor, partner, equityholder, director,

officer, principal, agent, employee or executive, in each case, in any capacity in which the Participant would provide the same types of services that the Participant provided to the Company or its subsidiaries during the then most recent two (2) years of the Participant's employment or service, (i) own any interest in, participate in (whether as a director, officer, employee, member or partner), consult with, render services for (including as an employee), or in any manner engage in, or on behalf of, any business or enterprise, in each case, that is competitive with that is competitive with (A) the business conducted in the Mechanical (including heating, ventilation and air conditioning), Electrical and Plumbing industry and (B) any other business (1) engaged in by the Company or any of its subsidiaries or (2) in which the Company or any of its subsidiaries has taken any actual, concrete steps or is planning to take such actual, concrete steps to conduct business, including by submitting a letter of intention or similar indication of interest, entering into a confidentiality agreement or inclusion in a "deal pipeline" sheet which is presented to the Board, in each case, with respect to the potential acquisition or similar transaction of a business conducting such business activities, in each case, as of the date hereof and through the date of Participant's last date of employment with the Company or any of its subsidiaries (collectively, the "**Business**"), within any state, territory, jurisdiction or other locality within the United States in which the Company or its subsidiaries engages in the Business and in which the Participant provided services or had a material presence or influence during the last twenty-four (24) months of the Participant's employment or service with the Company or its subsidiaries, or (ii) take any preparatory steps to engage in any of the activities described in clause (i) above; provided, however, that nothing in this Section 2 shall prevent the Participant or any of its affiliates from being a passive owner of less than two percent (2%) of any Person's publicly traded securities, so long as neither the Participant nor any of its affiliates has any active participation in the business thereto. Additionally, for purposes of this Section 2, the post-employment portion of the Restricted Period shall not apply if the Participant is terminated without Cause or because of a layoff. For this purpose, "Cause" means, in addition to Cause as defined in any other agreement between the Participant and the Company or its affiliates, a reasonable and good faith basis for the Company to be dissatisfied with the Participant's job performance, conduct, or behavior."

Section 11: The following shall be added as a new Section 11 titled "Notice":

"The Participant acknowledges and agrees that, (i) the Participant has been advised, and is hereby advised, of the Participant's right to consult with counsel prior to agreeing to be bound by the Agreement and this Exhibit B, and (ii) the restrictions contained in this Exhibit B (including in Section 2) are supported by valid, sufficient, and mutually-agreed-upon consideration, which is independent of the Participant's continued employment with the Company Group, including, but not limited to, the grant of the RSUs pursuant to the Participant. The Participant further acknowledges and agrees that (A) if the Participant is entering into this Exhibit B in connection with the commencement of employment, the Participant received the Agreement and this Exhibit B by the earlier of a formal offer of employment and ten (10) business days before commencement of employment, and (B) if the Participant is entering into the Agreement and this Exhibit B after commencement of employment, the Participant has had at least ten (10) business days to review this Exhibit B (inclusive of the noncompetition obligation in Section 2) before the noncompetition obligations in Section 2 become effective. Notwithstanding anything

in this Exhibit B or the Agreement to the contrary, this Exhibit B (inclusive of the noncompetition obligation in Section 2) will not become effective until the later of (x) the date that the Agreement (inclusive of this Exhibit B) was executed by the Participant, and (y) the date immediately following the tenth (10th) business day after the date that the Agreement (inclusive of this Exhibit B) was delivered to the Participant.

Minnesota

Section 2: For purposes of Section 2, the “Restricted Period” shall commence on the Date of Grant and end on the Participant’s termination of employment or service with the Company or its subsidiaries.

North Dakota

Section 2: For purposes of Section 2, the “Restricted Period” shall commence on the Date of Grant and end on the Participant’s termination of employment or service with the Company or its subsidiaries.

Oklahoma

Section 2: For purposes of Section 2, the “Restricted Period” shall commence on the Date of Grant and end on the Participant’s termination of employment or service with the Company or its subsidiaries.

Section 3(c): The following shall replace Section 3(c):

“...directly solicit the sale of goods, services, or a combination of goods and services from the established customers of the Company or its subsidiaries.”

Oregon

Section 2: The post-employment portion of the Restricted Period (for purposes of this Section 2 only) shall apply only if (i) (A) the Company informs the Participant in a written employment offer received by the Participant at least two (2) weeks before the first day of the Participant’s employment or service that a non-competition agreement is required as a condition of employment or (B) the Participant executes this Exhibit B upon a bona fide advancement, (ii) the Participant is classified as exempt under state wage and hour law, (iii) the Participant has access to trade secrets of the Company or its subsidiaries or competitively sensitive Confidential Information, and (iv) as of the date of the Participant’s termination of employment, the total amount of the Participant’s annual gross salary and commissions, calculated on an annual basis, exceeds the threshold set forth in Or. Rev. Stat. § 653.295(1); provided, however, that if the Participant does not satisfy prongs (ii) or (iv) of the foregoing, the Company may, in its discretion, in order for the restrictions set forth in Section 2 to apply to the Participant during the post-employment portion of the Restricted Period, pay the Participant during the post-employment portion of the Restricted Period, the greater of compensation equal to at least fifty percent (50%) of (x) the Participant’s annual gross base salary and commissions at the time of

Termination or (y) the threshold set forth in [Or. Rev. Stat. § 653.295\(1\)](#) (the “[Garden Leave Payments](#)”); provided, further, that (1) in the event that the Company, in its discretion, waives such obligations of the Participant under [Section 2](#) at any time during the post-employment portion of the Restricted Period, the Company’s obligation to make the Garden Leave Payments to the Participant shall cease, (2) the Participant’s right to receive and retain any Garden Leave Payments is conditioned on the Participant’s compliance in full with the Participant’s obligations under [Section 2](#), and (3) any Garden Leave Payments paid by the Company will be payable as salary continuation, less all applicable federal, state, and local taxes and withholdings, in accordance with the Company’s standard regular payroll practices. The Participant acknowledges and agrees that any Garden Leave Payments shall reduce (and shall not be in addition to) any severance or separation pay that the Participant is otherwise entitled to receive from the Company or its subsidiaries pursuant to an agreement, plan, or otherwise.

Virginia

[Section 1\(a\)](#): The non-disclosure covenant in [Section 1\(a\)](#) shall apply during the Participant’s employment or service with the Company or its subsidiaries, for a period of five years thereafter, and to the extent the information qualifies as a trade secret under applicable law, at all times thereafter.

Washington

[Section 2](#): The post-employment portion of the Restricted Period (for purposes of this [Section 2](#) only) shall apply only if the Participant is (i) an employee of the Company or its subsidiaries whose earnings from the Company or its subsidiaries exceed the threshold set forth in RCW 49.62.020 when annualized or (ii) an independent contractor of the Company or any of its subsidiaries whose earnings from the Company or its subsidiaries exceed the threshold set forth in RCW 49.62.030 per year, each amount to be adjusted annually for inflation as calculated by the Washington Department of Labor and Industries pursuant to RCW 49.62.040. Further, to the extent the Participant’s employment or service is terminated by the Company or its subsidiaries as part of a layoff, then the post-employment portion of the Restricted Period (for purposes of this [Section 2](#) only) shall be enforced only to the extent that the Company or its subsidiaries, at its option, continues to pay the Participant his or her base salary, at the annual rate in effect as of the date of the Participant’s termination of employment or service with the Company or its subsidiaries, in accordance with the Company’s regular payroll practices, and subject to deduction for any compensation earned through subsequent employment during the period of enforcement (“[Garden Leave Payments](#)”). The Participant acknowledges and agrees that any Garden Leave Payments shall reduce (and shall not be in addition to) any severance or separation pay that the Participant is otherwise entitled to receive from the Company or its subsidiaries pursuant to an agreement, plan, or otherwise. Furthermore, if the Participant earns less than twice the applicable state minimum hourly wage, [Section 2](#) shall not restrict, restrain, or prohibit the Participant from having an additional job, supplementing the Participant’s income by working for another employer, working as an independent contractor or being self-employed, provided that such additional services do not raise issues of safety for the Participant, coworkers or the public, or interfere with the reasonable and normal scheduling expectations of the

Company or its subsidiaries. Nothing in the foregoing sentence alters the obligations of the Participant to the Company or its subsidiaries under existing law, including the common law duty of loyalty and laws preventing conflicts of interest and any corresponding policies addressing such obligations.

Wisconsin

Section 1(a): The non-disclosure covenant in Section 1(a) shall apply during the Participant's employment or service with the Company or its subsidiaries, for a period of five (5) years thereafter, and to the extent the information qualifies as a trade secret under applicable law, at all times thereafter. Additionally, with respect to Confidential Information that does not constitute trade secrets, the non-disclosure covenant in Section 1(a) will only apply in jurisdictions where disclosure of such information would be competitively damaging to the Company or its subsidiaries.

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Jeffrey Sprau, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 of Legence Corp. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

By: /s/ Jeffrey Sprau
Jeffrey Sprau
Chief Executive Officer

Date: May 14, 2026

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Stephen Butz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 of Legence Corp. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

By: /s/ Stephen Butz
Stephen Butz
Chief Financial Officer

Date: May 14, 2026

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 of Legence Corp. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey Sprau, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2026

/s/ Jeffrey Sprau

Jeffrey Sprau
Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 of Legence Corp. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen Butz, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2026

/s/ Stephen Butz

Stephen Butz

Chief Financial Officer