

The logo for STEM, consisting of the lowercase letters 'stem' in a bold, white, sans-serif font. The background of the slide is a blue gradient with a complex geometric pattern of white lines and dots, resembling a network or data structure. On the right side, there is a vertical column of white dots.

stem

May 6, 2026

First Quarter 2026 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, targets and other forecasts or expectations regarding, or dependent on, our business outlook and strategy and expectations around our software-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 acquisitions, joint ventures, partnerships and other alliances; forecasts or expectations regarding energy transition and global climate change; 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 impacts 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 the 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.

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-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, high 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 wars in Ukraine and the Middle East; 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

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First Quarter 2026 Results and Other Highlights

Demonstrated operational discipline and strong PowerTrack™ growth

1Q26 Results

Revenue

\$29M

(11)% YoY

Annual Recurring
Revenue (ARR)

\$61M

+8% YoY

GAAP/Non-
GAAP Gross Margin

38% / 52%

+6 p.p. YoY / +6 p.p. YoY

Adjusted EBITDA

\$2M

+7M YoY

Operating Cash
Flow

\$(8)M

\$(17)M YoY

Highlights



Increased PowerTrack™ software revenue by 4% QoQ and 16% YoY



Announced acquisition of raicon software assets to enhance PowerTrack platform



Achieved fourth consecutive quarter of positive adjusted EBITDA

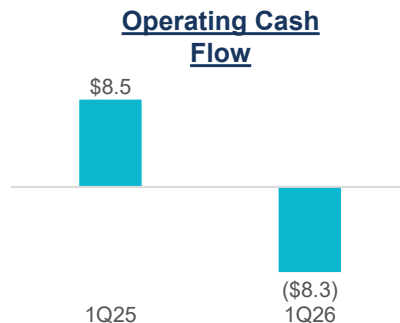
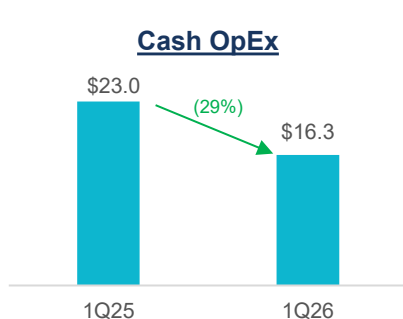
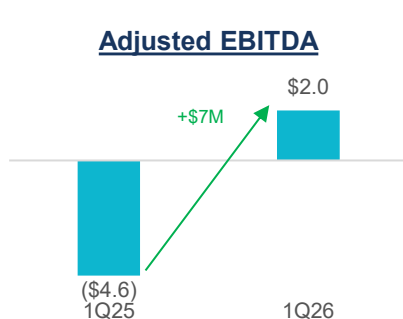
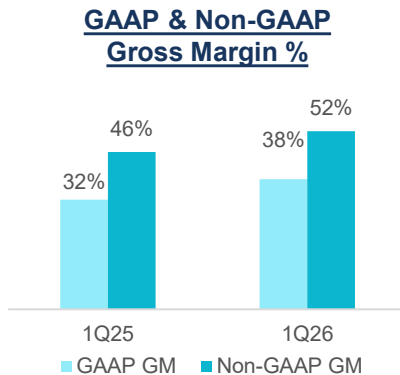
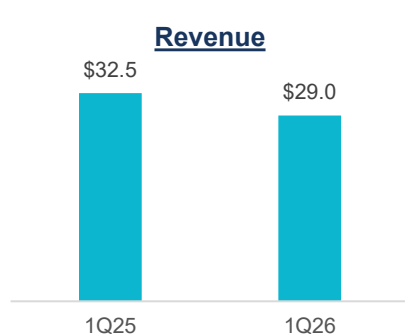


Signed co-marketing agreement with Nuvation Energy to jointly promote North American-made BESS control stack.

Reaffirming 2026 guidance across all metrics

1Q 2026 Financial Metrics

\$ millions, unless otherwise noted

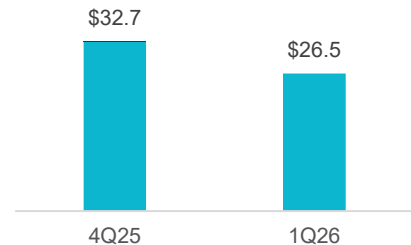


- Revenue down driven by significantly less battery resale revenue (\$4.5M in 1Q25 vs \$0M in 1Q26)
- Margin improvements driven by favorable revenue mix
- Improved adjusted EBITDA YoY driven by improved gross margin and significantly reduced operating expenses
- Operating cash flow down YoY due to timing of working capital outflows

1Q 2026 Operating Metrics

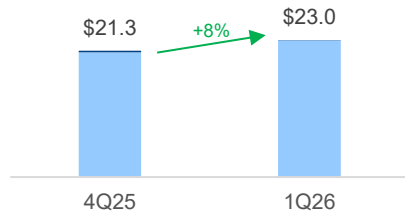
\$ millions, unless otherwise noted

Bookings



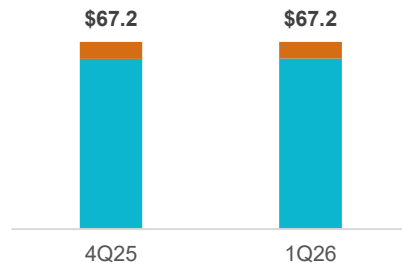
■ Battery Hardware Resale
■ Software, Services, & Edge Hardware

Contracted Backlog



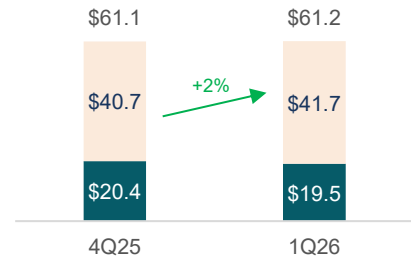
■ Battery Hardware Resale
■ Software, Services, & Edge Hardware

CARR



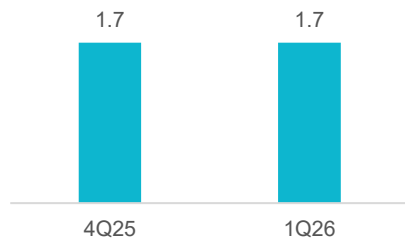
■ ARR ■ Contracted

ARR

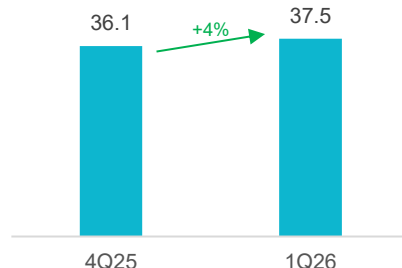


■ Managed Services ■ PowerTrack

AUM – Storage (GWh)



AUM – Solar (GW)



- Bookings down sequentially due to typical 1Q seasonality
- Edge hardware and services backlog up 9% QoQ
- Total ARR increased 8% YoY
- PowerTrack ARR up 12% YoY

Reaffirming 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

2026 Key Priorities

1) Drive operational leverage

2) Continue to strengthen core business

3) Build the foundation for accelerated growth in 2027+



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

Key Financial and Operating Metrics

\$ millions unless otherwise noted

	Three Months Ended March 31,	
	2026	2025
Key Financial Results		
Revenue	\$29.0	\$32.5
GAAP Gross Profit (Loss)	10.9	10.5
GAAP Gross Margin (%)	38%	32%
Non-GAAP Gross Profit	15.2	14.8
Non-GAAP Gross Margin (%)	52%	46%
Net Income (Loss)	(18.9)	(25.0)
Adjusted EBITDA	2.0	(4.6)
Key Operating Metrics		
Bookings	\$26.5	\$34.5
Contracted Backlog*	23.0	25.3
CARR*	67.2	69.0
ARR*	61.2	56.9
Solar Operating AUM (GW)*	37.5	32.4
Storage Operating AUM (GWh)*	1.7	1.6



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

Supplemental Revenue Detail

\$ in thousands

	Three Months Ended March 31,	
	2026	2025
PowerTrack software	10,274	8,854
Edge hardware	10,326	10,263
Project and professional services	1,719	1,816
Subtotal	\$22,319	\$20,933
Managed services	6,681	7,051
Battery hardware resale	--	4,528
Total Stem Revenue	\$29,000	\$32,512

Supplemental Margin Detail

	Three Months Ended March 31, 2026		Three Months Ended March 31, 2025	
	GAAP Gross Margin	Non-GAAP Gross Margin	GAAP Gross Margin	Non-GAAP Gross Margin
PowerTrack software	65%	75%	52%	69%
Edge hardware	37%	--	37%	--
Project and professional services	53%	--	63%	--
Managed services	(8)%	41%	4%	43%
Battery hardware resale	NA	--	17%	--
Total Stem Gross Margin	38%	52%	32%	46%

Reconciliation of GAAP Operating Expense to Cash Operating Expense

\$ millions unless otherwise noted

	Three Months Ended March 31,	
	2026	2025
GAAP Operating Expense	\$25.1	\$31.7
Less: Non-cash adjustments		
Depreciation and Amortization	(3.4)	(3.5)
Stock Compensation	(2.0)	(4.3)
Impairment of assets held for sale	(3.3)	
Other adjustments	(0.1)	(0.9)
Cash Operating Expense	\$16.3	\$23.0
Revenue	\$29.0	\$32.5
Cash Operating Expense as % of Revenue	56%	71%

Reconciliation of GAAP and Non-GAAP Gross Margin

\$ millions unless otherwise noted

	Three Months Ended March 31,	
	2026	2025
Revenue	\$29.0	\$32.5
Cost of revenue	(18.1)	(22.0)
GAAP gross profit	\$10.9	10.5
GAAP gross margin (%)	38%	32%
Adjustments to gross margin:		
Amortization of capitalized software & developed technology	4.3	4.3
Non-GAAP gross profit	\$15.2	\$14.8
Non-GAAP gross margin (%)	52%	46%

Non-GAAP gross margin, as used in the Company's full year 2026 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 2026 GAAP financial results.

Reconciliation of Net Income (Loss) to Adjusted EBITDA

\$ thousands unless otherwise noted

	Three Months Ended March 31,	
	2026	2025
Net income (loss)	\$(18,925)	\$(25,000)
Adjusted to exclude the following:		
Depreciation and amortization ⁽¹⁾	10,518	11,695
Interest expense	7,359	4,290
Stock-based compensation	2,047	4,317
Change in fair value of warrant liability	(2,411)	--
Impairment of assets held for sale	3,315	--
Provision for income taxes	112	58
Other (income) expenses	(15)	13
Adjusted EBITDA	\$2,000	\$(4,627)

Reconciliation of GAAP and Non-GAAP Gross Margin

PowerTrack Software

\$ millions unless otherwise noted

	Three Months Ended March 31	
	2026	2025
PowerTrack Software Revenue	\$10.3	\$8.9
Less: Cost of revenue	(3.6)	(4.3)
GAAP gross (loss) profit	\$6.7	\$4.6
GAAP gross margin (%)	65%	52%
Non-GAAP Gross Profit		
GAAP Revenue	\$10.3	\$8.9
Less: Cost of revenue	(3.6)	(4.3)
Add: Amortization of capitalized software & developed technology	1.1	1.5
Non-GAAP gross profit	\$7.8	\$6.1
Non-GAAP gross margin (%)	75%	69%

Non-GAAP gross margin as used in the Company's full year 2026 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 2026 GAAP financial results.

Reconciliation of GAAP and Non-GAAP Gross Margin

Managed Services

\$ millions unless otherwise noted

	Three Months Ended March 31	
	2026	2025
Managed Services Revenue	\$6.7	\$7.1
Less: Cost of revenue	(7.2)	(6.8)
GAAP gross (loss) profit	\$(0.5)	0.3
GAAP gross margin (%)	(8%)	4%
Non-GAAP Gross Profit		
GAAP Revenue	\$6.7	\$7.1
Less: Cost of revenue	(7.2)	(6.8)
Add: Amortization of capitalized software & developed technology	3.3	2.8
Non-GAAP gross profit	\$2.8	3.1
Non-GAAP gross margin (%)	41%	43%

Non-GAAP gross margin as used in the Company's full year 2026 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 2026 GAAP financial results.

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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