

The logo for Stem, consisting of the word "stem" in a white, lowercase, sans-serif font. The background of the slide is a photograph of a solar farm at dusk or dawn, with rows of solar panels in the foreground and utility containers in the middle ground. A decorative graphic of white, wavy lines is overlaid at the bottom of the image.

stem

August 7, 2025

2Q 2025 Financial Results

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 our financial and operating performance, guidance, outlook, targets and other forecasts or expectations regarding, or dependent on, our business outlook and strategy; 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; the effects of natural disasters and other events beyond our control; the expected impacts of the One Big Beautiful Bill Act (“OBBB”) on our business and that of our customers; the direct or indirect effects on our business of macroeconomic factors and geopolitical instability, such as the armed conflicts between Russia and Ukraine and in the Gaza Strip and nearby areas; and our future results of operations, including revenue, adjusted EBITDA and the other metrics presented herein. Such 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 OBBB on our business and that of our customers; 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, high interest rates, changes in monetary policy, changes in trade policies, including tariffs or other trade restrictions or the threat of such actions, 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; 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; our inability to maintain compliance with New York Stock Exchange listing 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.

Second Quarter 2025 Results and Other Highlights

Advancing strategic priorities while maintaining focus on sustained profitability

2Q25 Results

Revenue

\$38M

+13% YoY

Annual Recurring Revenue (ARR)

\$59M

+3% QoQ / +22% YoY

GAAP/Non-GAAP

Gross Margin

33% / 49%

+5 p.p. / +9 p.p. YoY

Adjusted EBITDA

\$4M

+\$15M YoY

Operating Cash Flow

\$(21)M

(\$9)M YoY

Highlights



Achieved strong GAAP and non-GAAP gross margins and positive adjusted EBITDA through cost savings initiatives



Increased ARR by ~\$2M QoQ and \$10M YoY to \$59M and announced PowerTrack AI tool



Significantly strengthened balance sheet through debt exchange by reducing debt and extending maturity profile

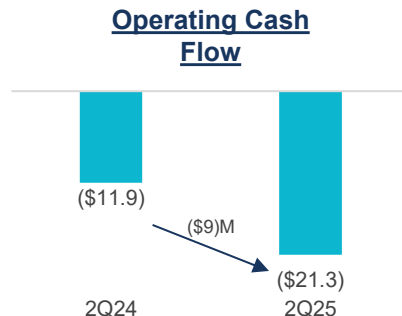
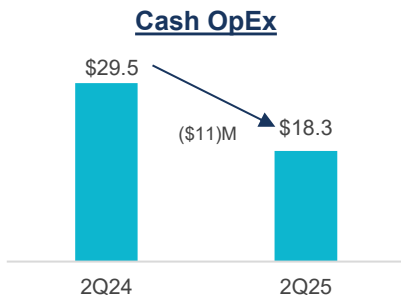
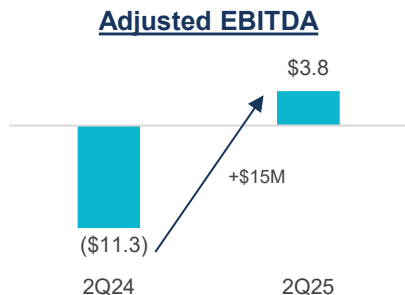
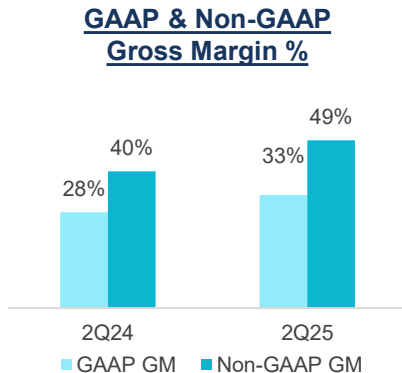
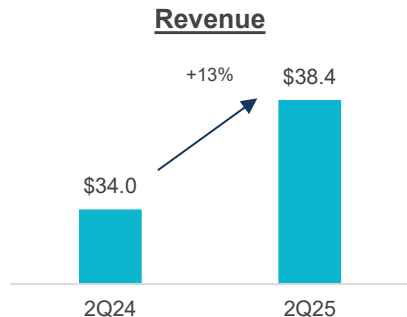


Multiple significant PowerTrack engagements during the quarter including Avangrid and Norbut Solar Farms

Reaffirming 2025 guidance across all metrics and tracking towards the high end on nearly all metrics

2Q 2025 Financial Metrics

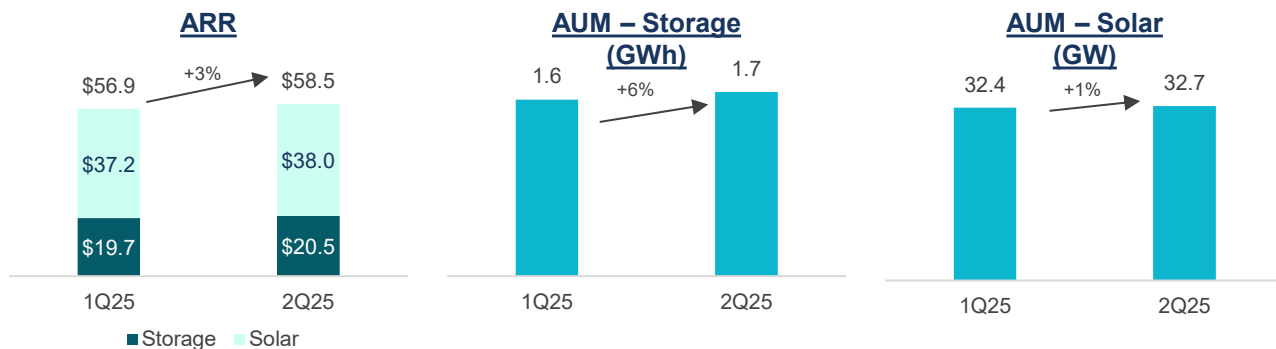
\$ millions, unless otherwise noted



- GAAP and Non-GAAP gross margin increases driven by increased software revenue and improved hardware terms
- Improved adjusted EBITDA YoY driven by higher revenue, gross profit, and significantly reduced operating expenses
- Operating cash flow down \$9M YoY due to increased one-time expenses during the quarter and changes in working capital

2Q 2025 Operating Metrics

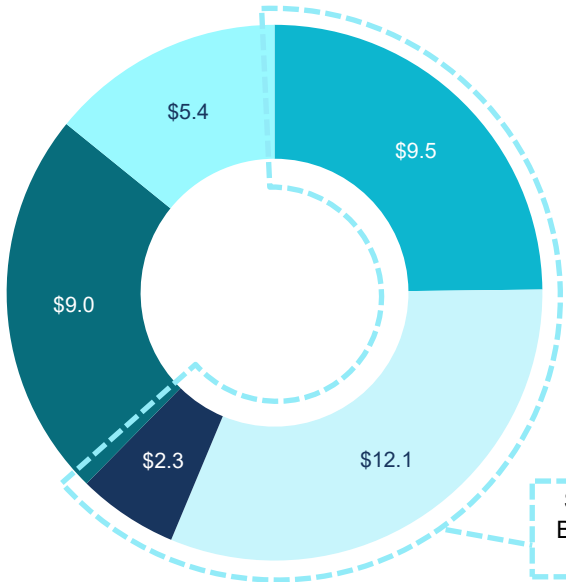
\$ millions, unless otherwise noted



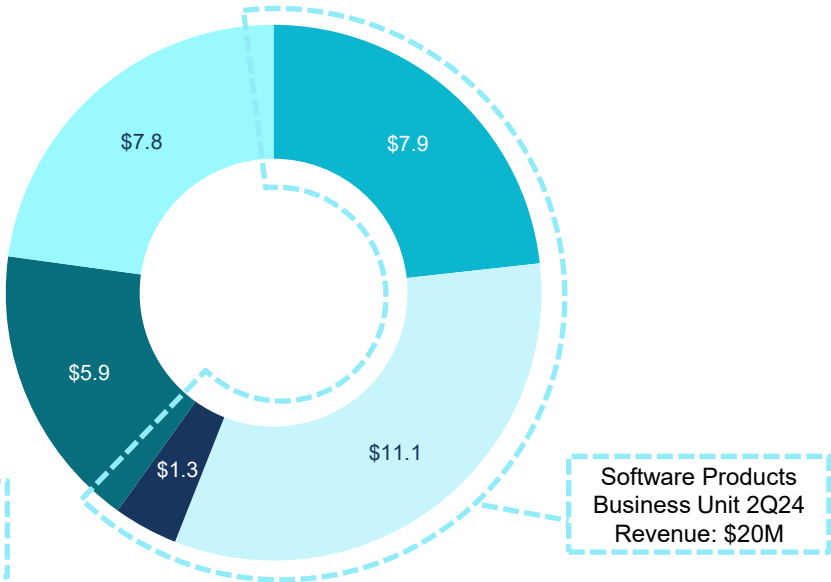
- Operating metrics reflect revised definitions versus prior periods
- ARR up 3% QoQ and 22% YoY driven by site activations
- Solar operating AUM flat QoQ due to smaller sites coming online during 2Q25

Supplemental Revenue Detail

2Q25 Revenue
Total: \$38M



2Q24 Revenue
Total: \$34M



- Solar software
- Edge hardware
- Project and professional services
- Storage software & recurring managed services
- Battery hardware resale

Approximately 60% of revenue continues to come from Software Products Business Unit

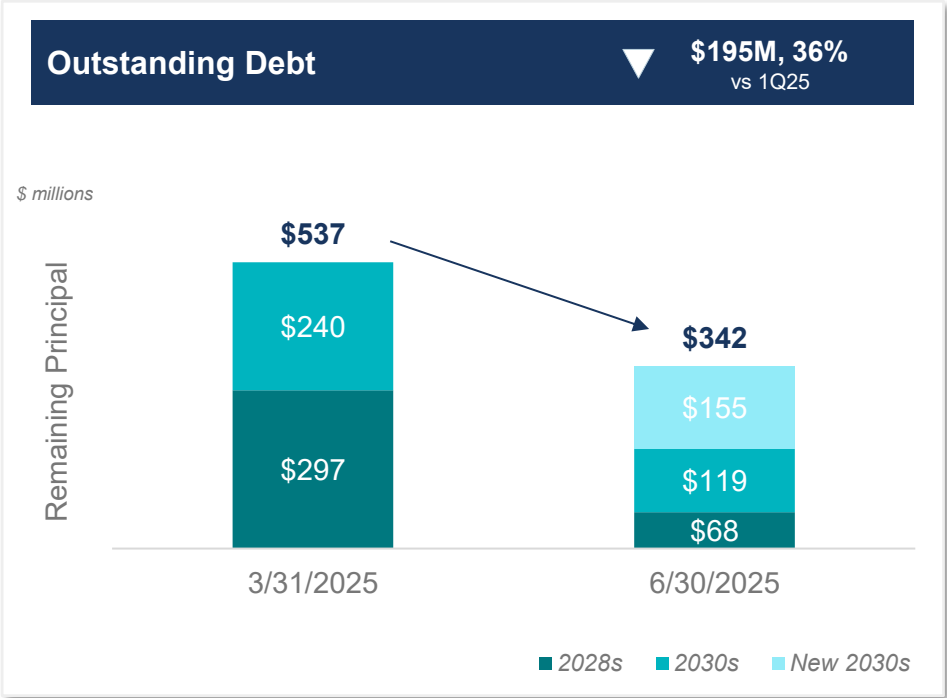
Successfully Completed Strategic Debt Exchange

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**

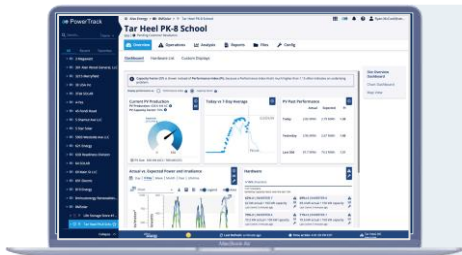


Note: Outstanding Debt excludes lease liabilities and financing obligations.
2028s: 0.50% Convertible Senior Note due 2028, CUSIP No. 85859 AA0.
2030s: 4.25% Convertible Senior Notes due 2030, CUSIP No. 85859N AC6.
New 2030s: 12.00%/11.00% Senior Secured PIK Toggle Notes due 2030, CUSIP No. 85859N AE2.

PowerTrack EMS

Computerized system that monitors, controls, and optimizes energy resources to improve efficiency and maximize renewable asset operation.

Live, real-time Dashboard
for online remote monitoring



Solution Delivery



Seamless end-to-end
Integration

Customer Outcomes



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Advantages Over Industry Standard

Intuitive Edge Interface

- Eliminate standalone SCADA
- Granular visualization of site performance
- Forecast-Based Scheduling of Generation and Ancillary Services

Versatile Integration

- Battery, inverter, and PV hardware agnostic

Comprehensive Equipment Monitoring

- Monitor all hardware from meters down to individual modules

Real-Time Data Monitoring

- 1st data monitoring for warranty management

Quality Assurance

- Assembled and tested in the United States

Reaffirming 2025 Guidance

\$ millions, unless otherwise noted

	Low	High
Total Revenue	\$125	\$175
Software, edge hardware, & services	\$120	\$140
Battery hardware resale	Up to \$35	
Non-GAAP gross margin %	30%-40%	
Adjusted EBITDA	\$(10)	\$5
Operating cash flow	\$0	\$15
Year-end ARR	\$55	\$65

Tracking towards the high end on nearly all metrics*



About Stem

Stem (NYSE: STEM) is a global leader in AI-enabled software and services that enable its customers to plan, deploy, and operate clean energy assets.

Stem offers a complete set of solutions that transform how solar and energy storage projects are developed, built, and operated, including an integrated suite of software and edge products, and full lifecycle services from a team of leading experts. More than 16,000 global customers rely on Stem to maximize the value of their clean energy projects and portfolios.

For more information, visit www.stem.com

Appendix

Supplemental Revenue Detail

\$ millions unless otherwise noted

	Three Months Ended June 30,	
	2025	2024
Solar software	9.5	7.9
Edge hardware	12.1	11.1
Project and professional services	2.3	1.3
Subtotal	\$23.9	\$20.3
Storage software & managed services	9.0	5.9
Battery hardware resale	5.4	7.8
Total Revenue	\$38.4	\$34.0

Key Financial and Operating Metrics

\$ millions unless otherwise noted

	Three Months Ended June 30,	
	2025	2024
Key Financial Results		
Revenue	\$38.4	\$34.0
GAAP Gross Profit (Loss)	12.8	9.4
GAAP Gross Margin (%)	33%	28%
Non-GAAP Gross Profit*	18.7	13.5
Non-GAAP Gross Margin (%)*	49%	40%
Net Income (Loss)	202.5	(582.3)
Adjusted EBITDA*	3.8	(11.3)
Key Operating Metrics		
Bookings ⁽¹⁾	\$34.3	--
Contracted Backlog ^{(2)**}	\$26.8	--
Storage Operating AUM (GWh) ^{(3)**}	1.7	1.2
Solar Operating AUM (GW) ^{(4)**}	32.7	26.9
CARR ^{(5)**}	\$69.2	--
ARR ^{(6)**}	\$58.5	\$48.1

(1) Redefined versus prior periods. Beginning with our Q1 2025 Quarterly Report on Form 10-Q, the Company defines "Bookings" as the total value of executed purchase orders. Previously this metric included all relevant executed contracts, regardless of whether or not a related purchase order had been executed. Prior period amounts have been excluded as they do not reflect the newly defined metrics.

(2) Redefined versus prior periods. Beginning with our Q1 2025 Quarterly Report on Form 10-Q, the Company redefines "Contracted Backlog" as the total value of hardware and non-recurring services bookings with executed purchase orders in dollars, as of a specific date. Previously, this metric included the total contract value of hardware, software and services contracts recognized ratably over the contract period, regardless of whether or not a related purchase order had been executed. Prior period amounts have been excluded as they do not reflect the newly defined metrics.

(3) New metric, introduced in our Q1 2025 Quarterly Report on Form 10-Q. Represents total GWh of energy storage systems in operation. Contracted storage AUM from prior periods has been replaced with this metric.

(4) Total GW of solar systems in operation.

(5) Contracted Annual Recurring Revenue ("CARR"): Redefined versus prior periods. Beginning with our Q1 2025 Quarterly Report on Form 10-Q, the Company defines CARR as the 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 any recurring professional services contracts. Previously, this metric included the annualized value from all executed Stem customer subscription contracts, regardless of whether or not a related purchase order had been executed. Prior period amounts have been excluded as they do not reflect the newly defined metrics.

(6) Annual Recurring Revenue ("ARR"): New metric, introduced in our Q1 2025 Quarterly Report. Annualized value from operating customer subscription contracts, including solar software, storage software & recurring managed services, and any recurring professional services contracts.

*See the section titled "Use of Non-GAAP Financial Measures" for details and the section titled "Reconciliations of Non-GAAP Financial Measures" for reconciliations in our earnings press release.

**At period end.

Reconciliation of GAAP Operating Expense to Cash Operating Expense

\$ millions unless otherwise noted

	Three Months Ended June 30,	
	2025	2024
GAAP Operating Expense	\$26.1	\$589.2
Less: Non-cash adjustments		
Depreciation and Amortization	(3.7)	(4.0)
Stock Compensation	(1.4)	(6.8)
Impairment of Goodwill	--	(547.2)
Other adjustments	(2.7)	(1.7)
Cash Operating Expense	\$18.3	\$29.5
Revenue	\$38.4	\$34.0
Cash Operating Expense as % of Revenue	48%	87%

Reconciliation of GAAP and Non-GAAP Gross Margin

\$ millions unless otherwise noted

	Three Months Ended June 30,	
	2025	2024
Revenue	\$38.4	\$34.0
Cost of revenue	(25.6)	(24.6)
GAAP gross (loss) profit	\$12.8	\$9.4
GAAP gross margin (%)	33%	28%
Non-GAAP Gross Profit		
GAAP Revenue	\$38.4	\$34.0
Less: Cost of revenue	(25.6)	(24.6)
Add: Amortization of capitalized software & developed technology	4.5	4.0
Add: Impairments	1.4	0.1
Non-GAAP gross profit	\$18.7	\$13.5
Non-GAAP gross margin (%)	49%	40%

Non-GAAP gross margin as used in the Company's full year 2025 guidance, 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 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 2025 GAAP financial results.

Reconciliation of Net Income (Loss) to Adjusted EBITDA

<i>\$ thousands</i>	Three Months Ended June 30,	
	2025	2024
Net income (loss)	\$202,531	\$(582,270)
Adjusted to exclude the following:		
Depreciation and amortization ⁽¹⁾	12,926	13,651
Interest expense	4,072	4,631
Gain on extinguishment of debt, net	(220,047)	--
Stock-based compensation	1,395	6,810
Change in fair value of derivative liability	--	(1,477)
Impairment of goodwill	--	547,152
Expected recovery of accounts receivable write-off ⁽²⁾	(3,500)	
Provision for income taxes	475	62
Other expenses ⁽³⁾	5,965	125
Adjusted EBITDA	\$3,817	\$(11,316)

Adjusted EBITDA, as used in the Company's full year 2025 guidance, 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 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 2025 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 reduction in revenue in the definition of non-GAAP gross profit in the earnings press release.

(3) Adjusted EBITDA for the three months ended June 30, 2025, other expenses are comprised of \$0.1 million of other non-recurring expenses, and \$5.9 million for expenses related to restructuring costs to pursue greater efficiency and to realign our business and strategic priorities. Adjusted EBITDA for the three months ended June 30, 2024 reflects other expenses of \$1.7 million, comprised of \$1.1 million for expenses related to restructuring costs to pursue greater efficiency and to realign our business and strategic priorities, and \$0.6 million of other non-recurring expenses.

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 through partnership arrangements.
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.
Solar Software Revenue	Recurring SaaS revenue for software related to solar assets.
Storage Operating Assets Under Management ("AUM")	Total GWh of storage systems in operation.
Storage Software & Managed Services Revenue	Includes (1) recurring SaaS revenue for software related to storage assets, (2) recurring revenue related to storage portfolios managed by Stem, and (3) Host Customer recurring and merchant revenues.

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