



stem

March 2026

Investor Presentation

Cautionary Statement Regarding Forward-Looking Statements

This presentation, as well as other statements we make, contains “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 financial and operating performance guidance, outlook, targets and other forecasts or expectations regarding, or dependent on, our business outlook and strategy and expectations around our software and services-centric business; our ability to secure sufficient and timely inventory from suppliers; our ability to meet contracted customer demand; our ability to manage manufacturing or delivery delays; our ability to manage our supply chain and distribution channels; our joint ventures, partnerships and other alliances; forecasts or expectations regarding energy transition and global climate change; reduction of greenhouse gas emissions; the integration and optimization of energy resources; our business strategies and those of our customers; our ability to retain or upgrade current customers, further penetrate existing markets or expand into new markets; the effects of natural disasters and other events beyond our control; the impact of the One Big Beautiful Bill Act (“OBBA”) on our business and that of our customers; the direct or indirect effects on our business of macroeconomic factors and geopolitical instability, such as wars in Ukraine and the Middle East; and our outlook and future results of operations, including revenue, adjusted EBITDA, and the other metrics presented herein.

Forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results or outcomes to differ materially from those expressed or implied by such forward-looking statements, including but not limited to our inability to execute on, and achieve the expected benefits from, our operational and strategic initiatives, including from our cost reduction, workforce reduction and restructuring efforts; our inability to successfully execute on our new software and services-centric strategy; the effects of the OBBA on our business and that of our customers; our inability to secure sufficient and timely inventory from our suppliers, as well as contracted quantities of equipment; our inability to meet contracted customer demand; supply chain interruptions and manufacturing or delivery delays; disruptions in sales, production, service or other business activities; general macroeconomic and business conditions in key regions of the world, including inflationary pressures, general economic slowdown or a recession, rising interest rates, changes in monetary policy, changes in trade policies, including tariffs or other trade restrictions or the threat of such actions, government shutdowns and instability in financial institutions; the direct and indirect effects of widespread health emergencies on our workforce, operations, financial results and cash flows; geopolitical instability, such as the armed conflicts between Russia and Ukraine and in the Gaza Strip and nearby areas; the results of operations and financial condition of our customers and suppliers; pricing pressures; severe weather and seasonal factors; our inability to continue to grow and manage our growth effectively; our inability to attract and retain qualified employees and key personnel; our inability to comply with, and the effect on our business of, evolving legal standards and regulations, including those concerning data protection, consumer privacy, sustainability, and evolving labor standards; risks relating to the development and performance of our 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 discussed in this presentation and 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, our actual results or outcomes, or the timing of these results or outcomes, may vary materially from those reflected in our forward-looking statements. Forward-looking statements 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 the Company, investors or other stakeholders or required to be disclosed in our filings under U.S. securities laws or any other laws or requirements applicable to the Company. 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. Forward-looking statements in this presentation are made as of the date of this presentation, and the Company disclaims any intention or obligation to update publicly or revise such forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

Non-GAAP measures

In addition to financial measures in accordance with U.S. GAAP, this presentation includes references to non-GAAP financial measures, including adjusted EBITDA, non-GAAP gross profit, 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

In this presentation, Stem relies on and refers to certain information and statistics obtained from third-party sources which it believes to be reliable, including reports by market research firms. Stem has not independently verified the accuracy or completeness of any such third-party information. This presentation may contain trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners.

Stem Energy Intelligence

Turning complexity into clarity, and potential into performance

Driven by human and artificial intelligence

Stem by the Numbers

35+ GW



solar assets under management

1.5+ GWh



storage assets under management

40+ Million



runtime hours of leveraged data

55+ Countries



with assets under management

90%



of leading community solar asset owners standardize on PowerTrack™

13 of 15



top commercial & industrial solar asset owners choose Stem

The Stem Story

From startup to global clean energy leader



Founded in 2009

Stem, Inc. was founded with a vision to transform how energy consumption is managed. By analyzing how utilities and developers use and are charged for energy, Stem pioneered energy storage solutions.



Public on NYSE in 2021

Stem became the first pure-play energy storage company to go public in the US.



Acquired AlsoEnergy in 2022

Combined Stem's analytics with asset monitoring through PowerTrack™ for a one-stop solar + storage solution.



Refined Strategy in 2024

Refined strategy centered around software and services versus battery hardware resale and introduced consultative energy services.



Today – Energy Intelligence

A global leader in AI-enabled software and services that enable customers to plan, deploy, and operate clean energy assets.



Executive Leadership Team

The extensive and diverse expertise powering Stem's transformation of the energy industry



Arun Narayanan
Chief Executive Officer



Taylor Beeninga
Chief Human Resources Officer



Michael Carlson
President, Managed Services & OEM Hardware



Saul Laureles
Chief Legal Officer and Secretary



Tatjana Legans
VP, Marketing & New Business



Ryan McCool
Chief Technology Officer



Brian Musfeldt
Chief Financial Officer



Kevin Smart
SVP Sales



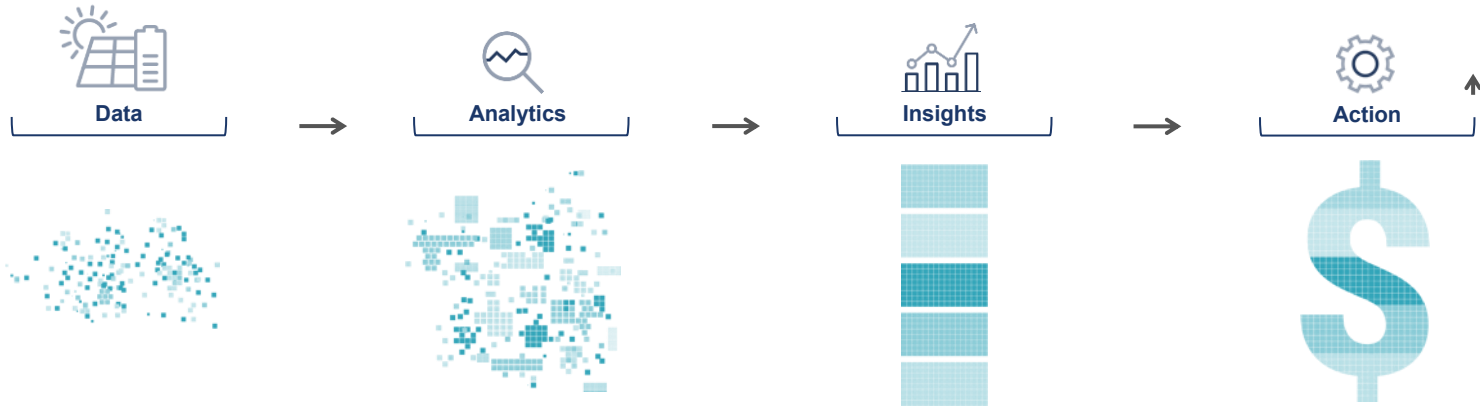
Matt Tappin
President, Software Products

Unlocking energy intelligence with decisions backed by data

Backed by a deep history of data with advanced analytics, our edge-to-cloud platform drives insightful decisions that improve business efficiencies and asset performance and returns

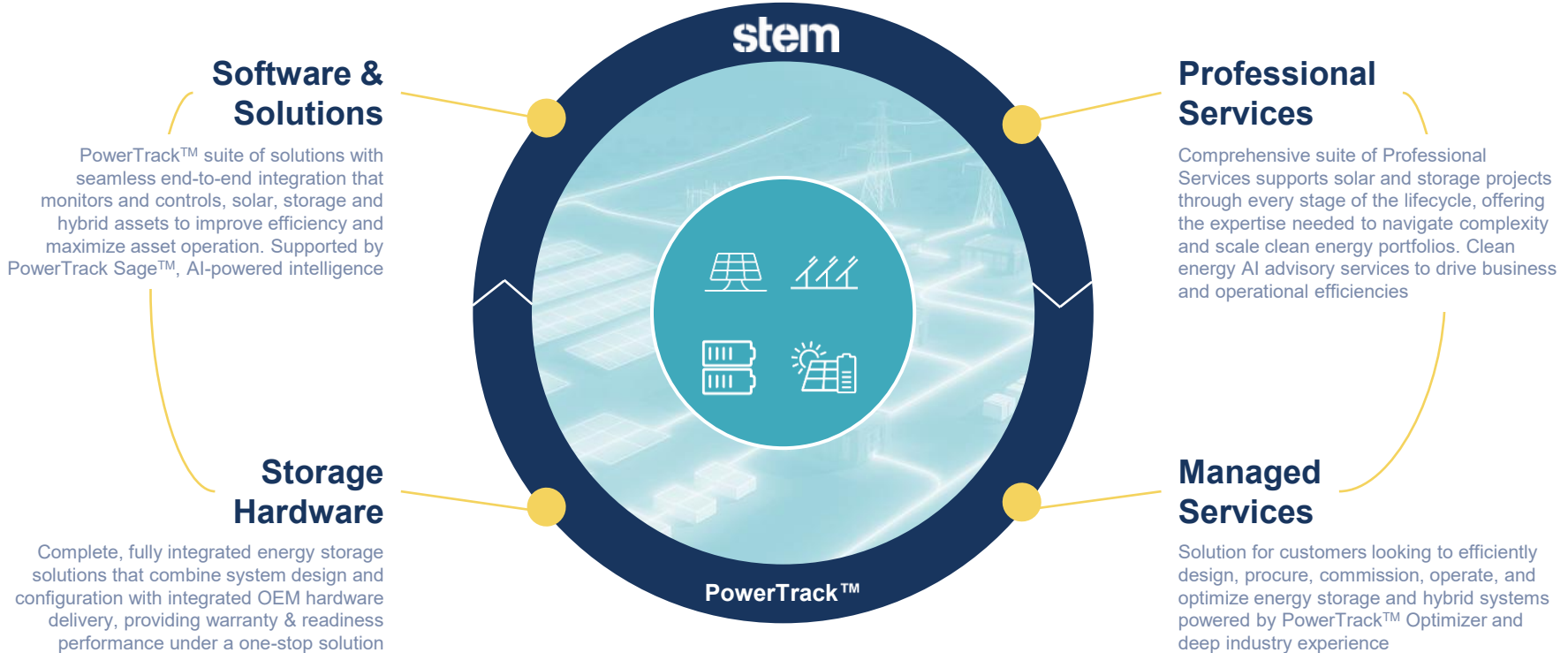


Transforming Data into Real Outcomes



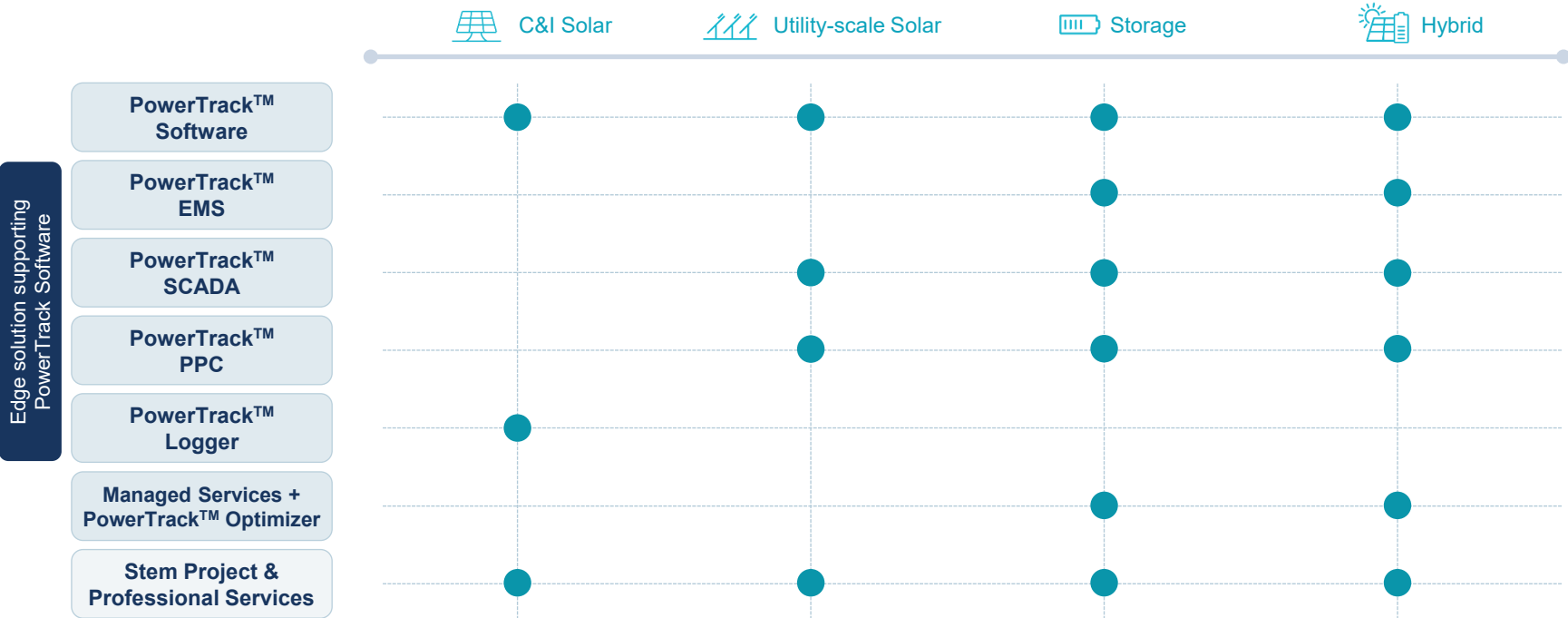
End-to-end Energy Solutions

We help asset owners, operators and stakeholders benefit from the full value of their energy portfolio by enabling the intelligent development, deployment, and operation of clean energy assets



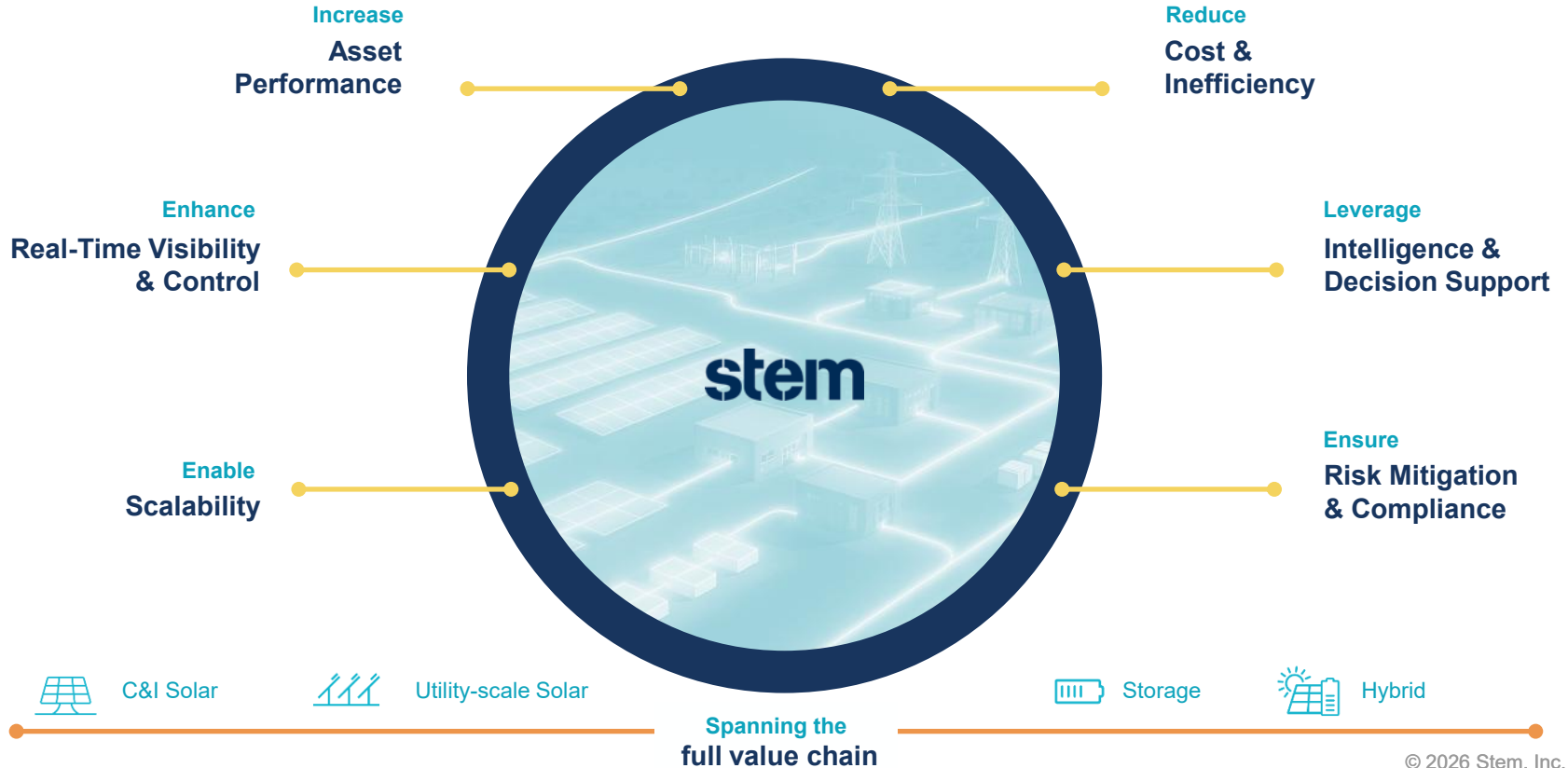
Compelling products across key end markets

Nearly two decades of combined expertise in solar and storage



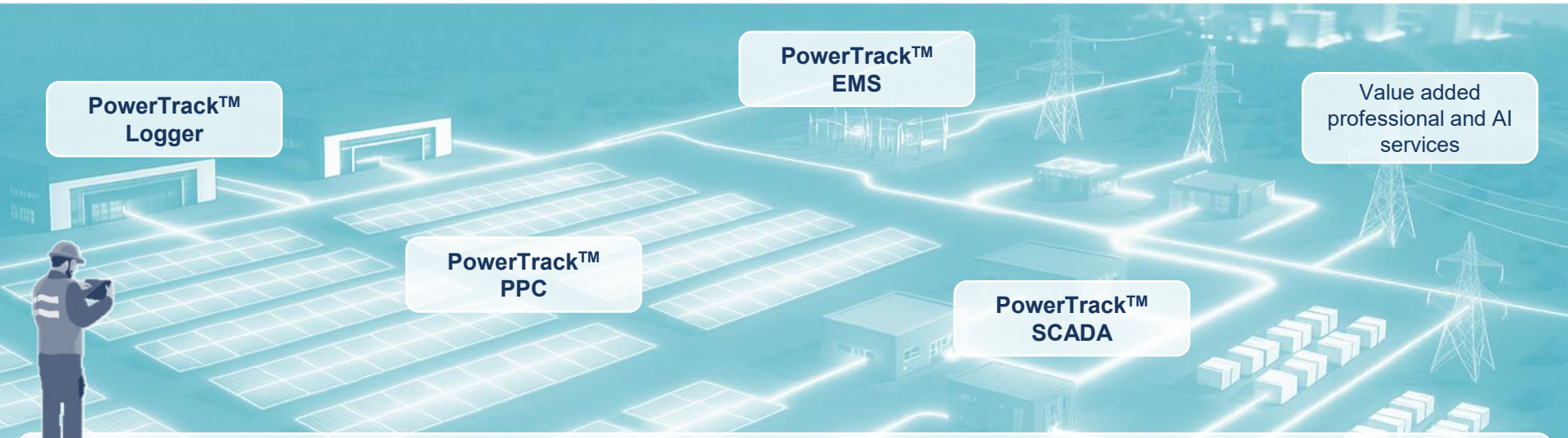
Core benefits across the value chain

Optimizing renewable energy system performance at asset and aggregated portfolio levels



Products Overview

We provide a high tech, data-driven, sustainable-by-design suite of tools to help manage solar and storage assets



PowerTrack™ Software

Monitoring & Operations



Diagnostics and events



Remote troubleshooting



System of Record



Performance analytics

Integration & Monetization



Portfolio Aggregation



APIs for workflow integration



3rd party data ingestion



Agency & financial reporting

Optimization & Dispatch



Project valuation



Wholesale market participation



Utility bill optimization



Grid services

Note: not all products listed will be deployed concurrently

Stem's Software Technology

Driving technical & commercial performance



Solution Delivery

Seamless end-to-end Integration

MONITOR

CONTROL

OPTIMIZE

Customer Outcomes



Production
Maximised



Time
Saving



Unlocked
Value

PowerTrack™ Software

Monitoring & Control

- Live, real-time configurable reporting and dashboards
- Accessible data and visualization
- Remote troubleshooting & diagnostics
- Technical monitoring and control
- Edge-to-cloud data flow
- Includes PowerTrack Sage™ AI intelligence
- Universal compatibility
- Streamline workflows & collaboration
- Reduce operating expenses
- Easy and reliable deployment

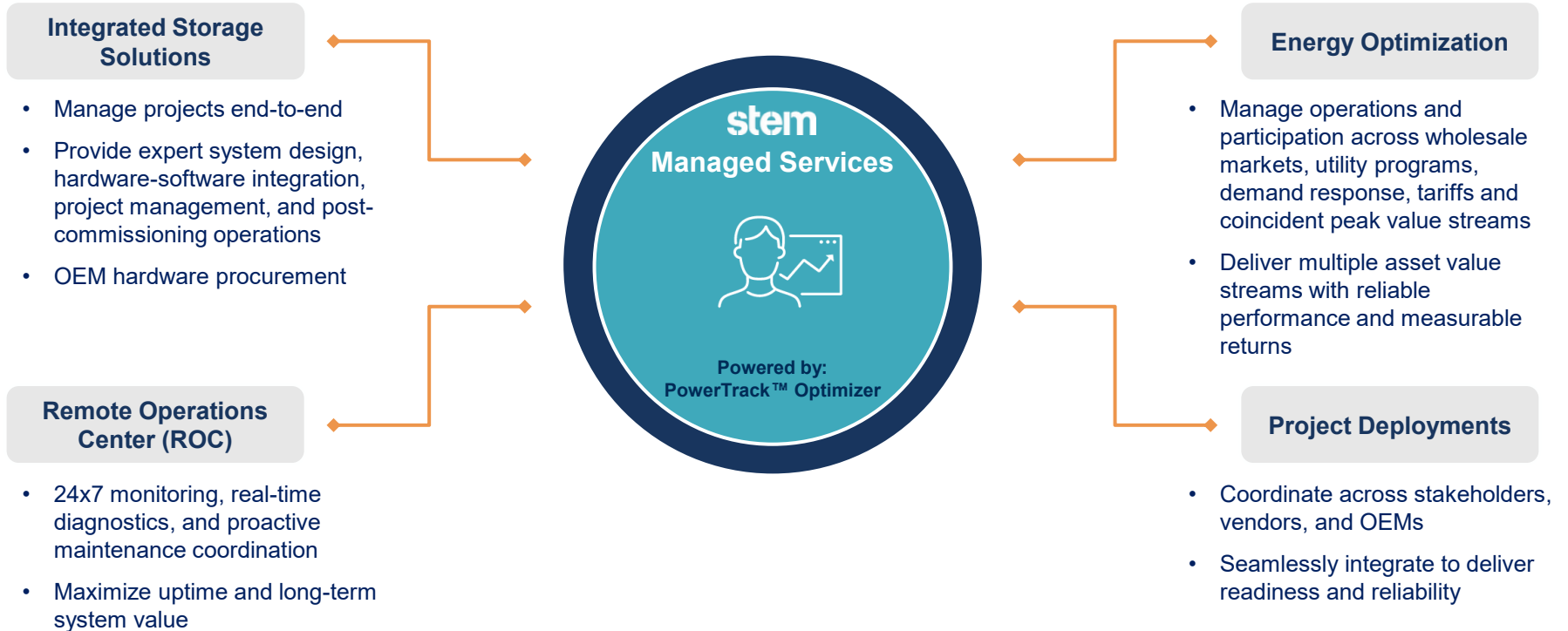
PowerTrack™ Optimizer

Optimization Platform

- Intelligent, predictive software tool that supports Stem's Managed Services
- Value stacking and revenue optimization
- 24x7 monitoring and asset alerts
- Operational visualization and reporting
- Project valuation
- Unlock the full value of clean energy systems
- Ensure performance and long-term results
- Streamline complexity

Stem Managed Services Overview

Simplifying battery storage deployment and operations with expert support



Financial Overview

Fourth Quarter 2025 Results and Other Highlights

Delivered consistent, transformative results in 4Q25, driven by software-centric strategy

4Q25 Results

Revenue

\$47M

(15)% YoY

Annual Recurring
Revenue (ARR)

\$61M

+1% QoQ / +16% YoY

GAAP/Non-
GAAP Gross Margin

49% / 45%

+53 p.p. YoY / +9 p.p. YoY

Adjusted EBITDA

\$5M

+\$1M YoY

Operating Cash
Flow

\$8M

+\$23M YoY

Highlights



Increased PowerTrack™ software revenue by 5% QoQ and 14% YoY



Generated positive operating cash flow and strengthened cash position



Achieved third consecutive quarter of positive adjusted EBITDA and first-ever full year of positive adjusted EBITDA



Announced 100 MWh PowerTrack EMS deal with European Developer, Everyray

Expect to drive nearly 85% adj. EBITDA growth and 10% ARR growth in 2026*

Full Year 2026 Guidance

\$ millions, unless otherwise noted

	Low	High
Total Revenue	\$140	\$190
Software, services, & edge hardware	\$130	\$150
Battery hardware resale		Up to \$40
Non-GAAP gross margin %		40% – 50%
Adjusted EBITDA	\$10	\$15
Operating cash flow	\$0	\$10
Year-end ARR	\$65	\$70

Guidance as of March 4, 2026.

Note: Sub-revenue items do not add to total revenue due to ranges and rounding.

See Appendix for definitions and reconciliation of non-GAAP financial measures to most directly comparable GAAP measures.

Financial Summary

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	FY24	FY25
<i>\$ millions unless otherwise noted</i>										
Total revenue	\$25.5	\$34.0	\$29.3	\$55.8	\$32.5	\$38.4	\$38.2	\$47.2	\$144.6	\$156.3
GAAP gross profit (loss) (\$)	(24.2)	9.4	6.2	(2.5)	10.5	12.8	13.5	23.2	(11.1)	60.0
GAAP gross margin (%)	(95%)	28%	21%	(4%)	32%	33%	35%	49%	(8%)	38%
Non-GAAP gross profit*	13.8	13.5	16.2	20.2	14.8	18.7	17.9	20.9	63.7	72.3
Non-GAAP gross margin (%)*	24%	40%	46%	36%	46%	49%	47%	45%	35%	46%
GAAP OpEx	43.8	589.2	150.6	44.7	31.7	26.1	26.4	31.4	828.4	115.6
Cash OpEx	32.4	29.5	38.0	36.3	23.1	18.3	20.3	18.0	136.2	79.7
Adjusted EBITDA*	(12.2)	(11.3)	(3.5)	4.2	(4.6)	3.8	2.0	5.5	(22.8)	6.7

See Appendix for definitions and reconciliation of non-GAAP financial measures to most directly comparable GAAP measures.

Note: As previously disclosed, revenue, gross profit (loss), and net loss were negatively impacted by a \$33.1 million reduction in revenue and by excess supplier costs and resulting liquidated damages in 1Q24, and by a \$5.6 million reduction in revenue in 3Q24 as discussed in the 1Q24 and 3Q24 earnings press releases, respectively.

* Adjusted EBITDA and non-GAAP gross profit and margin have been adjusted to exclude the impact of the previously disclosed reductions in revenue, excess supplier costs and resulting liquidated damages. Adjusted EBITDA has also been adjusted to exclude the impact of impairment of accounts receivable related to contracts that provided parent company guarantees, as discussed in the 3Q24 earnings press release.

Revenue Detail Summary

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	FY24	FY25
<i>\$ millions unless otherwise noted</i>										
PowerTrack software ⁽¹⁾	\$7.8	\$7.9	\$8.5	\$8.6	\$8.9	\$9.5	\$9.4	\$9.9	\$32.8	\$37.7
Edge hardware	8.0	11.1	13.2	13.1	10.3	12.1	15.5	15.8	45.5	53.7
Project and professional services	1.4	1.3	*6.8	2.1	1.8	2.4	2.4	**13.2	11.7	19.9
Managed services ⁽²⁾	5.7	5.9	6.8	5.0	7.0	9.0	6.6	7.6	23.3	30.2
Battery hardware resale ⁽³⁾	2.6	7.8	(6.1)	27.0	4.5	5.4	4.3	0.6	31.2	14.8
Total Revenue	\$25.5	\$34.0	\$29.3	\$55.8	\$32.5	\$38.4	\$38.2	\$47.1	\$144.6	\$156.3

See Appendix for definitions.

(1) Previously defined as Solar Software Revenue

(2) Previously defined as Storage Software and Managed Services Revenue.

(3) Battery hardware resale revenue was negatively impacted by a \$33.1 million reduction in revenue and by excess supplier costs and resulting liquidated damages in 1Q24, and by a \$5.6 million reduction in revenue in 3Q24 as discussed in the 1Q24 and 3Q24 earnings press releases, respectively.

* Includes \$5.2 million in DevCo revenue.

** Includes \$10.6 million in DevCo revenue.

Operating Metric Summary

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
<i>\$ millions unless otherwise noted</i>								
Solar Operating AUM (GW)	26.9	26.9	28.5	29.9	32.4	32.7	33.9	36.1
Storage Operating AUM (GWh)	0.8	1.2	1.6	1.8	1.6	1.7	1.8	1.7
Total ARR	\$45.1	\$48.1	\$51.3	\$52.8	\$56.9	\$58.5	\$60.2	\$61.1
PowerTrack ARR	\$30.1	\$31.1	\$32.7	\$33.8	\$37.2	\$38.0	\$38.9	\$40.7
Managed Services ARR	\$15.0	\$17.0	\$18.6	\$19.0	\$19.7	\$20.5	\$21.3	\$20.4
CARR	--	--	--	\$64.5	\$69.0	\$69.2	\$70.1	\$67.2
Bookings	--	--	--	\$37.6	\$34.5	\$34.3	\$30.3	\$32.7
Contracted Backlog	--	--	--	\$20.9	\$25.3	\$26.8	\$22.2	\$21.3

See Appendix for definitions.

Note: As previously disclosed, the definitions of bookings, contracted backlog, and CARR have been revised versus prior period disclosure. Some prior period amounts have been excluded as they do not reflect the newly defined metrics.

About Stem

Stem (NYSE: STEM) is a global leader reimagining technology to support the energy transition. We turn complexity into clarity and potential into performance.

Stem helps asset owners, operators, and energy stakeholders unlock the full value of their portfolios by enabling the intelligent development, deployment, and operation of clean energy assets. Stem's integrated software suite, PowerTrack™, is the industry-standard and best-in-class platform for asset monitoring and optimization and is backed by expert professional and managed services, all delivered under one roof. Designed to address complex energy challenges seamlessly, our technology transforms raw data into clear, actionable insights, providing the visibility and intelligence needed to drive performance. With projects across 55 countries, customers have trusted Stem for nearly 20 years to maximize the value of their clean energy investments.

Driven by human and artificial intelligence, Stem is unlocking energy intelligence.
[Learn more at stem.com](https://www.stem.com)

Appendix

Global solar & storage market landscape

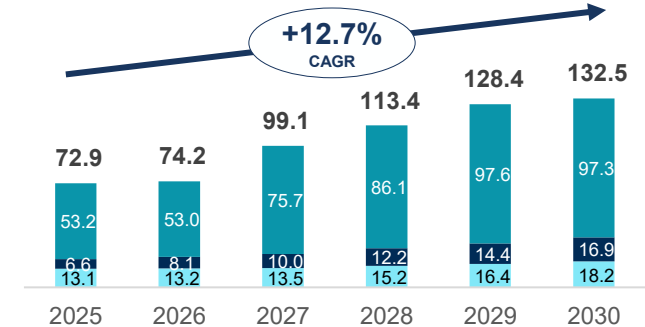
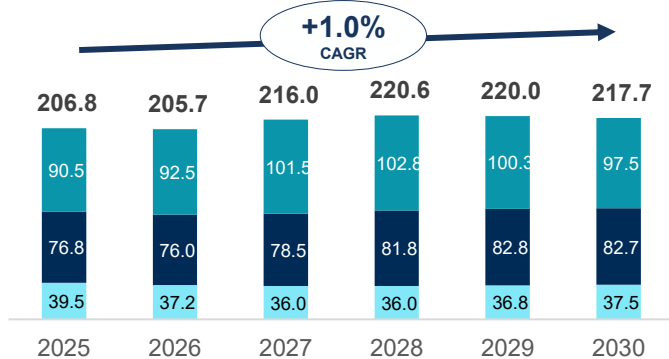
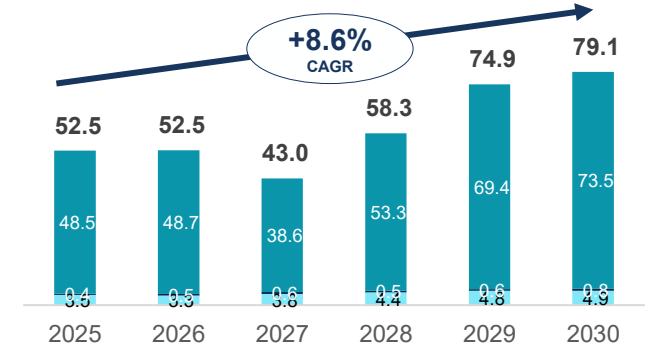
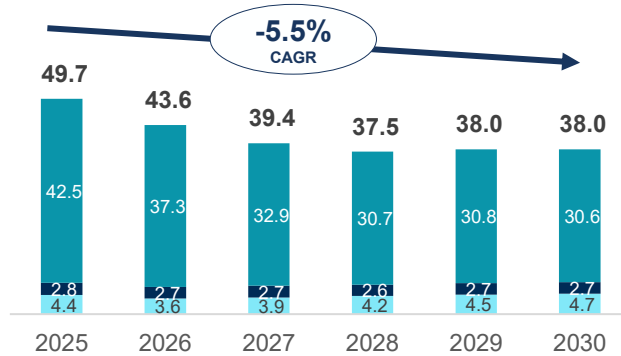
Stability in core C&I markets and opportunity for continued growth in utility-scale, storage and international markets

Solar Deployments (GW)

Storage Deployments (GWh)

North America

Rest of World
(ex Russia and China)



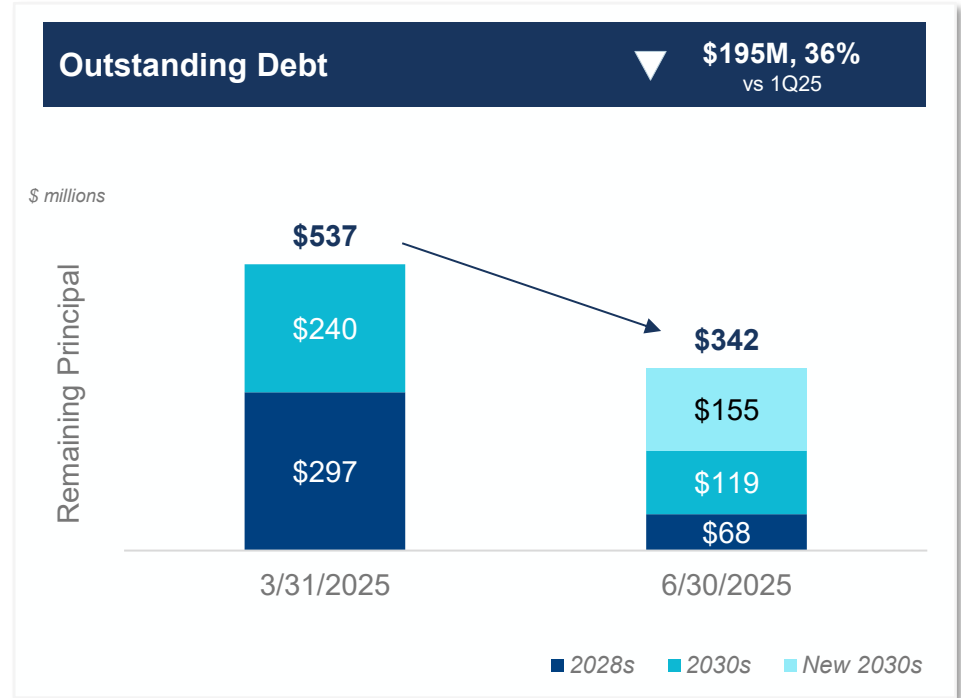
Strategic Debt Exchange – June 2025

Transaction Overview

- On June 30, 2025 Stem **exchanged \$350M** in aggregate principal amount of 2028 and 2030 Convertible Senior Notes for **\$155M in new First Lien Notes** due 2030 and **\$10M in cash**

Key Benefits

- Reduced** outstanding debt by nearly \$200M
- Extended** maturity profile
- Decreased** 2028 principal amount by nearly \$230M
- Significantly **strengthened** balance sheet, **enhancing** ability to execute **software-focused strategy**



Note: Outstanding Debt excludes lease liabilities and financing obligations.
 2028s: 0.50% Convertible Senior Note due 2028, CUSIP No. 85859 AA0.
 2030s: 4.25% Convertible Senior Notes due 2030, CUSIP No. 85859N AC6.
 New 2030s: 12.00%/11.00% Senior Secured PIK Toggle Notes due 2030, CUSIP No. 85859N AE2.

Reconciliation of GAAP and Non-GAAP Gross Profit

(Loss)

\$ millions unless otherwise noted

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	FY24	FY25
Revenue	\$25.5	\$34.0	\$29.3	\$55.8	\$32.5	\$38.4	\$38.2	\$47.2	\$144.6	\$156.3
Cost of revenue	(49.7)	(24.6)	(23.1)	(58.3)	(22.0)	(25.6)	(24.7)	(24.0)	(155.7)	(96.3)
GAAP gross profit (loss)	\$ (24.2)	\$ 9.4	\$ 6.2	\$ (2.5)	\$ 10.5	\$ 12.8	\$ 13.5	\$ 23.2	\$ (11.1)	\$ 60.0
GAAP gross margin (%)	(95)%	28%	21%	(4)%	32%	33%	35%	49%	(8)%	38%
GAAP Revenue	\$25.5	\$34.0	\$29.3	\$55.8	\$32.5	\$38.4	\$38.2	\$47.2	\$144.6	\$156.3
Add: Revenue reduction, net ⁽¹⁾	33.1	--	5.6	--	--	--	--	--	38.7	--
Less: Other revenue adjustments ⁽²⁾	--	--	--	--	--	--	--	(0.5)	--	(0.5)
Subtotal	\$58.6	\$34.0	\$34.9	\$55.8	\$32.5	\$38.4	\$38.2	\$46.7	\$183.3	\$155.8
Less: Cost of revenue	(49.7)	(24.6)	(23.1)	(58.3)	(22.0)	(25.6)	(24.7)	(24.0)	(155.7)	(96.3)
Add: Amort. of cap SW & dev tech	3.9	4.0	4.1	4.2	4.3	4.5	4.4	4.4	16.2	17.6
Add: Excess supplier costs ⁽¹⁾	1.0	--	--	--	--	--	--	(6.2)	18.9	(4.8)
Add: Impairments	--	0.1	0.3	18.5	--	1.4	--	--	1.0	--
Non-GAAP gross profit	\$13.8	\$13.5	\$16.2	\$20.2	\$14.8	\$18.7	\$17.9	\$20.9	\$63.7	\$72.3
Non-GAAP gross margin (%)	24%	40%	46%	36%	46%	49%	47%	45%	35%	46%

Non-GAAP gross margin is a non-GAAP financial measure that excludes or has otherwise been adjusted for items impacting comparability. The Company is unable to reconcile projected non-GAAP gross margin (as used in the Company's full year 2026 guidance) 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 2026 GAAP financial results.

(1) Refer to the discussion of reduction in revenue and excess supplier costs in "Definitions of Non-GAAP Financial Measures" in the Company's 1Q24 and 3Q24 earnings press releases.

(2) Other revenue adjustments refer to terminations and modifications of significant contracts with customers prior to their scheduled termination dates.

Reconciliation of Net Income (Loss) to Adjusted EBITDA stem

\$ thousands	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	FY24	FY25
Net income (loss)	\$(72,307)	\$(582,270)	\$(148,300)	\$(51,137)	\$(25,000)	\$202,531	\$(23,791)	\$(15,979)	\$(854,014)	\$137,761
Adjusted to exclude the following:										
Depreciation and amortization ⁽¹⁾	11,154	13,651	11,516	12,486	11,695	12,926	11,022	12,978	48,807	48,621
Interest expense	4,707	4,631	4,512	4,443	4,290	4,072	7,270	8,301	18,293	23,933
Gain on extinguishment of debt, net	--	--	--	--	--	(220,047)	--	--	--	(220,047)
Stock-based compensation	8,374	6,810	6,532	(3,245)	4,317	1,395	2,217	2,287	18,471	10,216
Revenue reduction, net ⁽²⁾	33,128	--	5,525	--	--	--	--	--	38,653	--
Other revenue adjustments ⁽³⁾	--	--	--	--	--	--	--	(453)	--	(453)
Excess supplier costs and resulting liquidated damages ⁽²⁾	1,012	--	--	--	--	--	--	--	1,012	--
Change in fair value of derivative liability	--	(1,477)	--	--	--	--	--	--	(1,477)	--
Change in fair value of warrant liability	--	--	--	--	--	--	4,190	(968)	--	3,222
Impairment of goodwill	--	547,152	--	--	--	--	--	--	547,152	--
Contract termination payment ⁽³⁾	--	--	10,000	--	--	--	--	--	10,000	--
Impairment and accounts receivable write off ⁽⁴⁾	--	--	104,134	--	--	--	--	--	104,134	--
(Expected recovery of) Impairment and accounts receivable write-off ⁽⁵⁾	--	--	--	--	--	(3,500)	--	--	--	(3,500)
(Recovery) Impairment of inventory and other deferred costs ⁽⁶⁾	--	--	--	18,059	--	--	--	(13,220)	18,059	(13,220)
Impairment of deferred costs with suppliers ⁽⁷⁾	--	--	--	13,409	--	--	--	--	13,409	--
Impairment of DevCo project assets ⁽⁸⁾	--	--	--	--	--	--	--	6,390	--	6,390
Provision for income taxes	153	62	129	(12)	58	475	(141)	144	332	536
Other expenses	1,540	125	2,460	10,203	13	5,965	1,280	5,991	14,328	13,249
Adjusted EBITDA	\$(12,239)	\$(11,316)	\$(3,492)	\$4,206	\$(4,627)	\$3,817	\$2,047	\$5,471	\$(22,841)	\$6,708

Adjusted EBITDA is a non-GAAP financial measure that excludes or has otherwise been adjusted for items impacting comparability. The Company is unable to reconcile projected adjusted EBITDA (as used in the Company's full year 2026 guidance) to net income (loss), its most directly comparable forward-looking GAAP financial measure, without unreasonable effort, because the Company is unable to predict with a reasonable degree of certainty its change in stock-based compensation expense, depreciation and amortization expense, and other items that may affect net loss. The unavailable information could have a significant effect on the Company's full year 2026 GAAP financial results.

(1) Depreciation and amortization includes depreciation and amortization expense, impairment loss of energy storage systems, impairment loss of project assets, and impairment loss of right-of-use assets.

(2) Refer to the discussion of revenue reduction, excess supplier costs, and liquidated damages in "Definitions of Non-GAAP Financial Measures" in the Company's earnings press releases for 1Q24, 3Q24 and 4Q25.

(3) Contract termination payments and hardware deposit forfeitures with certain suppliers.

(4) Refer to the discussion of write-offs relating to parent company guarantee in the Company's 3Q24 earnings press release.

(5) Refer to the discussion of write-offs relating to parent company guarantee related arrangements in "— Impairment and Accounts Receivable Write-Off" in the notes to the consolidated financial statements in the Company's Annual Report for the year ended December 31, 2025.

(6) Impairment of inventory and other deferred costs represents charges to cost of goods to reduce the value of certain inventory items and deferred assets to their net realizable value.

(7) Deposit forfeitures with certain hardware suppliers.

(8) Impairment of DevCo project assets represent the excess of cost of goods over the sales transaction price for certain DevCo projects sold during the period.

Reconciliation of GAAP Operating Expense to Cash Operating Expense stem

\$ millions unless otherwise noted

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	FY24	FY25
GAAP Operating Expense ⁽¹⁾	\$43.8	\$589.2	\$150.6	\$44.7	\$31.7	\$26.1	\$26.4	\$31.4	\$828.3	\$115.6
Less: Non-cash adjustments										
Depreciation and Amortization	(4.0)	(4.0)	(3.5)	(4.2)	(3.5)	(3.7)	(3.5)	(4.5)	(15.7)	(15.2)
Stock Compensation	(8.4)	(6.8)	(6.5)	3.2	(4.3)	(1.4)	(2.2)	(2.3)	(18.5)	(10.2)
Impairment of Goodwill	--	(547.2)	--	--	--	--	--	--	(547.2)	--
Impairment of parent company guarantees	--	--	(104.1)	--	--	--	--	--	(104.1)	--
Other adjustments ⁽²⁾	1.0	(1.7)	1.5	(7.4)	(0.8)	(2.7)	(0.4)	(6.6)	(6.6)	(10.5)
Cash Operating Expense	\$32.4	\$29.5	\$38.0	\$36.3	\$23.1	\$18.3	\$20.3	\$18.0	\$136.2	\$79.7
Revenue ⁽³⁾	\$25.5	\$34.0	\$29.3	\$55.8	\$32.5	\$38.4	\$38.2	\$47.2	\$144.6	\$156.3
Cash Operating Expense as % of Revenue	127%	87%	130%	65%	71%	48%	53%	38%	94%	51%

(1) GAAP operating expense for 3Q24 includes \$10.0 million of contract termination payments to vendors for the delivery of hardware and includes \$13.4 million of deposit forfeitures with certain hardware suppliers in 4Q24.

(2) Other adjustments for 2Q25 includes \$5.9M of restructuring expenses.

(3) 1Q24 revenue was negatively impacted by the \$33 million reduction in revenue for guarantees issued related to hardware delivered in 2022 and 2023. 3Q24 revenue was negatively impacted by the \$5 million reduction in revenue for guarantees issued related to hardware delivered in 2022 and 2023.

Definitions

Item	Definition
Annual Recurring Revenue ("ARR")	Annualized value from operating customer subscription contracts, including solar software, storage software & recurring managed services, and any recurring professional services contracts.
Bookings	Total value of executed customer purchase orders, as of the end of the relevant period (e.g. quarterly bookings or annual bookings). Customer purchase orders are typically executed 6 months ahead of installation. The booking amount includes (1) hardware revenue, which is typically recognized at delivery of the energy storage hardware and/or edge device to the customer, and (2) services revenue, which represents total nominal software and services contract value recognized ratably over the contract period.
Battery Hardware Resale Revenue	Sales of energy storage systems.
Contracted Annual Recurring Revenue ("CARR")	Annualized value from Stem customer subscription contracts with executed purchase orders signed in the period for systems that are not yet operating and all operating Stem customer subscription contracts, including solar software, storage software & recurring managed services, and some recurring professional services contracts.
Contracted Backlog	Total value of hardware and non-recurring services bookings with executed purchase orders in dollars, as reflected on a specific date. Backlog increases as new purchase orders are executed (bookings) and decreases as hardware is delivered and recognized as revenue and as services are provided.
Edge Hardware	Sales of edge device hardware to aid in the collection of site data and the real-time operation and control of a site.
Operating Cash Flow	Net cash provided by (used in) operating activities. Does not represent the change in balance sheet cash which will be further impacted by investing and financing activities.
Project and Professional Services Revenue	Full lifecycle energy services including development and engineering, procurement and integration, performance and operations support, and revenue tied to Development Company investments.
Solar Operating AUM	Total GW of solar systems in operation.
PowerTrack Software Revenue	Recurring SaaS revenue from our PowerTrack software.
Storage Operating Assets Under Management ("AUM")	Total GWh of storage systems in operation.
Managed Services Revenue	Includes (1) recurring revenue related to the operation and optimization of energy storage and hybrid portfolios managed by Stem and (2) Host Customer recurring and merchant revenues.

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