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February 16, 2023

Q4 2022 Financial Results and 2023 Guidance

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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 our financial and performance targets and other forecasts or expectations regarding, or dependent on, our business outlook; the expected benefits of the combined Stem/AlsoEnergy company; our ability to secure sufficient and timely inventory from suppliers; our ability to meet contracted customer demand; our ability to manage supply chain issues and manufacturing or delivery delays; our joint ventures, partnerships and other alliances; forecasts or expectations regarding energy transition and global climate change; reduction of greenhouse gas (“GHG”) 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; our ability to manage our supply chains and distribution channels and the effects of natural disasters and other events beyond our control; our response to the COVID-19 pandemic and our preparedness for other widespread health emergencies (and government and business responses thereto); the ongoing conflict in Ukraine; the expected benefits of the Inflation Reduction Act of 2022 on our business; and future results of operations, including 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 and timely inventory from our suppliers, and provide us with 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 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 ongoing conflict in Ukraine; the results of operations and financial condition of our customers and suppliers; pricing pressure; inflation; 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 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 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, 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 filings with the SEC. 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 financial measures in accordance with U.S. GAAP, this presentation includes references to non-GAAP financial measures, including adjusted 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

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.

Agenda

- Fourth Quarter 2022 Highlights
- Commercial Execution
- Supply Chain Update
- Technology Leadership
- Financial and Operating Results
- 2023 Guidance
- Key Takeaways



Fourth Quarter 2022 Results & Highlights

Record bookings and revenue growth driving momentum in 2023 and beyond

Continued Q4 Momentum

Revenue
\$156M

+194% YoY

Bookings
\$458M

+111% YoY

GAAP/Non-GAAP
Gross Margin
8% / 11%

Contracted
Backlog
\$969M
+116% YoY

Adjusted EBITDA
(\$10)M
+17% QoQ

Contracted Annual
Recurring Revenue
\$65M
+7% QoQ

Q4 Highlights



Accelerating Services
Revenue growth: +17% QoQ



Record Bookings in Q4'22 drives record
Contracted Backlog approaching \$1 billion



Operating leverage: 19% cash opex
as percentage of revenue in Q4'22
vs. 36% in Q4'21

-chargepoint+

Strategic partnership demonstrates
continued EV momentum

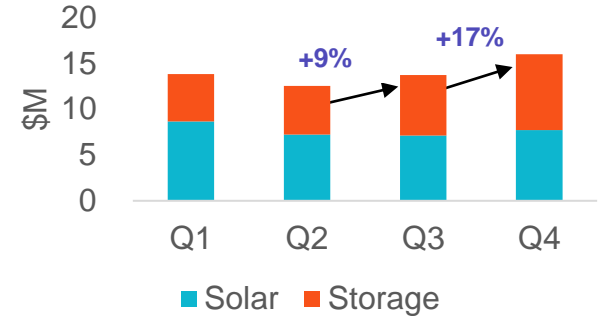
Well positioned to achieve EBITDA positive in H2'23

Strong commercial momentum

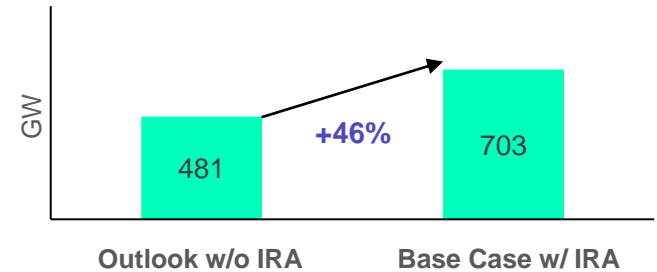
Macro tailwinds, bookings momentum, and software services pricing power drive growth and margins

- Services revenue up 17% QoQ; expect continued momentum in 2023+
 - Storage revenue +25% QoQ, Solar revenue +8% QoQ
- Inflation Reduction Act (IRA) expected to increase solar and storage buildout by 46% through 2032
- First FTM software-only project commenced in ISO-New England
- Community solar added in CA; 500+ MW new TAM through 2027
- Over two-thirds of 2022 bookings from net new customers
 - Revamped sales compensation plan to favor margin over revenue

Rapidly growing software & services revenue in 2022¹



US projected solar and storage build through 2032²



Supply chain update

Diversifying supplier base and enhancing product flexibility



Storage

- Battery supply fully contracted through Q1'24; adding opportunistic supply
- Lower commodity prices could expand TAM over time
- Advancing unit controller / modular ESS strategy; pilot site expected Q1'23



Solar

- AD/CVD and UFLPA still impacting project timelines, particularly for utility-scale projects
- “Green shoots” of equipment availability becoming evident



Industry-wide

- China COVID policy change negatively impacted supply chain in Q4'22
- Interconnections and permitting remain slow, but manageable
- Labor availability constrained for partners
- Long lead times for key items (transformers, batteries, inverters)
- Consolidated operations in Colorado to drive efficiencies



Technology leadership

Strong Athena execution for the grid and customers

California

- Actively supported grid during heavy Dec '22 / Jan '23 demand days – 20x more dispatches than prior year
- Largest VPP supporting California grid
- 108% recovery of SGIP earnings in Q4'22

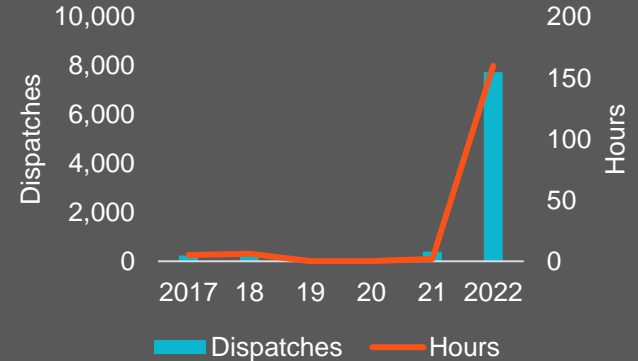
ISO-New England

- Actuals outperformed forecast by 76% in FY'22
- 94% accuracy in coincident peak prediction
- Committed 217 MWh into March '23 Forward Capacity Market auction

ERCOT

- First systems expected to trade in wholesale market in 2023

Athena supported a 20x increase in grid calls in Dec '22 / Jan '23 in Southern CA



33%

Increase in grid calls YoY in FY'22

31+ million

Cumulative run-time hours on Athena
(equivalent to 3,500+ years)

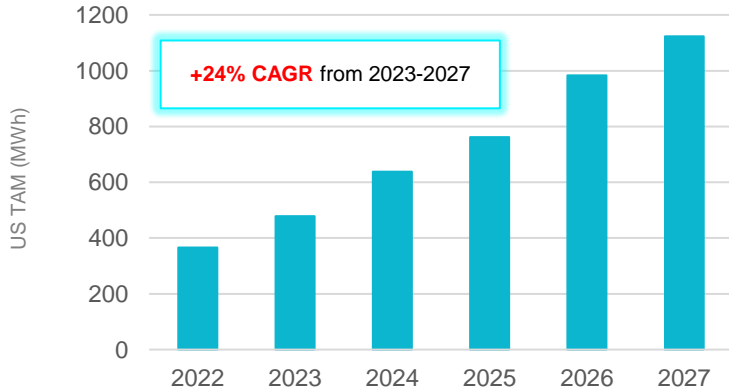
ChargePoint + Stem joint eMobility offering launched

Federal EV charging programs & state mandates driving value for partnership opportunity

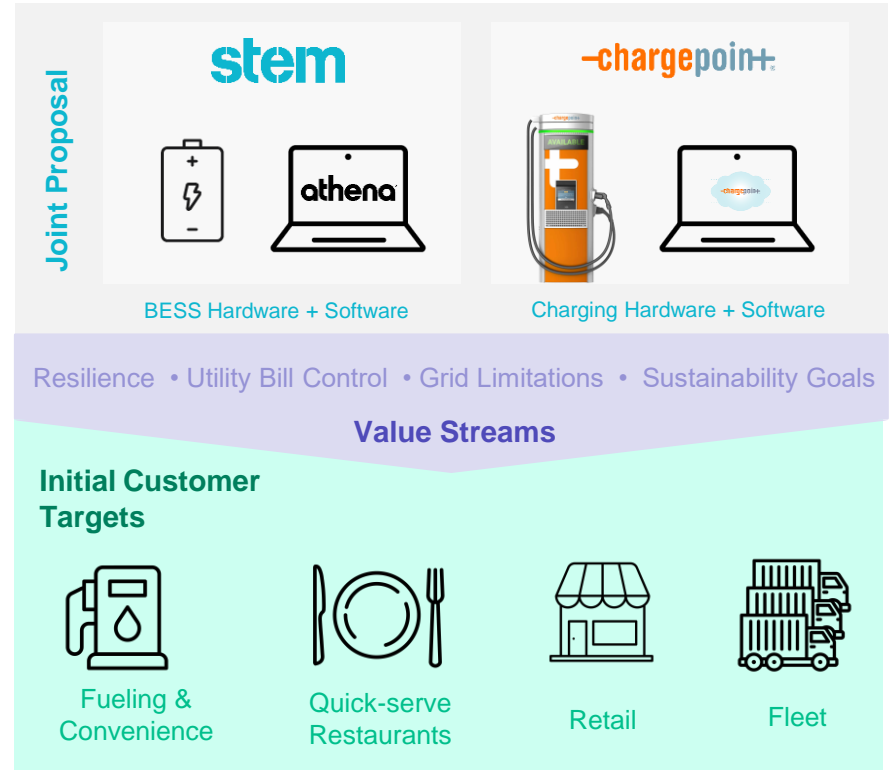
Joint Offering for Partners

- ChargePoint: leading EV charging infrastructure company with 210,000 sites in operation
- \$5 billion of NEVI funding, \$9 billion of IRA credits / grants
- Targeting nationwide opportunities
- Additional customer value drives higher Athena fees

Growing Market for Batteries and EV Charging



Partnership Offering



Concentrated effort to expand Athena in PJM

Driving value for BTM storage in the largest US power market

Why now?

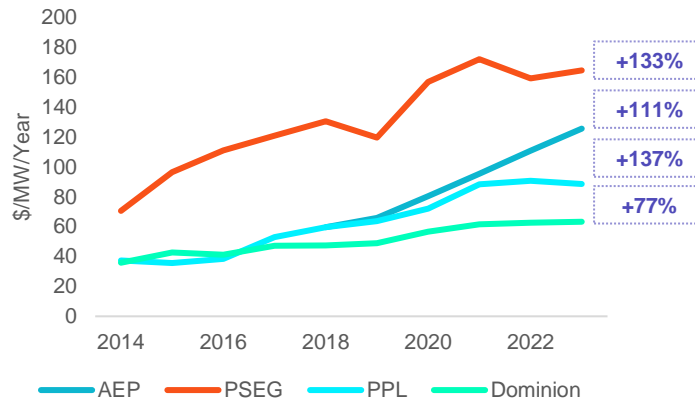
- Rising transmission charges
- New state incentive programs
- IRA credits / solar cross-sell

Athena differentiation

- Ability to co-optimize complex value streams, including wholesale market participation
- Coincident peak / transmission charge track record
- Integrated edge-to-cloud solution

Enhanced customer value supports **50+%** higher Athena fees

Structurally higher transmission charges are stressing customer bills



PJM is the largest grid in the US

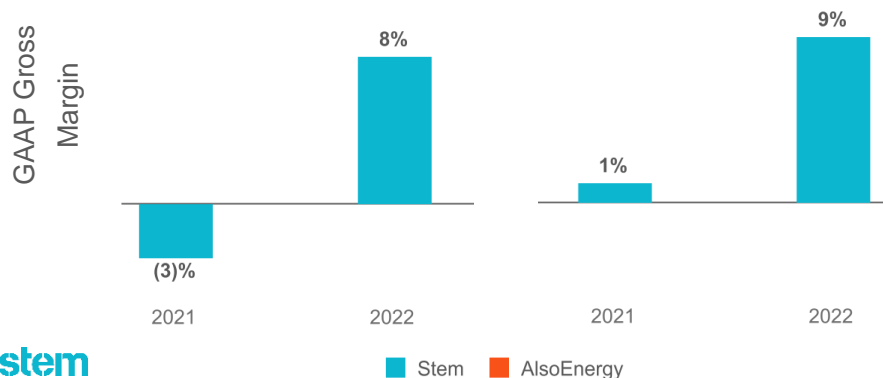
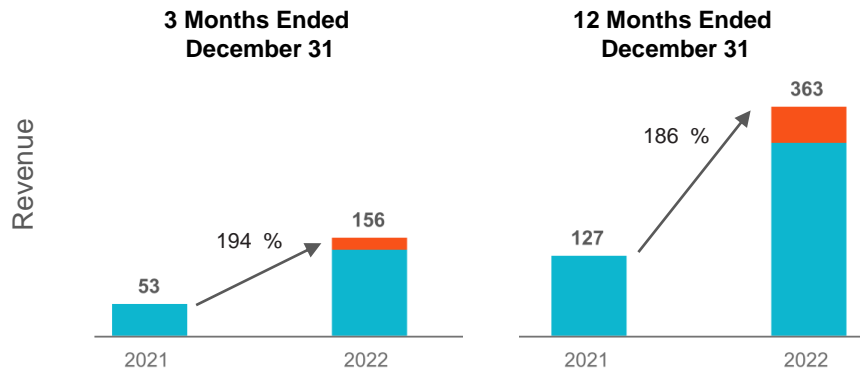
	California	PJM
ISO Size (GW)	55	150
Avg. industrial load (MWh / yr)	306	2,425

Financial and Operating Results

Financial Metrics

Revenue and GAAP Gross Margin Results

\$ millions unless otherwise noted



Revenue

- Revenue up 194% YoY in Q4'22, 186% YoY in FY'22
 - Momentum in large-scale FTM market
 - Acquisition of AlsoEnergy completed in February 2022

GAAP Gross Margin

- Margin improvement from increased storage software/services revenue and contribution from AlsoEnergy
- Services revenue increased 17% QoQ; Storage increased 25% QoQ, Solar increased 8%

Financial Metrics

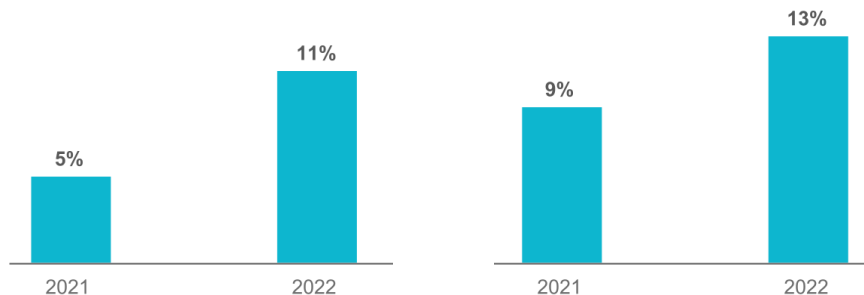
Non-GAAP Gross Margin and Adjusted EBITDA Results

\$ millions unless otherwise noted

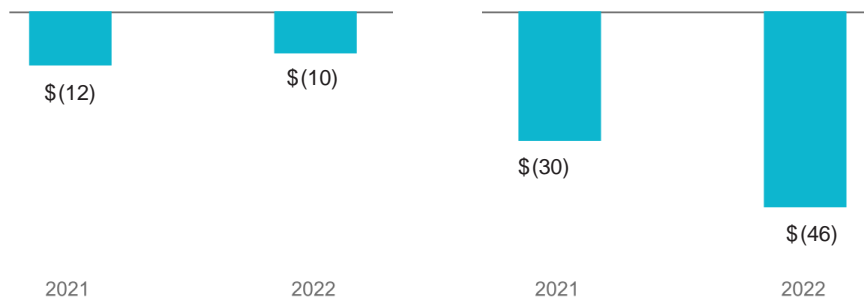
3 Months Ended
December 31

12 Months Ended
December 31

Non-GAAP
Gross Margin



Adjusted
EBITDA



Non-GAAP Gross Margin

- UFLPA depressed solar asset performance management impacting Non-GAAP Gross Margin relative to guidance
- Storage Hardware Revenue mix weighted to FTM driving down consolidated Non-GAAP Gross Margin

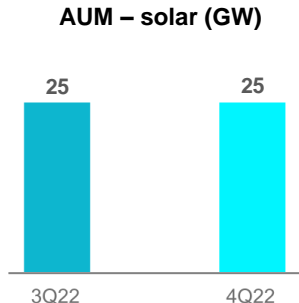
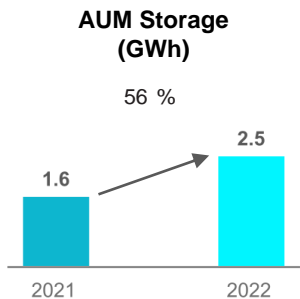
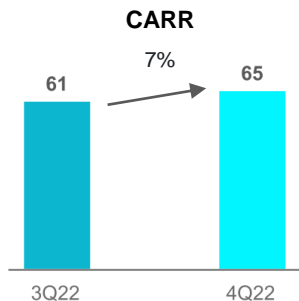
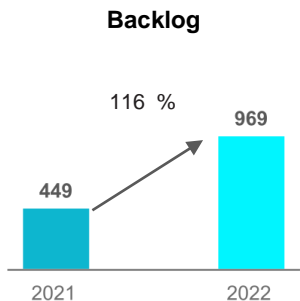
Adjusted EBITDA

- Improvement YoY in Q4'22 driven by higher gross margin and cost controls
- EBITDA margin improvement: (13%) in 2022 vs. (24%) in 2021
- Expect EBITDA positive in H2'23

Operating Metrics

Strong Momentum in Backlog, CARR, and AUM

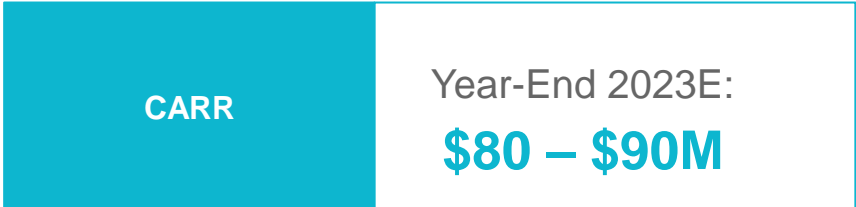
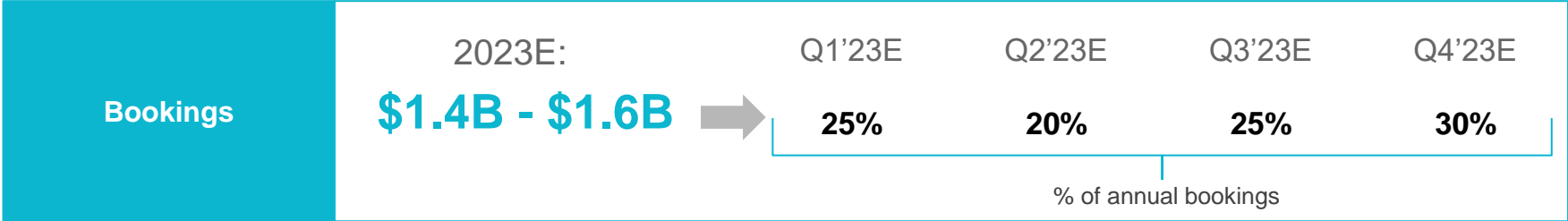
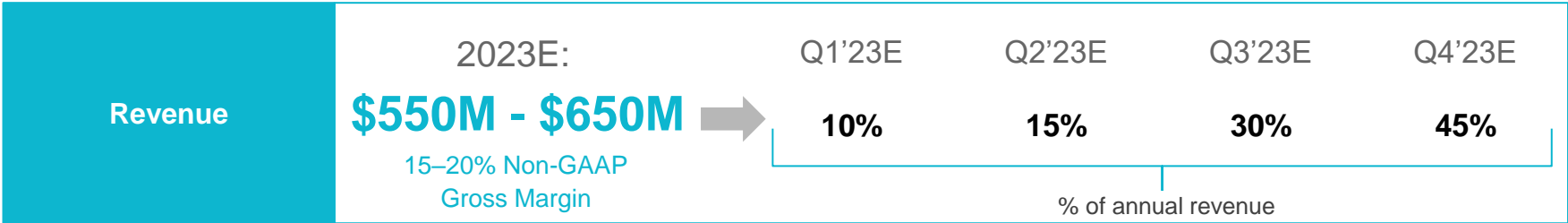
Period ending December 31, \$ millions unless otherwise noted



Backlog, CARR and AUM Growth

- Backlog up 116% YoY, driven by strong customer demand
- CARR at \$65M at quarter end, up 7% since Q3'22
- Contracted storage AUM up 56% YoY driven by commercial momentum
- Solar AUM roughly flat vs. Q3'22; new additions largely offset by migration of non-profitable customers

2023 Guidance



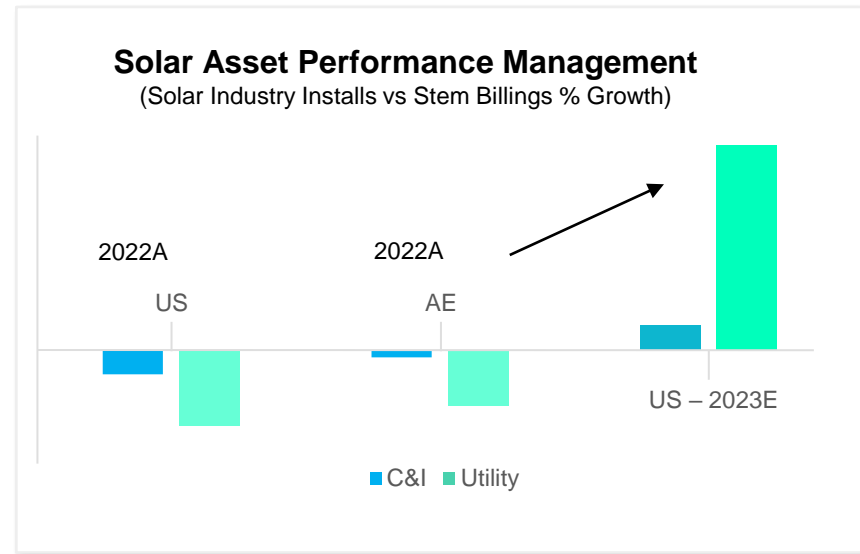
Execution on improving Gross Margin

2023 Outlook

- Increased gross margin in backlog 2022 vs. 2021
 - Aligned sales force compensation to gross margin
- Permitting and interconnection approvals expected to drive software services revenue growth: Expect Storage Operating AUM to roughly double in 2023
- Solar asset performance management expected to contribute significant gross margin through return to trend growth in solar industry
 - Year-end 2022 backlog up +42% vs. year-end 2021
 - Launched solar + storage bundle into distribution channel

Long-term Outlook

- Unit controller / Modular ESS strategy expected to drive additional services uptake in project modeling, project design, and asset management
- Service offering for wholesale energy forecasting and program management is part of 2023 product roadmap



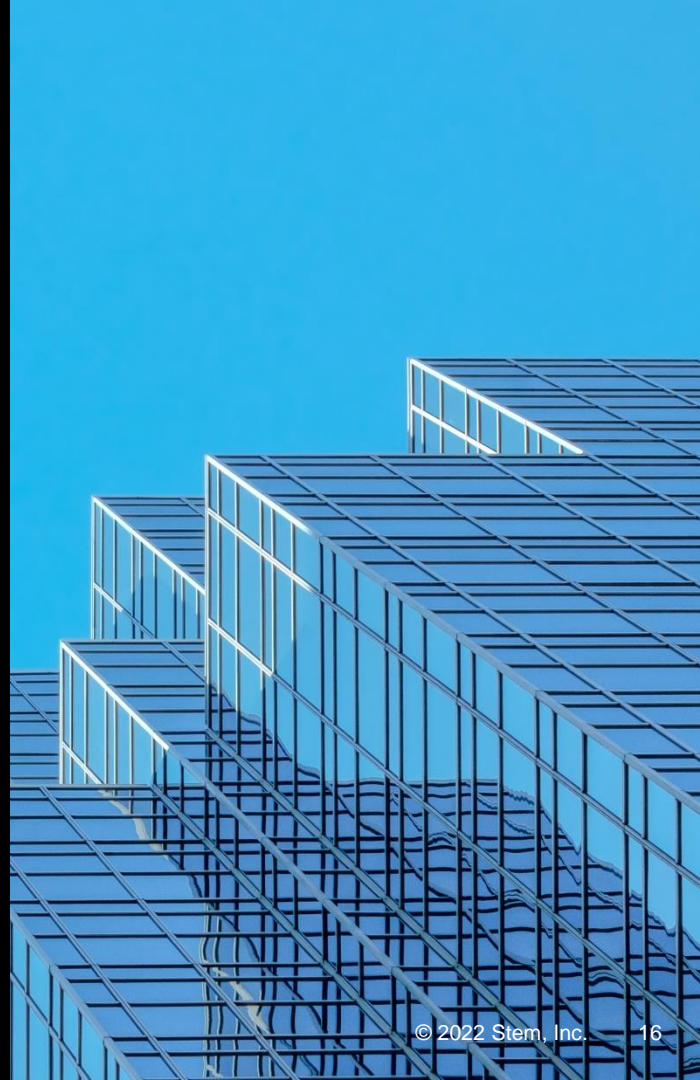
**Stem's solar results
outperformed the industry**

Key Takeaways

Well positioned for EBITDA positive in H2'23

- Q4'22 momentum driven by strong end market demand
 - Substantial bookings growth: ~\$1.1B in FY'22, +154% from FY'21
- Technology leadership drives profitable expansion in multiple markets and products
 - eMobility
 - PJM
 - CAISO
- Services revenue +17% QoQ, CARR +7% QoQ demonstrating growth in high margin software/services
- Solar cross-sell poised to expand post-IRA
- Driving operating leverage: cash opex as % revenue to <25% in 2023 with focus on cost controls and by leveraging India infrastructure

Building the leading clean energy intelligence platform



Q&A

About Stem

Stem (NYSE: STEM) is a global leader in AI-driven clean energy solutions and services.

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

Appendix

Financial and Operating Metrics

Solid Fourth Quarter Results

\$ millions unless otherwise noted

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Revenue	\$155.5	\$52.8	\$363.0	\$127.4
GAAP Gross Margin	12.6	1.6	33.1	1.3
GAAP Gross Margin %	8%	(3)%	9%	1%
Non-GAAP Gross Margin	17.0	2.6	47.3	11.2
Non-GAAP Gross Margin %	11%	5%	13%	9%
Net Loss	(35.3)	(34.1)	(124.1)	(101.2)
Adjusted EBITDA	(9.5)	(12.4)	(46.0)	(30.3)
Operating metrics				
Bookings	457.5	216.9	1,056.9	416.5
Contracted Backlog	969.0	449.0	969.0	449.0
Contracted Storage AUM (GWh)	2.5	1.6	2.5	1.6
Solar Monitoring AUM (GW)	25.0	**	25.0	**
CARR	65.3	**	65.3	**
12 Month Pipeline (\$ billions)	\$7.1	\$4.0	\$7.1	\$4.0

See slide 22 for reconciliation of non-GAAP financial measures to most directly comparable GAAP measures.

Supplemental AlsoEnergy Financial Detail

\$ millions unless otherwise noted

	Three Months Ended December 31, 2022	Twelve Months Ended December 31, 2022
Hardware Revenue	\$9.9	\$31.1
Services and Other Revenue	7.7	26.8
Total Revenue	17.6	57.9
GAAP Gross Margin	\$6.4	\$21.4
GAAP Gross Margin (%)	36%	37%
Labor Expense in Cost of Sales*	\$2.9	\$9.1
Amortization of Intangibles	1.1	4.0
Pro Forma Gross Margin	10.4	34.5
Pro Forma Gross Margin (%)	59%	60%

** Represents a portion of operating expenses reclassified to Cost of Sales for AlsoEnergy*

Reconciliation of Non-GAAP Gross Margin

\$ millions unless otherwise noted

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Revenue	\$155.5	\$52.8	\$363.0	\$127.4
Cost of Revenue	(142.9)	(54.4)	(329.9)	(126.1)
GAAP Gross Margin	12.6	(1.6)	33.1	1.3
GAAP Gross Margin (%)	8%	(3)%	9%	1%
Adjustments to Gross Margin				
Amortization of Capitalized Software	\$3.1	\$1.5	\$10.7	\$5.3
Impairments	1.3	2.7	3.5	4.6
Non-GAAP Gross Margin	17.0	2.6	47.3	11.2
Non-GAAP Gross Margin (%)	11%	5%	13%	9%

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

Reconciliation of Adjusted EBITDA

\$ thousands	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net loss	\$(35,273)	\$(34,054)	\$(124,054)	\$(101,211)
Adjusted to exclude the following:				
Depreciation and amortization	15,430	11,540	48,783	29,098
Interest expense	2,039	4,560	10,468	17,395
Loss on extinguishment of debt	---	---	---	5,064
Stock-based compensation	8,251	5,563	28,661	13,546
Vesting of warrants	---	---	---	9,183
Change in fair value of warrants and embedded derivative	---	---	---	(3,424)
Transaction costs in connection with business combination	---	---	6,068	---
Litigation settlement	---	---	(727)	---
Provision for income taxes	40	---	(15,161)	---
Adjusted EBITDA	\$(9,513)	\$(12,391)	\$(45,952)	\$(30,349)

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, and income tax benefit.

Definitions

Item	Definition
12-Month Pipeline	Pipeline represents the total value (excluding market participation revenue) of uncontracted, potential energy storage hardware and software contracts that are currently being pursued by Stem direct salesforce and channel partners with developers and independent power producers seeking energy optimization services and transfer of energy storage systems that have a reasonable likelihood of execution within 12 months of the end of the relevant period based on project timelines published by such developers and independent power producers. We cannot guarantee that our pipeline will result in meaningful revenue or profitability.
Bookings	<p>Total value of executed customer agreements, as of the end of the relevant period (e.g. quarterly booking or annual booking)</p> <ul style="list-style-type: none"> • Customer contracts are typically executed 6-18 months ahead of installation • Booking amount typically includes: <ol style="list-style-type: none"> 1) Hardware revenue, which is typically recognized at delivery of system to customer, 2) Software revenue, which represents total nominal software contract value recognized ratably over the contract period, • Market participation revenue is excluded from booking value
Contracted Annual Recurring Revenue ("CARR")	Annual run rate for all executed software services contracts including contracts signed in the period for systems that are not yet commissioned or operating. The Company believes that CARR is valuable metric because it provides visibility into the long-term growth in the Company's high-margin software revenue.
Contracted Backlog	<p>Total value of bookings in dollars, as reflected on a specific date</p> <ul style="list-style-type: none"> • Backlog increases as new contracts are executed (bookings) • Backlog decreases as integrated storage systems are delivered and recognized as revenue
Contracted Assets Under Management ("AUM")	Total GWh or GW of systems in operation or under contract
Solar Monitoring AUM	Total GW of systems in operation or under contract
Hardware Revenue	<p>Payment for initial purchase of system, which is typically recognized at delivery of system to customer</p> <ul style="list-style-type: none"> • Total Hardware Revenues = Total Deliveries (kWh) x Project Hardware ASP (\$/kWh) • ASP / margin based on value added services including hardware selection, project design and interconnection / permitting advisory and warranty design and compliance
Software Revenue	<p>Recurring SaaS payment driven by storage assets under management (AUM)</p> <ul style="list-style-type: none"> • Total Software (Recurring) Revenues = Total AUM (kWh) x Software subscription (\$/kWh/month) • SaaS contracts range up to 20 years comprising recurring monthly payments
Market Participation Revenue	<p>Revenues from monetization of energy storage capacity into energy markets and VPPs secured by contracts ranging up to 20 years</p> <ul style="list-style-type: none"> • Total Software (Variable) Revenues = Total AUM (kWh) x Stem's Market Participation Revenues (\$/kWh)



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