

The background of the image is a dark, blue-toned photograph of a city skyline at night. The lights from the buildings create a dense field of white and yellow dots, with some vertical light trails. In the lower-left foreground, the dark silhouettes of several people are visible, appearing to be walking or standing together. The overall atmosphere is futuristic and high-tech.

stem

**Investor &
Analyst Day**

2022

September 28, 2022

Cautionary Statement Regarding Forward-Looking Statements

This presentation as well as other statements we make, contain “forward-looking statements” within the meaning of the federal securities laws, which include any statements that are not historical facts. Such statements often contain words such as “expect,” “may,” “can,” “believe,” “predict,” “plan,” “potential,” “projected,” “projections,” “forecast,” “estimate,” “intend,” “anticipate,” “ambition,” “goal,” “target,” “think,” “should,” “could,” “would,” “will,” “hope,” “see,” “likely,” and other similar words. Forward-looking statements address matters that are, to varying degrees, uncertain, such as statements about our financial and performance targets and other forecasts or expectations regarding, or dependent on, our business outlook; opportunities as a result of the Inflation Reduction Act of 2022; the expected synergies of the combined Stem/AlsoEnergy company; our ability to secure sufficient inventory from suppliers to meet customer demand; our ability to manage supply chain issues and manufacturing or delivery delays; our ability to continue to successfully integrate the combined companies; our joint ventures, partnerships and other alliances; reduction of greenhouse gas (“GHG”) emissions; the integration and optimization of energy resources; our business strategies and those of our customers; the global commitment to decarbonization; our ability to retain or upgrade current customers, further penetrate existing markets or expand into new markets; our ability to manage our supply chains and distribution channels and the effects of natural disasters and other events beyond our control, such as the COVID-19 pandemic and variants thereof, and government and business responses thereto; our ability to meet contracted customer demand; and future results of operations, including revenue and Adjusted EBITDA. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including but not limited to our inability to secure sufficient inventory from our suppliers to meet customer demand, and provide us with contracted quantities of equipment; supply chain interruptions and manufacturing or delivery delays; disruptions in sales, production, service or other business activities; general economic, geopolitical and business conditions in key regions of the world, including inflationary pressures, general economic slowdown or a recession, increasing interest rates, and changes in monetary policy; the ongoing effects of the COVID-19 pandemic on our workforce, operations, financial results and cash flows; the effects of the ongoing conflict in Ukraine; the risk that the total addressable market as a result of the Inflation Reduction Act of 2022 is not as expected; the results of operations and financial condition of our customers and suppliers; our inability to achieve our financial and performance targets and other forecasts and expectations; the risk that the global commitment to decarbonization may not materialize as we predict, or even if it does, that we might not be able to benefit therefrom; our inability to help customers reduce GHG emissions to the extent desired; our inability to integrate and optimize energy resources; pricing pressure; inflation; weather and seasonal factors; challenges, disruptions and costs of integrating AlsoEnergy and achieving anticipated synergies, or such synergies taking longer to realize than expected; risks that the integration disrupts current plans and operations that may harm our business; uncertainty as to the effects of the transaction on the long-term value of our common stock; our ability to continue to grow and to manage our growth effectively; our ability to attract and retain qualified employees and key personnel; our ability to comply with, and the effect on



their businesses of, evolving legal standards and regulations, particularly concerning data protection and consumer privacy and evolving labor standards; risks relating to the development and performance of our energy storage systems and software-enabled services; our inability to retain or upgrade current customers, further penetrate existing markets or expand into new markets; the risk that our business, financial condition and results of operations may be adversely affected by other political, economic, business and competitive factors; and other risks and uncertainties set forth in our most recent Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC. If one or more of these or other risks or uncertainties materialize (or the consequences of any such development changes), or should our underlying assumptions prove incorrect, actual outcomes may vary materially from those reflected in our forward-looking statements. Forward-looking and other statements in this presentation regarding our environmental, social, and other sustainability plans and goals are not an indication that these statements are necessarily material to investors or required to be disclosed in our SEC filings. In addition, historical, current and forward-looking environmental, social, and sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.] Statements in this presentation are made as of the date of this presentation, and Stem disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

Non-GAAP measures

In addition to disclosing financial results in accordance with U.S. GAAP, this presentation includes references to non-GAAP financial measures, including EBITDA and non-GAAP gross margin. We believe these non-GAAP measures provide useful supplemental information regarding certain financial and business trends relating to our financial condition and results of operations. We also believe that these non-GAAP financial measures provide an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial performance with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are in addition to, and should not be considered superior to, or a substitute for, financial results prepared in accordance with GAAP. Non-GAAP financial measures should not be considered in isolation and are subject to significant inherent limitations. The non-GAAP measures presented herein may not be comparable to similar non-GAAP measures presented by other companies. Reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures are included in the Appendix to this presentation.

Industry and Market Data

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Strategic Overview

John Carrington

Chief Executive Officer

stem

Investor & Analyst Day

2022

September 28, 2022
9:00 am – 12:00 pm

Welcome

Ted Durbin · VP of Investor Relations

Strategic Overview

John Carrington · Chief Executive Officer

Growth Outlook

Prakesh Patel · Chief Strategy Officer

AlsoEnergy

Bob Schaefer · President, AlsoEnergy

Technology

Larsh Johnson · Chief Technology Officer

Break

Software Demonstration

Bryan Ho · Senior Director, Product

Technology Roundtable

Senior Technology Leadership

Finance

Bill Bush · Chief Financial Officer

Q&A

Agenda

Introduction

How We Will Win

- Technology Leadership
- Operational Excellence
- Commercial Strategy
- Macro Tailwinds

Key Takeaways



Seasoned Leadership Team



John Carrington

CEO and Director



Prakesh Patel

Chief Strategy Officer



Bob Schaefer

President, AlsoEnergy



Larsh Johnson

Chief Technology Officer



Bill Bush

Chief Financial Officer



Michael Carlson

Chief Operating Officer



Alan Russo

Chief Revenue Officer



Kim Homenock

Chief People Officer



Saul Laureles

Chief Legal Officer



Ted Durbin

VP, Investor Relations



Matt Tappin

VP, Corporate Development

Extensive experience in software, energy and industrial companies



SIEMENS

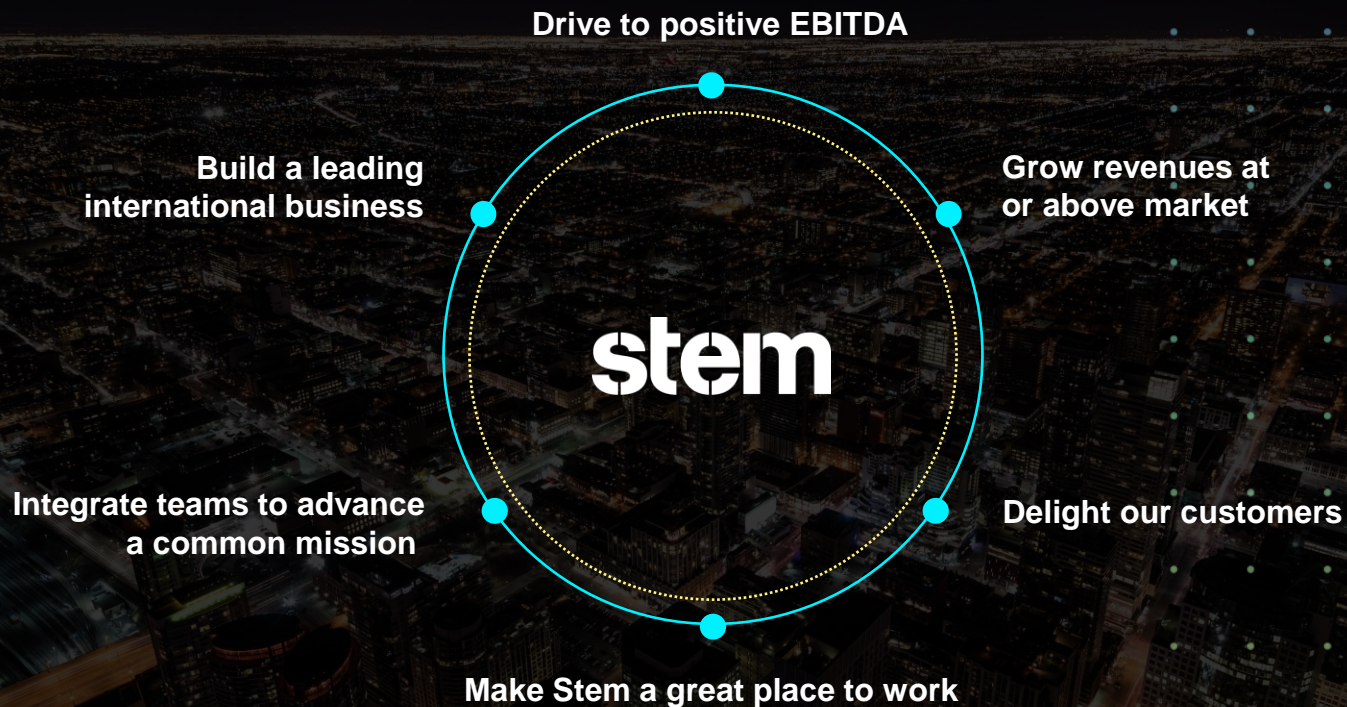


amazon



Goldman Sachs

Our Guiding Principles

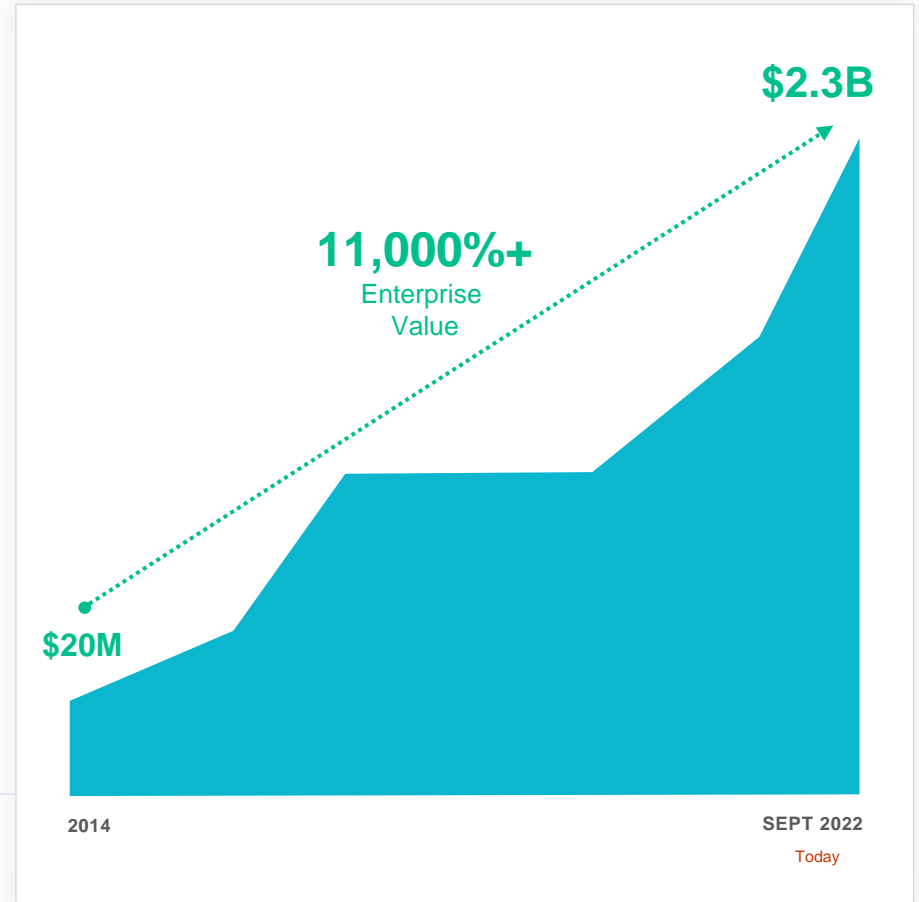


The Journey to Today

Industry Leadership, Innovation, and Execution

- ✓ **First to market C&I storage** to the Fortune 500
- ✓ **First California ISO** wholesale market participation
- ✓ **Largest VPP** with utility (i.e. SCE - 420 MWh)
- ✓ **Largest fleet** of operating assets in ISO-NE FTM market
- ✓ **#1 solar asset** performance management software platform
- ✓ **Only software platform** capable of executing on all 13 RMI storage services

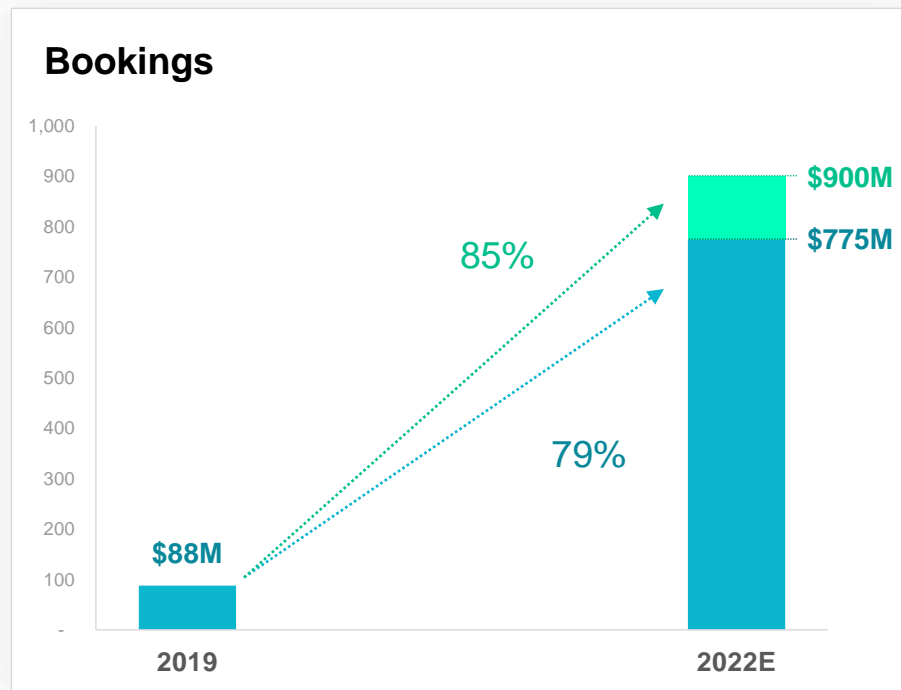
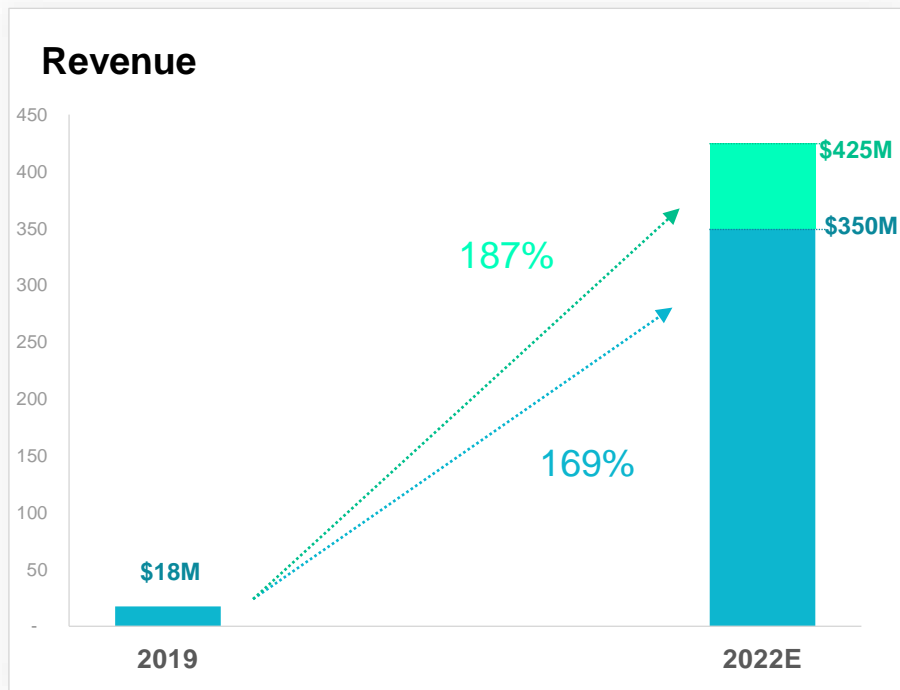
Market leadership driving strong execution...
and we are just getting started!



Industry-Leading Execution

Strong growth in financial and operational metrics

Measured in compound annual growth rate for the relevant period
In \$ millions unless otherwise noted
Figures for 2022E represent low and high-end of guidance



Growth in AUM drives strong recurring software revenue

Driving Growth and Profitability

1. Expected to be EBITDA positive in 2H 2023
2. Growth in software and services drives 15-20% long-term EBITDA margin
3. Reaffirming 2022 guidance

How We Will Win



**Technology
Leadership**



**Operational
Excellence**



**Commercial
Strategy**



**Macro
Tailwinds**

How We Will Win

1

**Technology
Leadership**

2

**Operational
Excellence**

3

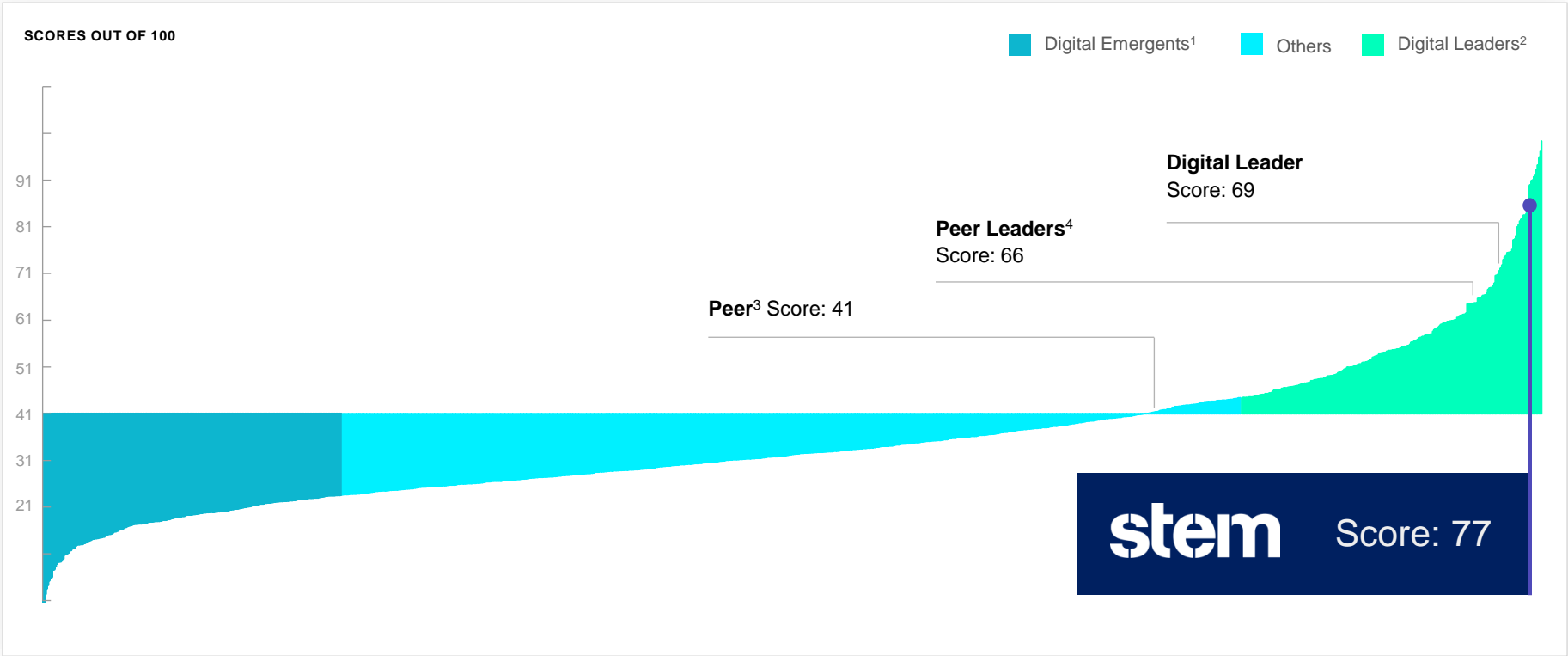
**Commercial
Strategy**

4

**Macro
Tailwinds**

Demonstrated Digital and Analytics Leadership

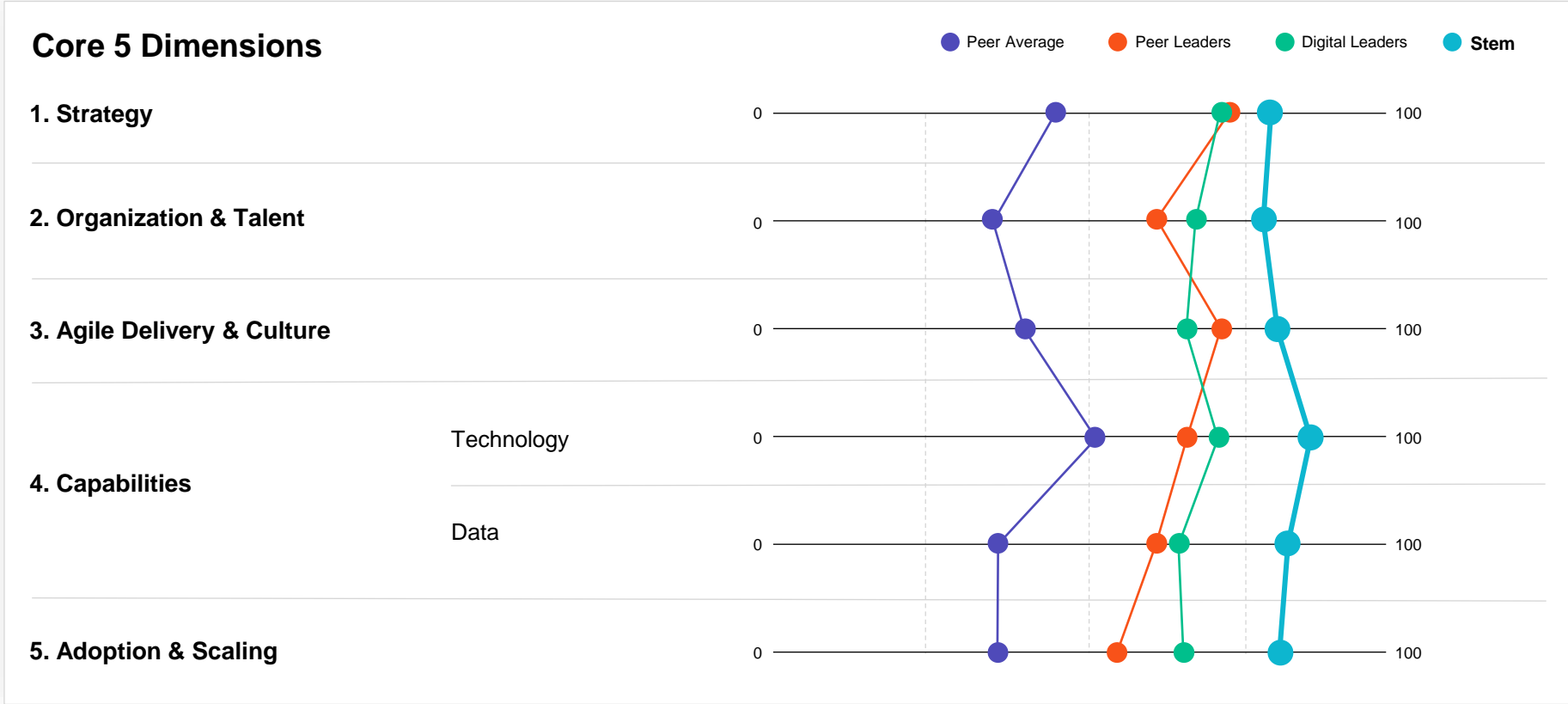
McKinsey scores Stem in the top quartile in a digital assessment across 550+ companies



1. Digital Emergents are defined as the bottom quintile companies in the Digital Quotient (DQ) database
2. Digital Leaders are defined as the top quintile companies in the DQ database, which includes startups and established players

3. Average of all relevant peer companies in the DQ database (N = 19), across geographies
4. Average of the top quintile of peer companies by question in the DQ database (N = 4), across geographies

Technology Leadership and Differentiation



AlsoEnergy PowerTrack Ranked #1 in Solar and Storage Monitoring and Controls

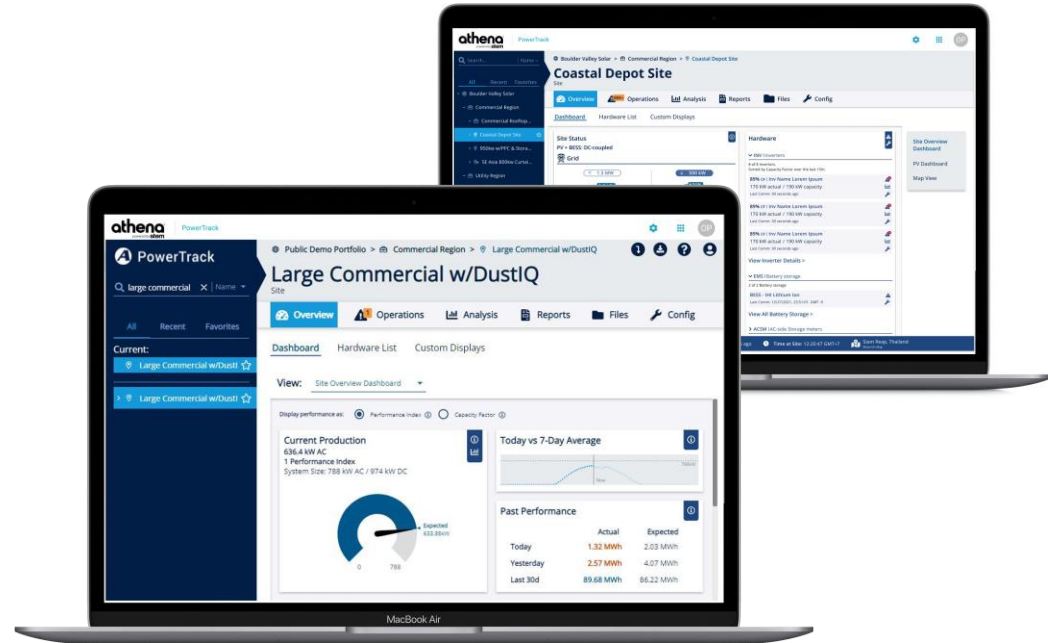


“AlsoEnergy takes a **holistic view** of its M&C [monitoring and control] capabilities, targeting an integrated offering across varied application segments, giving the company **an edge in the market.**”

Guidehouse Insights Leaderboard

Ranking Methodology

- Strategy and execution
- Comprehensive suite of offerings
- Advanced technology
- Significant global partnerships



How We Will Win



Technology
Leadership

Operational
Excellence

Commercial
Strategy

Macro
Tailwinds

Operational Excellence

Athena Delivers Differentiated Results

- ✓ **RMI Wheel:** Software enabling all 13 RMI storage services
- ✓ **Utility obligations:** Executing on 100% of utility obligations while experiencing 72% YoY increase in grid dispatches YTD
- ✓ **ISO-New England:** Achieved 96% of perfect foresight revenues
- ✓ **Greenhouse gas optimization:** Delivered full year reduction target in under four months for +40% of customers in program
- ✓ **13 of top 15 C&I asset owners:** Standardized on Athena PowerTrack

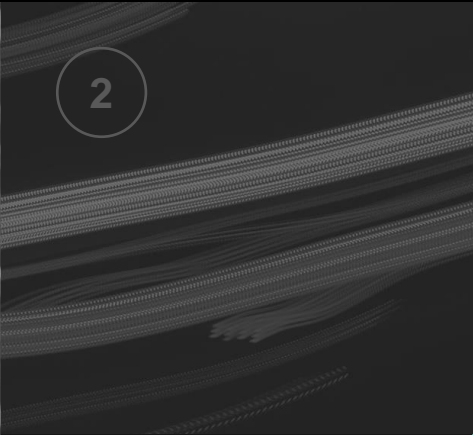
Operational Excellence

Commercial Execution

- ✓ **Bookings momentum:** +100% YoY bookings growth for last 3 years (2019-2021)
- ✓ **Gross margin enhancement:** Consistent positive, growing Non-GAAP Gross Margin driven by software and services
- ✓ **CARR:** Strong software differentiation with double-digit QoQ CARR growth
- ✓ **Operating leverage:** Driving operational leverage with rapidly declining cash OPEX as % of revenue (44% in 2021 to 33% in 2022E at midpoint of guidance)



How We Will Win



Technology
Leadership

Operational
Excellence

Commercial
Strategy

Macro
Tailwinds

Strong Recurring Software Cash Flows Enabled by Hardware Deliveries



Software

Total AUM (kWh)
(x) Software Subscription (\$/kWh/month)
= Total Software (Recurring) Revenues

~80%

Software Gross Margin



Hardware + Network Integration

Total Deliveries (kWh or kW)
(x) Project Hardware ASP (\$/kWh or \$/kW)
= Total Hardware Revenues

FTM ~10%, BTM ~20-40%

Hardware Gross Margin



Market Participation

Total AUM (kWh)
(x) Stem's Market Participation Revenues (\$/kWh)
= Total Software (Variable) Revenues

~80%+

Market Participation Gross Margin

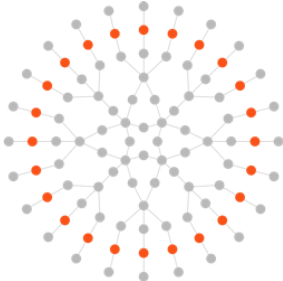
- Recurring SaaS model
- Secured by 5-20 year contracts with monthly recurring cash flow
- Revenue recognized ratably during life of the contract
- Additional upsell revenue opportunities

- Upfront payment for initial purchase
- Hardware-agnostic platform
- Turnkey enables customer value
- Leverage subject matter expertise in ESS hardware

- Revenues from differentiated Athena capabilities and VPPs
- Secured by 3-20 year contracts
- Revenue recognized when realized
- Significant long-term value

Market Leading Value Proposition

Behind-the-Meter “BTM”



Commercial & Industrial Services

Reduce Consumer Energy Bills 10–30%

Electric Vehicle Offerings

Asset Performance Management

Corporate ESG Objectives

Representative Customers



Alphabet



IHG

Walmart



Cargill

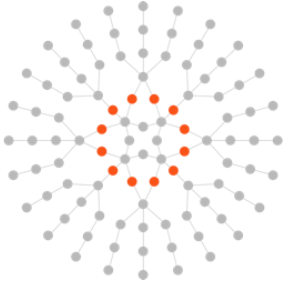


amazon



Meta

Front-of-the-Meter “FTM”



Utilities, IPPs, Developers

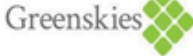
Increasing Asset Returns 10-40%

Supports Grid Stability

Asset Performance Management

Grid Decarbonization

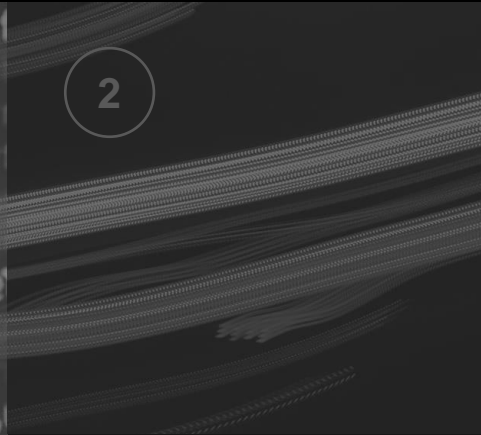
Representative Partners



How We Will Win



Technology
Leadership



Operational
Excellence



Commercial
Strategy



Macro
Tailwinds

Best Positioned to Benefit from Inflation Reduction Act (IRA)

Expect additional upside to financial plan as provisions are implemented

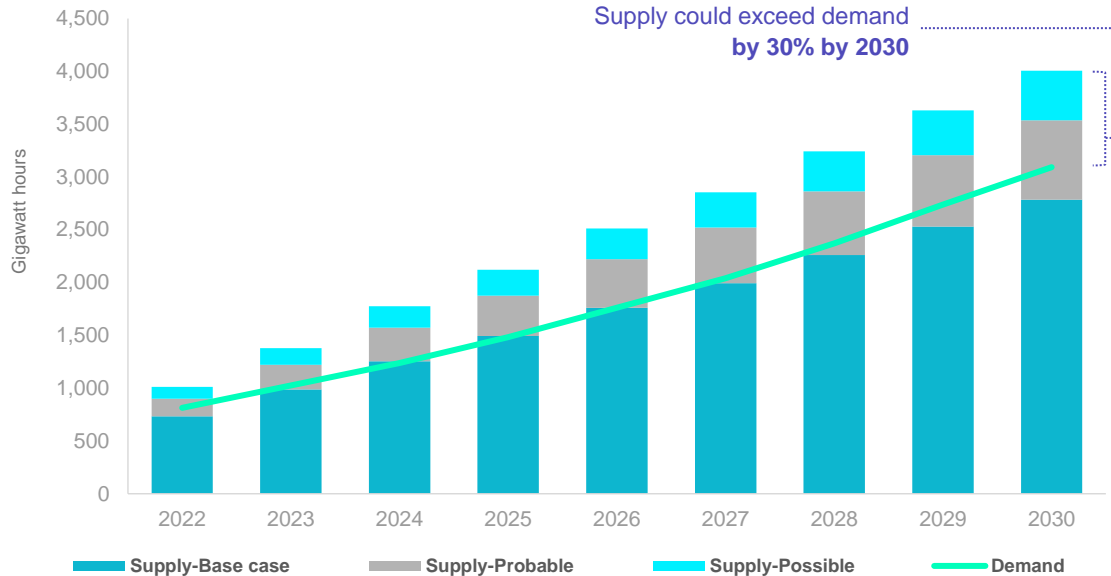
IRA Section	Impact to Stem
Standalone storage ITC – greenfield	<ul style="list-style-type: none">Improves customer economics with 30-60% reduction in project costs
Standalone storage ITC – retrofit	<ul style="list-style-type: none">~\$6B potential AlsoEnergy storage retrofit opportunity in core markets; ~\$20B for entire AlsoEnergy portfolio
Solar production tax credit	<ul style="list-style-type: none">Athena + PowerTrack can enable 500+ bps improvement in project IRRs by electing PTC in lieu of ITC



Expect Battery Supply Chain to Improve

Global battery supply expected to exceed demand in coming years

Global Lithium-ion Battery Cell Supply and Demand 2022–2030⁽¹⁾

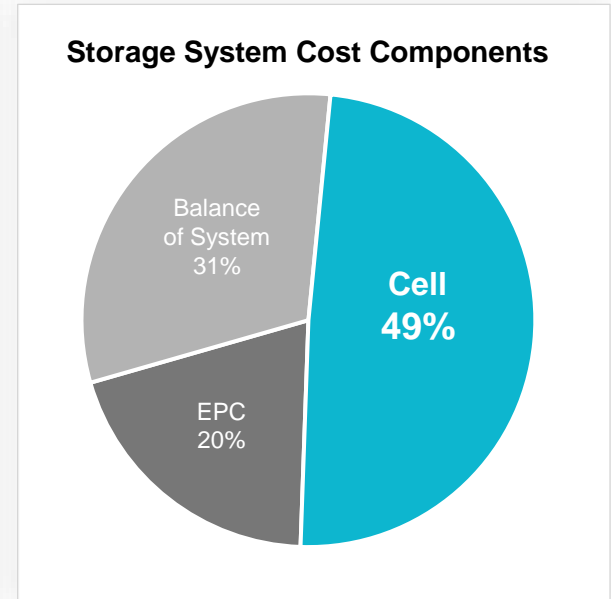
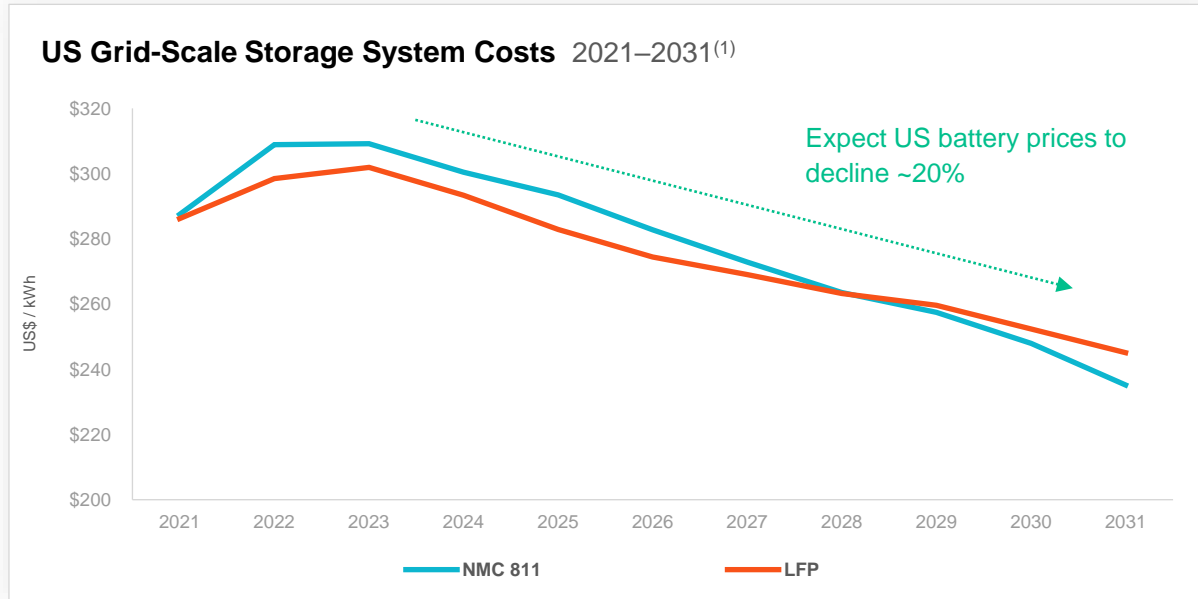


- ✓ OEMs building dedicated stationary storage manufacturing facilities
- ✓ Announcements of recent capacity additions in excess of 1 TWh⁽²⁾

Stem: Fully contracted through Q3 2023; executing agreements for Q4 2023 and 2024

Expect Battery Prices to Decline

Lower battery system prices should increase demand



- ✓ Industry analysts expect ~20% lower prices driven by manufacturing efficiencies and declines in commodity and shipping costs
- ✓ Expect lower costs to drive global TAM expansion

Key Takeaways



Massive Market

Industry outlook, IRA,
and growth opportunities



Innovative Products & Services

Technology platform
and differentiation



Profitability

Drive to cash flow positive

We have a deep bench and are well positioned to execute

Growth Outlook

Prakesh Patel

Chief Strategy Officer

Agenda

Inflation Reduction Act

Market Outlook

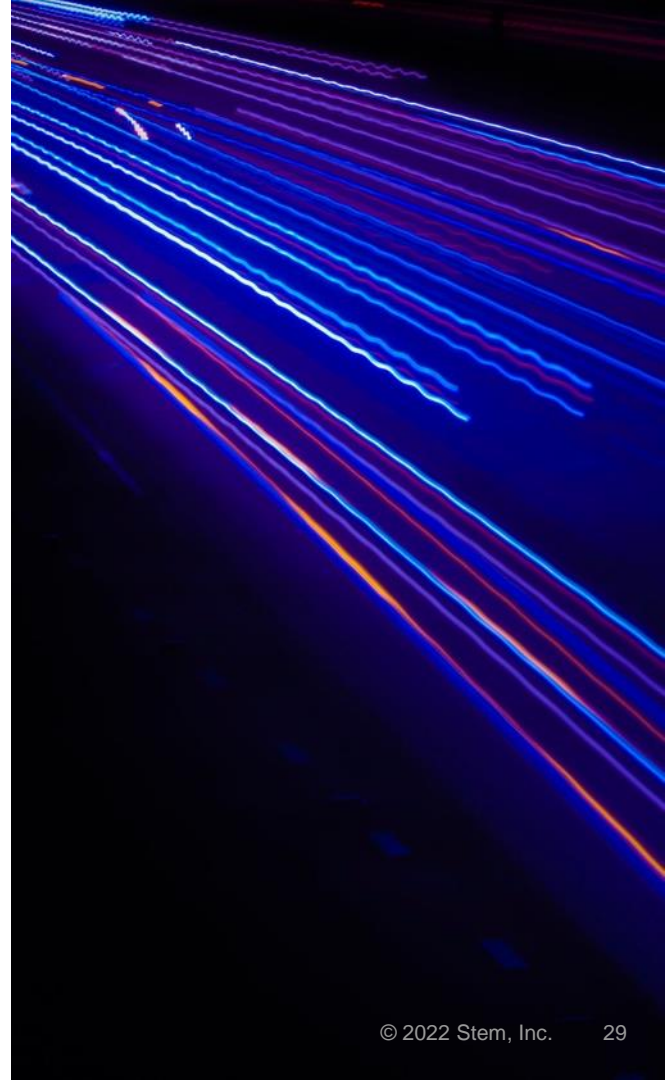
Growth Opportunities & Upside Scenarios



Massive Market Opportunity

Stem is best positioned to monetize this inflection point

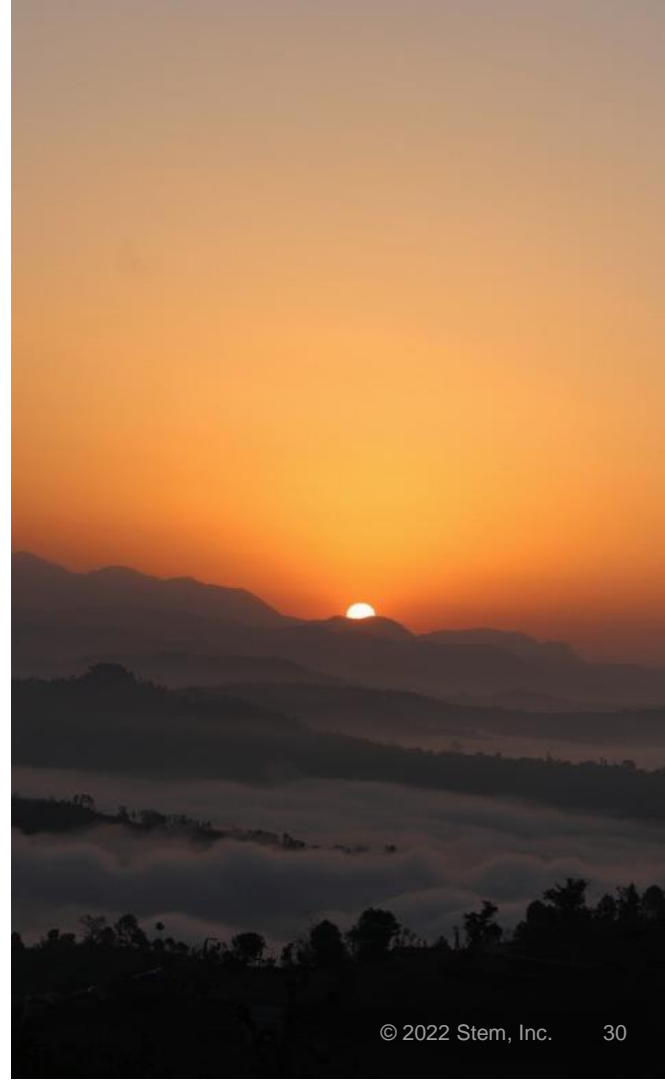
- The impact of the Inflation Reduction Act of 2022 is still being digested by market participants and industry analysts... with current views likely underestimating its impact.
- Energy storage and clean energy intelligence are the most compelling offerings forecasted to capture outsized growth and strong profitability⁽¹⁾
 - BTM US Energy Storage CAGR +51%
 - FTM US Energy Storage CAGR +58%
 - Solar US Asset Performance Management CAGR +38%
- Stem has differentiated technology and capabilities across the value chain to deliver unmatched solutions to our customers



Inflation Reduction Act Impact

Significant tailwinds from recent legislation

- Standalone storage investment tax credit improves customer economics with **30-60% reduction** in project costs
- Several factors may provide **synergistic demand** for our offerings:
 - Extension of solar and wind tax credits, including production tax credit opt-in
 - Direct pay provisions for tax-exempt entities (e.g., electrical co-operatives and municipal utilities)
 - Tax credits, manufacturing incentives and permitting reform for electric vehicles, power infrastructure, and renewable technologies
- **Full impact is not currently reflected in financial guidance**, though Stem is well positioned to capitalize on this opportunity
 - Active dialogue and track record with corporate buyers, co-ops / munis, and renewable asset managers
 - Deep relationships with strategic OEMs in the energy storage supply chain



Resurgent Behind-the-Meter Storage Market Outlook

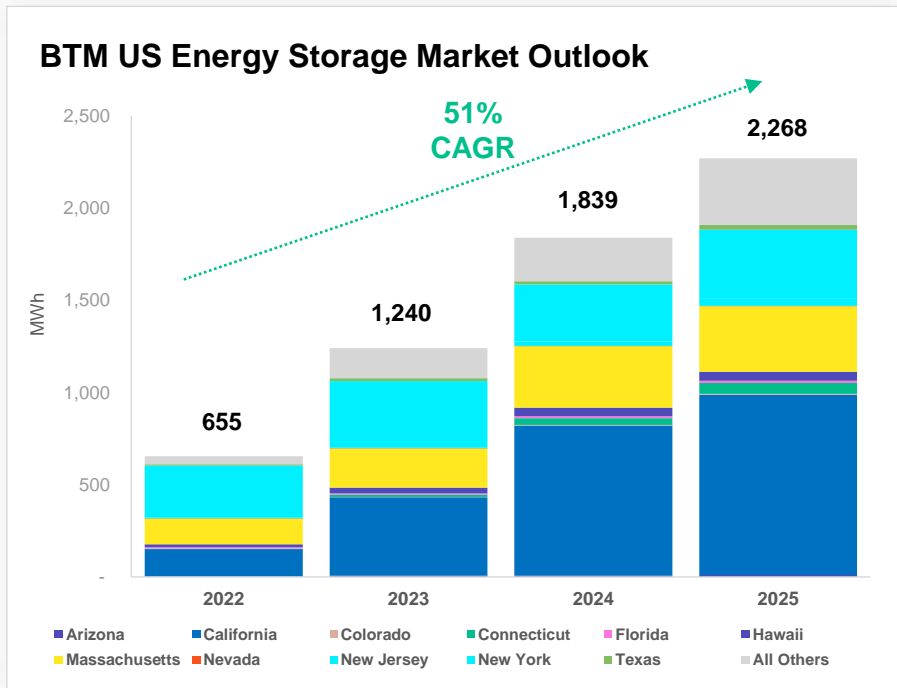
Leading market share and technology differentiation

Key Metrics

- Customers include community, commercial and industrial
- Typically 10-year software contract
- Average system of 2MWh and \$1M HW+SW booking value with strong HW margins

What has changed since 2021?

- IRA accelerates growth of this segment
 - Opportunity for storage retrofit at existing solar locations
 - EV incentives increase demand for larger sized BTM
 - Standalone Storage ITC enhances economics and supports national rollout plans across Fortune 500
- Market participation upside from completion of FERC 2222 & 841 implementation and related policies to drive distributed energy resources into the grid



Accelerating eMobility Market Outlook

Energy storage paired with fleet electric vehicles and vehicle-to-grid opportunities

Compelling Value Proposition

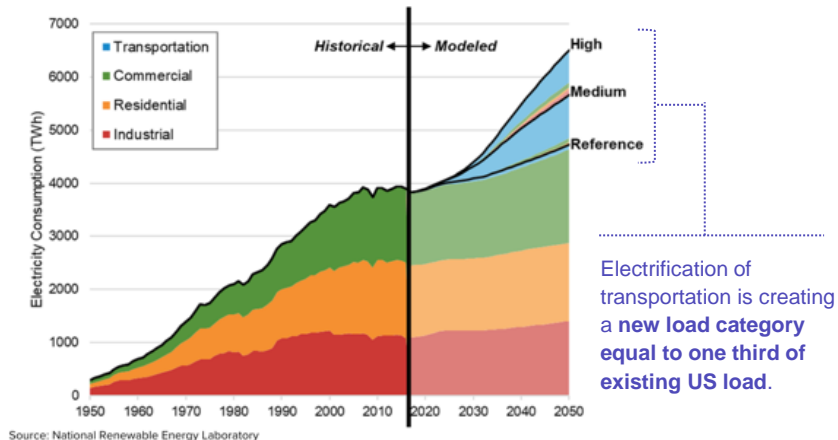
- Enhanced resiliency for EV fleets and charging infrastructure with utility bill optimization and vehicle-to-grid (V2G) monetization
- 10-year software contract with up to 2x typical software fee
- New offerings such as sustainability reporting, GHG optimized charging, and software-only apps augment growth

Sizing the Opportunity

- Substantial increase in customer load from fleet EVs drives larger average energy storage system sizes at BTM locations (+2-5x)
- eMobility expected to represent ~50% of BTM activity in 3 years
 - Leverage Stem MSAs across Fortune 500
 - Deep storage experience makes Stem a valued strategic partner to incumbent leading EV charging players
- Additional BTM storage volumes from above **not included** in BTM Market Outlook on the prior page
- Upside from V2G in market participation revenue

Strong Growth in EV Charging Demand

Stem core value streams applied to EV loads with Athena digitally integrated to the EV Charging system



Strong Front-of-the-Meter Storage Market Outlook

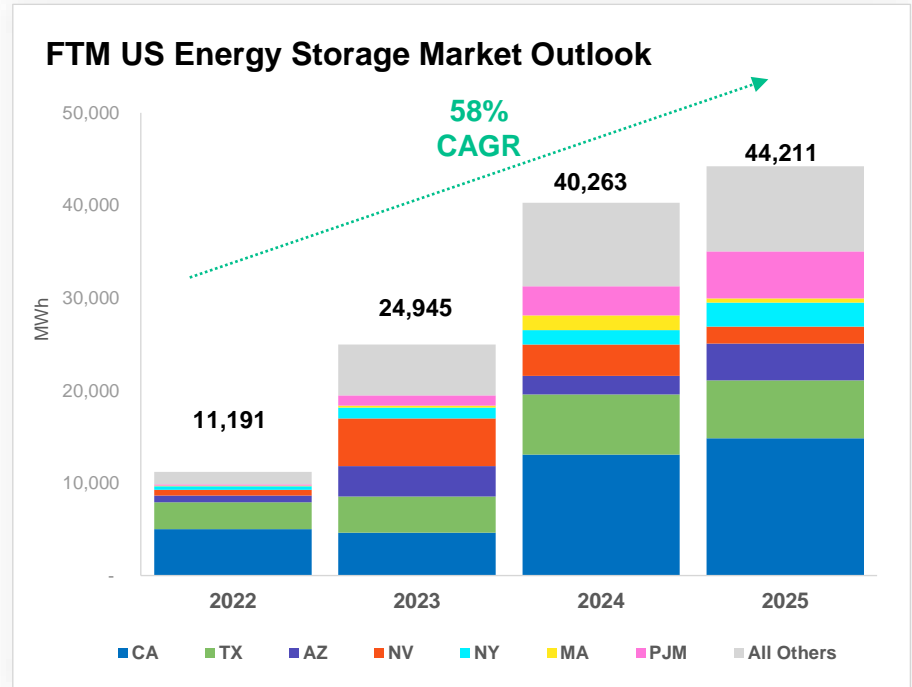
Proven track record in driving higher revenue and project returns

Key Metrics

- Customers include Utilities, IPPs, and Renewable Asset Owners
- ~25% of total FTM bookings are software-only by 2025
- Typically 20-year software contract
- Average system of 25MWh and \$10MM HW+SW booking value

What has changed since 2021?

- Significant increase in demand from this segment
 - 58% CAGR (+900 bps) and +210% from prior 2025 estimate
 - Potential upside as storage now lower cost than many conventional T&D assets → acceleration into utility IRPs
- Standalone Storage ITC presents upside to initial forecasts for market participation revenue



Solar Asset Performance Management Market Outlook

#1 in the industry and positioned to move upstream into large portfolios integrated with storage

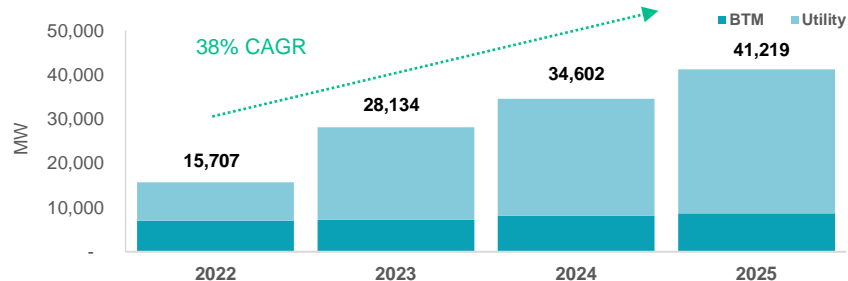
Key Metrics

- AlsoEnergy PowerTrack reduces operating costs and enhances project revenues for solar projects
- 32 GW solar AUM as of Q2 2022
 - +41,000 C&I locations
 - <10% storage attached

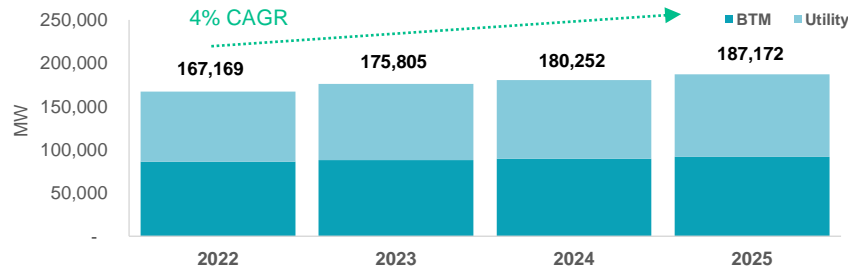
Growth Opportunities

- Inflation Reduction Act increases deployments by 40% over the next five years
- Solar PTC presents opportunity for compelling economics uniquely available from Stem + AlsoEnergy
- Macro growth drivers include continued growth in demand for renewable energy generation, rapidly declining levelized cost of energy and growing focus by corporates on 24/7 clean power

US Solar PV Market Outlook



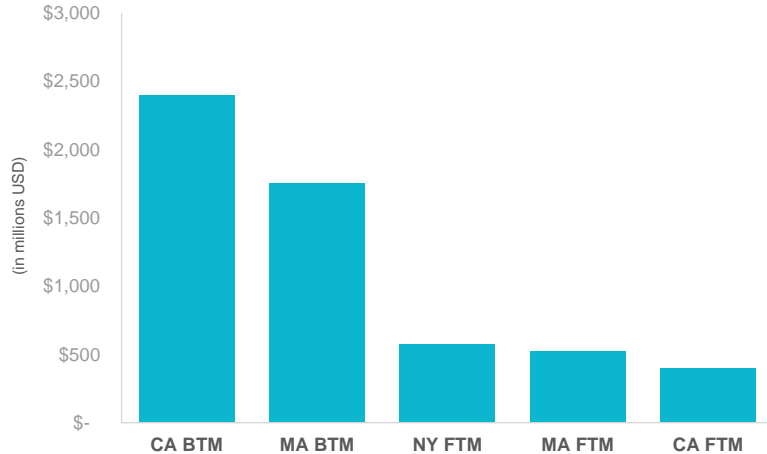
ROW Solar PV Market Outlook



Storage Retrofit Opportunity of \$6 Billion+

Active outreach to PowerTrack customers for potential storage retrofits

Estimated Storage Retrofit Opportunity at Select PowerTrack AUM



Storage retrofit opportunity within PowerTrack US AUM represents up to \$6B of storage projects in Stem's current core markets

- Represents **~30%** of entire available storage retrofit opportunity across AlsoEnergy 32 GW / 41,000 C&I sites; full US retrofit opportunity approaches \$20B
- Existing contractual relationship, solar system, and site data enhance potential close rates and reduce CAC

Broader storage retrofit opportunity across existing Stem customer base represents additional upside

- Leverage site register data across existing Stem Fortune 500 accounts
- Pursuing programmatic approach and automated tools to rapidly execute on opportunity

Solar PTC in lieu of Solar ITC

Athena + PowerTrack uniquely delivers enhanced project returns for solar projects

Inflation Reduction Act provides opportunity to opt for the Solar PTC in lieu of the upfront Solar ITC

- Electing Solar PTC can result in significantly better economics in certain projects
- Achievement of these differentiated returns requires assurance that expected uptime and project economics are bankable

Stem + AlsoEnergy have an unmatched track record in consistently delivering project returns above expectations

- Best-in-class solar asset performance management software coupled with Athena's AI to achieve maximum project cash flows
- Credibility backed by strong balance sheet to provide confidence to developers and asset owners

Incremental Value of PTC Relative to ITC

(in \$/kWdc NPV)

		Total Installed Project Cost (\$/W)						
		\$0.75	\$1.00	\$1.25	\$1.50	\$1.75	\$2.00	\$2.25
Capacity Factor (%)	16%	\$60	-\$15	-\$90	-\$165	-\$240	-\$315	-\$390
	18%	\$95	\$20	-\$55	-\$130	-\$205	-\$280	-\$355
	20%	\$131	\$56	-\$19	-\$94	-\$169	-\$244	-\$319
	22%	\$166	\$91	\$16	-\$59	-\$134	-\$209	-\$284
	24%	\$202	\$127	\$52	-\$23	-\$98	-\$173	-\$248
	26%	\$237	\$162	\$87	\$12	-\$63	-\$138	-\$213
	28%	\$273	\$198	\$123	\$48	-\$27	-\$102	-\$177
	30%	\$309	\$234	\$159	\$84	\$9	-\$66	-\$141

Source: Stem, NREL, EIA, S&P Global, Wood Mackenzie.

Upside Scenarios

Industry still digesting the potential impact of the IRA

Expect to refine view on growth trajectory as open issues such as domestic content requirements are clarified and supply chain constraints moderate

- Prior market size estimates do not factor in bonus items such as “energy community” development, which can increase ITC up to 60%
- Continued announcements of additional domestic battery manufacturing capacity:
 - 814 GWh through 2030 (13x existing 2021 capacity)
 - Over 10 gigafactories announced this year alone in the US

Several synergistic factors that can accelerate storage adoption and increase the market opportunity are not factored into existing market size estimates

- Storage now lower cost than many conventional T&D assets
- EV fleets drive greater demand for energy storage solutions in BTM + FTM
- Extension of Wind PTC and increasing build out of intermittent generation sources expands the storage market opportunity



AlsoEnergy

Bob Schaefer

President, AlsoEnergy

Agenda

AlsoEnergy Introduction

Customer Value Proposition



The Beginnings

Single Residential Home



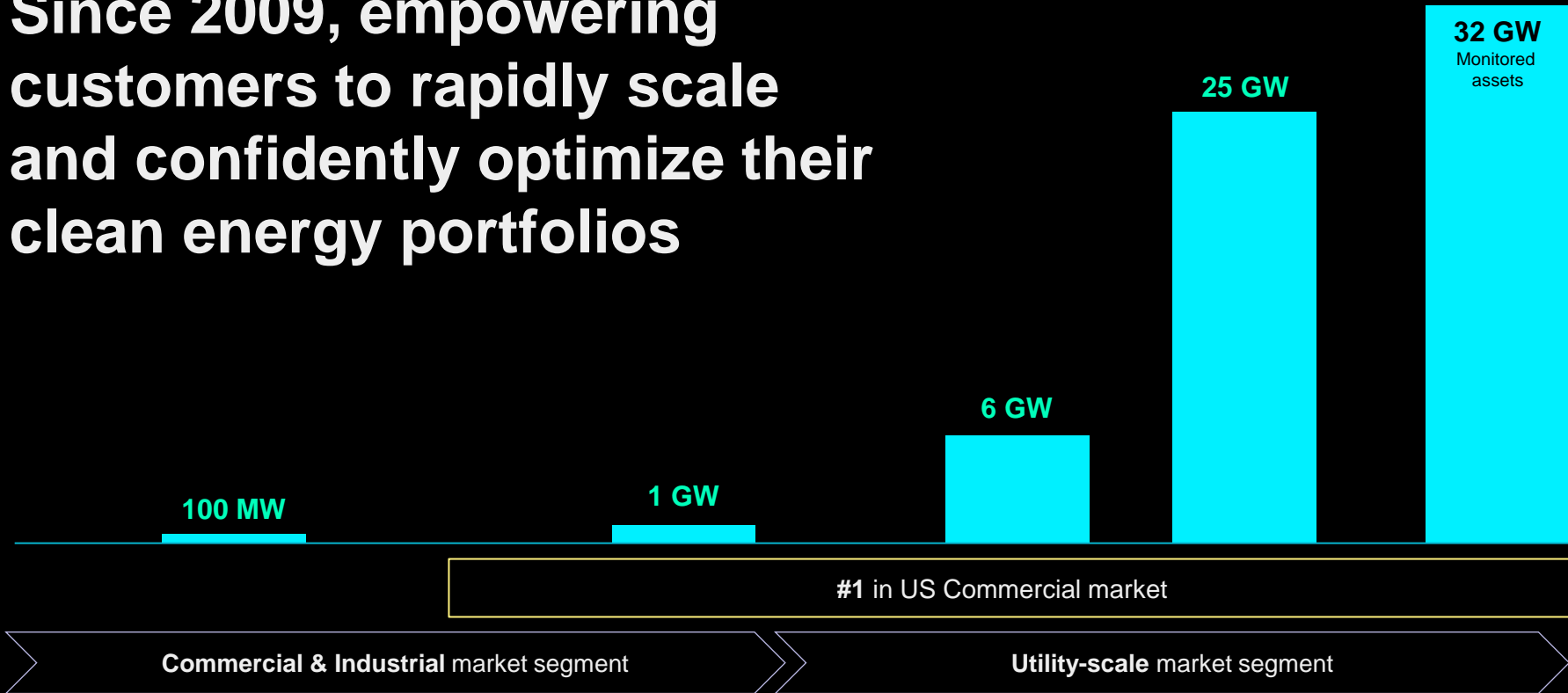
Small Commercial Buildings



Portfolio of Local Community Sites



Since 2009, empowering customers to rapidly scale and confidently optimize their clean energy portfolios

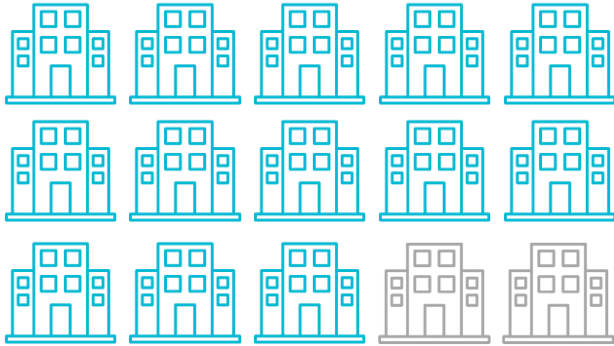


2009
founded

2022 acquired by
stem

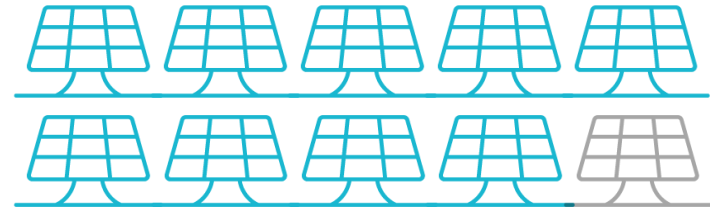
stem

The Industry Standardizes on PowerTrack



13 of the top 15

US C&I Asset Owners
standardized on PowerTrack



9 of the top 10

US Community Solar Asset
Owners standardized on PowerTrack

Creating Value for Our Customers Through Simplified Asset Performance Management

Increase Revenue

Optimize power generation to drive additional revenue

~1–5% total energy production gain is achievable

“ The software makes troubleshooting easy; you can detect something remotely instead of getting onto the roof or under the inverter... You can fix issues within 24 hours if you have APM software, compared to 1-2 days doing on-site troubleshooting.”

Project Manager, Solar C&I customer

Reduce Cost

Enable smarter O&M decisions, improve operation efficiency and reduce cost

~3–5% total OPEX improvement is achievable

“ I have 10 engineers in my O&M team for data reporting and analysis. If I didn't have a APM software, I would need 15-20 engineers to do the job.”

President & CEO, Solar utility customer

A Comprehensive Solution to Accelerate the Renewable Energy Transition

PowerTrack
also
energy

Asset Performance Management

Integrated edge-to-cloud solution that simplifies clean energy management

Monitoring and control offering reduces operating costs by enabling better O&M decisions



athena
powered by stem

AI-driven Economic Optimization

Complete software solution providing energy optimization and predictive analytics for simplified asset management

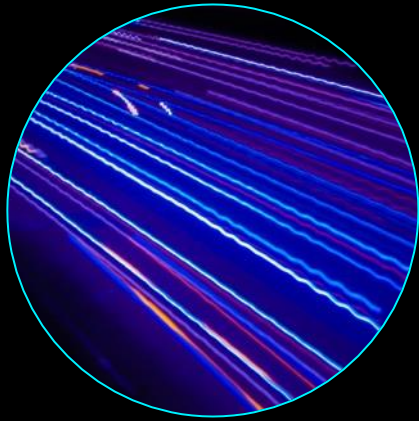
Offering C&I and Utility asset owners the benefits of an AI-ready operating platform

Technology

Larsh Johnson

Chief Technology Officer

Technology Innovation and Leadership



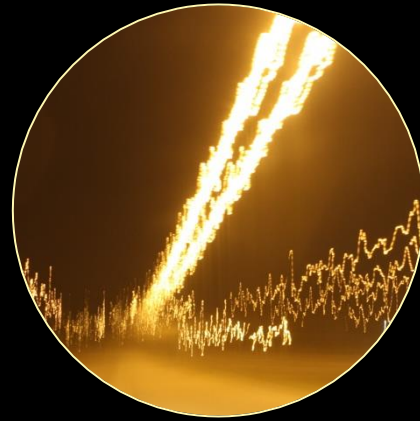
1

**We Are
Problem
Solvers**



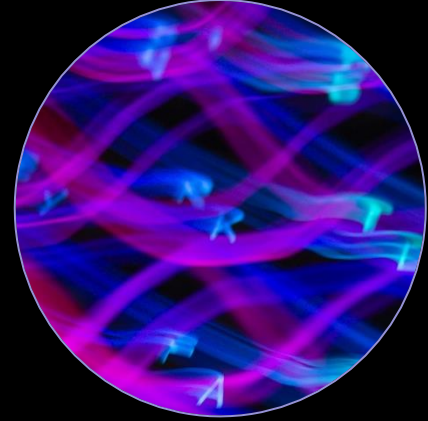
2

**What Does
Winning
Look Like?**



3

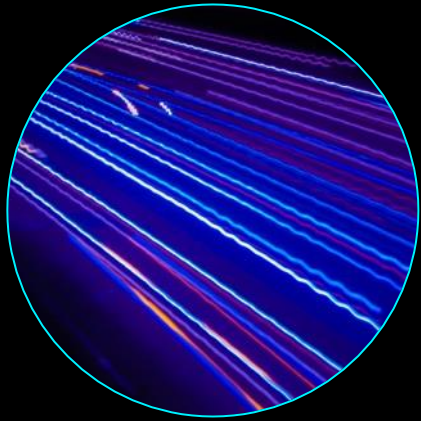
**Deep
Expertise**



4

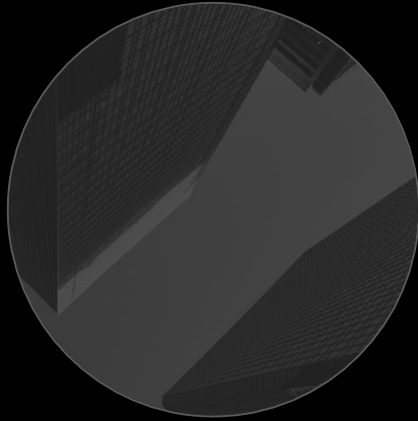
**The Future
of Athena[®]**

Technology Innovation and Leadership



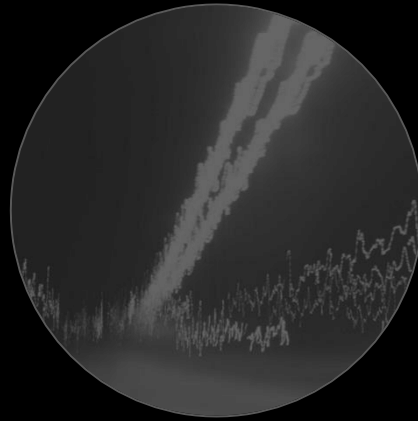
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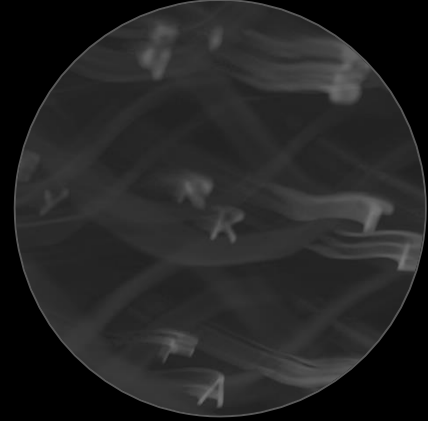
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**What Does
Winning
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3

**Deep
Expertise**








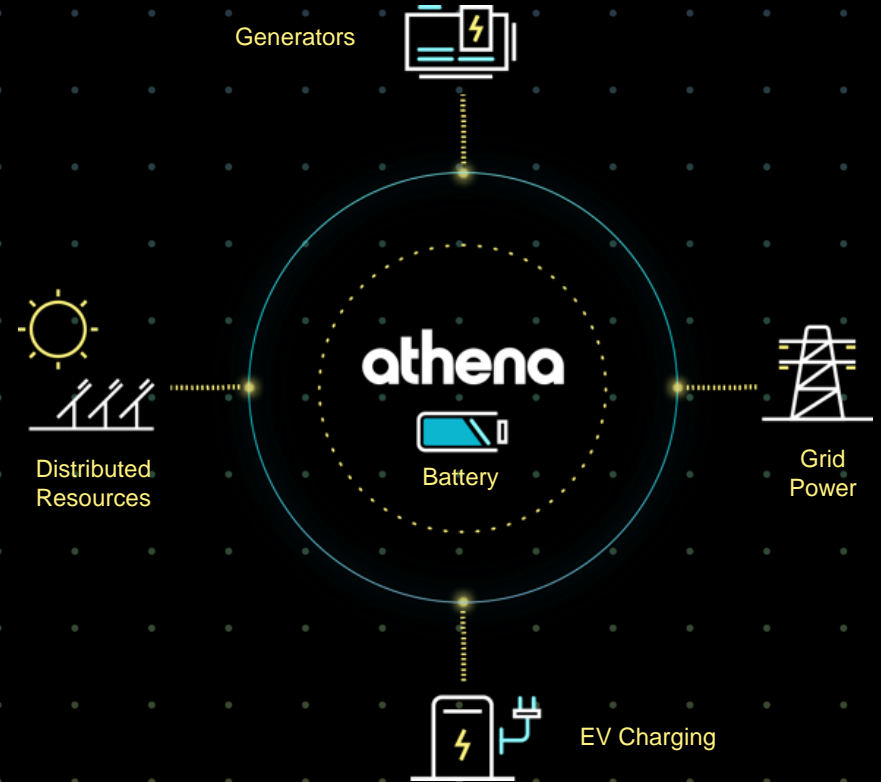
4

**The Future
of Athena[®]**

Smart Battery Storage is Key to the Energy Transition

Benefits of Smart Energy Storage

-  Lowers Energy Costs
-  Stabilizes the Grid
-  Reduces Carbon Emissions
-  Solves Intermittency
-  Creates VPPs and Storage Networks



Built by a Team of Industry Experts

Deepest bench in the sector



200+ Product & Technology Professionals

3rd generation software built on 10+ years experience

Daily software releases for continuous improvement

33,000+ automated dispatches year-to-date

500,000+ Industrial IoT devices under management

87 patents across storage & solar asset performance

✓ **Leveraging data from over 1 billion run-time hours**

Our Cloud-to-Edge Platform



Software

Athena uses a common data plane for performance improvements and applications tailored to users.



Edge Solutions

Integrated edge controls allow for increased flexibility to maximize site performance.



Expert Services

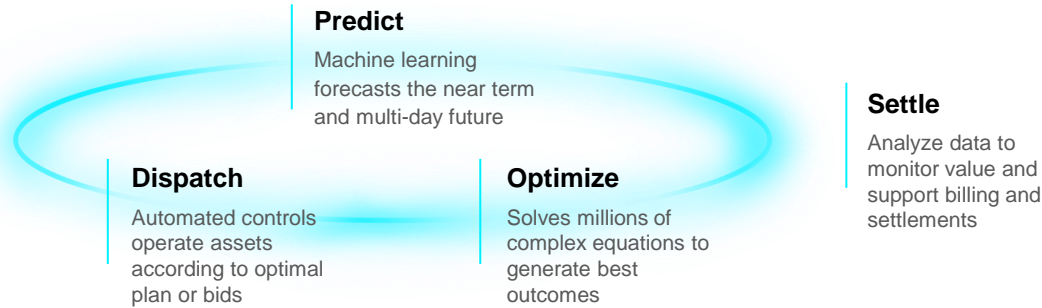
Our unified operations team analyzes sites for performance optimization and opportunities for new value.



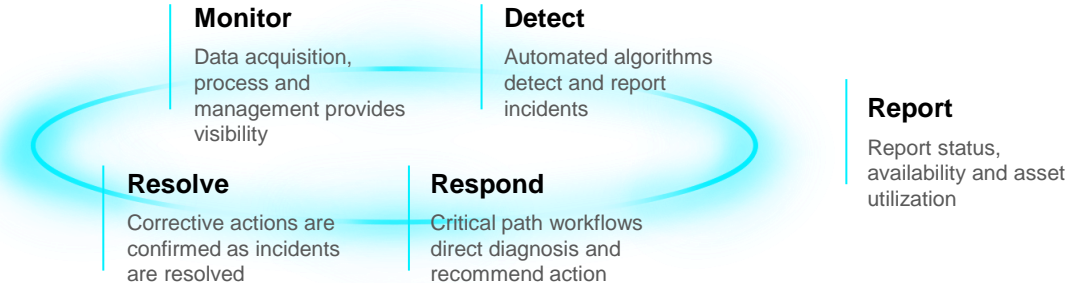
**The trusted
enterprise platform
that unlocks
flexibility across
the clean energy
value chain.**

Athena AI Simplifies Operations

Economic Optimization



Asset Performance Management



Increased Yield



Improved Efficiency



Reduced Risk

Athena Learns and Adapts, Automatically and Continuously

Unparalleled data management and complex co-optimization capabilities

Updates multi-day forecasts, running millions of scenarios to create market bids and operating plans

Automated forecast model selection adapts to changing conditions

Every Second



Real-time weather, asset, and load conditions

Hourly



Daily



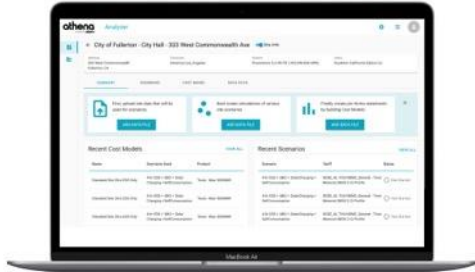
Adjusts day-ahead awards and KPIs for operational constraints

Monthly



Athena Applications Making Clean Energy Simple

Analyzer™



PowerTrack



Explorer™



Customer

Developer

**Operations &
Maintenance Provider**

Asset Owner

Benefits

Solar and energy storage
design & simulation

Value & economic modeling


Asset performance management

Automated monitoring & control
functionality

Decision support performance

Management & visualization

Athena[®] The Trusted Clean Energy Platform

PowerTrack 	Analyzer 	Supervisor 	eMobility 	Explorer 
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athena Cloud

Data & Application Management	Analytics & Optimization	AI-enabled Forecasting	Utility & Market Integrations
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athena Edge

Real-time Control	Data Acquisition	Site Monitoring	Asset Integration
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Simplifying Deployment and Operations to Monetize Expert Services

Design & Engineering

- Building Athena-ready sites
- Storage sizing & specification
- Storage integration
- Interconnection & permitting
- Monitoring & control design



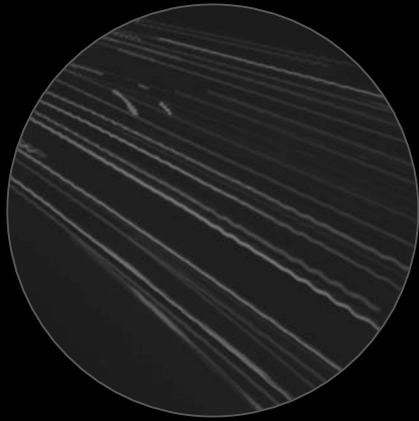
Network Operations

- Real-time asset operations
- 24/7 monitoring & site management
- Asset management services
- OEM warranty management
- Compliance reporting

Program Operations

- Asset and customer enrollment
- Market integration and testing
- Tariff management
- Asset strategy and bidding oversight
- Program compliance reporting and support

Technology Innovation and Leadership



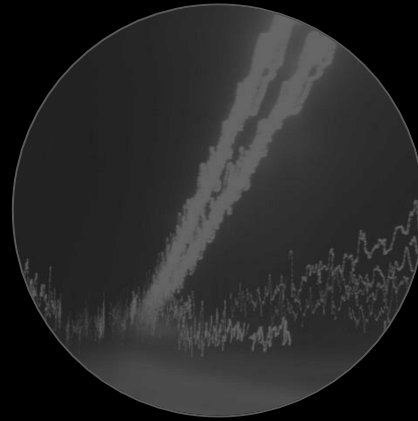
1

We Are
Problem
Solvers



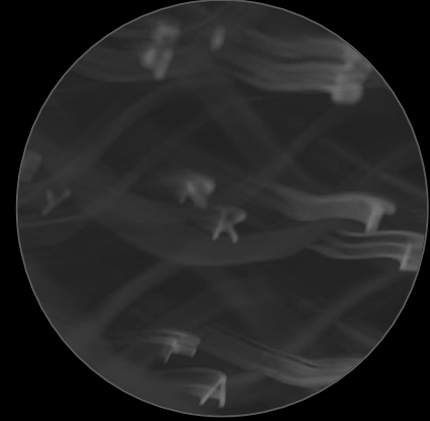
2

What Does
Winning
Look Like?



3

Deep
Expertise

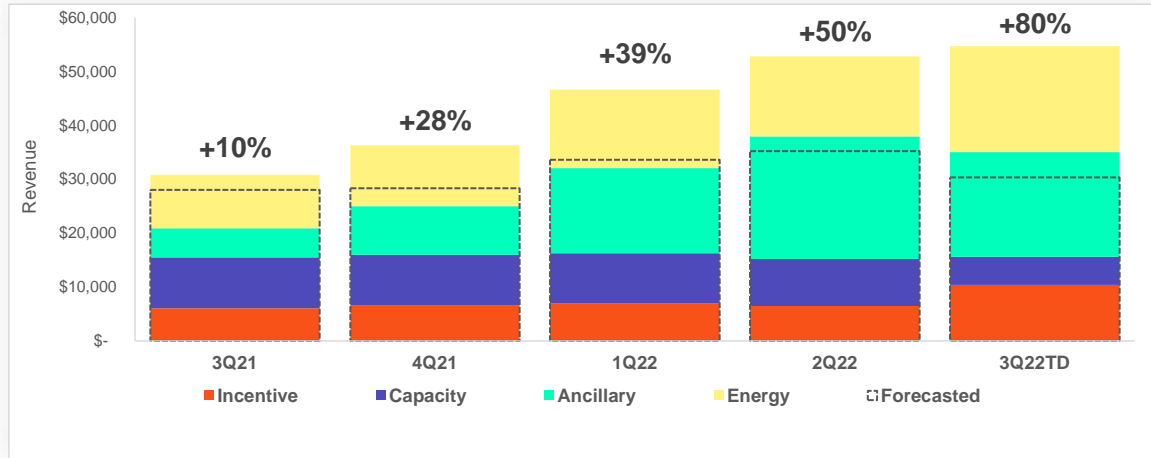


4

The Future
of Athena[®]

Outperforming in ISO-New England Wholesale Energy Market

Actual project revenues have exceeded forecasts since inception



- 9 MWh FTM battery storage paired with solar
- Co-optimizing seven revenue streams + MA SMART
- Actual lifetime revenues +46% vs. forecast, Stem revenue share 10%
- Full ISO-NE fleet +69% versus forecast (weighted average) since inception

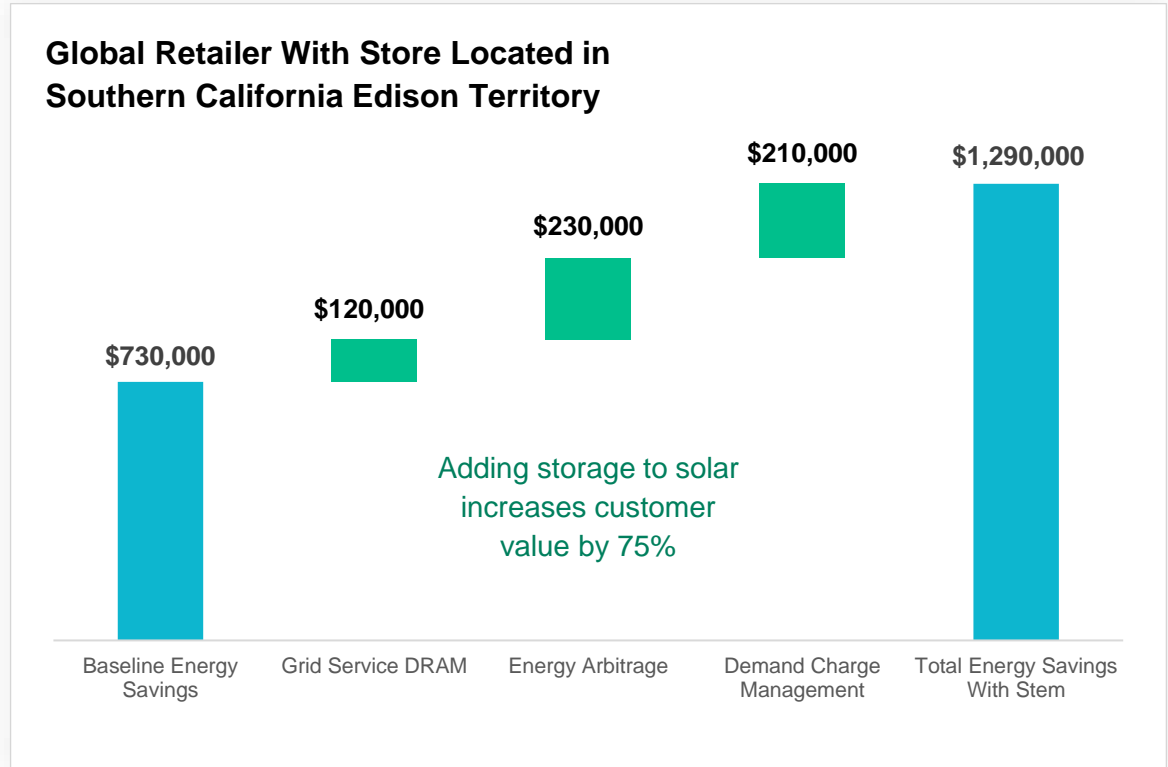


Value of Retrofitting Storage to C&I Facility With Solar

Why Stem & Athena?

Building on base value of solar generation:

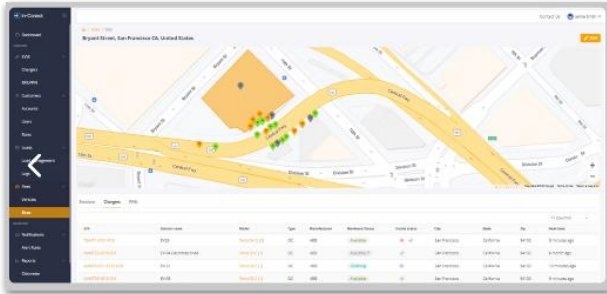
- Utility bill savings
 - Time-of-Use energy arbitrage
 - Reduce demand charges
- Optimize value of solar generation
 - Adapt to changing NEM policies
- Upside value from market participation
- Achieve ESG objectives



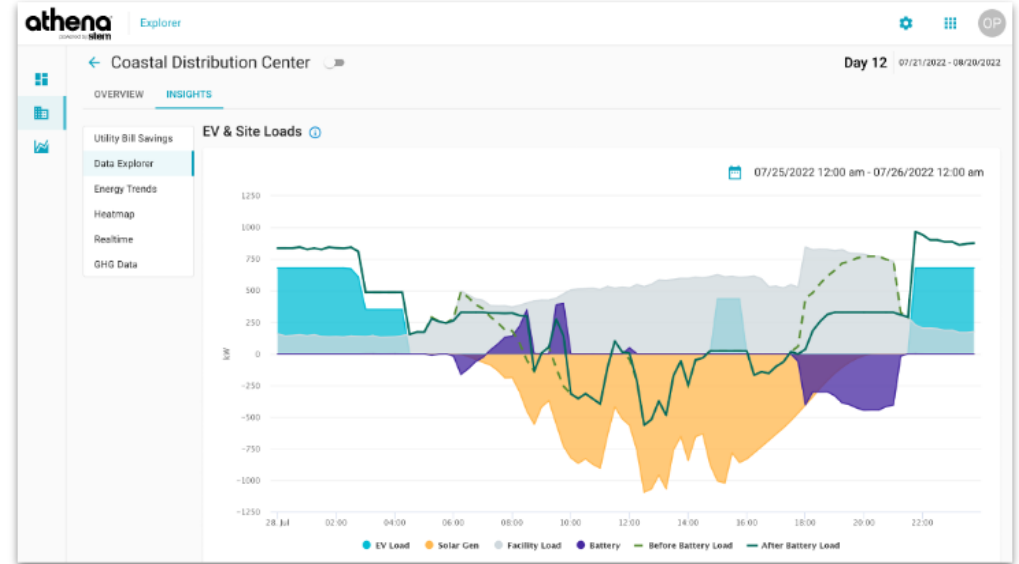
Building a Solar + Storage + EV charging solution with InCharge Energy

Fuel fleets from the sun • Optimize for minimal grid impact • Charge during outages

World-class charger controls and fleet tools



Coordinated, optimized solar + storage + EV charge management

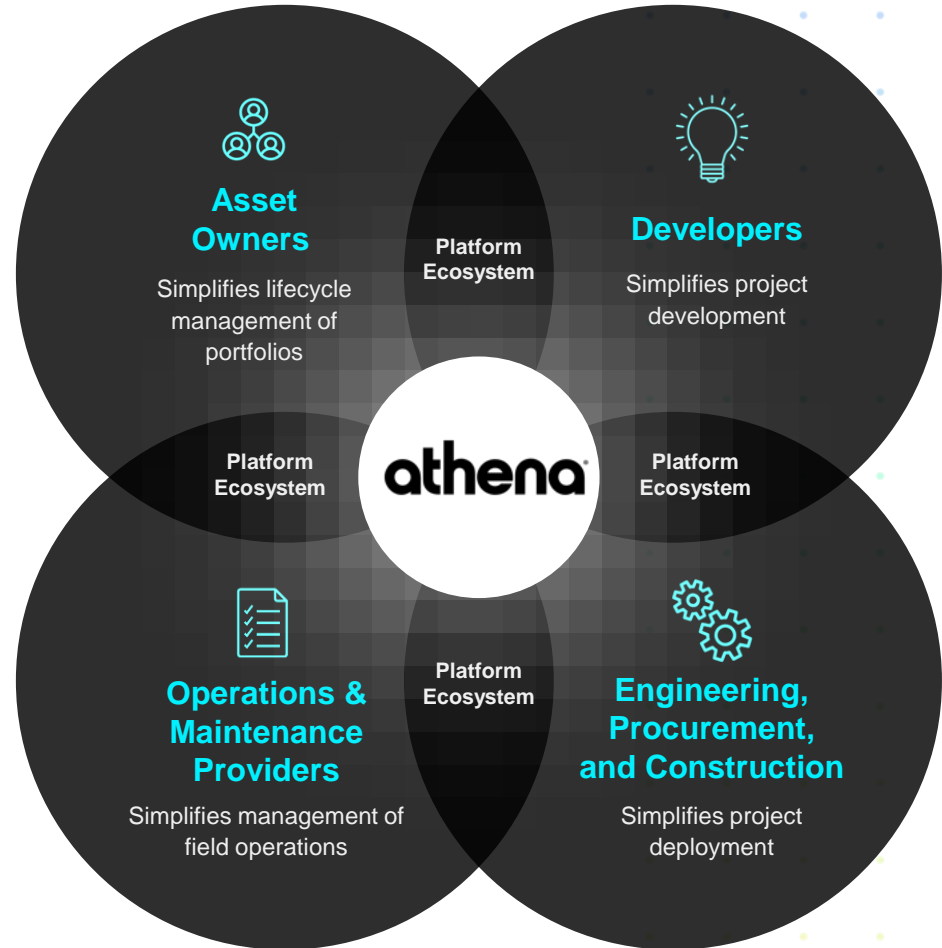


Joint value proposition

- Resilient, clean energy even when the grid is out
- Charging from solar and GHG optimization
- Building high power charging on limited grids



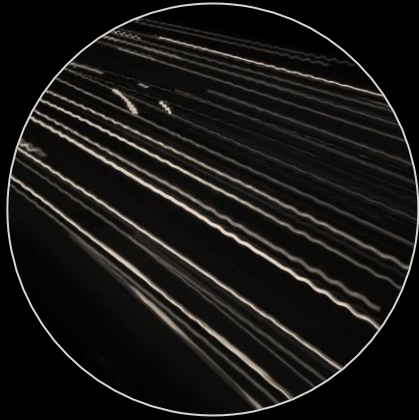
Athena Offers Simplifying Solutions for All Customers



Stem Vision Statement

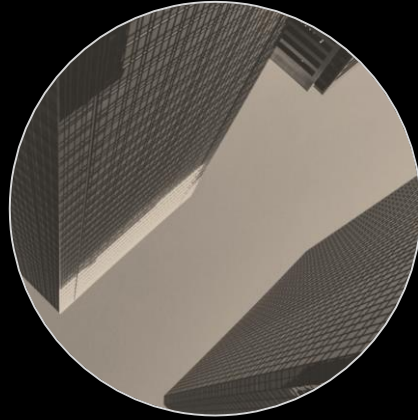
**We accelerate the clean
energy transition**

Technology Innovation and Leadership



1

We Are
Problem
Solvers



2

What Does
Winning
Look Like?



3

Deep
Expertise



4

The Future
of Athena[®]

Software Demonstration

Bryan Ho

Senior Director, Product

Customer Testimonials



Technology Roundtable

Senior Technology Leadership

Technology Roundtable Discussion



Albert Hofeldt

SVP, Technology

CTO Genscape, CTO
LiquidX, SVP Tech
Thomson Reuters

Consulting: Accenture
& Deloitte

PhD, Engineering,
Oxford University



Vikas Walia

VP, Chief Platform Architect

Principal Key Expert –
Energy Business
Applications and
Platform, Siemens

Chief Architect, eMeter

BE, Delhi Institute
of Technology



Bryan Ho

Senior Director, Product

Director of energy storage
product management,
ENGIE

Co-founder, Ballast Energy

PhD, Materials Science, MIT



Pranav Agarwal

Head, Optimization
& Controls

Technology Leader,
Controls & Optimization,
GE Renewable Energy

11+ years in Renewables
with 20+ patents

PhD, Controls, University
of Minnesota



Sharifa Dunn

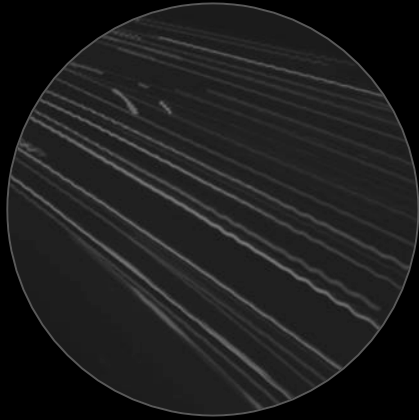
Director, Product

Power & Utilities
corporate financing

8+ years of energy
experience including
JPMorgan and Tesla

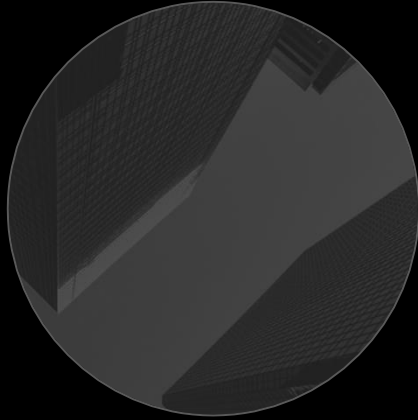
MBA, University of
California – Berkeley

Technology Innovation and Leadership



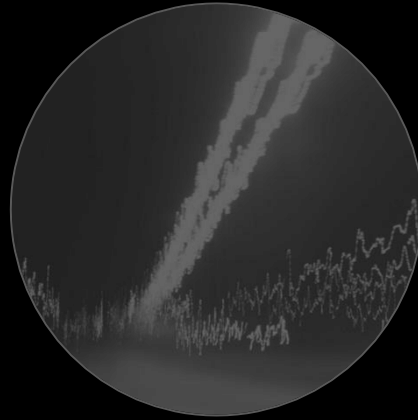
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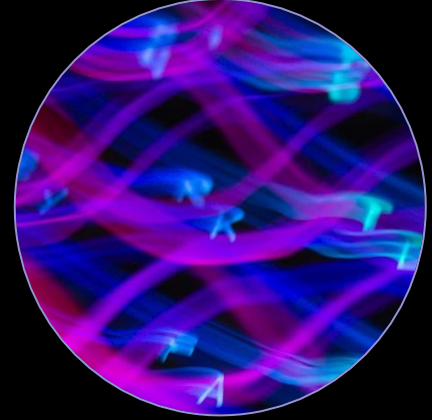
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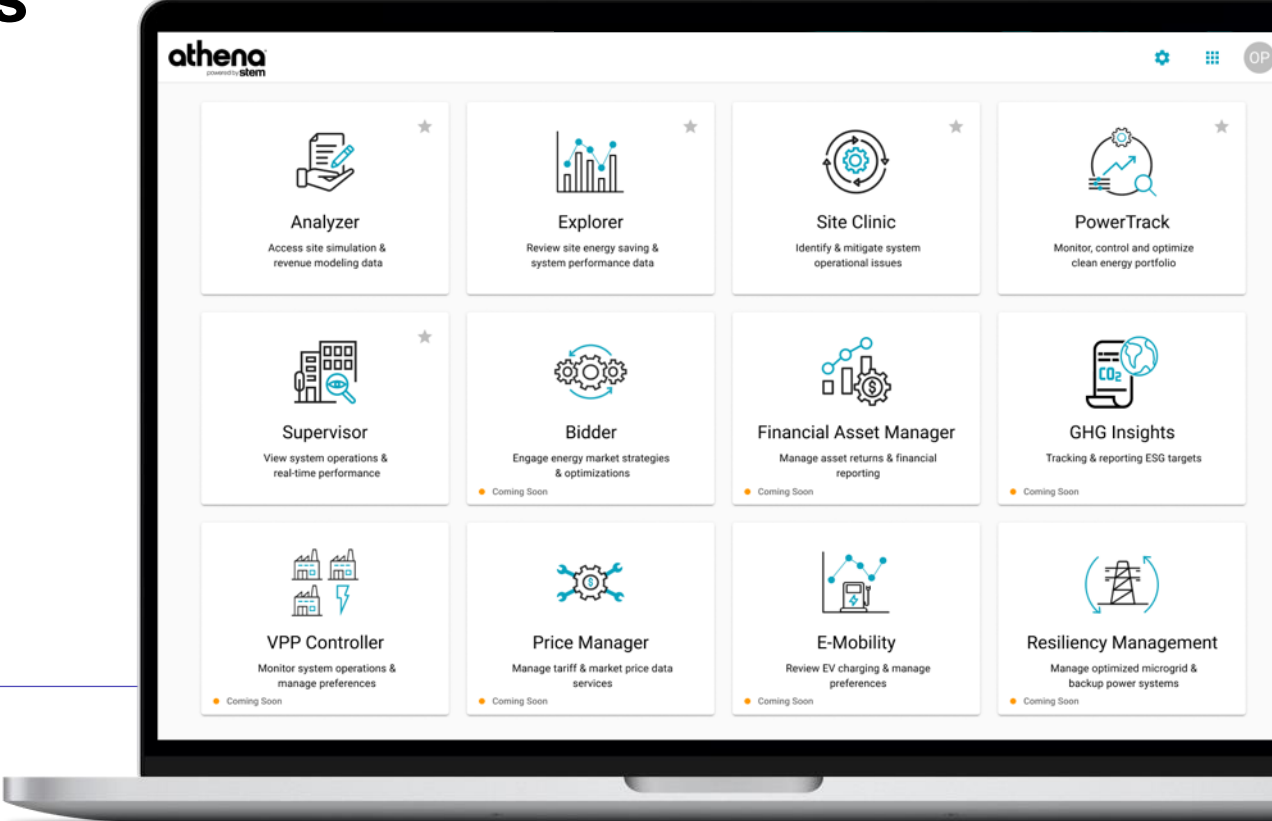


4

The Future
of Athena®

Empowering Users for the Future

Advancing opportunities by extending the platform across adjacencies.



Finance

Bill Bush

Chief Financial Officer

Agenda

Financial Accomplishments

Target 2025 Metrics

Risk Management



Financial Accomplishments

Strong Operational Performance

Strong revenue growth (181% '19-22 CAGR)
Positive and improving GAAP Gross Margins
Expect 110%+ organic CARR growth in 2022
Operating leverage improvement

Simplified Capital Structure

Raised capital at attractive terms

- Successful IPO with minimum redemptions
- \$460M Green Bond (0.5% coupon, 7-year term)

Accretive acquisition
Completed warrant redemption

Active Market Engagement

Ten active research analysts
\$50M+ ADTV

Scaling the financial organization to capitalize on market opportunity

Three Pillars to Our Financial Framework



Growth

- Allocate capital to highest return opportunities
- Focus on long-term market leadership versus short-term financial results
- Grow revenue at or above the market



Profitability

- Focus on growth in software and services revenues
- Maximize margins
- Control costs while still attracting and retaining top talent
- Maintain capital-light approach



Predictability

- Invest in growing recurring revenues
- Diversify across suppliers, end markets, and customers
- Maintain adequate liquidity and financial flexibility

Drive to EBITDA Positive in 2H 2023
Continued focus on maximizing future cash flows

2025 Financial Targets

Above market software & services growth



Revenue CAGR¹, 2022–2025

Hardware	Software / Services
25% – 35%	65% – 85%

Increased software & services mix



Non-GAAP Gross Margin (%)

25% – 30%

Control expenses to drive operating leverage



Adjusted EBITDA Margin (%)

15% – 20%

(1) Assuming midpoint of 2022 revenue guidance of \$350–\$425 million. See Appendix for definitions and reconciliations of non-GAAP financial measures to most directly comparable GAAP measures.

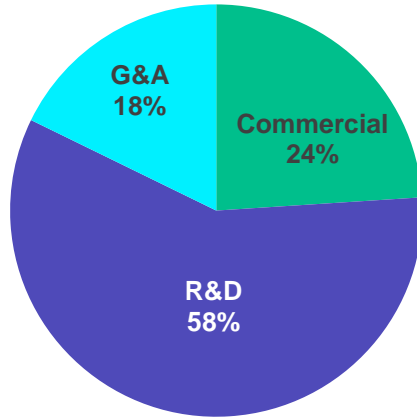
Driving Improved Operating Leverage

- ✓ **Focus on reducing cash operating expenses** as a percentage of revenue
- ✓ **Emphasis on hiring in lower cost locations** - reduce domestic share of headcount from 85% to ~60% by 2025

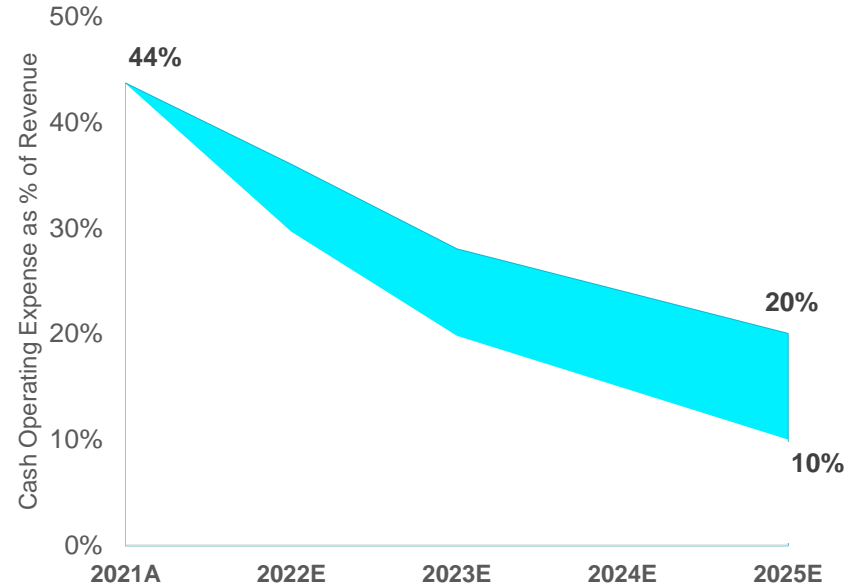
Continued Investment in Technology Talent

OPEX split, 2025E

- Execute on software roadmap
- Extend leadership position



Expect Revenue Growth Will Outpace Operating Expense Growth



Driving Improved Operating Leverage

Infrastructure in India is a strategic asset to drive profitability



Experience matters and will allow an accelerated multi-function team build out

Risks We Are Managing

Hurdles to a more aggressive view on growth

Category	Details	Mitigation strategy and comments
IRA implementation	<p>Uncertainty of implementation details (eg. domestic content qualification requirements, wage and apprentice requirements)</p> <p>Timing impact of new tax equity vehicles</p>	<p>Stem finance and policy teams engaged with key stakeholders</p> <p>Expect revenue uplift to lag bookings (2H 2023+)</p>
UFLPA	<p>Uyghur Forced Labor Protection Act is impacting pace of release from customs for solar panels imported from China</p>	<p>Expect primary impact in utility-scale demand for solar asset performance monitoring</p> <p>Managing to offset any potential impacts through (1) mix shift and focus on C&I and (2) price increases</p> <p>Expect normalization of port logistics in 1H 2023</p>

Risks We Are Managing

Hurdles to a more aggressive view on growth

Category	Details	Mitigation strategy and comments
Supply chain constraints	Significant increase in demand for energy storage	Supply chain management and strategic purchases of ESS equipment Large increase in domestic battery manufacturing capacity announced
Interconnection and permitting timelines	Project timelines continue to face challenges	Greater focus on BTM and co-ops / munis Engaging states and key utilities to enact streamlined best practices (eg. California PUC in 2022)

Reaffirming Full Year 2022 Guidance

Revenue	2022E: \$350 – \$425M 15–20% Non-GAAP Gross Margin	→ Q1'22A \$41M 16%	Q2'22A \$67M 17%	Q3'22E \$70– 95M	Q4'22E \$175– 225M
Bookings	2022E: \$775 – \$950M	→ Q1'22A \$151M	Q2'22A \$226M	Q3'22E \$150– 225M	Q4'22E \$250– 350M
Adjusted EBITDA	2022E: (\$60) – (\$20)M	CARR		Year-End 2022E: \$65 – \$85M	

Key Finance Takeaways

- Focusing on most profitable segments of large TAM
- Improving margins and profitability
- Increased recurring software and services revenue
- Capital-light: EBITDA → free cash flow

EBITDA positive in 2H 2023 and beyond

Targeting 15-20% 2025 EBITDA margins

Thank You

Q&A

About Stem

Stem (NYSE: STEM) provides clean energy solutions and services designed to maximize the economic, environmental, and resiliency value of energy assets and portfolios.

Stem's leading AI-driven enterprise software platform, Athena® enables organizations to deploy and unlock value from clean energy assets at scale. Powerful applications, including AlsoEnergy's PowerTrack, simplify and optimize asset management and connect an ecosystem of owners, developers, assets, and markets. Stem also offers integrated partner solutions to help improve returns across energy projects, including storage, solar, and EV fleet charging.

For more information, visit www.stem.com

Glossary

- **ASP** – Average selling price
- **ADTV** – Average daily trading value
- **APM** – Asset performance management
- **BTM** – Behind-the-meter
- **CAC** – Customer Acquisition Costs
- **C&I** – Commercial and industrial
- **DRAM** – Demand response auction mechanism
- **ESS** – Energy storage system
- **FERC** – Federal Energy Regulatory Commission
- **FTM** – Front-of-the-meter
- **IPP** – Independent power producer
- **IRA** – Inflation Reduction Act
- **IRP** – Integrated resource plan
- **ISO** – Independent system operator
- **ISO-NE** – Independent system operator, New England
- **ITC** – Investment tax credit
- **LFP** – Lithium iron phosphate
- **MRO** – Maintenance, repair and operations
- **NEM** – Net energy metering
- **NMC** – Nickel manganese cobalt
- **NOC** – Network operations center
- **O&M** – Operations and maintenance
- **OEM** – Original equipment manufacturer
- **PPC** – Power plant controller
- **PTC** – Production tax credit
- **PPOE** – Point-to-Point Protocol over Ethernet
- **PUC** – Public utility commission
- **RMI** – Rocky Mountain Institute
- **SCADA** – Supervisory control and data acquisition
- **SCE** – Southern California Edison utility
- **T&D** – Transmission and distribution
- **V2G** – Vehicle-to-grid
- **VPP** – Virtual power plant

Non-GAAP Measures: Definitions and Reconciliations

Definitions of Non-GAAP Financial Measures

We define Adjusted EBITDA as net loss before depreciation and amortization, including amortization of internally developed software, net interest expense, further adjusted to exclude stock-based compensation and other income and expense items, including transaction and acquisition-related charges, the change in fair value of warrants and embedded derivatives, vesting of warrants, loss on extinguishment of debt, litigation settlement, and income tax provision or benefit. The expenses and other items that we exclude in our calculation of Adjusted EBITDA may differ from the expenses and other items, if any, that other companies may exclude when calculating Adjusted EBITDA.

We define non-GAAP gross margin as gross margin excluding amortization of capitalized software and impairments related to decommissioning of end-of-life systems.

Notes on Reconciliations

Adjusted EBITDA, as used in connection with the Company's 2022 and 2025 guidance, is a non-GAAP financial measure that excludes or has otherwise been adjusted for items impacting comparability. The Company is unable to provide a reconciliation of forecasted Adjusted EBITDA to net loss, its most directly comparable forward-looking GAAP financial measure, without unreasonable efforts, because the Company is currently unable to predict with a reasonable degree of certainty its change in stock-based compensation expense and other items that may affect net loss. The unavailable information could have a significant effect on the Company's full year 2022 and 2025 GAAP financial results.

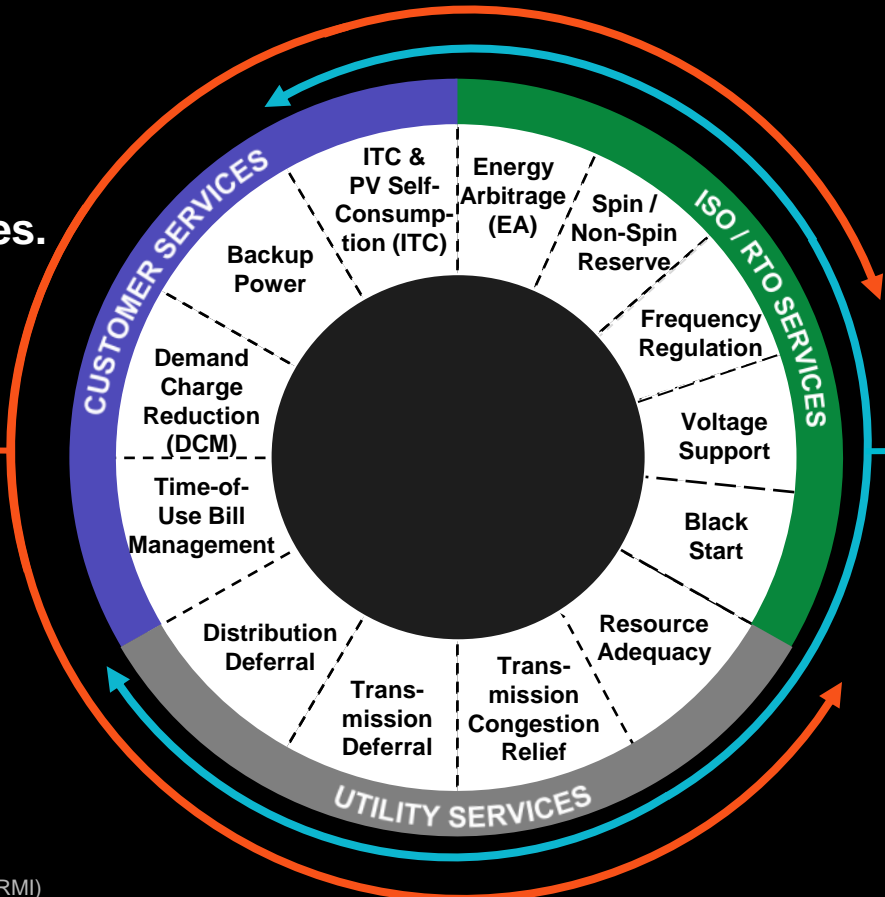
Non-GAAP Gross Margin as used in connection with the Company's 2022 and 2025 guidance is a non-GAAP financial measure that excludes or has otherwise been adjusted for items impacting comparability. The Company is unable to provide a reconciliation of forecasted Non-GAAP Gross Margin to GAAP Gross Margin, its most directly comparable forward-looking GAAP financial measure, without unreasonable efforts, because the Company is currently unable to predict with a reasonable degree of certainty its change in amortization of capitalized software, impairments, and other items that may affect GAAP Gross Margin. The unavailable information could have a significant effect on the Company's full year 2022 and 2025 GAAP financial results.

Stem Offers More Value with BTM & FTM Services

Athena's clean energy solutions provide services to multiple markets and asset types.

Stem's Behind-the-Meter Services

Stem's Front-of-the-Meter Services



The background of the image is a solid black field covered with a uniform grid of small, white, circular dots. The dots are arranged in a precise, repeating pattern across the entire frame.

stem