

Risk Factors Comparison 2024-11-29 to 2023-11-29 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

The following is a summary of the principal risks that could adversely affect our business, operations, financial results and future prospects, plans and objectives of the Company and the trading price of our Class A common stock: • our **relatively** limited operating and revenue history as an independent entity and the nascent clean energy industry; • ~~our history of net losses; we anticipate~~ **anticipated** increasing expenses in the future, and our ability to ~~achieve or~~ maintain prolonged profitability; • **fluctuations of our order intake and results of operations across fiscal periods; • potential difficulties in maintaining manufacturing capacity and establishing expected mass manufacturing capacity in the future;** • risks relating to delays, disruptions, and quality control problems in our manufacturing operations; • **risks relating** ~~potential difficulties in establishing~~ mass manufacturing capacity and estimating potential cost savings and efficiencies from anticipated improvements to our manufacturing capabilities **quality and quantity of components provided by suppliers**; • risks relating to dependence on our **status as a relatively low** existing suppliers and supply chain competition and, in some instances, have entered into long-**volume purchaser as well as from** term supply agreements that could result in insufficient inventory; • ~~supplier concentration and limited supplier capacity;~~ • **risks relating to operating as a global company with a global supply chain** ~~interruption of flow and / or availability of components and materials from international vendors;~~ • **significant changes in the cost and availability** of raw materials and ~~product~~ **underlying** components; • failure by **manufacturers, vendors, and suppliers** to use ethical business practices and comply with applicable laws and regulations; • **significant reduction in pricing or order volume or** loss of one or more of our significant customers or their inability to perform under their contracts; • risks relating to competition for our offerings ~~from established and new competitors~~ and our ability to attract new customers and retain existing customers; • ability to ~~effectively manage~~ **maintain and enhance** our recent **reputation and brand recognition** future growth and expansion of our business and operations; • ability to ~~effectively manage~~ **maintain and enhance** our ~~recent reputation and brand~~ **and recognition** ~~future growth and expansion of our business and operations~~; • our growth depends in part on the success of our relationships with third parties; • ability to attract and retain highly qualified personnel; ~~including senior management;~~ • risks associated with **engineering and** construction, utility interconnection, commissioning and installation of our energy storage products, cost overruns, and delays, ~~including those related~~; • **risks relating to lengthy sales** ~~obtaining government authorizations and permits and other contingencies that may arise in the course of completing installations~~ **- installation cycle for our energy storage solutions**; • risks related to defects, errors, vulnerabilities and / or bugs in our products and technology; • risks relating to estimation uncertainty related to our product warranties; • ~~risks relating to compromises, interruptions, or shutdowns of our systems, including those managed by third parties, whether intentional or inadvertent;~~ • fluctuations in currency exchange rates; • risks related to our current and planned foreign operations; • **risks relating to lengthy sales and installation cycle for our products and services and ability to timely close sales;** • amounts included in our pipeline and contracted backlog may not result in actual revenue or translate into profits; • risks related to ~~estimates of useful life for our products and related services or failure by our component OEM suppliers to meet service and performance warranties and guarantees;~~ • risks related to acquisitions we have made or that we may pursue; • events and incidents relating to storage, delivery, installation, operation, maintenance and shutdowns of our products; • actual or threatened health epidemics, pandemics or similar public health threats; • **ability to obtain financial assurances for our projects**; • risks relating to whether renewable energy technologies are suitable for widespread adoption or if sufficient demand for our **offerings do** ~~hardware and software-enabled services does not develop or takes longer to develop than we anticipate;~~ • estimates on size of our total addressable market; • **risks relating to the cost of electricity available from alternative sources;** • **macroeconomic uncertainty and market conditions;** • risk relating to interest rates or a reduction in the availability of tax equity or **project debt capital in the global financial markets and corresponding effects on customers' ability to finance energy storage systems and demand for our energy storage solutions;** • decline in public acceptance of renewable energy, or delay, prevent, or increase in the cost of customer projects; • severe weather events; • increased attention to ESG matters; • restrictions set forth in our current credit agreement and future debt agreements; • **uncertain ability to raise additional capital to execute on business opportunities;** • ability to obtain, maintain and enforce proper protection for our intellectual property, including our technology; • threat of lawsuits by third parties alleging intellectual property violations; • adequate protection for our trademarks and trade names; • ability to enforce our intellectual property rights; • risks relating to our patent portfolio; • ability to effectively protect data integrity of our technology **infrastructure and other business systems;** • use of open-source software; • failure to comply with third party license or technology agreements; • **inability to license rights to use technologies on reasonable terms;** • risks relating to **compromises, interruptions, or shutdowns of our systems**; • barriers arising from current electric utility industry policies and regulations and any subsequent changes; • risks relating to the cost of electricity available from alternative sources; • risk relating to interest rates or a reduction in the availability of tax equity or project debt capital in the global financial markets and corresponding effects on customers' ability to finance energy storage systems and demand for our products; • potential changes in tax laws or regulations; • risks relating to environmental, health, and safety laws and potential obligations, liabilities and costs thereunder; • reduction, elimination, or expiration of government incentives or regulations regarding renewable energy; • **decline changes** in public acceptance of renewable energy, or delay, prevent, or increase in the **global trade environment** cost of customer projects; • **potential changes** severe weather events; • restrictions set forth in **tax laws or regulations** ~~our~~ **ABL Credit Agreement (as defined below);** • risks relating to uncertain future capital needs **environmental, health, and safety laws**

and potential obligations need to raise additional funds in the future; • ability to obtain, maintain liabilities and costs thereunder enforce proper protection for our intellectual property, including our technology; • threat of lawsuits by third parties alleging intellectual property violations; • ability to effectively protect data integrity of our information technology infrastructure and other business systems; • use of open-source software; • failure to comply with third party license or technology agreements; • inability to license rights to use technologies on reasonable terms; • failure to comply with data privacy and data security laws, regulations and industry standards; • risks relating to increased attention to potential future legal proceedings, regulatory disputes and evolving expectations regarding ESG matters and governmental inquiries; • risks related to ownership of our Class A common stock; • risks related to us being a “controlled company” within the meaning of the NASDAQ rules; • risks relating to the terms of our amended and restated certificate of incorporation and amended and restated bylaws; • risks relating to our relationship with our Founders and Continuing Equity Owners; • risks relating to conflicts of interest by our officers and directors due to positions with Continuing Equity Owners; • risks related to short-seller activists; • we depend on distributions from Fluence Energy, LLC to pay our taxes and expenses and Fluence Energy, LLC’s ability to make such distributions may be limited or restricted in certain scenarios; • risks arising out of the Tax Receivable Agreement; • unanticipated changes in effective tax rates or adverse outcomes resulting from examination of tax returns; • risks relating to improper and ineffective internal control over reporting to comply with Sarbanes-Oxley Act; • risks relating to changes in accounting principles or their applicability to us potential future legal proceedings, regulatory disputes, and governmental inquiries; and • risks relating to changes in accounting principles or their applicable to us; and • risks relating to estimates or judgments relating to our critical accounting policies. Risks Related to Our Business Our relatively limited operating and revenue history as an independent entity and the nascent clean energy industry in which we operate makes evaluating our business and future prospects difficult. We were established in January 2018 as a joint venture between Siemens and AES. Since then, we have continued to evolve, grow, and expand our business and operations, completing our IPO in the first quarter of our fiscal year 2022. We have benefited and continue to benefit from the industry experience and support AES and Siemens have provided and continue to provide, but we have a relatively limited history operating our business and generating revenue as an independent entity after the time of our IPO, and therefore a limited history upon which you can base an investment decision. Our prospects must be considered in light of the risks by companies in the earlier stages of development, especially those in newer and rapidly evolving markets. Our ability to plan for future operations, predict future results of operations, and plan for and model future growth in revenue, costs and expenses, order intake and backlog, and other prospects is subject to significant risk and uncertainty as compared to companies with longer and more consistent operating histories and in more stable macroeconomic environments and industries. Our potential future growth in a nascent and rapidly-evolving industry is dependent on a number of factors, including rising demand for clean electric power solutions that can provide electric power with lower carbon emissions and replacement of conventional generation sources and, the adoption speed of digital software applications to modernize the efficiency of power assets and the electric grid, and regulatory regimes that incentivize the use of clean energy and energy storage. Among other renewable energy market trends, we have seen and expect to continue to see our business results to be driven by declines in the cost of generation of renewable power, decreases in the cost of manufacturing battery modules and cells, customer needs for energy storage products and related services and digital applications, commercial, legal, and political pressure for the reduced use of and reliance on fossil fuels and electric power generation that relies on fossil or other non-renewable fuels, regulatory and governmental incentives towards reduced use of fossil fuels and increased use of renewable energy and energy storage solutions, including through the IRA, and a rapidly growing and evolving global energy storage market driven by increasing demand from C & I customers, IPPs, developers, utilities, and grid operators. Additionally, we are seeing an increase in demand for electricity in multiple markets in response to transformations in technologies like artificial intelligence (AI), data center expansion, new domestic manufacturing, and electrification in different sectors. However, predicting future revenues and appropriately forecasting and budgeting for our expenses is difficult, and we have limited insight into trends or economic conditions that may emerge and take hold and materially affect our business. Our future operations and growth strategy is therefore subject to all of the risks inherent in light of the expenses, difficulties, complications, and delays frequently encountered in connection with the growth of a any new business in a nascent industry, as well as those that are specific to our business in particular as which are further described herein. If our assumptions regarding the risks and uncertainties that we consider in planning and operating our business are incorrect or change, or if we do not address these risks and uncertainties successfully, including due to the lack of historical data from and experience in operating our business at its current scale and as an independent entity, as well as the evolution of our business, our results of operations could differ materially from our expectations, and our business and our financial condition could be adversely affected. We have a history of net losses and we anticipate increasing our expenses in the future, and we may not be able to achieve or maintain prolonged profitability. We Although we achieved approximately \$ 30.3 million of net income in fiscal year 2024, we have historically incurred net losses on an annual basis since our inception. We incurred net losses of \$ 104.8 million and \$ 289.2 million during the fiscal years ended September 30, 2023 and 2022, respectively. We expect our aggregate costs will increase substantially in the foreseeable future and our losses will continue as we expect to continue to invest heavily in increasing our customer base, expanding our operations, and operating as a public company, which in turn, may impact our ability to maintain profitability. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these higher expenses. To date Since inception and through September 30, 2024, we have financed our principal sources of liquidity were the proceeds from our IPO, our cash and cash equivalents from operations with, short-term borrowings, borrowings available under our debt agreements, supply chain financing, equity contributions from AES Grid Stability, Siemens Industry, and QHL proceeds from the investment by QIA Florence Holdings, cash LLC, and an cash equivalents affiliate of QIA in 2021, proceeds from negative working capital, and short-term investments, and borrowings. Our net cash flow against note

receivables and proceeds from operations sale of accounts receivable under the Master Receivables Purchase Agreement by and among Fluence Energy, LLC and any other seller from time to time party thereto, was as \$ sellers and servicers, and Credit Agricole Corporate and Investment Bank (111.9 “CACIB ”) million and \$, as purchaser, dated February 27, 2024 (282.4 the “MRPA ”) million for each of the fiscal years ended September 30, 2023 and 2022, respectively. We may not generate positive cash flow from operations or profitability in the near future or in any given period, and our relatively limited operating history as an independent entity may make it difficult for you to evaluate our current business and our future prospects. Operating results for future periods are subject to a number of uncertainties and risks and we cannot assure you that we will achieve maintain or sustain increased prolonged profitability. Our ability to achieve or maintain and increase prolonged profitability in the future depends on a number of factors, including the continued successful development and customer acceptance of our energy storage products and solutions, services, and digital applications, our ability to obtain components from suppliers on cost-effective terms and on a timely basis, our ability to maintain and grow our market share and effectively compete against others in the industry, as well as our ability to effectively manage both our operating expenditures and our capital expenditures. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in new and rapidly changing industries, including increasing expenses as we continue to expand our business. We expect our operating expenses to continue to increase significantly over the next several years as we continue to hire additional personnel, expand our operations and infrastructure, and continue to expand to reach more customers. In addition to the expected costs to grow our business, we also expect to incur additional legal, accounting, compliance, and other expenses as a newer public company. These investments may be more costly than we expect, and if we do not achieve the benefits anticipated from these investments, or if the realization of these benefits is delayed, they may not result in increased revenue or growth in our business. Further, we may encounter unforeseen operating expenses, difficulties, complications, delays, and other factors as we expand our business, and execute our business plans and navigate, including factors relating to macroeconomic uncertainty, uncertainties and market conditions, which may result in losses or a failure to generate profitable growth in future periods. If our growth rate were to decline significantly or become negative in the future, it could adversely affect our future financial condition and results of operations. If we are not able to achieve or maintain positive cash flow in the long term, we may require additional financing, which may not be available on favorable terms or at all and / or which would be dilutive to our stockholders. Our ability to obtain any such additional financing is subject to a number of factors, including general market conditions, investor and customer acceptance of our business model and our products, and market and stakeholder confidence in our ability to perform against our business plans. If we are unable to successfully address these risks and challenges as we encounter them, our business, results of operations, and financial condition may be adversely affected. Our failure to achieve and / or maintain prolonged profitability could negatively impact the value of our Class A common stock and the value of our business. Our order intake and results of operations may fluctuate across fiscal periods, which could make our future performance difficult to predict and could cause results of operations for a particular period to fall below expectations, resulting in a decline in the price of our Class A common stock. Our order intake and results of operations are difficult to predict quarter to quarter and have in the past and may in the future fluctuate significantly. Through fiscal year 2021, we experienced variability in the timing of our order intake, with higher volumes of orders coming the second half of our fiscal year. However, in fiscal years 2022 and 2023, order intake was relatively consistent across each quarter. In fiscal year 2024, we saw a higher amount of our order intake in the second half of the fiscal year. The variability in our order intake in the most recent quarters was primarily driven due to the ambiguity regarding the timing of the proposed domestic content guidelines released by the U. S. Department of the Treasury. Our projects typically have a lead time from date of contract execution to substantial completion, typically ranging from approximately twelve up to eighteen months. Generally, we must design the project, as each storage solution is customized depending on the customer’s energy needs, procure the major equipment, obtain manufacturing slots from our contract manufacturers, coordinate the logistics, and assemble the battery energy storage systems prior to delivery and installation at our customer project sites. These actions must be completed timely to adhere to customer schedules and milestones. Depending on the scope of the project, we may be responsible for the installation of the equipment and commissioning. Delays in projects, from one period to another may cause our results of operations for a particular period to fall below expectations. We have experienced fluctuations from fiscal period to fiscal period in the past and may experience such fluctuations in the future as a result of fluctuations in our customers’ businesses including as a result of permitting and installation delays. Such permitting and installation delays can impact the timing of orders for our products. In addition, we have had, and may continue to have, customers experience project delays for a variety of other reasons including, but not limited to, issues with financing, changes in government regulations, including uncertainty relating to the imposition of additional potential tariffs, supply chain challenges, tax incentives, macroeconomic factors, geopolitical uncertainty, or other circumstances unique to a customer. Any unexpected delay in a material project could materially adversely affect our financial performance in a fiscal period. In certain circumstances, our customers may cancel orders before the completion of the transaction. If we experience delays or cancellations in the permitting and installation process in the future, our business, financial condition, and results of operations could be adversely affected. We also have and may in the future experience fluctuations as a result of supply chain disruptions. Supply chain disruptions, such as inclement weather, regulatory environment, including tariffs, disruptions relating to pandemics or epidemics, production issues, and other supply chain related delays have in the past and may in the future affect logistics relating to our operations by causing delays in the shipping and delivery of our materials, components and products which may, in turn, cause delays in our installation and completion of our projects. As a result of the factors discussed above, our future financial performance, sales, working capital requirements and cash flow may fluctuate, and our past order intake and results of operations may not be good indicators of future performance. The variability and

unpredictability of our operating metrics and quarterly operating results could result in our failure to meet our expectations or those of analysts that cover us or investors with respect to order intake, revenue or other operating results for a particular period. If we fail to meet or exceed such expectations, the market price of our Class A common stock could be adversely impacted. We may experience difficulties in maintaining our current manufacturing capacity and establishing our expected full commercial scale mass manufacturing capacity in the future and estimating potential cost savings and efficiencies from anticipated improvements to our manufacturing capabilities. Although While our manufacturing output achieved to date is already at commercial scale, it is a fraction of what we continued expect will be necessary to progress fully meet the demand we see in the market for our energy storage products. Although, we are currently on track to meet our internal corporate initiatives related to mass manufacturing in fiscal year 2024, the manufacturing process for our expected full commercial scale in the future is still being refined and improved. There are risks associated with scaling up manufacturing to larger commercial volumes including, among others, technical or other such problems with process scale-up, process reproducibility, stability issues, quality consistency, timely availability of raw materials, supply chain delays and bottlenecks, cost overruns, adherence to documentation and other quality requirements, and adequate definitions or qualifications for safety, reliability, and quality. In addition, in connection with our limited operating history and our significant growth, we have in the past experienced and may in the future experience incurrence of project costs without proper documentation or adhering to our policies and procedures. There is no assurance that our contract manufacturers will be successful in establishing and then maintaining larger-scale commercial manufacturing processes that achieves our objectives for manufacturing capacity and cost per battery, in a timely manner or at all, or that they will be able to maintain and build effectively and efficiently upon such processes over time. We are in the process of qualifying a few potential additional manufacturers, which we anticipate will provide business continuity and greater flexibility in our supply chain. If However, if such new potential manufacturers are not qualified and then onboarded in a timely manner, or if they fail to provide products and components that meet our expectations, then our business and results of operations may suffer. If we are unable to produce sufficient quantities of products on a timely basis and in a cost-effective manner, the Company's commercialization efforts would be impaired which could materially adversely affect our business, financial condition, results of operations, and growth prospects. We have experienced and may continue to experience delays, disruptions, and /or quality control problems in our manufacturing operations, in part due to our third-party manufacturer concentration, which may in turn adversely affect our business, results of operations, financial condition, and /or future prospects. Our product development, manufacturing, and testing protocols are complex and require significant technological and production process expertise. We currently depend on a limited number of third-party contract manufacturers, including, Any manufacturing delay for or key components of disruption could cause a delay our or energy storage products-disruption in our ability to meet customers' requirements which may result in financial impacts to the Company and potential loss of customers. As of today, we have two major contract manufacturers for the Fluence Cube our battery energy storage systems, including one manufacturer who provides fabrication, integration, assembly and / or full turnkey services to Fluence depending on location of customer site. We also maintain a final assembly facility for the Fluence Cube with the second manufacturer in Utah, serving which serves only customers in the Americas region. If our current manufacturers are unable to keep up with our demand, this may impact our ability to meet deadlines for our customers and may lead to adverse effects to our brand. In addition, if one of our contract manufacturers has repeated issues with delays, disruptions, and quality control problems, due to our reliance on only a limited number of contract manufacturers, we have limited options to shift manufacturing capacity quickly to another provider, and our business, results of operations, and customers relationships may be adversely impacted. We are also in the process of qualifying new manufacturers in both India the APAC and the Americas regions and are planning to continue to explore expand-expanding our set of partners in the near term. Qualifying new manufacturers can be a lengthy, time-consuming process and we may not be able to qualify manufacturers on the timeline we anticipate, if at all, which would lead us to rely more heavily on our existing manufacturers and their current operating abilities. Our If our current manufacturers are unable to keep up with our demand, this may impact our ability to meet deadlines for our customers and may lead to adverse effects to our brand. As we introduce new products, we plan to continue to evaluate the economic benefits to Fluence and will expand our regional manufacturing capabilities to further support customers in in all regions. Moreover, we continue our Americas regional manufacturing capabilities and will further develop the EMEA and India markets once demand targets are achieved. Any vendor delay or disruption could cause a delay or disruption in our ability to meet customer requirements which may result in a loss of customers. Such processes involve a number of precise steps from design to production. Any change in our manufacturing processes could cause one or more production errors, requiring a temporary suspension or delay in our production line until the errors can be researched, identified, and properly addressed and rectified. This may occur particularly as we introduce new products, modify our engineering and production techniques, and /or expand our capacity. In addition, our failure to maintain appropriate quality assurance processes could result in increased product failures, loss of customers, increased warranty reserve, or and increased production and logistics costs, delays, and liquidated damages to our customers. Any of these developments could have a material adverse effect on our business, results of operations, financial condition, and our future prospects. The We are dependent on our existing suppliers and face in our supply chain competition may not be able to provide us with the quality and, in some instances, quantity of components on the timeline that we have contracted for which entered into long-term supply agreements that could result in insufficient inventory and as well as negatively affect our results of operations. We have executed long-term supply agreements face risks with respect to our dependence on our relationships with certain battery and inverter suppliers. There is no guarantee we will be able to maintain such existing relationships with our critical suppliers into the future. Our suppliers' caution and uncertainty in their own downstream supply chains has resulted in a variety of pricing mechanisms designed to mitigate unforeseen fluctuations in materials availability and pricing. For instance In order to secure volumes, favorable pricing, and payment terms, some of these our

supply agreements provide for substantial prepayment obligations and committed volumes to ensure source. **These types of arrangements** supply and favorable pricing and payment terms, which impacts **impact** our working capital resources. If our suppliers provide insufficient inventory at the level of quality or provenance required to meet customer or regulatory requirements, or if our suppliers are unable or unwilling to provide us with the contracted quantities at the contracted prices, or if there are unexpected changes in business conditions, including inflation of raw material costs, labor issues, wars, natural disasters, pandemics, trade and shipping disruptions, **changes in tariffs**, and other factors beyond our or our suppliers' control which affect our **such** supplier's ability to deliver adequate inventory of components to us, our results of operations **and relationships with our customers** could be materially and negatively impacted. If our customers do not provide sufficient demand to purchase the levels of inventory we have committed to purchasing in future periods under **any** such supply agreements, our ability to generate revenue or cash flows may be limited. New supply agreements with established **commitment volumes, our ability to generate revenue or cash flows may be limited. Switching** suppliers in the battery **can be costly and disruptive** inverter industries present a potential period of growing pains as we launch new energy storage product offerings. Supply arrangements with new entrants to **business** the energy storage industry also pose risks due to their production planning and ramp-up operations as well as the unknown quality of their offerings. New market entrants who do not have a long operating history may have financial challenges raising working capital and **would** possess operating risks. In the event any such supplier experiences financial difficulties, it may be difficult or may require **a** substantial time and expense to replace such supplier. The opportunity costs of engaging with new industry participants may therefore outweigh the perceived benefits. Insufficient inventory to meet customer expectations may impact negatively on our brand and industry sentiment. We do not know whether we will be able to maintain long **longer** - term **strategic approach** supply relationships with our critical suppliers or secure new long-term supply agreements. Additionally, a large proportion of our battery and inverter suppliers are situated outside of the United States, which exposes us to changes in applicable international trade regulations, such as taxes, tariffs, or quotas. Any of the foregoing could materially **impact** adversely affect our business, financial condition, and results of operations. We may also be unsuccessful in our continuous efforts to negotiate with existing suppliers to obtain cost reductions and avoid unfavorable changes to terms. Global demand has increased for lithium-ion battery cells, which may cause challenges for our suppliers, including delays, inventory shortages, or price volatility. Any such delays, **price volatility**, or reduced availability of components may impact our sales and operating results. **As we launch new energy storage product offerings and explore new supplier relationships in the future, we face risks related to supply arrangements with new suppliers, including new entrants to the energy storage industry, who may lack sophisticated production planning and have to ramp up operations as well as the unknown quality of their offerings. Any new suppliers to the Company may not be able to provide components in the quantity and with the quality that we require and on the schedule that has been contracted for and any insufficient inventory to meet customer expectations or delays in supply may impact negatively on our brand and industry sentiment. Any of the foregoing could materially adversely affect our business, financial condition, and results of operations.** We face risks relating to our status as a relatively low-volume purchaser of our key components of our energy storage solutions as well as resulting from supplier and contract manufacturer concentration and limited supplier and contract manufacturer capacity. **We** While Fluence continues to grow its demand for energy storage components and products, we remain a relatively low-volume purchaser. In addition, certain of our suppliers also supply products and components to other businesses, including businesses engaged in the production of electric vehicles, renewable energy production, consumer electronics, and other industries unrelated to energy storage products. Until Fluence is able to establish itself as a significant portion of our suppliers' customer base, we may not be able to secure supply on favorable or preferential terms. In addition, as we begin production on our domestic content offerings, we currently rely on a small single U. S. battery cell supplier for U. S. manufactured battery cells. There is risk associated with reliance on a limited number of suppliers, **including ability** and contract manufacturers. Switching suppliers or contract manufacturers can be costly and disruptive to business operations and would **obtain sufficient inventory at the level of quality or provenance** require **required** a longer-term strategic approach **to meet customer or regulatory requirements**. If any of our suppliers or contract manufacturers is unable or unwilling to provide us with contracted quantities in a timely manner at prices, quality levels (including environmental, social, and / or geographic provenance), and volumes acceptable to us and which are contracted for, we would have limited alternatives for supply **and manufacturing of such components**, and we may not be able to contract for and receive suitable alternative **components** supply or manufacturing abilities in a timely manner for our customers, if at all. Such an event may impair our ability to meet scheduled deliveries of our products to customers, which may cause our customers to cancel orders and subject us to liability and potential litigation and may materially adversely affect our customer relationships, reputation, business, prospects, financial condition, and results of operations. Further, these particular risks may increase as market demand for our offerings grows. **Certain of our suppliers also** **We are a global company with operations in many countries and maintain a global** supply products and components to other **chain which comes with a number of risks that may impact our** businesses **business**. **results** including businesses engaged in the production of **operations** electric vehicles, renewable energy production, consumer electronics and other industries unrelated to **future growth. Our** energy storage **solutions incorporate** products. As a relatively low-volume purchaser of certain of these products and components, we may be unable to procure a sufficient supply of these products and components on favorable terms, if at all. In the event that our suppliers fail to produce sufficient quantities in a timely manner to satisfy the demands of all of their customers, including Fluence, it could materially adversely affect our business, financial condition, and results of operations. Interruptions in the flow and / or availability of components and materials from international vendors could disrupt our supply chain and the imposition of additional duties or tariffs by government authorities, and other charges on imports and exports could affect our business and results of operations. Our products and services include many components and materials sourced from outside of the United States, resulting in exposure to international supply chain risks and logistics disruptions. In the past, we **have** experienced delays

in obtaining certain necessary components and materials from overseas, including as a result of the COVID- 19 pandemic. Trade and shipping disruptions and factors beyond our suppliers' control have in the past and we expect in the future could have a compounding effect on our business and results of operations. International political, social, or economic instability, including as the result of future health pandemics similar to COVID- 19, may lead to future trade disruptions, impacting our supply chain and ability to complete projects in a timely and efficient manner. The uncertain actions, policies, and legislative actions of various government authorities on international and domestic trade, including new or increased tariffs or quotas, border taxes, embargoes, safeguards, and customs restrictions impact our ability to manage our costs of production. The degree of our exposure is dependent on (among other things), the type of materials and components that may be impacted, the proposed rates imposed, and timing of such tariffs. Labor strikes, work stoppages and boycotts, similarly may have a negative impact on our total cost and ownership and result in reduced or delayed supply of materials and components, with potential adverse effects on our business and results of operations. Disruptions in the availability of key components or materials and their associated price volatility therefore create challenges for stability of our business operations, customer relationships, and our ability to accurately plan for future growth. Additionally, **See separate risk factor titled "Changes in the global trade environment and social performance of their suppliers, including compliance with a variety of labor practices, as well as consider a wider range of potential environmental and social matters, including the end-imposition of life new tariffs, could adversely affect the amount or timing of our revenues, results of operations, or cash flows" below for more information about risks relating to the products.** For example, forced labor concerns have rapidly become a global **trade environment area of interest**, and is a....., financial condition, and operating results. Other events that could disrupt our **global supply chain and result in reduced or delayed supply of materials and components along with increased cost relating to such supply, along with potential adverse effects on our business and results of operations**, include, but are not limited to: • the imposition of additional trade legislation or regulations both internationally and domestically; • the imposition of additional duties, tariffs, and other charges on imports and exports, including as a result of the ongoing trade war between the United States and China; • disruption of manufacturing and supply lines due to stringent government mandated sanctions on production continuity and the movement of goods; • breach of supply contracts by suppliers and vendors; • quotas imposed by bilateral trade agreements; • foreign currency fluctuations; • logistics and shipping constraints; • natural disasters; • public health issues and epidemic diseases, their effects (including any disruptions they may cause) and / or the perception of their effects; • theft; • restrictions on the transfer of funds; • the financial instability or bankruptcy of vendors; and • significant labor disputes, **including labor strikes, work stoppages, and boycotts. Additionally, there are increasing expectations in various jurisdictions and by customers that companies monitor the environmental and social performance of their suppliers, including compliance with a variety of labor practices, and otherwise consider a wider range of potential environmental and social matters for their products and value chain. For example, forced labor concerns have rapidly become a global area of concern** interest, and is a topic that will likely be subject to new regulations in the markets we operate within. Numerous laws imposes the prohibitive **prohibit** ban of the importation of goods made with forced labor or compulsory prison labor, including for example the Tariff Act of 1930, as well as the Uyghur Forced Labor Prevention Act ("UFLPA"), and other global laws against forced labor. Certain of our suppliers operate and source materials in China, and their presence in our supply chain could present unique risks for us due to risks associated with the UFLPA, as well as the strain in U.S.- China relations, and China's unique regulatory landscape. The UFLPA imposes a presumptive ban on the importation of articles, merchandise, apparel, and goods mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region (Xinjiang) of the People's Republic of China, or by entities identified by the U.S. government on the UFLPA Entity List. **Forced labor concerns From time to time, congressional committees have investigated** rapidly become a global area of interest, and is a topic **called for the inclusion of certain companies that provide** will likely be subject to further regulations or prohibitions in the markets we operate within. Such a process could result in a delay or complete inability to import such materials **or components** (including potentially non-lithium materials), which could result in inventory shortages or **for greater the battery** supply chain compliance costs, particularly to the extent we need **UFLPA Entity List. Such a listing may adversely impact our ability** to identify new suppliers **source necessary inputs** or to otherwise **adversely impact** modify supply chains to address evolving regulatory requirements and / or our **interpretations operations**. We could **Prohibitions on forced labor have** also be subject to penalties or fines if our imports are found to have been **adopted in other jurisdictions**, such as dock strikes. We cannot predict whether the **European Union** countries in which our components and materials are sourced, **and is a topic that** or may be sourced in the future, will **likely** be subject to **further regulations or prohibitions in the markets we operate within. Such a process could result in a delay or complete inability to import such materials (including potentially non-lithium materials), which could result in inventory shortages or greater supply chain compliance costs, particularly to the extent we need to identify new suppliers or to otherwise modify supply chains to address evolving regulatory requirements and / or interpretations. We could also be subject to penalties, such as denial of import eligibility, or fines if or our** interpretations. We could also be subject to penalties or fines if our imports are found to have been in violation of the UFLPA or other customs-related laws and regulations. Even if we are not subject to any fines or penalties, any perceived link between our products and Xinjiang, designated entities, or labor practices not in keeping with industry expectations may result in increased costs, affect our business and damage our reputation. Overcoming the UFLPA's presumption can be a time- and information-intensive process, and we may not be able to obtain sufficient information to satisfy policymakers that products are not connected to forced labor, **particularly as in many cases the relevant suppliers are buried multiple layers deep in the supply chain**. Moreover, Xinjiang is the source of significant amounts of raw and refined materials and components in the global lithium-ion battery supply chain, and there is ongoing scrutiny of this value chain and companies associated therewith, including for human rights and **national security concerns additional** **national** trade restrictions imposed **security**

concerns. As such, there is a risk that our operations may be impacted by related supply chain disruptions or costs. Moreover, compliance with the UFLPA United States or other foreign governments similar current or proposed requirements, including the likelihood European Union Forced Labor Ban and various environmental and / or social due diligence requirements and customer expectations, type may have other effects on the global supply chain, the price and scarcity of traceable minerals or other materials of focus, and could lead to increases in our cost of goods sold, which could have an adverse effect, or magnitude of any such restrictions and their overall impact on our business, financial condition, and our operating results. Significant changes in the cost and / or availability of raw materials and components that are incorporated into our energy storage products could adversely affect our business, results of operations, and future prospects. We are subject to risk from availability and fluctuating market prices of certain commodity raw materials, including, but not limited to, steel, aluminum, copper, nickel, iron phosphate, graphite, manganese, lithium carbonate, lithium hydroxide, and cobalt. These raw materials form an essential and integral part of our energy storage products. Pricing for Prices and availability of these raw materials is oftentimes affected governed in large part by market conditions and fluctuate due to various factors outside of our control, such as amongst other things, global supply and demand imbalance imbalances; inventory levels, changes in interest rates, speculative market activities, and geopolitical uncertainty. During fiscal year 2022, there was sizable increases in the cost of certain metals, including lithium carbonate and lithium hydroxide, which led to an increase in the price of lithium-ion batteries, however, prices decreased again in fiscal year 2023. Our revenue growth is directly tied to the continued adoption of energy storage products by our customers, which have in the past and may in the future be affected by commodity raw material price fluctuations and component price fluctuations. As we have not historically been the buyer of raw materials for our components and energy storage products, we have not historically entered into hedging arrangements to mitigate commodity risk. Significant price changes or reduced availability for our raw materials and components has a deleterious effect on supply chain certainty with potential knock on effects for reduced operating margin, and in turn, could harm our business, financial condition, and results of operations. For example, the cost of lithium-ion energy storage hardware has declined significantly in the aggregate in the last decade and has resulted in a large addressable market today. In fiscal year 2022, we saw prices for lithium-ion battery packs increase from prior years, though prices returned to their historical trend of declining year-over-year in fiscal years 2023 and 2024. The market for energy storage continues to rapidly evolve and while we believe lithium-ion battery pack costs will continue to decline over the long term, there is no guarantee that they will decline or decline at the rates we expect. If costs do not continue to decline long term and instead remain steady or increase as in fiscal year 2022, this could adversely affect our ability to increase our revenue, our order intake, and grow our business. Failure by our manufacturers, vendors, and suppliers to use ethical business practices and comply with applicable laws and regulations, including labor and environmental laws, may adversely affect our business. We do not control our vendors or suppliers nor their business practices. Accordingly, we cannot guarantee that they follow ethical employment-business practices, such as with respect to child labor, wages and benefits, forced labor, discrimination, safe and healthy working conditions, environmental concerns, and with all applicable legal and regulatory requirements relating to the conduct of their businesses. A lack of demonstrated compliance could lead us to seek alternative manufacturers, vendors, or suppliers, which could increase our costs and result in delayed delivery of our products energy storage solutions, product shortages, or other disruptions of to our operations. Violation of applicable labor (including forced labor and child labor) laws and standards, human rights standards, environmental standards, safety codes, quality standards, production practices, or other applicable laws and regulations by our manufacturers, vendors, or suppliers or the divergence of a manufacturer's or supplier's labor or other work practices from those generally accepted as ethical in the U. S. or other markets in which we do business could result in fines for the Company, as well as attract negative publicity for us and otherwise adversely harm our business. We Violation of laws by our manufacturers or suppliers could be exposed also subject us to regulatory consequences as well litigation, investigations, enforcement actions, monetary liability, including fines, and additional costs that could have a material adverse effect on our business, financial condition, and results of operations. In addition, we could lose customers who have concerns about vendor business practices and traceability of our energy storage solutions. For more information, see our risk factor titled " Interruptions We are a global company with operations in the flow many countries and maintain a global /or availability of components and materials from international vendors could disrupt our supply chain and the imposition which comes with a number of risks that may impact additional duties or tariffs by government authorities, and other charges on imports and exports could affect our business and, results of operations -, and future growth " above. A significant portion of our revenues come from only a relatively small number of customers. If there is a significant reduction in pricing or order volume or loss of one or more of our these significant customers, it including but not limited to AES and Siemens, and the inability of customers to perform under their respective contracts could materially harm our business and negatively impact revenue, business, financial condition, results of operations, and cash flow. We are dependent on a relatively small number of customers for our energy storage solution sales; and a small number of customers have historically accounted for a material portion of our revenue. For the fiscal year ended September 30, 2023-2024, our two largest customers, in the aggregate, accounted for approximately 49-50 % of our annual revenue. Specifically, for the fiscal year ended September 30, 2024, revenue from AES and its affiliates accounted for approximately 41 % of our annual revenue. The loss of any one of the Company's significant customers, their-including AES and its affiliates, a significant customer's inability to perform under their-its respective contracts, including their-any default in payment, a significant dispute with one of these customers, a significant downturn or deterioration in the business or financial condition of any of these customers, or any other event significantly negatively impacting the contractual relationship with one of these customers could have a materially adverse effect on the brand, business, revenues, financial condition, and cash flows of the Company. For the near future, we may continue to derive a significant portion of our net sales from a small number of customers. Accordingly, loss of a significant customer or a significant reduction in pricing or order volume from a significant

customer or a change in contracting behavior by a significant customer could materially reduce net sales revenue recognized and operating results in any reporting period and impact our results of operations and order intake. In addition, at the time of the IPO, the Company entered into an amended and restated storage core frame purchase agreement with AES Grid Stability, pursuant to which AES Grid Stability may purchase energy storage solutions and related services from us under preferred purchasing conditions. This agreement continues until the earlier of (x) October 27, 2028 and (y) the date on which AES Grid Stability holds less than 10 % of the then outstanding voting power. If AES Grid Stability holds at least 20 % of the then- outstanding voting power, they must continue to purchase certain of our energy storage offerings exclusively from us. If AES Grid Stability holds at least 10 % of the then- outstanding voting power, neither it nor its affiliates will directly or indirectly engage in any of the defined exclusive activities set forth in this agreement, subject to us maintaining certain sales volume requirements. On such date that AES Grid Stability and its affiliates are no longer bound by the exclusivity terms of this storage core frame agreement, AES may decide to explore different energy storage suppliers and we may see a negative impact to our aggregate order volume and revenues from decreased sales with AES and there may be a corresponding material adverse impact to our business, financial condition, and results of operations.

We face increasing competition for our energy storage product solutions, service services, and digital application offerings from both more established and new competitors. If, and if we are unable to attract new customers and retain existing customers, our revenue growth and operating results may be adversely affected. We operate in an increasingly competitive business environment for our energy storage product solutions, service services, and digital application offerings. To increase our revenue and market share, our business strategy depends on our ability to attract new customers and retain our existing customers. Certain of our competitors have financial, technical, manufacturing, marketing, and other resources that are greater than ours, which may allow them to devote greater resources to the design, development, manufacturing, distribution, promotion, sale and support of their product solutions, service services, and digital application offerings than we may be able to and therefore more effectively compete in new and old markets for new projects and customers. We have seen increase in competition and continue to expect competition in the energy storage industry to increase due to increased demand from customers and recent regulatory changes and incentives, both domestically and internationally, geared towards both adoption of increased renewable energy assets and adoption of energy storage solutions, services, and related digital applications, including as a result of the IRA and its current anticipated impacts in the United States. Consolidation by other industry participants could further increase their resources and result in competitors with expanded market share, larger customer bases, greater diversified product and service offerings and greater technological and marketing expertise, which may allow them to compete more effectively against us in the future. Moreover, our competitors may have or may develop products solutions, services, or digital applications that are superior, more efficient, and more effective compared to our products solutions, services, or digital applications (on a price- to- value basis, operational impact, or otherwise) or may adapt more quickly to new or emerging technologies or regulatory regimes implemented across the globe. There are also several competing alternatives for battery energy storage solutions, as well as non- intermittent energy generation that does not require storage, including but not limited to: lithium-ion batteries, other batteries, pumped hydro, hydrogen, biofuels, thermal, and generation paired with carbon sequestration. If we are unable to convince potential customers of the benefits and superiority of our products solutions, services, and digital applications, effectively differentiate our product solutions, service services, and digital application offerings from our competitors, or if potential or existing customers prefer the offerings of our competitors, we may not be able to effectively implement this aspect of our growth strategy, which may adversely impact our business. Additionally, a significant portion of our annual sales in fiscal year 2024, 2023 and 2022 were direct sales to AES and its affiliates or a result of our Siemens sales relationship. If we fail to maintain those this relationships - relationship with AES and Siemens or if those this relationships - relationship weaken weakens, or if AES or Siemens decide decides to reduce their its energy storage activities, it could materially impact our business prospects, financial condition, cash flows, or sales. Our future growth would then be even more reliant on our ability to recruit compete for and retain new customers outside of AES and Siemens and our existing relationships with them. Our inability to do so recruit new customers and retain existing customers would harm our ability to execute our growth strategy and may have a material adverse effect on our business operations and financial position. If we fail to effectively manage our..... adversely impact our business and reputation. In an increasingly competitive energy storage market, maintaining and enhancing our reputation and brand recognition is critical for maintaining keeping our position as an industry leader. If we are not able to maintain and strengthen our reputation and brand recognition, our business and results of operations may be harmed. As We anticipate that, as the markets for energy storage and related SaaS products for renewables and storage become increasingly competitive, marketing initiatives may become are becoming increasingly difficult and expensive. Our marketing activities may not be successful or yield the anticipated increased revenue and may fail to yield increased revenue may not offset the expenses we incur as part of any marketing initiatives, and our results of operations could be harmed. Our ability to maintain and strengthen Fluence brand will depend depends heavily on our ability to provide quality solutions, services, and digital applications offerings to our customers and to continue to meet our performance commitments in our underlying contracts with both suppliers and customers. In order to protect our brand, we may also expend substantial resources to register our intellectual property rights and to prevent others from using similar intellectual property, including similar patents, copyrights, and trademarks. Any factor that diminishes our reputation or that of our management, including failing to meet the expectations of or provide quality products and services to our customers on a timely basis, or any adverse publicity or, litigation, or regulatory proceeding, could make it substantially more difficult for us to attract new customers and to maintain our existing customers. Our ability to successfully position our brand could also be adversely affected by perceptions of our competitors' products energy storage solutions, services, and digital applications. If we do not successfully maintain and strengthen our reputation and brand recognition, our business may not grow, and we could lose our relationships with existing

customers. This would harm our business, results of operations, and financial condition **If we fail to** effectively manage our recent and future growth and expansion of our business and operations, we may be unable to execute our business plan, maintain high levels of customer service, and / or adequately address competitive challenges. We have experienced significant and rapid growth **in recent periods** since the time of our inception. We intend to continue to expand our business significantly within existing and new market segments ~~of the larger clean energy industry~~. **Our This** growth has placed, and any future growth may place, a significant strain on our management, operational, and financial infrastructure. In the continued growth and expansion of the Company, our management will also be required to maintain and expand our relationships with customers, suppliers, **channel partners**, and other third parties and attract new customers and suppliers, as well as manage multiple geographic locations. To manage our growth, we must continue to improve and expand our ~~IT information technology~~ and financial infrastructure and systems, our operating and administrative systems and controls, our ability to manage headcount, capital, ~~and other systems~~ and processes in an efficient manner. Our current and planned future infrastructure, plans, and processes might be inadequate to support our future growth and may require us to make additional unanticipated investment and improvements, which may adversely impact our financial condition and may disrupt our operations and business. Our success and ability to further scale our business ~~will depends~~ **depend**, in part, on our ability to manage expansion and growth in a cost-effective and efficient manner. If we cannot manage our growth, we may be unable to take advantage of market opportunities, execute our business strategies, or respond appropriately and quickly to competitive pressures. This could also result in declines in product quality and customer satisfaction, reputational damage, increased costs, difficulties in introducing new offerings, reduce demand for our offerings, or other operational difficulties. Our future operating results depend on a large extent on our ability to manage our continued expansion and growth successfully and any failure to effectively manage expansion and growth could adversely **impact our business and reputation**. Our growth depends in part on the success of our relationships with third parties. We rely on third-party general contractors to install energy storage ~~products-solutions~~ at our customers' sites. We currently work with a limited number of general contractors, which has impacted **in the past** and may continue **in the future** to impact our ability to facilitate customer installations as planned in a timely and efficient manner. Our work with contractors or their subcontractors may result in us being required to comply with additional rules **and policies** (including rules unique to our customers), working conditions, site remediation, and other union requirements, which can add costs and complexity to a project. The timeliness, thoroughness, and quality of the installation-related services performed by our general contractors and their subcontractors in the past have not always met our or our customers' expectations or standards and in the future may not meet our or our customers' expectations and standards, and it may be difficult to find and train third-party general contractors that meet our standards at a competitive cost. If we are unable to attract and retain qualified personnel, including members of the senior management team, in order to execute our business strategy and growth plan, our business and ability to compete may be adversely affected. Competition for highly qualified personnel is intense in ~~our the energy storage~~ industry ~~across geographic areas~~. We depend on the continued services of our senior management and highly-skilled employees across all levels and departments of our organization to run and grow our business. We have experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. The challenging markets in which we compete for talent **has in the past and** may **also require in the future cause** us to invest significant amounts of cash and equity to attract and retain employees. In addition, a significant portion of our compensation to our key **senior** employees is in the form of stock-related grants. A prolonged depression in our stock price could make it difficult for us to retain our key members of management and other **senior** employees and recruit additional qualified personnel and we may have to pay additional compensation to employees to incentivize them to join or stay with us. Further, many of the companies with which we compete for experienced personnel have greater financial resources than we have. **If In addition, if** we hire employees from competitors or other companies **in related industries**, their former employers may attempt to assert that these employees or the Company has breached certain legal obligations, resulting in a diversion of our time and resources. We have adopted a hybrid work policy for our employees in the United States, where employees are expected to split time between home and the office. Many companies, including companies that we compete with for talent, have ~~announced plans to adopt~~ **adopted** full-time remote work arrangements or hybrid work arrangements more flexible than ours, which **has impacted and** may **in the future** impact our ability to attract and retain qualified personnel if potential or current employees prefer these policies. In addition, ~~as a result of our recent move to a hybrid work environment, we expect to face challenges in retention of personnel who prefer to only work from home~~. We have and may continue to face turnover resulting from the hybrid work policy, requiring us to expend time and resources to source, train and integrate new employees. In addition, current trends in the labor market ~~(including elevated employee attrition, labor availability and wage inflation)~~ have exacerbated and may continue to exacerbate the challenges of attracting and retaining talented and diverse employees. Differences in demands, expectations, and priorities of the workforce (such as remote work expectations) may require us to modify our recruiting and retention strategies to attract and retain employees. **These modifications could have a significant financial impact should we need to offset relocation to hubs, meet higher salary demands, or buy out compensation packages for new hires.** If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects and ability to compete could be adversely impacted. **Continuous turnover could also result in negative brand reputation.** Moreover, our success depends largely upon the continued services and leadership of our senior management team **and other key senior personnel**. Our senior management ~~has~~ **and other key senior personnel have** acquired specialized knowledge and skills with respect to our business, and the loss of any of these individuals could harm our business. From time to time, there may be changes in our senior management team **and other key senior personnel**, including as a result from the hiring or departure of executives, which could disrupt our business. Our officers are not subject to any restrictions that would require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time. ~~The loss of one or more of the members of our senior management team, could harm our business.~~ We have experienced and may continue to be exposed to

risks associated with **engineering and** construction, utility interconnection, commissioning and installation of our **products energy storage solutions**, **cost overruns from increased shipping and logistics prices as well as increased prices on raw materials necessary for the other project production of lithium-ion batteries, and** delays, including those related to obtaining government authorizations and permits, **issues relating to customer financing**, and other contingencies that may arise in the course of completing installations. Although we generally are not regulated as a utility, **international, federal, state, and local government laws and regulations concerning electricity heavily influence the market for our products energy storage solutions and services**. These laws and regulations often relate to electricity pricing, net metering, incentives, taxation, and the rules surrounding the interconnection of customer-owned electricity generation for specific technologies. In the U. S., governments frequently modify these statutes and regulations. Governments, often acting through state utility or public service commissions, change and adopt different requirements for utilities and rates for commercial customers on a regular basis. Changes, or in some cases a lack of change, in any of the laws, regulations, ordinances, or other rules that apply to customer installations and new technology could make it more costly for our customers to install and operate our energy storage products on particular projects **sites, and in turn, could negatively affect our ability to deliver cost savings to customers for the purchase of electricity, thereby making our energy storage products solutions less appealing to current customers and potential customers**. The installation and operation of our energy storage **products solutions** at a particular site are also generally subject to oversight and regulation in accordance with **applicable international, federal, state, and local laws and ordinances relating to building codes, safety, environmental protection, labor practices, and related matters**. It also typically requires obtaining and keeping in good standing various **local and other governmental approvals and permits, including environmental approvals and permits, that vary by jurisdiction**. In some cases, these approvals and permits require periodic renewal. It is difficult and costly to track the requirements of every individual authority having jurisdiction over our energy storage **product solution** installations, to design our energy storage **products solutions** to comply with these varying standards, and for our customers to obtain and maintain all applicable necessary approvals and permits. We cannot predict whether or when all permits required for a given customer's project will be granted or whether the conditions associated with the permits will be achievable. The denial of a permit or utility connection essential to a project or the imposition of impractical conditions **would impair impairs our customer customers' s ability to develop the a project, and potential disagreement or litigation over a project approval could lead to additional delays**. In addition, we cannot predict whether the permitting process **for a project** will be lengthened due to complexities and appeals. Delay in the review and permitting process for a project (or litigation challenges to a project approval) can impair or delay our customers' abilities to develop that project or increase the cost so substantially that the project is no longer attractive to our customers. Furthermore, unforeseen delays in the review and permitting process **has and could in the future** delay the timing of the **delivery and / or** installation of our energy storage products and could therefore adversely affect the amount revenue recognition related to the sale of our energy storage **products solutions**, which could in turn adversely affect our operating results. **Delays may result from environmental review or environmental permits required under local, state or federal laws, and litigation over approvals obtained pursuant such laws**. Delays in the review and permitting process have in the past and may in the future lead to cost overruns, which may have further adverse effects on our business and operating results. The production and installation of our energy storage **products solutions** also involves the incurrence of various project costs and can entail project modifications, **typically in the form of change orders**. We have policies and procedures regarding approval of project costs and modifications. In connection with our **limited operating history and our recent significant growth**, we have in the past experienced and may in the future experience incurrence of project costs in excess of those budgeted. In addition, **disagreements with our customers and suppliers have arisen and may in the future arise with respect to project schedules, other customer contractors, work, and modifications, which can result in the need to find different suppliers, loss of future business, additional costs to us and not fully realizing the anticipated profit from the project**. In addition, the successful **installation-commissioning** of our energy storage products and solutions is dependent upon the availability of and timely connection to the local electric grid. Our customers **has in the past and may in the future** be unable to timely obtain the required consent and authorization of local utilities to ensure successful interconnection to energy grids to enable the successful discharge of **renewable energy, if at all**. **For example, although FERC issued Order 2023 in July 2023, which is intended to speed up the process of connecting new energy projects to the grid due to the backlog of interconnection requests, there continues to be a build up of renewables projects awaiting approval in the United States**. Any delays in our customers' ability to connect with utilities, delays in the performance of installation-related services, or poor performance of installation-related services **will may** have an adverse effect on our business and results of operations and could cause our results to vary materially from period to period. **The sales and installation cycle of our energy storage solutions is lengthy, and if we fail to close sales on a regular and timely basis, it could adversely affect our business, financial condition, and results of operations**. Our **products of operations**. Our current sales and installation cycle **is lengthy averages up to twenty months for our hardware and may vary software-enabled services but varies considerably on a project by project basis and across regions**. In order to make a sale, we must often provide a significant level of education **upfront** to prospective customers regarding the use and benefits of our **hardware energy storage solutions and software-enabled services which may take management time and resources from other matters**. The period between initial discussions with a potential customer and the sale of an energy storage **product solution** typically depends on a number of factors, including the potential customer's budget and decision as to the type of financing it chooses to use, as well as the arrangement of such financing **and any regulatory changes that may occur during the sales cycle**. Prospective customers often undertake a significant internal evaluation process, which may further extend the sales cycle **of our energy storage solutions**. Because of the long sales cycle, we **previously have and may in the future** expend significant resources without having certainty of generating a sale. This lengthy sales cycle **is subject subjects us to a number of significant risks over which we have little or no control. These lengthy If we are unsuccessful in closing sales after expending significant resources, and installation cycles increase the risk that our business customers may fail to satisfy**

their payment obligations, increased labor costs for trouble shooting and commissioning, increased financing financial costs condition, and results that our customers may cancel orders before the completion of operations has in the past and in transaction, or delay the future could planned date for installation. Cancellation rates may be impacted adversely affected. Our energy storage solutions, including components thereof, and underlying technology as well as our digital application offerings could have undetected defects, errors, vulnerabilities, and /or bugs in hardware or software which could reduce market adoption, cause reputational damage, and /or expose us to legal claims that could materially and adversely affect our business. The energy storage products and solutions we develop are complex and have in the past and may in the future contain bugs, vulnerabilities, as well as design and manufacturing- related defects and errors. We While we have not historically manufactured batteries or other components of our energy storage products and solutions and have historically relied on our component OEM suppliers and contract manufacturers to control the quality of such components ; in September 2024, however we initiated anticipate that we will begin production of the Fluence- made battery packs modules at our contract manufacturing site in mid- Utah. The Fluence - 2024, which made battery modules will include battery modules and a new technology agnostic battery management system that although we will continue allow Fluence to source battery cells from various battery OEMs for integration into the Fluence- made battery modules . As this is a new offering by the Company, there may be unique defects and errors in these Fluence- made battery management systems from other suppliers modules that have not yet been identified as well they have not yet been put into service on a customer site. Defective and non- conforming products have a harmful impact on the operational reliability and certainty of our customer projects. Identification, mitigation and corrective actions are important considerations when managing the installation, construction, commissioning and servicing of our customer projects . We provide installation, construction and commissioning services for our customers that purchase our products. In the past, we have from time to time discovered latent defects in the various component and contingent parts of our energy storage products and solutions and the components thereof and have experienced defects in workmanship and in the future we may face similar such defects. We have experienced a combination of design defects, defects in workmanship, production errors, and specification shortfalls. As we expand and grow with new stakeholders and technologies, we may face similar non- conformities that will require a collective approach with our suppliers and with our contract manufacturers, including for our Fluence- made battery modules. While Fluence has implemented various a robust quality and control program initiatives and processes to help prevent defects and other issues , which we continue to work on and improve continuously, however, there is no absolute guarantee that there defects will not exist within the various be a latent defect in a component components and parts sourced from a our supplier suppliers or that arise during any manufacturer manufacturing or from a component we ourselves have manufactured processes, including onsite at the Utah facility . Defects may occur in the future which may result in significant expenses or disruptions of our operations. We are continuing continue to evolve the features and functionality of our products and technology platform platforms through updates and enhancements, and as we do, we may introduce inadvertent additional defects or errors that may not be detected until after deployment to customers through our hardware. The uniqueness Any attempt to remedy issues we observe in our hardware and software effectively complexity of our offerings often requires input from multiple stakeholders to detect, mitigate and efficiently may not be correct any non- conformities, potentially resulting in extending timely -- time and may not be to fix the satisfaction of our customers. If we are unable to prevent or timely and effectively remedy errors, bugs, vulnerabilities, or defects in our offerings software and hardware, or fail to deploy updates to our software properly, we could potentially suffer reputational damage, increased costs, and potential impact to our customer relationships, any of which could adversely affect our business, prospects, financial condition, results of operations, and cash flows. Since we do not manufacture certain Due to the diverse and varied nature of our vendors, and their respective components- component and of our energy storage products- product inputs , our ability to seek recourse and recover actual costs and damages from any individual OEM may be limited relative to the potential loss or damages sustained by Fluence or its customers. The recourse Fluence has to any specific supplier may therefore be limited to their individual scope of supply. A defect in a supplier product, may have the potential to create losses for liabilities and recover costs from our - or impact component OEM suppliers and contract manufacturers depends on Fluence our contractual rights as well as the financial condition and its integrity of such component OEM suppliers and contract manufacturers. Furthermore, our component OEM suppliers and contract manufacturers may be unable or not required to correct manufacturing defects or other failures of such components of our energy storage products in a manner satisfactory to our customers- customer projects that are exponentially larger. Defects in design , which could failure to meet specifications and workmanship issues therefore have the potential to adversely affect customer satisfaction, market acceptance, and our business reputation. On rare occasions, lithium- ion batteries can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium- ion batteries. This faulty result could subject us to lawsuits, product recalls, or redesign efforts, all of which would be time consuming and expensive. For example, in April 2019, the McMicken energy storage facility in Arizona experienced a thermal event and subsequent explosion, injuring several first responders and making the facility inoperable. The facility was built prior to the creation of Fluence and was under a maintenance contract with Fluence. The response and investigation required significant expense and the devotion of significant management time. Also, general negative public perception regarding the suitability of lithium- ion batteries for energy applications or any future incident involving lithium- ion batteries, such as a plant, vehicle or other fire, even if such incident does not involve Fluence, could adversely affect our business and reputation. We may be subject, in the ordinary course of business, to losses resulting from products liability, accidents, acts of God , and other legal claims against us arising out of defects . Any insurance that we carry may not be sufficient or it may not apply to all situations. In addition, our - or errors in customers could be subjected to claims as a result of such incidents and may bring legal claims against us to attempt to hold us liable. Any of these events could adversely affect our brand and reputation, relationships with customers, operating results, or our financial condition energy

storage solutions, services and digital application offerings. For example, on September 4, 2021, a 300 MW energy storage facility owned by one of our customers experienced an overheating event and the customer's stated findings, if ultimately confirmed and proven, could relate to certain scopes of work for which Fluence or its subcontractors could be responsible. The customer's stated findings, however, could also relate to certain scopes of work for which other parties were responsible and / or relate to other causes, including the design and installation of portions of the facility over which Fluence did not have responsibility or control. The customer has alleged that Fluence is liable for the incident but has not yet **demanding a specific amount of compensation nor** alleged a particular level of responsibility. Fluence has denied liability and cannot comment on the customer's findings at this time. No formal legal proceedings have been commenced, but it is reasonably possible that litigation may result from this matter if a resolution cannot be achieved. To date, we do not believe that this incident has impacted the market's adoption of our products. In addition, ~~Fluence Mosaic generates artificial intelligence-enabled bid recommendations for utility-scale storage and renewable generation assets, enabling customers to optimize asset trading in wholesale electricity markets. While we are generally not regulated as a utility or~~ **our digital application offerings may also have bugs or defects incorporated therein and** a broker-dealer, customers of Fluence Mosaic are regulated market participants. We could experience ~~scrutiny from regulators on the provision of Fluence Mosaic bid recommendations to our customers and use of such application and the related technologies by our customers. Fluence Nispera, which optimizes renewable asset performance with real-time monitoring, automated reporting, and AI-powered analytics, integrates asset data with intelligent machine learning models and visualization tools. Both of these digital applications could experience~~ a software anomaly, **cybersecurity event, or unplanned downtime**, that could result in an unexpected, material adverse event for customers, and may therefore damage our reputation, business, and future prospects. Any defects or errors in our ~~product, service, or digital applications~~ offerings, or the perception of such defects or errors, or other performance problems could result in any of the following, each of which could adversely affect our business, financial condition, and results of operations: • expenditure of significant financial and product development resources, including recalls, in efforts to analyze, correct, eliminate, or work around errors or defects; • significant re-engineering costs; • loss of existing or potential customers or partners; • interruptions or delays in sales; • delayed or lost revenue; • delay or failure to attain market acceptance; • delay in the development or release of new functionality or improvements; • negative publicity and reputational harm; • sales credits or refunds; • security vulnerabilities, data breaches, and exposure of confidential or proprietary information; • diversion of development and customer service resources; • breach of warranty claims; • legal claims and regulatory actions under applicable laws, rules, and regulations; and • the expense and risk of litigation. Although we have contractual protections, including **indemnification**, warranty disclaimers and limitation of liability provisions, in many of our agreements with customers, resellers, and other business partners, such protections may not be uniformly implemented in all contracts and, where implemented, may not fully or effectively protect from claims by customers, resellers, business partners, or other third parties. Any insurance coverage or indemnification obligations of suppliers may not adequately cover all such claims or cover only a portion of such claims. A successful product liability, warranty, or other similar claim could have an adverse effect on our business, financial condition, and ~~operating~~ **results of operations**. In addition, even claims that ultimately are unsuccessful could result in expenditure of funds in litigation, divert management's time and other resources, and cause reputational harm as well as lead to potential loss of existing or future customers. ~~Compromises, interruptions, or shutdowns of..... results of operations, and prospects.~~ Our energy storage products **and solutions**, which are complex, could contain defects, and/or may not operate at expected performance levels, which may cause us to incur warranty expenses beyond current estimates and could adversely affect our business and results of operations. We offer standard limited assurance type product warranties, as well as extended service type warranties. Our limited warranties cover defects in materials and workmanship of our products for normal use and service conditions typically between one and five years following commercial operation date or substantial completion depending on the contract. As a result, we bear the risk of warranty claims long after we have sold the product and recognized revenue. Our estimated costs of warranty for previously sold products may change to the extent future products may not be compatible with earlier generation products under warranty. Furthermore, as we are in an evolving, **nascent** industry, there is a degree of uncertainty regarding estimated warranty costs due to limited data. We ~~ourselves~~ have **a relatively** limited operating history **as an independent entity** and therefore must project how our ~~product~~ **solutions** will perform over the estimated warranty period and the estimated reserve may have material changes. In addition, under real world operating conditions, which may vary by location and design, as well as environmental conditions, our product may perform in a different way than under standard test conditions or other failure data sets. We depend significantly on our reputation for **safety and** reliability and high-quality products and services, exceptional customer service, and our brand name to attract new customers **and maintain our current customers**, and grow our business. If our products and services do not perform as anticipated or we experience unexpected reliability problems or widespread product failures, our brand and market reputation could be significantly impaired and we may lose, or be unable to gain or retain, customers which could impact our business and results of operations. ~~We~~ **Because of the limited operating history of our products, we** have been required to make assumptions and apply judgments, including the durability and reliability of our products, **regarding their** performance over the estimated warranty period and our anticipated rate of warranty claims. Our assumptions could prove to be materially different from the actual performance of our products, causing us to incur substantial expense to repair or replace defective products in the future. An increase in our estimates of future warranty obligations due to product failure rates, field service obligations, and rework costs incurred in correcting product failures could cause us to increase the amount of warranty obligations and may adversely impact on our results of operations. If our warranty reserves are inadequate to cover future warranty claims on our energy storage products, our financial condition and results of operations will be adversely affected. Warranty reserves include our management's best estimates of the projected costs to repair or to replace items under warranty, which is based on estimated failure rates. Such estimates are inherently uncertain and changes to our historical or projected experience, especially with respect to energy storage products ~~which~~ **solutions** are still in development and which we expect to

produce at significantly greater volumes than our past products, may cause material changes to our warranty reserves in the future. We are exposed to fluctuations in currency exchange rates, which could negatively affect our operating results. The Company ~~in the ordinary course of business~~ enters into **contracts for energy storage** projects globally, which ~~are~~ **may be** denominated in foreign currencies, such as the Euro, the Pound, the Australian Dollar, and the Canadian Dollar, and ~~is~~ **are** therefore subject to fluctuations due to changes in foreign currency exchange rates. In particular, ~~current~~ geopolitical instability and fiscal and monetary policies have caused **in the past**, and may ~~continue to~~ **in the future** cause, significant volatility in the currency exchange rates, ~~and such volatility may continue for the foreseeable future~~. If our exposure to currency fluctuations increases and we are not able to successfully hedge against all, **if any, of** the risks associated with currency fluctuations, our operating results could be adversely affected. Furthermore, such currency fluctuations may also adversely impact our ability to accurately predict our future financial results. Therefore, from time to time, we seek to manage our exposure to foreign currency risk relating to these cash flow projects through entering into different types of hedging arrangements designed to reduce such risk exposure. However, there can be no assurance that our hedging activities will successfully reduce our risk exposure. In addition, there may be unforeseen events affecting our business that could lead us to be long in positions that we did not anticipate when such hedging transactions were put into place which in turn could lead to adverse effects on our financial position. Our current and planned foreign operations expose us to additional business, financial, regulatory, geopolitical, and other related risks which may have a material adverse effect on our business. We **offer and** sell our ~~products and energy storage solutions~~, **services, and digital application offerings globally** and have operations in a number of different countries, including, but not limited to, the United States, the United Kingdom, multiple European Union countries, Chile, Australia, Taiwan, India, Canada, **Singapore**, and the Philippines. ~~We have in the past~~, and may in the future, evaluate and take advantage of opportunities to expand into new geographic markets ~~and introduce new offerings that are a natural extension of our existing business~~. We also may from time to time engage in acquisitions of businesses or product lines ~~with the potential to strengthen our market position, enable us to enter attractive markets, expand our technological capabilities, or provide synergy opportunities~~ in those geographic markets we currently are in or in other geographic markets that we have not yet penetrated. Operating globally requires significant resources and management attention and subjects us to business, financial, regulatory, geopolitical, and other related risks. In particular, our international operations and the markets in which we operate or that we may operate in in the future expose us to risks, including: • compliance with multiple, potentially conflicting and changing laws, regulations, and permitting processes, including trade, labor, environmental, health, safety, banking, employment, privacy and data protection ~~and privacy~~ laws and regulations, ~~such as the EU Data Privacy Directive~~, as well as tariffs, export quotas, customs duties, and other trade restrictions; • compliance with U. S. and foreign anti-bribery laws, including the Foreign Corrupt Practices Act of 1977, as amended; • compliance with potentially conflicting and changing laws of taxing jurisdictions where we conduct business and applicable U. S. tax laws as they relate to international operations, the complexity and adverse consequences of such tax laws and potentially adverse tax consequences due to changes in such tax laws; • limited or unfavorable intellectual property protection and practical difficulties associated with enforcing our legal rights abroad; • geopolitical or economic conditions or uncertainty, which may include war, political instability or unrest, or terrorism, and natural disasters and pandemics; • increased management, travel, infrastructure, and legal compliance costs associated with having operations in many countries; • increased financial accounting and reporting burdens and complexities; • changes in diplomatic and trade relationships, including political risk and customer perceptions based on such changes and risks; • heightened risks of unfair or corrupt business practices in certain geographies that may impact our financial results and result in restatements of our consolidated financial statements; • restrictions on the repatriation of earnings; • different customer and sales practices including longer sales cycles, warranty expectations, and product return policies; • differing technical standards, existing or future regulatory and certification requirements, and required features and functionality as well as different cost, performance, and compatibility requirements; and • fluctuations in the value of foreign currencies and global inflation. **If we** ~~These risks listed above are~~ **unable** generally beyond our ability to adequately control, influence or predict and ~~if we fail to successfully control, influence, or predict these risks, they could have a material adverse effect on our business, financial position, results of operations and liquidity.~~ **Our hardware and software-enabled services..... of operations could be adversely affected.** Amounts included in our pipeline and contracted backlog may not result in actual revenue or translate into profits. Information about our pipeline and contracted backlog included in this Annual Report **and our other public disclosures** is based on numerous assumptions and limitations, calculated using our internal data which may not provide an accurate indication of our future or expected results as we cannot guarantee that our pipeline or contracted backlog will result in actual revenue in the originally anticipated period, if at all, or will result in meaningful revenue or profitability. Our customers operate in ~~a~~ **relatively new-an evolving, nascent** industry and have based their commitments to us on assumptions about future energy prices, demand levels, **and current and anticipated** regulatory regimes and **tax** incentives, **including those currently anticipated under the IRA**, among other factors. Further, certain customers may need to obtain financing to fulfill their commitments to us. If the market does not grow as expected, the regulatory environment changes, **including potential impacts to tariffs or to the IRA**, or customers fail to obtain **and maintain** necessary **levels of** financial backing, **our pipeline may be adversely affected and** customers may fail to satisfy their minimum purchase commitments to us and we would fail to realize our contracted backlog. Furthermore, our pipeline or contracted backlog may not generate margins equal to historical operating results or to the expected level guided to by management. We have only tracked our pipeline and contracted backlog on a consistent basis for a relatively short period of time, and as a result, we do not have significant experience in determining the level of realization that we will achieve on these contracts. Our customers may experience delays that could result in project delays or cancelled orders as a result of external market factors and economic or other factors beyond our control. If our pipeline or contracted backlog fails to result in revenue as anticipated or in a timely manner, we could experience a reduction in revenue, profitability, and liquidity. See **Part II, Item 7.** “Management’s Discussion and Analysis of Financial Condition and Results of

Operations — Key Operating Metrics ” for additional information regarding our pipeline and contracted backlog. ~~If our estimates of useful life for our energy storage products and related hardware and software-enabled services are inaccurate or if our component OEM suppliers do not meet service and performance warranties and guarantees, our business and financial results could be adversely affected. We sell hardware products and software-enabled services to our customers. Our software-enabled services are essential to the operation of our hardware products. Our pricing of services contracts is based upon the value we expect to deliver to our customers, including considerations such as the useful life of the energy storage product and prevailing electricity prices. We also provide warranties and guarantees covering the efficiency and performance of certain of our products and digital applications. We do not have a long history with a large number of field deployments, and our estimates may prove to be incorrect. Failure to meet these performance warranties and guarantee levels may require us to refund our service contract payments to the customer or require us to make cash payments to the customer based on actual performance, as compared to expected performance, or may result in litigation by customers, which would impact our brand, business, and results of operations.~~ As part of growing our business, we have in the past made acquisitions and expect to continue to evaluate acquisitions into the future. If we fail to successfully select, execute, or integrate our acquisitions, then our business and operating results could be adversely affected and our stock price could decline. We continuously evaluate potential acquisitions to add new product lines and technologies, gain new sales channels, enter into new sales territories, ~~or and~~ expand our market share. For example, in 2022, we acquired ~~our asset performance management software,~~ Fluence Nispera, and in 2020, we acquired a software and digital intelligence platform, which has become Fluence Mosaic. Acquisitions involve numerous risks and challenges, including but not limited to the following: • integrating the companies, assets, systems, **internal controls,** products, sales channels, and personnel that we acquire; • **inability to successfully manage acquisition-related strain on our management, operations and financial resources**; • higher than anticipated acquisition and integration costs and expenses; • reliance on third parties to provide transition services for a period of time after closing to ensure an orderly transition of the business; • growing or maintaining revenues to justify the purchase price and the increased expenses associated with acquisitions; • entering into territories or markets with which we have limited or no prior experience; • establishing or maintaining business relationships with customers, vendors, and suppliers who may be new to us; • overcoming the employee, customer, vendor, and supplier turnover that may occur as a result of the acquisition; • disruption of, and demands on, our ongoing business as a result of integration activities including diversion of management’s time and attention from running the day to day operations of our business; • unfavorable tax or accounting treatment; • inability to implement uniform standards, disclosure controls and procedures, internal controls over financial reporting, and other procedures and policies in a timely manner, if at all; • inability to realize the anticipated benefits of or successfully integrate with our existing business the businesses, products, technologies, or personnel that we acquire; • failure to appropriately and holistically identify all the problems, liabilities, risks, or other challenges of any acquisition, technology or solution at the time of closing; • known and unknown liabilities including contract, tax, regulatory or other legal, and other obligations incurred by the acquired business or fines or penalties, for which indemnity obligations, escrow arrangements or insurance may not be available or may not be sufficient to provide coverage; and • potential post-closing disputes. As part of undertaking an acquisition, we may also significantly revise our capital structure or operational budget, including through issuing common stock that would dilute the ownership percentage of our stockholders, assuming liabilities or debt, utilizing a substantial portion of our cash resources to pay for the acquisition, or significantly increasing operating expenses. In addition, our effective tax rate in any particular quarter may also be impacted by acquisitions. Following the closing of an acquisition, we may also have disputes with the seller regarding contractual requirements and covenants, purchase price adjustments, contingent payments, or indemnifiable losses. Any such disputes may be time consuming and distract management from other aspects of our business. In addition, if we increase the pace or size of acquisitions, we will have to expend significant management time and effort into the transactions and integrations, and we may not have the proper human resources bandwidth to ensure successful integrations and accordingly, our business could be harmed or the benefits of our acquisitions may not be realized. Our customer relationships, business, financial results, and reputation may be adversely impacted due to events and incidents relating to storage, delivery, installation, operation, maintenance, and shutdowns of our energy storage ~~products~~ **solutions**. Our customer relationships, business, financial results, and reputation may be adversely impacted due to events and incidents relating to storage, delivery, installation, operation, and shutdowns of our energy storage ~~products~~ **solutions**, including events and incidents outside of our control. We are subject to various risks as a result of the size, weight, **technology,** and sophisticated nature of our energy storage ~~products~~ **solutions**, including exposure to production, delivery, supply chain, inventory, installation, and maintenance issues. Such issues may, and from time to time have, result in financial losses, including losses resulting from our failure to deliver or install our energy storage ~~products~~ **solutions** on a contractually agreed timeframe, or losses resulting from agreed warranty or indemnity terms. Furthermore, issues and incidents involving our customers or their facilities at which our energy storage ~~products~~ **solutions** are located, **including damage from fires,** whether or not attributable to our energy storage ~~products~~ **solutions**, **has had and may in the future** have an adverse effect on our reputation and customer relationships **and has and may in the future lead to litigation**. Any of these developments could have a material adverse effect on our business, financial condition, and results of operations. Actual or threatened health epidemics, pandemics, or similar public health threats, such as the COVID- 19 pandemic, have had and could in the future have a material adverse effect on our business, outlook, financial condition, results of operations, and liquidity. The global markets in which we operate were impacted by the COVID- 19 pandemic and could in the future be adversely affected by COVID- 19 or other health pandemics, epidemics, or similar public health threats. For example, in fiscal years 2021 and 2022, as a result of the COVID- 19 pandemic, our ground operations at project sites, our manufacturing facilities, and our suppliers and vendors were disrupted by worker absenteeism, quarantines, shortage of COVID- 19 test kits, and personal protection equipment for employees, office and factory closures, disruptions to ports and other shipping infrastructure, and other travel and health-related restrictions. Additionally, we saw COVID- 19 driven

lockdowns in key areas for our battery suppliers, such as China, that resulted in our battery suppliers issuing delay notices to us. Due to the delays from our battery suppliers, some of our intended projects were delayed, resulting in lower revenue recognition. Additionally, some of our projects that were delayed because of COVID- 19 supply chain disruptions also incurred liquidated damages payable to our customers resulting in decreased profitability. If our ground operations at project sites, our manufacturing facilities and our suppliers or vendors are so affected in the future, our supply chain, manufacturing and product shipments may be delayed, which could adversely affect our business, operations, and customer relationships. We have encountered and could encounter in the future project delays and resulting liquidated damages claims from customers due to impacts arising from or related to actual or threatened health epidemics, pandemics ~~or~~, similar public health threats on suppliers, customers, or others. The duration and intensity of these potential impacts and resulting disruption to our operations is uncertain and continues to evolve. The extent to which these events may impact our business will depend on future developments, which are highly uncertain and cannot be predicted at this time. Accordingly, to the extent any such actual or threatened health epidemics, pandemics, or similar public health threat arises, management will monitor the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. The scope and duration of a pandemic, epidemic, or other similar public health threat, including any future resurgences, the pace at which government restrictions, if any, are implemented to contain a virus and then lifted, the impact on our customers and suppliers, the speed and extent to which markets recover from the disruptions caused by a pandemic, epidemic, or other similar public health threat, and the impact of these factors on our business will depend on future developments that are highly uncertain and cannot be predicted with confidence. The impact of a pandemic, epidemic, or other similar public health threat may also exacerbate other risks discussed herein, any of which could have a material adverse effect on our business, results of operations, or financial condition. **We may not be able to obtain letters of credit, surety bonds, or other financial assurances for our projects, if and when needed on favorable terms, if at all, and we may not have sufficient liquidity to satisfy any indemnification obligations thereunder. Certain of our projects require that we issue letters of credit, surety bonds, or other financial assurances to our customers in order to secure advance payments or guarantee performance under our contracts. Our continued ability to obtain surety bonds, letters of credit, or other financial assurances will depend on our capitalization, working capital, and financial performance. Our ability to issue letters of credit is dependent upon the availability of adequate credit issued by our banks and could be negatively impacted by our compliance with our financial covenants under our current credit agreement and any future debt agreements. Future compliance with such financial covenants may be affected by factors beyond our control, including general or industry- specific economic downturns. With respect to letters of credit under our 2024 Revolver, any advance in the event of non- performance under a contract would become a direct obligation of ours and would reduce our cash. With respect to surety bonds, payments by a surety pursuant to a bond in the event of non- performance are subject to reimbursement to the surety by us under a general indemnity agreement. Such indemnification obligations may include the face amount of the surety bond, or portions thereof, as well as other reimbursable items such as interest and certain investigative expenses and legal fees of the surety. Such indemnification obligations would require us to use our cash, cash equivalents or short- term investments, and we may not have sufficient liquidity to satisfy such indemnification obligations. When a contract is complete, the contingent obligation terminates, and letters of credit, surety bonds, or other financial assurances are returned and terminated. We can provide no assurances that necessary letters of credit, bonding capacity, or other financial assurances will be available to support all, if any, future project requirements or that we will have sufficient liquidity to satisfy any future indemnification obligations relating to these surety bonds.**

Risks Related to Our Industry If renewable energy technologies are not suitable for widespread adoption or sufficient demand for our ~~offerings hardware and software-enabled services~~ does not develop or takes longer to develop than we anticipate, our sales may decline, and we may be unable to achieve or sustain profitability. The market for renewable, distributed energy generation is emerging and rapidly evolving, and its future success and trajectory is uncertain and subject to a number of risks. If renewable energy generation proves unsuitable for widespread commercial deployment or if demand for our energy storage ~~products and solutions and~~, software-enabled services, **and digital application offerings** fails to develop as currently anticipated, our revenue, market share, and our ability to achieve and / or sustain profitability may be adversely affected. Many factors may influence the widespread adoption of renewable energy generation and demand for our ~~offerings hardware and software-enabled services~~, including, but not limited to, the cost-effectiveness of renewable energy technologies as compared with conventional and competitive technologies, the performance and reliability of renewable energy products as compared with conventional and non- renewable products, fluctuations in economic and market conditions that impact the viability of conventional and competitive alternative energy sources, increases or decreases in the prices of oil, coal and natural gas, continued deregulation of the electric power industry and broader energy industry, **policy priorities of different political administrations at the international, federal, state and local level, including the scope of** governmental regulations regarding renewable energy generation, and the availability or effectiveness of government subsidies and incentives, **including from the IRA**. The growth of renewable energy generation is relevant to the demand for energy storage because increases in intermittent solar and wind power in many jurisdictions have spurred the demand for energy storage to help maintain reliability and support the integration of solar and wind power into the electrical grid. The growth and profitability of our business is largely dependent upon the continued decline in the overall cost of battery storage. Over the last decade the cost of battery storage products, particularly lithium- ion based battery storage products, have declined significantly. This lower cost has been driven by advances in battery technology, maturation of the battery supply chain, the scale of battery production by the leading manufacturers, and other factors. The growth of ~~our hardware sales of our energy storage solutions~~ and related ~~software-enabled services~~ is dependent upon the continued decrease in the price and efficiency of battery storage products of our component OEM suppliers. **In** ~~However, in~~ fiscal year 2022, we saw battery prices increase for the first time and as a result, we had to evolve and adopt a different contracting strategy to ensure preservation of

margin in such instance **but since then, battery prices have decreased during fiscal year 2023 and 2024**. If for any reason going forward our component OEM suppliers are unable to continue to reduce the price of their components, **including, but not limited to batteries**, our business and financial condition may be negatively impacted. Additionally, **we believe** the growth and profitability of our business is **dependent increasingly reliant** on **U. S.** domestic supply chains that **are just beginning have not yet begun** commercial operations. Delays in the construction of these **U. S.** domestic **supply chains or unanticipated increased costs relating to such** supply chains could cause delays to our projects and could result in lower sales, profitability, and potentially canceled contracts. This could harm our relationships with our customers if projects are delayed. If the estimates and assumptions we use to determine the size of our total addressable market are inaccurate, our future growth rate may be affected, and the potential growth of our business may be limited. Market estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may prove to be inaccurate. Even if the markets in which we compete meet our size estimates and forecasted growth, our business could fail to grow at similar rates, if at all. The assumptions relating to our market opportunities include, but are not limited to, the following: (i) according to BloombergNEF, global energy storage capacity grew 63 % per annum between 2015 and 2020 based on the Energy Storage Market Outlook dated October 2022 and **is expected to grow at a further 27 % compound annual growth rate through 2030** based on the Energy Storage Market Outlook dated **October November 2023-2024**, **BloombergNEF estimates that the global utility scale market, excluding China, will add approximately 2,529 GWh between 2024 and 2035**; (ii) declines in overall lithium-ion battery costs and in the cost of renewable generation; (iii) growing demand for renewable energy; and **(iv) anticipated increased demand for electricity, and (v) increased complexity of the electrical grid**. Our market opportunities are also based on the assumption that our existing and future offerings will be more attractive to our customers and potential customers than competing products and services. If these assumptions prove inaccurate, our business, financial condition, and results of operations could be adversely affected. For more information regarding our estimates of market opportunity and the forecasts of market growth included herein, see the section entitled **Part I, Item 1.** “Business.” **the benefit of reducing such customers’ payments to the local electric utility company. The rates at which electricity is available from a customer’s local electric utility company is subject to change and any changes in such rates may affect the relative benefits of our energy storage products. Factors that could influence these rates include the effect of energy conservation initiatives that reduce electricity consumption, construction of additional power generation plants (including nuclear, coal, or natural gas), and technological developments by others in the electric power industry. Further, the local electric utility may impose “departing load,” “standby,” or other charges on our customers in connection with their acquisition of our energy storage products, the amounts of which are outside of our control and which may have a material impact on the overall economic benefit of our energy storage products to and cost analysis for our customers of our energy storage products. Changes in the rates offered by local electric utilities and/or in the applicability or amounts of charges and other fees imposed by such utilities on customers acquiring our energy storage products has and could in the future adversely affect the demand for our energy storage products. Macroeconomic uncertainty and market conditions may adversely affect our industry, business, and financial results. Our business depends on the overall demand for our solutions, services, and digital application offerings and on the economic health and willingness of our customers and potential customers to make capital commitments to purchase our energy storage solutions, services, and digital applications. Macroeconomic or market uncertainty, including increased interest rates, high inflation, or expectations regarding future interest rate cuts by the U.S. Federal Reserve, may cause, and has caused, customers to delay purchasing our energy storage solutions and services or not purchase at all. Macroeconomic uncertainty or weakness could result in: • reduced demand for our solutions, services, and digital offerings as a result of constraints on spending by our customers or changes in contracting behavior by customers; • decreased ability to forecast operating results and make decisions about budgeting, planning, and future investments; • business and financial difficulties faced by our suppliers, distributors or other partners, including impacts to material costs, sales, liquidity levels, ability to continue investing in their businesses, ability to import or export goods, ability to meet development commitments, and manufacturing capability; • increased overhead and production costs as a percentage of revenue; and • reductions in anticipated order intake and pipeline and other operating metrics. In addition, adverse economic conditions may increase in likelihood, magnitude or duration of the impact of certain other risks associated with our business, discussed herein. An increase in interest rates or a reduction in the availability of tax equity, project debt capital, or project financing in the global financial markets could make it difficult for end customers to finance the cost of a battery energy storage system and could reduce the demand for our energy storage solutions. Many end users depend on financing to fund the initial capital expenditure required to purchase our energy storage solutions as a result of the significant up-front costs. Customers’ ability to attract third-party financing depends on many factors that are outside of our control, including the ability of third parties to utilize tax credits and other government incentives, including under the IRA, interest rate and/or currency exchange fluctuations, their perceived creditworthiness, and the condition of credit markets generally. As a result, an increase in interest rates or a reduction in the supply of project debt, project finance, or tax equity financing could reduce the number of customer projects that receive financing or otherwise make it difficult for our customers or their customers to secure the financing necessary to construct a renewable energy system on favorable terms, or at all, and thus lower demand for our products, which could limit our growth or reduce our net sales. In addition, we believe that a significant percentage of end-users construct renewable energy storage systems as an investment, funding a significant portion of the initial capital expenditure with financing from third parties. An increase in interest rates could lower an investor’s return on investment, increase equity requirements, or make alternative investments more attractive relative to our energy storage solutions and, in each case, could cause these end users to seek alternative investments, which would have an adverse impact to our business and results of operations. Revenue from any projects we support may be adversely affected if there is a decline in public acceptance or support of renewable energy, or regulatory agencies, local communities, or other third parties delay, prevent, or increase the cost of constructing and operating customer projects. Certain persons, associations, and groups could oppose renewable energy projects**

in general or our customers' projects specifically, citing, for example, misuse of water resources, landscape degradation, land use, food scarcity or price increase, and harm to the environment. Moreover, regulation may restrict the development of renewable energy plants or facilities in certain areas. In order to develop a renewable energy project, our customers are typically required to obtain, among other things, environmental impact permits and other authorizations and building permits, which in turn require environmental impact studies to be undertaken and public hearings and comment periods to be held during which any person, association, or group may oppose a project. Any such opposition may be taken into account by government officials responsible for granting the relevant permits, which could result in the permits being delayed or not being granted or being granted solely on the condition that our customers carry out certain corrective measures to the proposed project, and opposition to a project could lead to legal challenges by opponents to an agency's approval of the project permits. Severe weather events, including the effects of climate change, are inherently unpredictable and may have a material adverse effect on our financial results and financial condition. Our business, including our customers and suppliers, may be exposed to severe weather events and natural disasters, such as tornadoes, tsunamis, tropical storms (including hurricanes), earthquakes, windstorms, hailstorms, heat waves, floods, droughts, severe thunderstorms, wildfires, and other fires, which could cause operating results to vary significantly from one period to the next. We may incur losses in our business in excess of: (1) those experienced in prior years, (2) the average expected level used in pricing, or (3) current insurance coverage limits. The incidence and severity of severe weather conditions and other natural disasters are inherently unpredictable. Climate change is increasing and is expected to continue to increase the frequency and severity of certain natural events, such as tornadoes, hurricanes, wildfires, flooding, droughts, hail and ice, extreme temperatures, wind and thunderstorm events as well as subsequent events such as landslides in certain geographies. Climate change may also result in chronic physical changes, such as changes to temperature or precipitation patterns or rising sea levels that may also adversely impact the suitability of certain project sites, decrease the availability of water or otherwise disrupt our supply chain and operations, or otherwise adversely impact our business. Evolving market conditions, shift in global policy on climate change, and the increase in frequency and impact of extreme weather events on critical infrastructure globally as a result of climate change have the potential to disrupt our business, the business of our suppliers and the business of our customers, and may cause us to experience higher attrition, losses and additional costs to maintain or resume operations. Additionally, climate change may adversely impact the demand, price, and availability of insurance that may be available to us and to our customers at project sites. While we may take various actions to mitigate our business risks associated with climate change, this may require us to incur substantial costs and may not be successful, due to, among other things, the uncertainty associated with the longer-term projections associated with managing climate risks. Increasing attention to, and evolving expectations regarding, ESG matters may impact our business and reputation. Companies across industries are facing increasing scrutiny from a variety of stakeholders related to their ESG and sustainability practices. Expectations regarding voluntary ESG initiatives and disclosures may result in increased costs (including but not limited to increased costs related to compliance, stakeholder engagement, contracting, and insurance), changes in demand for certain products, enhanced compliance or disclosure obligations, or other impacts to our business, financial condition, or results of operations. While we have in past **and expect in future to continue,** engaged **and expect in future to continue to engage,** in voluntary initiatives (such as voluntary disclosures, certifications, or goals, among others) to improve the ESG profile of our Company and / or products or to respond to stakeholder expectations, such initiatives may be costly and may not have the desired effect. Expectations around **the Company-company**'s management of ESG matters continues to evolve rapidly, in many instances due to factors that are out of our control. For example, we may engage in **ultimately be unable to complete certain initiatives or make targets, either on the timelines initially announced or at all, due to technological, legal, cost, or other constraints, which may be within or outside of our control. Moreover, actions or statements that we may take based on estimates expectations, assumptions, methodologies, or third-party information that is we currently believe to be reasonable may subsequently be determined to be erroneous inaccurate or to not align with best practices. Our approaches to such matters may evolve as well, and we cannot guarantee that our or approaches will align with the expectations of any particular stakeholder. We may ultimately be unable subject to misinterpretation complete certain initiatives or targets, either on the timelines initially announced or at all, due to technological, legal, cost, or other constraints, which may be within or outside of our control.** If we fail to, or are perceived to fail to, comply with or advance certain ESG initiatives (including the timeline and manner in which we complete such initiatives), we may be subject to various adverse impacts, including reputational damage and potential stakeholder engagement and / or litigation, even if such initiatives are currently voluntary. For example, there have been increasing allegations of greenwashing against companies making significant ESG claims due to a variety of perceived deficiencies in **disclosure, methodology, or performance, including as stakeholder perceptions of sustainability continue to evolve. Companies, such as us, involved in the energy transition may be especially impacted by such criticisms, due to our efforts to position our business plan focusing on helping customers achieve sustainability-related goals and objectives. We expect there will likely be increasing levels of regulation, disclosure-related and otherwise, with respect to ESG matters. For example, various policymakers, such as the SEC, the European Union, and the State of California, have adopted, or are considering adopting rules to require companies to provide significantly expanded climate- or other sustainability-related disclosures in their periodic reporting,** which may require us to incur significant additional costs to comply, including the implementation of significant additional internal controls processes and procedures **regarding matters that have not been subject to such controls in the past,** and impose increased oversight obligations on our management and board of directors. Simultaneously, there are efforts by some stakeholders to reduce companies' efforts on certain ESG-related matters. Both advocates and opponents to certain ESG matters are increasingly resorting to a range of activism forms, including media campaigns and litigation, to advance their perspectives. To the extent we are subject to such activism, it may require us to incur costs or otherwise adversely impact our business. This and other stakeholder expectations will likely lead to increased costs as well as scrutiny that could heighten all of the risks identified in this risk factor. Additionally, many of our customers and suppliers may be subject to similar

expectations, which may augment or create additional risks, including risks that may not be known to us. Risks Related to Our Financial Condition and Liquidity Our current **ABL Credit Agreement** imposes, and future debt agreements may impose, certain restrictions that may affect our ability to operate our business and make payments on our indebtedness. We are party to **an asset-based syndicated credit agreement (the 2024 “ABL Credit Agreement”) with revolving commitments in an aggregate principal amount of \$ 400.0 million (as defined herein the “ABL Facility”)**, which. **The ABL Credit Agreement** contains covenants that, among other things, restrict our ability to incur additional indebtedness; incur liens; sell, transfer, or dispose of property and assets; invest; **pay dividends**, make dividends or distributions or other restricted payments; and engage in affiliate transactions. In addition, we are required to maintain minimum liquidity, minimum consolidated leverage ratio, and certain other financial requirements relating to the guarantor coverage test on certain applicable dates. See Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — **ABL Facility 2024 Credit Agreement**” for further discussion of the 2024 Revolver **ABL Facility**. The 2024 **terms of the ABL Credit Agreement** limits our ability to make certain payments, including dividends or distributions on Fluence Energy, LLC’s equity and **its subsidiaries ability to pay cash dividends to, lend to, or make other investments** restricted payments, provided, however, that payments in respect of certain tax distributions under the Third Amended and Restated Limited Liability Company Agreement of Fluence Energy, LLC and **Inc., subject to certain exceptions, including** certain payments under the Tax Receivable Agreement are permitted. See Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Tax Receivable Agreement” for further discussion of the Tax Receivable Agreement. **Such These** restrictions may restrict our current and future operations, particularly our ability to respond to certain changes in our business or industry or take future actions, including raising additional debt or equity financing to operate during general economic or business downturns, to compete effectively, or to take advantage of new business opportunities. Our ability to meet **the these** restrictive covenants **can** under the 2024 Credit Agreement may be impacted by events beyond our control **and we may be unable to do so**. Our 2024 **ABL Credit Agreement** and related security agreements **provide provides** that our breach or failure to satisfy certain covenants constitutes an event of default. Upon the occurrence of an event of default, our lenders could elect to declare all amounts outstanding under **their its** debt agreements **with us** to be immediately due and payable. In addition, our lenders, to whom we granted a security interest in substantially all of our assets, would have the right to proceed against such assets we provided as collateral pursuant to the 2024 **ABL Credit Agreement** and related security agreements **agreement**. If our borrowings **the debt** under our 2024 Revolver were **ABL Facility was** to be accelerated, we may not have sufficient cash on hand or be able to sell sufficient collateral to repay **it** outstanding borrowings or be able to borrow sufficient funds to refinance, which would have an immediate adverse effect on our business and operating results. **This** Any such acceleration could potentially cause us to cease operations and result in a complete loss of your investment in our Class A common stock. **In addition, availability under the ABL Facility is subject to a borrowing base calculated based on a percentage of Net Orderly Liquidation Value (as defined in the ABL Credit Agreement), which, in turn, may be impacted by factors outside of our control, including demand for the Company’s products, competition with producers of similar products and supply chain factors. As such, we may not have full access to our current ABL Facility availability based on the actual borrowing base calculation at any future period. Should our borrowing base under the ABL Facility decline, our ability to borrow against the ABL Facility to fund future operations and business transactions could be limited.** Moreover, the 2024 Revolver **ABL Credit Agreement** requires us to dedicate a portion of our cash flow from operations to interest payments and other fees, including relating to the issuance of letters of credit thereunder, thereby reducing the availability of cash flow to fund working capital, capital expenditures, and other general corporate purposes; increasing our vulnerability to adverse general economic, industry, or competitive developments or conditions; and limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate or in pursuing our strategic objectives. **We Our future capital needs are uncertain and we may need** not be able to raise additional capital to execute **funds in the future, and such funds may not be available on acceptable terms or at all. We believe that** our current **cash and cash equivalents together with or our expected cash from operations, will be sufficient to meet our projected operating requirements for the foreseeable future**. However, continued expansion of our business opportunities will be expensive, and we may seek additional funds from public and private stock offerings, borrowings under our existing or new credit facilities or other sources which we may **not be able to maintain or obtain** on favorable **acceptable or commercially reasonable** terms, if at all, or without dilution to our stockholders. We may seek to raise funds from capital or debt financing, including potentially public and private stock offerings, borrowings under our existing or new credit facilities, or other sources, to execute on our current or future business strategies. Our capital requirements will depend on many factors, including: • market acceptance of our solutions, services, and digital offerings; • the revenue generated by sales of our solutions, services, and digital offerings; • the costs associated with expanding our sales and marketing efforts; • the expenses we incur in manufacturing and selling our products; • the costs of developing and commercializing new products or technologies; • the cost of filing and prosecuting patent applications and defending and enforcing our patents and other intellectual property rights; • the cost of defending, in litigation or otherwise, any claims that we infringe third-party patents or other intellectual property rights; • the cost of enforcing or defending against non-competition claims; • the number and timing of acquisitions and other strategic transactions; • the costs associated with our planned international expansion; and • unanticipated general and administrative expenses. As a result of these factors, we may seek to raise additional capital to, among others: • **provide additional cash reserves to support our operations and growth;** • maintain appropriate product inventory levels; • continue our research and development and protect our intellectual property rights; • defend claims, in litigation, **cooperate with governmental investigations,** or otherwise; • expand our geographic reach; • commercialize our new products; and • acquire companies, assets, and license products or intellectual property. Such capital or financings may not be available on **favorable acceptable or commercially reasonable terms to us**, if at all. Furthermore, if we

issue equity or debt securities to raise additional capital, our existing stockholders may experience dilution, and the new equity or debt securities may have rights, preferences, and privileges senior to those of our existing stockholders. In addition, if we raise additional capital through collaboration, licensing, or other similar arrangements, it may be necessary to relinquish valuable rights to our products, potential products, or proprietary technologies, or grant licenses on terms that are not favorable to us. If we are unable to rely on our standalone credit quality or utilize such credit support tools like parent company guarantees, letters of credit, or surety bonds going forward, it may impact our ability to sell products or establish customer and supplier relationships going forward. If we cannot raise capital on acceptable terms, we may not be able to develop or enhance our product, service, and digital application offerings, execute our business plan, take advantage of future opportunities, or respond to competitive pressures, changes in our supplier relationships, or unanticipated customer requirements. Any of these events could adversely affect our ability to achieve our development and commercialization goals, which could have a material adverse effect on our business, results of operations, and financial condition.

Risks Related to Our Intellectual Property, Data Privacy and Technology

If we are unable to obtain, maintain, and enforce adequate protection for our intellectual property or if the scope of our intellectual property protection is not sufficiently broad, others may be able to develop and commercialize technology and intellectual property substantially similar to ours, and our ability to successfully commercialize our technology or intellectual property may be adversely affected. Our business depends on internally developed technology or other internally developed intellectual property, including **hardware**, software, databases, systems, confidential information, and know-how, the protection of which is crucial to the success of our business. We rely on a combination of patent, trademark, trade secret, and copyright, and other intellectual property protection laws as well as internal confidentiality procedures and contractual provisions to establish, maintain, and protect our intellectual property rights in our internally developed technology and other intellectual property. However, our rights under these laws and agreements only afford us limited protection and the actions we take to establish, maintain, and enforce our intellectual property rights may not **be sufficient** to leave us free from adverse effects. We **will** **may**, over time, take additional steps in protecting our intellectual property through growing our **IP** internal intellectual property team and through additional trademark, patent, and other intellectual property filings both in the United States and abroad that **will** **could** be expensive and time-consuming. Effective **patent** intellectual property protection is expensive to develop and maintain and **while it is generally less costly to obtain trademark and copyright protection**, the aggregate costs of maintaining a portfolio of patents and registered copyrights and trademarks and trade secrets can be substantial, both in terms of initial and ongoing prosecution and maintenance requirements and the costs of enforcing and defending our rights. Despite our efforts to protect our intellectual property, these measures taken to date **cannot guarantee** **may not be sufficient to offer** us **complete** **meaningful** protection from our competitors or from other third parties from attempting to copy, reverse engineer, or otherwise obtain and use our intellectual property. If we are unable to protect our intellectual property rights, our competitive position could be harmed, business opportunities and demand for our products, services and digital application offerings could decrease, and our business could be adversely impacted as third parties may be able to commercialize and use technologies, software products and intellectual property that are substantially the same as ours without incurring the development and licensing costs that we have incurred. Any of our owned or licensed intellectual property rights could be challenged, invalidated, circumvented, infringed, or misappropriated, and our trade secrets and other confidential information could be disclosed in an unauthorized manner to third parties. Some of our services rely on technologies and software developed by or licensed from third parties, and we may not be able to maintain our relationships with such third parties or enter into similar relationships in the future on reasonable terms or at all. Further, in some cases, our intellectual property rights may not be sufficient to circumvent third party intellectual property and thereby not permit us to take advantage of market trends nor providing us with competitive advantages, which could result in costly redesign efforts, discontinuance of certain offerings, or other competitive harm. Additionally, monitoring unauthorized use of our intellectual property is cumbersome and costly and there is no guarantee that any steps taken to prevent misappropriation will be successful. In the future, we may seek to enforce our rights against potential **infringers** **infringement**, however, the steps we have taken to protect our intellectual property rights **still** may not **be adequate to** prevent actual infringement or misappropriation of our intellectual property. We may not be able to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. **We** **From time to time, we** may **also** have to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of our resources. Uncertainty may result from changes in intellectual property laws as a result of new legislation and from new interpretations of intellectual property laws by applicable courts and agencies throughout the world. Accordingly, despite our efforts, we may be unable to obtain and maintain the intellectual property rights necessary to provide us with a competitive advantage. Our failure to obtain, maintain, and enforce our intellectual property rights could therefore have a material adverse effect on our business, financial condition, and results of operations. As a technology company selling commercial products, we run the risk of being sued by third parties for infringement, misappropriation, dilution, or other violation of their intellectual property or proprietary rights. Technology, internet, advertising, and in general most companies involved with commercially selling products, frequently are subject to litigation based on allegations of infringement, misappropriation, dilution, or other violations of intellectual property rights. Some of these companies, including some of our competitors, as well as non-practicing entities, own or have rights to large numbers of patents, copyrights, trademarks, and trade secrets, which they may use to assert claims against us. For instance, the use of our technology to provide our offerings could be challenged by claims that such use infringes, dilutes, misappropriates, or otherwise violates the intellectual property rights of a third party. In addition, we may in the future be exposed to claims that content published or made available through our applications or websites violates third-party intellectual property rights. As we face increasing competition and as a public company, the possibility of intellectual property **right** **rights** claims against us grows. Such claims and litigation may involve patent holding companies or other adverse intellectual property rights holders who have no relevant product revenue, and therefore our own pending patents and other intellectual property rights may provide little or no deterrence to these rights holders in bringing intellectual property **right** **rights**

claims against us. Third parties may hold vast and / or undisclosed intellectual property rights that cover significant aspects of our technologies, content, branding, or business methods, and we cannot ~~completely and consistently~~ assure that we are not infringing or violating, and have not violated or infringed, any third-party intellectual property rights or that we will not be held to have done so or be accused of doing so in the future. We may not be aware of existing patents or patent applications that could be pertinent to our business as many patent applications are filed confidentially in the United States and are not published until 18 months following the applicable filing date. We expect that we may receive in the future notices that claim we or our customers using our energy storage solutions, services or digital applications, have infringed or misappropriated, other parties' intellectual property rights, particularly as the number of competitors in our market grows and the functionality of applications amongst competitors overlaps. Any claim that we have violated intellectual property or other proprietary rights of third parties, with or without merit, and whether or not it results in litigation, ~~settlement is settled~~ out of court, or is determined in our favor, could be time-consuming and costly to address and resolve, and could divert the time and attention of management and technical personnel from our business and the day-to-day operations. Furthermore, an adverse outcome of a dispute may result in an injunction and could require us to pay substantial monetary damages, including treble damages and attorneys' fees, if we are found to have **willfully** infringed a party's intellectual property rights. Any settlement or adverse judgment resulting from such a claim could require us to enter into a licensing agreement to continue using the technology, content, or other intellectual property that is the subject of the claim; restrict or prohibit our use of such technology, content, or other intellectual property; require us to expend significant resources to redesign our technology or solutions; and require us to indemnify third parties. Royalty or licensing agreements, if required or desirable, may ~~require significant royalty payments and other expenditures, or, they may be~~ unavailable on commercially reasonable terms that are acceptable to us, or at all, **and may require significant royalty payments and other expenditures**. We may also be required to develop alternative non-infringing technology, which could require significant time and expense and diversion of resources. There also can be no assurance that we would be able to develop or license suitable alternative technology, content, or other intellectual property to permit us to continue offering the affected technology, content, or services to our customers. If we cannot develop or license technology for any allegedly infringing aspect of our business, we would be forced to limit our offerings and may be unable to compete as effectively, if at all. Any of these events could materially harm our business, financial condition, and results of operations. If our trademarks and trade names are not adequately protected or protectable, we may not be able to build name recognition in our markets of interest, and our competitive position may be harmed. The registered and unregistered trademarks and trade names that we own may be challenged, infringed, circumvented, declared generic, lapsed, or determined to be infringing on or dilutive of other marks. We may not be able to protect our rights in these trademarks and trade names, which we need in order to build name recognition with potential members, partners, and clients. In addition, third parties may file for registration of trademarks similar or identical to our trademarks, thereby impeding our ability to build brand identity and possibly leading to market confusion. If they succeed in registering or developing common-law rights in such trademarks, and if we are not successful in challenging such third-party rights, we may not be able to use these trademarks to develop brand recognition of our technologies, products, or services. In addition, there could be potential trademark infringement claims brought by owners of other registered or unregistered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively, which could have a material adverse effect on our business, financial condition, results of operations and prospects. We may not be able to enforce our intellectual property rights throughout the world. As the geographic scope of our business expands, we will need to consider protecting our proprietary technology and other intellectual property in an increasing number of jurisdictions, a process that is expensive and may not be successful, and accordingly we may choose not to do so in every location. Filing, prosecuting, maintaining, defending, and enforcing intellectual property rights on our products, services, digital applications, and technologies in all countries throughout the world could be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. We do not own and have not registered or applied for intellectual property registrations in all countries outside the United States. Competitors may use our technologies in jurisdictions where we have not obtained protection to develop their own products, services, digital applications, and technologies and, further, may export otherwise violating products and services to territories where we have protection but enforcement is not as strong as that in the United States. These products, services, digital applications, and technologies may compete with our products, services, digital applications, and technologies, and ~~we~~ **our intellectual property rights** may not be effective or sufficient ~~at to preventing~~ **prevent** them from competing. In addition, the laws of some foreign countries do not protect certain proprietary and intellectual property rights to the same extent as the laws of the United States, and many other companies have encountered significant challenges in establishing and enforcing certain of their proprietary and intellectual property rights outside of the United States. These challenges can be caused by the absence or inconsistency of the application of rules and methods for the establishment and enforcement of intellectual property rights outside of the United States. For instance, there is no uniform worldwide policy regarding patentable subject matter or the scope of claims allowable for business methods. As such, we ~~cannot ascertain~~ **do not know** the degree of future protection that we will have on our technologies, products, services, and digital applications. In addition, the legal systems of some countries, particularly developing countries, do not favor the enforcement of intellectual property rights to the same degree as the United States. This could make it difficult for us to stop the misappropriation, dilution, infringement, or other violation of certain of our intellectual property rights. Accordingly, we may choose not to seek protection in certain countries, and ~~thus~~, we will not have the benefit of intellectual property protection in such countries. Proceedings to enforce our intellectual property rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. In addition, our efforts to protect our intellectual property rights in such countries may be inadequate. Changes in the law and the interpretation thereof as well as legal decisions by courts in the United States and foreign countries may affect our ability to obtain, maintain, and enforce

adequate intellectual property protection for our products, services, digital applications, and other technologies. Any of the foregoing could harm our competitive position, business, financial condition, results of operations, and prospects. We may be subject to claims that our employees, consultants, or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers or claims asserting ownership of what we regard as our own intellectual property. Many of our employees, consultants, and advisors are currently or were previously employed at other companies in our field, including our competitors or potential future competitors. Although we try to ensure that our employees, consultants, and advisors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management. In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Any of the foregoing could harm our competitive position, business, financial condition, results of operations, and prospects. If our existing patents expire or are not maintained, ~~or our pending patent applications are not granted or our patent rights are contested, circumvented, invalidated, or limited in scope,~~ we may not be able to prevent others from selling, developing or exploiting competing technologies, products, services, ~~or digital applications,~~ which could have a material adverse effect on our business, prospects, financial condition, results of operations, and cash flows. There can be no assurance that our pending patent applications will issue as patents. Even if our patent applications result in issued patents, these patents may be contested, circumvented, or invalidated in the future. In addition, the rights granted under any issued patents may not provide us with adequate ~~or complete~~ protection or competitive advantages that we anticipate against competitors or other third parties. The claims under any patents that issue from our patent applications may not be broad enough to prevent others from developing competing technologies that are similar or that achieve results similar to ours. The intellectual property rights of others could also bar us from licensing and exploiting any patents that issue from our pending applications. There are a number of patents and pending patent applications owned by competitors ~~that exist in the fields in which we have developed and are developing our technology.~~ **Many of these** existing patents and patent applications might have priority over our patent applications and could subject our patents to invalidation or our patent applications to rejection. Finally, in addition to patents with an earlier priority date and patent applications that were filed before our patent applications that may affect the likelihood of issuance of patents we are seeking, any of our existing or future patents may also be challenged by others on grounds that may render our patent applications or issued patents invalid or unenforceable. In addition, patents issued to us may be infringed upon or designed around by others which may adversely affect our business, prospects, and operating results. Our business depends on our ability to implement improvements to and properly maintain and protect the continuous operation and data integrity of our **information** technology infrastructure and other business systems and the inability to do so may have a material adverse effect on our reputation and harm our business prospects, financial conditions, and operating results. Our business is highly dependent on maintaining effective information ~~and operational technology~~ systems as well as the integrity of the data we use to serve our customers and operate our business. Because of the large amount of data that we collect and manage, it is possible that hardware failures or errors in our systems could result in data loss or corruption or cause the information that we collect to be incomplete or contain inaccuracies that our customers or other partners may regard as significant. If our data were found to be inaccurate or unreliable due to fraud or other error, or if we, or any of the third-party service providers we engage, were to fail to maintain information systems and data integrity effectively, we could experience operational disruptions that may impact our operations and hinder our ability to provide services, establish appropriate pricing, establish reserves, report financial results timely and accurately and maintain regulatory compliance, among other things. If any such failure of our ~~information technology systems or data integrity~~ were to result in the theft, corruption or other harm to the data ~~or operations~~ of our customers, our ability to retain and attract partners or customers may be harmed. We must continue to invest in long-term solutions that will enable us to anticipate customer needs and expectations, enhance the customer experience, act as a differentiator in the market, and protect against cybersecurity risks and threats. Despite **our** implementation of reasonable security measures designed to prevent cybersecurity risks and threats, we are vulnerable to potential harm and damages from computer viruses, natural disasters, fire, power loss, telecommunications failures, personnel misconduct or theft, human error, unauthorized access, physical or electronic security breaches, cyber-attacks (including malicious and destructive code, ~~misconfigurations, "bugs" or other vulnerabilities in commercial software that is integrated into our (or our suppliers') IT systems, products, or services, social engineering attacks,~~ phishing attacks, ransomware, and denial of service attacks), and other similar disruptions. Such harm, damages, attacks, ~~or security breaches~~ may be perpetrated by bad actors internally or externally (including computer hackers, persons involved with organized crime, or foreign state or foreign state-supported actors) and create risks ~~that threaten the confidentiality, integrity, and availability~~ for our (as well as our suppliers' and our customers') internal networks, IT infrastructure, and other business systems and the data and information they store and process. ~~Additionally, we are unable to comprehensively apply patches or confirm that measures are in place to mitigate all such vulnerabilities, or that patches will be applied before vulnerabilities are exploited by a threat actor.~~ Cybersecurity threat actors employ a wide variety of methods and techniques that are constantly evolving, increasingly sophisticated, and difficult to detect and successfully defend against, ~~including artificial intelligence that circumvent security controls, evade detection and remove forensic evidence.~~ Geopolitical tensions or conflicts, such as Russia's invasion of Ukraine, and ~~heightened tensions in the Middle East,~~ may further heighten the

risk of cyber- attacks. We have experienced such cybersecurity incidents in the past, and any future incidents could expose us to claims, litigation, regulatory or other governmental investigations, administrative fines, and potential liability. Moreover, while we have implemented remedial measures in response to such incidents, we cannot guarantee that such measures will prevent all incidents in the future. Any system failure, accident, or security breach could result in disruptions to our operations. A material **network** breach in the security of our IT systems could include the theft of our trade secrets, customer information, human resources information, or other confidential data, including but not limited to personally identifiable information. ~~Material breaches could also include denial of service attacks resulting in disruption to our or our supplier's supply chain systems, or targeted attacks against the control plane of remotely serviced battery energy storage systems within our customers' environments, resulting in operational disruption to energy storage or physical damage to batteries.~~ Although past incidents have not had a material effect on our business operations or financial performance, to the extent that any disruption or security breach results in ~~the compromise of the control plane of one or more of our serviced customer sites, or a loss or damage to our data, or an inadvertent disclosure of confidential, proprietary personal, or customer information,~~ it could cause significant damage to our reputation, affect our relationships with our customers and strategic partners, lead to claims against us from governments and private plaintiffs, and adversely affect our business. We cannot guarantee that future cyberattacks, if successful, will not have a material effect on our business or financial results. In 2023, the SEC issued final rules related to cybersecurity risk management, strategy governance, and incident disclosure, which may further increase our regulatory burden and the cost of compliance in such events. **Public companies must comply with the cybersecurity incident reporting obligations by December 18, 2023 and must comply with the other disclosure obligations beginning with annual reports for fiscal years ending on or after December 15, 2023.** In addition, many governments have enacted laws requiring companies to provide notice of cyber incidents involving certain types of data, including personal information. ~~For example, laws in all 50 U.S. states and in the EU and UK may require businesses to notify regulators and / or individuals whose personal information has been impacted as a result of a data security breach. Complying with such numerous and complex regulations in the event of a data security breach would be expensive and difficult, and failure to comply with these regulations could subject us to regulatory scrutiny and additional liability.~~ These laws may be subject to alterations and revisions, and if we fail to comply with our obligations under such laws in the jurisdictions in which we operate, we could be subject to regulatory action and lawsuits (including class actions). We may also have other obligations, for example, under contracts, to notify customers or other counterparties of a security incident, including a data security breach. Regardless of our contractual protections, if an actual or perceived cybersecurity breach of security measures, unauthorized access to our system or the systems of the third- party vendors that we rely upon, or any other cybersecurity threat occurs, we may incur liability, costs, or damages, contract termination, our reputation may be compromised, our ability to attract new customers could be negatively affected, and our business, financial condition, and results of operations could be materially and adversely affected. Any compromise of our security could also result in a violation of applicable domestic and foreign security, privacy or data protection, consumer protection, and other laws, regulatory or other governmental investigations, enforcement actions, and legal and financial exposure, including potential contractual liability. In addition, we may be required to incur significant costs to protect against and remediate damage caused by these disruptions or security breaches in the future. While we carry cyber insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred, that insurance **will continue to be available to us on commercially reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim.** We utilize open- source software, which may pose particular risks to our proprietary software and solutions. We use open- source software in our solutions and will use open- source software in the future. Companies that incorporate open- source software into their solutions have, from time to time, faced claims challenging the use of open- source software and compliance with open- source license terms. Some licenses governing the use of open- source software contain requirements that we make available source code for modifications or derivative works we create based upon the open- source software, and that we license such modifications or derivative works under the terms of a particular open- source license or other license granting third parties certain rights of further use. By the terms of certain open- source licenses, we could be required to release the source code of our proprietary software, and to make our proprietary software available under open- source licenses to third parties at no cost, if we combine or distribute our proprietary software with open- source software in certain manners. Although we monitor our use of open- source software, we cannot assure you that all open- source software is reviewed prior to use in our solutions, that our developers have not incorporated open- source software into our solutions, or that they will not do so in the future. Additionally, the terms of many open- source licenses to which we are subject have not been interpreted by U.S. or foreign courts. There is a risk that open- source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market or provide our solutions as currently marketed or provided. Companies that incorporate open- source software into their products have, in the past, faced claims seeking enforcement of open- source license provisions and claims asserting ownership of open- source software incorporated into their product. If an author or other third party that distributes such open- source software were to allege that we had not complied with the conditions of an open- source license, we could incur significant legal costs defending ourselves against such allegations. In the event such claims were successful, we could be subject to significant damages or be enjoined from the distribution of our software. In addition, the terms of open- source software licenses may require us to provide source code that we develop using such open- source software to others on unfavorable license terms. As a result of our current or future use of open- source software, we may face claims or litigation, be required to release our proprietary source code, pay damages for breach of contract, re- engineer our solutions, discontinue making our solutions available in the event re- engineering cannot be accomplished on a timely basis, or take other remedial action. Any such re- engineering or other remedial efforts could require significant additional research and development resources, and we may not be able to successfully complete any such re- engineering or other remedial efforts. Further, in addition to

risks related to license requirements, use of certain open- source software can lead to greater risks than use of third- party commercial software, as open- source licensors generally do not provide warranties or controls on the origin of software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a negative effect on our business, financial condition, and results of operations. If we fail to comply with our obligations under license or technology agreements with third parties, we may be required to pay damages, and we could lose license rights that are critical to our business. If we fail to comply with our obligations under license and technology agreements with AES and Siemens, we could lose license rights, including to patents and patent applications, which may prove to be material to our business. We license certain intellectual property, including patents, technologies, and software from third parties and related parties, including AES and Siemens, that are important to our business, and in the future, we may enter into additional agreements that provide us with licenses to valuable intellectual property or technology. If we fail to comply with any of the obligations under our license agreements, we may be required to pay damages and the licensor may have the right to terminate the license. Termination by the licensor would cause us to lose valuable rights, and could prevent us from selling our products and services, or adversely impact our ability to commercialize future solutions and services. Our business would suffer if any current or future licenses terminate, if the licensors fail to abide by the terms of the license, if the licensors fail to enforce licensed patents against infringing third parties, if the licensed intellectual property is found to be invalid or unenforceable, if the licensed intellectual property expires or if we are unable to enter into necessary licenses on acceptable terms. In addition, our rights to certain intellectual property, technologies, and software, are licensed to us on a non- exclusive basis. The owners of these non- exclusively licensed technologies are therefore free to license them to third parties, including our competitors, on terms that may be superior to those offered to us, which could place us at a competitive disadvantage. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights. In addition, the agreements under which we license intellectual property or technology from third parties are generally complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement. Any of the foregoing could harm our competitive position, business, financial condition, results of operations, and prospects. If we cannot license rights to use technologies on reasonable terms, we may not be able to commercialize new solutions or services in the future. In the future, we may identify additional third- party intellectual property we may need to license in order to engage in our business, including to develop or commercialize new products or services. However, such licenses may not be available on acceptable terms or at all. The licensing or acquisition of third- party intellectual property rights is a competitive area, and several more established companies may pursue strategies to license or acquire third- party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital resources, and greater development or commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. Even if such licenses are available, we may be required to pay the licensor substantial royalties based on sales of our products and services. Such royalties are a component of the cost of our products or services and may affect the margins on our products and services. In addition, such licenses may be non- exclusive, which could give our competitors access to the same intellectual property licensed to us. If we are unable to enter into the necessary licenses on acceptable terms or at all, if any necessary licenses are subsequently terminated, if our licensors fail to abide by the terms of the licenses, if our licensors fail to prevent infringement by third parties, or if the licensed intellectual property rights are found to be invalid or unenforceable, or if the licensed intellectual property rights expire, our business, financial condition, results of operations, and prospects could be affected. If licenses to third- party intellectual property rights are or become required for us to engage in our business, the rights may be non- exclusive, which could give our competitors access to the same technology or intellectual property rights licensed to us. Moreover, we could encounter delays and other obstacles in our attempt to develop alternatives. Defense of any lawsuit or failure to obtain any of these licenses on favorable terms could prevent us from commercializing solutions and services, which could harm our competitive position, business, financial condition, results of operations, and prospects. Failure to comply with data privacy and data security laws, regulations and industry standards could have a material adverse effect on our reputation, results of operations or Existing electric utility industry policies and regulations, and any subsequent changes or new related policies and regulations, may present technical, regulatory, and economic barriers to the purchase and use of energy storage products solutions or our digital offerings that may significantly reduce demand for our products offerings or harm our ability to compete. Federal, state, local, and foreign government regulations and policies concerning the broader electric utility industry, as well as internal policies and regulations promulgated by electric utilities and organized electric markets with respect to fees, practices, and rate design, can influence the market for energy storage products and services. These regulations and policies often affect electricity pricing and the interconnection of generation facilities, and can be subject to frequent modifications by governments, regulatory bodies, utilities, and market operators. For example, changes in fee structures, electricity pricing structures, and regional market rules, system permitting, interconnection, and operating requirements can deter purchases of renewable energy products, including energy storage solutions, by reducing anticipated revenues or increasing costs or regulatory burdens for would- be system purchasers. The resulting reductions in demand for energy storage products could harm our business, prospects, financial condition, and results of operations. On A significant recent development in renewable energy pricing policies in the U. S. occurred on July 16, 2020, when the Federal Energy Regulatory Commission ("FERC") issued a final rule amending regulations that implement the Public Utility Regulatory Policies Act ("PURPA"). Among other requirements, PURPA mandates that electric utilities buy

the output of certain renewable generators below established capacity thresholds. PURPA also requires that such sales occur at an utility's "avoided cost" rate. FERC's PURPA reforms include modifications (1) to how regulators and electric utilities may establish avoided cost rates for new contracts; (2) that reduce from 20 MW to 5 MW, the capacity threshold above which there is a rebuttable presumption that a renewable-energy qualifying facility has nondiscriminatory market access, thereby removing the requirement for certain utilities to purchase its output; (3) that require regulators to establish criteria for determining when an electric utility incurs a legally enforceable obligation to purchase from a PURPA facility; and (4) that reduce barriers for third parties to challenge PURPA eligibility. In general, FERC's PURPA 2020 reforms have the potential to reduce prices for the output from certain new renewable generation projects while also narrowing the scope of PURPA eligibility for new projects. These effects could reduce demand opportunities for PURPA-eligible battery energy storage products, which could have a material adverse effect on our business, prospects, financial condition, and results of operations. In addition, there is an ongoing dispute regarding how to calculate the maximum net power production capacity for qualifying facilities under PURPA. Historically, FERC has looked at a facility's net output, rather than total nameplate capability of a facility for purposes of PURPA eligibility. On appeal from a 2021 FERC order, the United States Court of Appeals for the D. C. Circuit upheld FERC's approach to calculating capacity for PURPA eligibility, relying on Chevron deference, whereby courts may defer to an administrative agency's reasonable statutory interpretation. In June 2024, the Supreme Court overturned the Chevron deference doctrine and found that courts should instead rely on their own statutory interpretations. The Supreme Court later directed the D. C. Circuit to reconsider its ruling on FERC's approach to calculating capacity for PURPA eligibility. If the D. C. Circuit requires a different methodology to be used for determining qualifying facility eligibility under PURPA or whether qualifying facilities are eligible for certain exemptions under the Federal Power Act, facilities that are currently eligible for qualifying facility status or such exemptions could lose their status or exemptions. This change could also reduce demand for PURPA-eligible products and could harm our business, prospects, financial condition, and results of operations. FERC is also taking steps to encourage the integration of new forms of generation into the electric grid and remove barriers to grid access, which could have positive impacts on the energy storage industry. For example, on July 28, 2023, FERC issued a final rule, designated as Order No. 2023, to reform procedures and agreements that electric transmission providers use to interconnect new generating facilities to the existing transmission system. If this final rule does not have its intended effect or if it is overturned on an appeal, this could negatively impact our business, prospects, and results of operations. While we are generally not regulated as a utility or a broker-dealer, customers of our digital offerings may be regulated market participants. We could experience scrutiny from regulators on the provision of Fluence Mosaic bid recommendations to our customers and use of such application, the use of Fluence Nispera, and the related technologies by our customers. Changes in other current laws or regulations applicable to us or the imposition of new laws, regulations, or policies in the U. S., Europe, or other jurisdictions in which we do business could have a material adverse effect on our business, financial condition, and results of operations. Any changes to government, utility, or electric market regulations or policies that favor electric utilities or other market participants could reduce the competitiveness of battery energy storage products or our digital offerings and cause a significant reduction in demand for our products and services and adversely impact our growth. In addition, changes in export and import laws and implementing regulations may create delays in the introduction of new products in international markets, prevent our customers from deploying our products internationally or, in some cases, prevent the export or import of our products to certain countries altogether. Any such event could have a material adverse effect on our business, financial condition and results of operations. Our business and customer demand for our offerings depends in part on government incentives and the reduction, elimination, or expiration of government incentives for, or regulations mandating the use of, renewable energy could reduce customer demand for energy storage solutions and lead to a loss of customers, which could lead to adverse effects to our business, operating results, and cash flows. Federal, state, local, and foreign government bodies provide incentives to owners, end users, distributors, system integrators, and manufacturers of renewable energy products to promote renewable electricity in the form of rebates, tax credits, and other financial incentives. The economic benefit range and duration of these incentives varies widely by jurisdiction. Our customers typically use our products for grid-connected applications wherein power is sold under a power purchase agreement or into an organized electric market. The reduction, elimination, or expiration of government incentives for grid-connected electricity may negatively affect the competitiveness of our offerings relative to conventional renewable sources of electricity and could harm our business, prospects, financial condition, and results of operations. These subsidies and incentives may expire on a particular date, end when the allocated funding is exhausted or be reduced or terminated as renewable energy adoption rates increase or as a result of legal challenges, the adoption of new statutes or regulations or changes to existing regulations, or the passage of time. These reductions, terminations, or expirations of government incentives may occur without warning. There is no guarantee that such policies and incentives will continue to exist in current form, if at all. The reduction, elimination, or expiration of such incentives therefore could reduce customer demand for our offerings and therefore could harm our business, operating results, and lead to a loss of customers and potential customer projects depends on the cost of electricity available from alternative sources, including local electric utility companies and could harm our business, operating results, and cash flows. In August 2022, the United States passed the IRA, which includes a number of provisions that support the adoption of energy storage products and services and are anticipated to benefit the Company and its operations. As discussed above, before the enactment of the IRA, the Section 48 ITC did not apply to standalone energy storage projects. The IRA added Section 48 (a) (3) (A) (ix) to create an ITC for standalone energy storage technology with a minimum capacity of 5 kWh. Energy storage installations that are placed in service after December 31, 2022 and begin construction prior to January 1, 2025, are entitled to the existing ITC under Section 48 (a). To qualify for the ITC

bonus rate of 30 %, an energy storage project will need to satisfy the prevailing wage and apprenticeship requirements. If these requirements are not met, the project will be eligible only for a base rate of 6 %. The existing energy ITC as well as the Production Tax Credit for renewable energy projects will be replaced by a Clean Electricity Investment Tax Credit (CEITC) or “tech neutral” regime, which is available for any investment in a qualified storage facility that is placed in service after calendar year 2024 (prevailing wage and apprenticeship requirements will still apply). The IRA also included bonus credits associated with the ITC and PTC, which are relevant to our business. To date, the IRA regulations, proposed regulations and / or guidance issued by the U. S. Department of Treasury and Internal Revenue Service associated with these various tax credits, including but not limited to the ITC / PTC, ITC / PTC domestic content bonus credit, ITC / PTC energy communities bonus credit, ITC / PTC prevailing wage and apprenticeship requirements, and manufacturing production tax credit have provided substantive clarity; however, there continues to be uncertainty on certain aspects or IRA guidance and / or regulation which have and could continue to cause our customers to delay projects as they navigate the existing guidance in qualifying for the tax credit and possibly wait for further clarity, thereby having a negative effect on our results of operations. In addition, if we are unable to provide energy storage solutions to that qualify for the U. S. domestic content requirements on the timeline and in such quantities that we currently anticipate while our competitors are able to do so, we might experience a decline in sales in the Americas region for our energy storage solutions. Other competitors may be able to build a more robust domestic supply chain than Fluence and be able to offer customers includes, among U. S. domestic content products in greater quantity and on a speedier timeline than we may be able to if our production of our battery modules in Utah is delayed or hindered or if our U. S. battery cell supply is delayed or hindered. Such impacts would adversely impact our results of operations as well as our brand. The full impact of other -- the things, IRA and its accompanying guidance on our operations cannot be known with certainty and we may not recognize the full extent of benefit benefits we anticipate. We are continuing to evaluate the potential overall impact and applicability of reducing such the IRA on our business and operations. To the extent that any impacts from the IRA are less beneficial than anticipated or have a negative impact on us or our business or on our customers’ payments to businesses, these local electric utility company changes may materially and adversely impact our business, financial condition, and results of operations. There is additional uncertainty on the future of certain of these incentives under the IRA as a result of the recent change in U. S. presidential administration. Such uncertainty could in itself adversely impact customer demand and our business and futures results of operations. The rates at international markets in which we operate electricity is available from a customer’s local electric utility company is subject to change and any changes in such rates may affect the relative benefits of our -- or may operate in the future have or may in the future put in place policies to promote renewable energy, including energy storage. These incentives and mechanisms vary from country to country. In seeking to achieve growth internationally, we have and may make investments that, to some extent, rely on governmental incentives and support in a new market. We may not be able to optimize the benefits offered by these incentives or realize the growth that we expect from investments in the incentives, particularly in relation to competitors whose products might benefit disproportionately from these incentives. Factors There is no assurance that could influence these governments will continue to provide sufficient incentives rates include the effect of energy conservation initiatives that reduce electricity consumption, construction of additional power generation plants (including nuclear, coal or natural gas), and support to technological developments by others in the electric power industry. Further, the local electric utility may impose “departing load,” “standby” or other -- the charges on our customers in connection with their acquisition of our energy storage products, industry and that the amounts industry in any particular country will not suffer significant downturns in the future as the result of changes in public policies or government interest in renewable energy, any of which would adversely affect demand for are outside of our control and which may have a material impact on the overall economic benefit of our energy storage solutions products to and services cost analysis for our customers of our energy storage products. Changes in the global trade environment, including rates offered by local electric utilities and / or in the imposition applicability or amounts of new tariffs or charges changes to existing tariffs, and other fees imposed by such utilities on customers acquiring our energy storage products could adversely affect the demand amount for -- or timing of our revenues, results of operations, and cash flows and could adversely impact our business overall. Escalating trade tensions, particularly between the U. S. and China, have led and may continue to lead to increased tariffs and trade restrictions, including tariffs that may be applicable to certain materials and components used in our energy storage products solutions. An increase in interest rates or For a reduction example, in May 2024, the Biden administration announced a significant shift availability of tax equity or project debt capital in the tariff framework global financial markets could make it difficult for end customers to finance the cost of a renewable energy storage industry system and could reduce the demand for our products. Many end users depend Under the new structure, the Section 301 tariff rate on financing to fund lithium-ion non- EV batteries imported from China will increase from the initial capital expenditure required current 7.5 % to purchase our products and services 25 %, effective January 1, 2026. This change specifically targets” batteries” as defined by U a result of the significant up-front costs. S Their ability to attract third-party financing depends on many factors that are outside of our control, including the ability of third parties to utilize tax credits and other government incentives, interest rate and / or currency exchange fluctuations, their perceived creditworthiness and the condition of credit markets generally. Customs As a result, an and Border Protection increase in interest rates or a reduction in the supply of project debt or tax equity financing could reduce the number of customer projects that receive financing or otherwise make it difficult for our customers or their customers to secure the financing necessary to construct a renewable energy system on favorable terms, encompassing battery or at all, and thus lower demand for our products, which could limit our growth or reduce our net sales. In addition, we believe that a significant percentage of end-users construct renewable energy storage systems as, modules, an and certain types investment, funding a significant portion of the initial capital expenditure

cells. The tariff rate on battery" parts" – including separators, electrolytes, cans, and electrodes – will remain at its current 25 % level. We may be materially adversely impacted by this tariff if we are not able to adapt our supply chain strategy to this change and face difficulties with financing from third parties increasing domestic production and in turn this may adversely impact our results of operations in the future. An We may also face unanticipated costs in developing our domestic supply chain and increase increased competition for materials and components in interest rates the United States, which also would impact our business and results of operations. Tariffs and the possibility of additional tariffs in the future like those described above have created uncertainty in the industry. If the price of energy storage systems increases, the use of energy storage systems could lower become less economically feasible an and could reduce investor's return on investment, increase equity requirements, or our gross margins make alternative investments more attractive relative to our or products and services and reduce the demand for energy storage solutions. Additionally, in each existing or future tariffs may negatively affect our customers, suppliers, and manufacturing partners. Such outcomes could adversely affect the amount or timing of our revenues, results of operations or ease cash flows, and continuing uncertainty could cause sales volatility, price fluctuations or supply shortages or cause our customers to advance or delay or cancel entirely their purchase of our energy storage solutions. We cannot predict whether these the end users countries in which our components and materials are sourced, or may be sourced in the future, will be subject to seek alternative investments new or additional tariffs and trade restrictions imposed by the United States or other foreign governments, including the likelihood, type, effect, or magnitude of any such restrictions and their overall impact on our business and our operating results. We also may be unable to quickly and effectively react to such actions to mitigate impact to our business. The tariffs described above, the adoption and expansion of trade restrictions, the occurrence of a trade war, or other governmental action related to tariffs, trade agreements or related policies have the potential to adversely impact our supply chain and access to equipment, and our costs and ability to economically serve certain markets. Any such cost increases or decreases in availability could slow our growth and cause our financial results and operational metrics to suffer. There is current uncertainty about the future relationship between the United States and other countries with respect to trade policies, taxes, government regulations, and tariffs and we cannot predict whether, and to what extent, U. S. trade policies will change in the future, including as a result of changes by the incoming U. S. presidential administration. Changes in tax laws or regulations could materially adversely affect our business, financial condition, results of operations, and prospects. Changes in corporate tax rates, tax incentives for renewable energy projects, the realization of net deferred tax assets relating to our U. S. operations, the taxation of foreign earnings, and the deductibility of expenses under future tax reform legislation could have a material impact on the value of our deferred tax assets, could result in significant one- time charges in the current or future taxable years, and could increase our future U. S. tax expense, any and all of which could have a material adverse effect on our business, financial condition, results of operations, and prospects. Governmental agencies in the jurisdictions in which we and our affiliates do business, as well as the Organization for Economic Cooperation and Development (the " OECD "), have recently focused on issues related to the taxation of multinational business, including issues relating to " base erosion and profit shifting, " where profits are reported as earned for tax purposes in relatively low- tax jurisdictions or payments are made between affiliates in jurisdictions with different tax rates. The OECD has released several components of its comprehensive plan to create an agreed set of international rules for addressing base erosion and profit shifting, and governmental authorities from various jurisdictions (including the United States) continue to discuss potential legislation and other reforms, including proposals for global minimum tax rates. For example, the OECD agreed to a two-pillar approach to global taxation focusing on global profit allocation, referred to as Pillar One, and a global minimum corporate tax rate, referred to as Pillar Two. In December 2022, the EU agreed to implement the OECD' s global minimum corporate tax rate of 15 % under Pillar Two, with a subset of the rules effective for tax periods beginning after January 2024, and the remaining rules becoming effective for tax periods beginning after January 2025, or in later periods. As this framework is subject to further negotiation and implementation by each member country, particularly Fluence' s headquarter country, the United States, the timing and ultimate impact of any such changes on our tax obligations is uncertain. As we operate in numerous jurisdictions, the application of tax laws can be subject to diverging and sometimes conflicting interpretations by tax authorities of these jurisdictions. It is not uncommon for taxing authorities in different countries to have conflicting views, for instance with respect to whether a permanent establishment exists in a particular jurisdiction, the manner in which an arm' s length standard is applied for transfer pricing purposes, or with respect to the valuations of intellectual property. For example, if a taxing authority in one country where we operate were to reallocate income from another country where we operate, and if the taxing authority in the second country did not agree with the reallocation asserted by the first country, then we could be subject to tax on the same income in both countries, resulting in double taxation. If taxing authorities were to allocate income to a higher tax jurisdiction, subject our income to double taxation or assess interest and penalties, our tax liabilities could increase, which could adversely affect our business, financial condition, and results of operations. Due to the potential for changes to tax laws and regulations or changes to the interpretation thereof (including regulations and interpretations pertaining to recent tax reforms in the United States), the ambiguity of tax laws and regulations, the subjectivity of factual interpretations, the complexity of our intercompany arrangements, uncertainties regarding the geographic mix of earnings in any particular period, and other factors, our estimates of effective tax rate and income tax assets and liabilities may be incorrect are subject to change and our financial statements could be adversely affected, and the resulting impacts may vary substantially from period to period. In particular, in the United States, there have been multiple significant changes recently proposed or enacted to the taxation of business entities (including the passing of the IRA and subsequent issuance of guidance thereto), including, among other things, implementing a 15 % corporate minimum tax on book income of certain large corporations effective in 2024, a 1 % excise tax on net stock repurchases after December 31, 2022, and several tax incentives to promote clean energy. We are still evaluating the impact these IRA- related tax incentives and the guidance

thereto may have on our financial results ~~as we go forward~~. Additionally, we are currently unable to predict whether other proposed changes to tax laws will be enacted and, if so, when they would be effective or the ultimate impact on us or our business. To the extent that such changes have a negative impact on us or our business, these changes may materially and adversely impact our business, financial condition, and results of operations. In addition, the amounts of taxes we pay are subject to current or future audits by taxing authorities in the United States and all other jurisdictions in which we operate. If audits result in additional payments or assessments, our future results may include unfavorable adjustments to our tax liabilities, and our financial statements could be adversely affected. We may incur obligations, liabilities, or costs under environmental, health, and safety laws, which could have an adverse impact on our business, financial condition, and results of operations. We are required to comply with federal, state, local, and foreign laws and regulations regarding the protection of the environment, health, and safety. We **have in the past and** may **in the future** incur expenses, or be subject to liability, related to the transportation, storage, or disposal of lithium-ion batteries, or other materials used in our products, **including potential permitting obligations, operational requirements, or liabilities associated with the generation, handling, transport or disposal of hazardous materials or hazardous wastes, or associated with air emissions, greenhouse gas emissions, water quality discharges, or other environmental criteria**. Adoption of more stringent **such** laws and regulations in the future, **or increased enforcement of existing laws**, could require us to incur substantial costs to come into compliance with these laws and regulations. In addition, violations of, or liabilities under, these laws and regulations may result in restrictions being imposed on our operating activities or in our being subject to adverse publicity, substantial fines, penalties, criminal proceedings, **administrative enforcement actions or proceedings**, third-party property damage or personal injury claims, cleanup costs, or other costs. Liability under these laws and regulations can be imposed on a joint and several basis and without regard to fault or the legality of the activities giving rise to the claim, **including related to past or present contamination of the soil or groundwater associated with leased or owned real property**. In addition, future developments such as more aggressive enforcement policies or the discovery of presently unknown environmental conditions may require expenditures that could have an adverse effect on our business, financial condition, and results of operations. **Additionally** ~~The reduction,~~ **most existing environmental laws and** ~~elimination, or expiration of government incentives for, or regulations mandating~~ **preceded** the use **introduction** of ~~renewable energy could reduce demand for energy storage products~~ **technology** and ~~harm were adopted to apply to technologies existing at the time, namely large coal, oil, or gas-fired power plants. In many instances, our technology is moving faster than the development of applicable regulatory frameworks. In addition, future developments such as more aggressive enforcement policies or the discovery of presently unknown environmental conditions may require unforeseen expenditures. It is also possible that regulators could delay or prevent us from conducting our business.~~ ~~Federal, state, local, and foreign government bodies provide incentives to owners, end users, distributors, system integrators and manufacturers of renewable energy products to promote renewable electricity in the form of rebates~~ **some way pending agreement on**, tax credits and **compliance with, shifting regulatory requirements. Such actions could delay** other -- **the sale to** financial incentives. The range and **installation** duration of these incentives varies widely by jurisdiction. Our customers typically use our products for grid-..... of government incentives that support the adoption of energy storage **systems, require** products and services and are anticipated to benefit the **their modification** Company and its operations. The impact of the IRA and its accompanying guidance on our- ~~or operations cannot be known~~ **replacement, result in fines or trigger claims of performance warranties and defaults under customer contracts. Any of these developments could adversely affect our business, financial performance and reputation. Failure to comply** with ~~certainty~~ **data privacy** and **data security laws** we may not recognize the benefits we anticipate. We are continuing to evaluate the potential overall impact and applicability of the IRA on our business and operations. To the extent that any impacts from the IRA are less beneficial than anticipated or have a negative impact on us or our business or on our customers' businesses, these changes may materially and adversely impact our business, financial condition, and results of operations. Revenue from any projects we support may be adversely affected if there is a decline in public acceptance or support of renewable energy, or regulatory **regulations** agencies, local communities, or other third parties delay, prevent, or increase the cost of constructing and **industry standards** operating customer projects. Certain persons, associations and groups could **oppose renewable energy projects in general or..... change, are inherently unpredictable and may** have a material adverse effect on our **financial reputation, results and financial condition**. Our business, including our customers and suppliers, may be exposed to severe weather events and natural disasters, such as tornadoes, tsunamis, tropical storms (including hurricanes), earthquakes, windstorms, hailstorms, severe thunderstorms, wildfires, and other fires, which could cause operating results to vary significantly from one period to the next. We may incur losses in our ~~business in excess of: (1) those experienced in..... and additional costs to maintain or resume operations~~ ~~Additionally,~~ **climate change may adversely impact the demand..... our reputation, results of operations or financial condition or have other adverse consequences**. We are subject to various laws, related regulations, and industry standards involving data privacy and information security. Such laws and regulations relating to data privacy and information security are continuously evolving and subject to potentially differing interpretations. These requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other rules or our practices. As a result, our practices may not have complied in the past or may not comply now or in the future with all such laws, regulations, requirements, and obligations. In the United States, there are numerous federal and state data privacy and security laws, rules, and regulations governing the collection, use, storage, sharing, transmission, and other processing of **data relating to an identifiable living individual or "personal information"**, including federal and state data privacy laws, data breach notification laws, and consumer protection laws. Many state legislatures have adopted legislation that regulates how businesses operate online, including measures relating to privacy, data security, and data breaches. Such legislation includes the California Consumer Privacy Act ("CCPA"), which created new consumer rights, and imposes corresponding obligations on covered businesses, relating to the access to, deletion of, and sharing of personal information collected by covered businesses, including California residents' right to access and delete their personal

information, opt out of certain sharing and sales of their personal information, receive detailed information about how their personal information is used and shared, and may restrict the use of cookies and similar technologies for advertising purposes. The CCPA also prohibits discrimination against individuals who exercise their privacy rights. Additionally, the California Privacy Rights Act (“CPRA”), was passed in California in November 2020 and became effective in July 2023 and effectively replaces and expands the scope of the CCPA. In particular, the CPRA restricts the use of certain categories of sensitive personal information that we handle; establishes restrictions on the retention of personal information; expands the types of data breaches subject to the private right of action; and establishes the California Privacy Protection Agency to implement and enforce the CPRA, as well as impose administrative fines. The CPRA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action has increased the likelihood of, and risks associated with, data breach litigation. **It should be noted that as additional states adopt legislation modeled after California’s CCPA and CPRA, the likelihood of encountering a fragmented regulatory landscape across the United States is increasing. We continue to monitor and implement necessary changes to address applicable data privacy regulations within the states, particularly in jurisdictions such as Virginia, Colorado, and Utah, where recent legislative updates have taken effect or will soon be implemented.** The enactment of the CCPA and CPRA is prompting a wave of similar legislative developments in other states in the United States, which creates the potential for a patchwork of overlapping but different state laws. ~~For example, Virginia, Utah, Colorado, Connecticut, Indiana, Iowa, Montana, Tennessee, Texas, and Oregon have passed similar laws, which have or will come into force starting in 2023,~~ reflecting a trend toward more stringent privacy legislation in the United States. Other states, such as New York and Massachusetts, have passed specific laws mandating reasonable security measures for the handling of personal information. Further, other U. S. states are considering such laws, and there remains increased interest at the federal level. In Europe, we are subject to data protection laws such as the European Union General Data Protection Regulation 2016 / 679 and applicable national supplementing laws (“EU GDPR”) and the United Kingdom General Data Protection Regulation and Data Protection Act 2018 (“UK GDPR”), (the EU GDPR and UK GDPR together referred to as the “GDPR”). The GDPR imposes comprehensive compliance obligations regarding our processing of personal information, including a principle of transparency, accountability, and the obligation to demonstrate compliance through policies, procedures, training and audit. ~~Further,~~ **as well as requirements regarding the GDPR and UK GDPR regulates** cross-border transfers of personal information out of the European Economic Area and the United Kingdom. Case law from the Court of Justice of the European Union (“CJEU EEA”) ~~and states that sole reliance on the standard contractual clauses (a standard form UK. In relation to such cross border transfers of contract approved by~~ **personal information, we expect the existing legal complexity and uncertainty regarding international personal information transfers to continue. In particular, we expect** the European Commission ~~approval of the~~ **approval of the** as an adequate personal information transfer mechanism) may not necessarily be sufficient in all circumstances and that transfers must be assessed on a case-by-case basis. We currently ~~current~~ **current** rely on the EU standard contractual clauses and the UK Addendum to the EU standard contractual clauses and the UK International Data Transfer Agreement and the EU- US Data Privacy Framework ~~for data (“DPF”) as relevant to transfer~~ **transfers** personal information outside the EEA and the UK, including to ~~certified entities in~~ the United States, with respect to both intragroup and third party transfers. We expect the existing legal complexity and uncertainty regarding international personal information transfers to continue, the DPF to be challenged (continuation of the Schrems case) and international transfers to the United States and to other jurisdictions more generally to continue being subject to enhanced regulatory scrutiny. ~~We~~ **As the regulatory guidance and enforcement landscape in relation to processing of personal information continue to develop, we** could suffer additional costs, complaints and / or regulatory investigations or fines; we may have to stop using certain tools and vendors and make other operational changes; we ~~may~~ **may** have had to and will have to implement ~~alternative data revised standard contractual clauses and / or equivalent transfer mechanisms~~ **under the GDPR and / for or intragroup, customer take additional compliance and operational measures** vendor arrangements within required time frames; and / or the manner in which we provide our services and our business, operations and financial condition could be adversely affected. **Since we are under the supervision of relevant data protection authorities in both the EEA and the UK, we may be fined under both the EU GDPR and UK GDPR for the same breach.** We are also subject to evolving EEA and UK privacy laws on cookies, tracking technologies, and e-marketing. If the trend of increasing enforcement by regulators of the strict approach to opt-in consent for all but essential use cases, as seen in recent guidance and decisions, continues, and given the complex and evolving nature of EEA and UK privacy laws, this may lead to ~~substantial~~ **additional** costs, require significant systems changes, may lead customers to demand certain standards due to strict privacy laws, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, and subject us to additional liabilities and there can be no assurances that we will be successful in our compliance efforts. The foregoing laws, regulations, and industry standards may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment in resources to compliance programs, could impact strategies and availability of previously useful data, and could result in increased compliance costs and / or changes in business practices and policies. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any federal, state, or international privacy and security laws, regulations, industry standards, or other legal obligations relating to data privacy and information security could adversely affect our reputation, brand, and business, and may result in claims (including class actions), liabilities, regulatory investigations, enforcement notices, assessment notices (for a compulsory audit) proceedings or actions against us by governmental entities or others, or may require us to change our operations (including by ceasing or changing our data processing activities and applying serious additional controls). ~~In addition, GDPR and similar regulations may cause intensive workloads in privacy offices and related departments in order to meet the related data subject access rights and complaints, and if these demands cannot be met, complaints may be filed to the supervisory authorities and ultimately we may face sanctions and penalties.~~ Any such claims, proceedings, or actions could hurt our reputation, brand and

business, force us to incur significant expenses in defense of such proceedings or actions, distract our management, increase our costs of doing business, and result in the imposition of monetary penalties. From time to time, we may be subject to legal proceedings, regulatory disputes, and governmental investigations and inquiries that could cause us to incur significant expenses, divert our management's attention, and materially harm our business, financial condition, and operating results. We have been and continue to be subject to claims, lawsuits, government investigations, including the ongoing SEC investigation, and other regulatory or legal proceedings that arise out of our operations and business and that cover a wide range of matters, including, among others, intellectual property matters, **commercial labor and employment claims, personal injury claims, product liability claims,** contract disputes, **insurance and property damage claims, labor and employment claims, personal injury claims, product liability claims, environmental claims,** and warranty claims. In addition, since we are marketing and selling our energy storage **products are new types of** products in a nascent market, we have in the past needed and may in the future need to seek the amendment of existing regulations or, in some cases, the creation of new regulations, in order to operate our business in some jurisdictions. Such regulatory processes may require public hearings concerning our business, which could expose us to subsequent litigation. **Generally, litigation, Litigation, and** regulatory proceedings, **and government investigations** may be protracted and expensive, and may divert management attention and resources and the ultimate results may be difficult to predict. Certain of these matters may include speculative claims for substantial or indeterminate amounts of damages. Any of these actions could expose us to adverse publicity that could harm our reputation and operations **and relationships with customers.** Unfavorable outcomes or developments relating to proceedings to which we are a party or transactions involving our offerings **products and services,** such as judgments for monetary damages, injunctions, or denial or revocation of permits, could have a material adverse effect on **our business, financial condition, and results of operations. In addition, settlement of claims could adversely also affect our financial condition and results of operations.** Risks related to Ownership of our Class A Common Stock Certain provisions of Delaware law and antitakeover provisions in our organizational documents could delay or prevent a change of control. Certain provisions of Delaware law, our amended and restated certificate of incorporation, amended and restated bylaws, and our Stockholders Agreement dated October 27, 2021 by and among Fluence Energy, LLC, Fluence Energy, Inc., and the Stockholders (as defined therein) (the "Stockholders Agreement") may have an antitakeover effect and may delay, defer, or prevent a merger, acquisition, tender offer, takeover attempt, or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders. These provisions provide for, among other things: • the ability of our board of directors to issue one or more series of preferred stock; • advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings; • certain limitations on convening special stockholder meetings; • prohibit cumulative voting in the election of directors; • that certain provisions of amended and restated certificate of incorporation may be amended only by the affirmative vote of at least 66 2 / 3 % of the voting power represented by our then-outstanding common stock; • the right of each of the AES Related Parties, Siemens Related Parties, and the QIA Related Parties (each as defined in the Stockholders Agreement) to nominate certain of our directors; • the shares of our Class B- 1 common stock held by AES entitle them to five votes per share on all matters presented to our stockholders generally; and • the consent rights of the Continuing Equity Owners in the Stockholders Agreement. These antitakeover provisions could make it more difficult for a third party to acquire us, even if the third party's offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. In addition, we have opted out of Section 203 of the General Corporation Law of the State of Delaware (**" , which we refer to as the DGCL "**), but our amended and restated certificate of incorporation **will provide provides** that engaging in any of a broad range of business combinations with any "interested" stockholder (any stockholder with 15 % or more of our voting stock) for a period of three years following the date on which the stockholder became an "interested" stockholder is prohibited, subject to certain exceptions. Because we have no current plans to pay regular cash dividends on our Class A common stock for the foreseeable future, you may not receive any return on investment unless you sell your Class A common stock for a price greater than that which you paid for it. We do not anticipate paying any regular cash dividends on our Class A common stock in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our board of directors and will depend on, among other things, general and economic conditions, our results of operations and financial condition, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions, and such other factors that our board of directors may deem relevant. In addition, our ability to pay dividends is, and may be, limited by covenants of any future outstanding indebtedness we or our subsidiaries incur. Therefore, any return on investment in our Class A common stock is solely dependent upon the appreciation of the price of our Class A common stock on the open market, which may not occur. The dual class structure of our common stock may adversely affect the trading market for our Class A common stock. We cannot predict the effect our multiple class structure may have on the market price of our Class A common stock. We cannot predict whether our multi-class structure will result in a lower or more volatile market price of our Class A common stock, in adverse publicity or other adverse consequences. Certain stockholder advisory firms and large institutional investors may prefer companies that do not have multiple share classes or may have investment guidelines that preclude them from investing in companies that have multiple share classes. In addition, certain index providers have previously implemented, and may in the future determine to implement, restrictions on including companies with multiple class share in certain of their indices. For example, from July 2017 to April 2023, S & P Dow Jones excluded companies with multiple share classes from the S & P Composite 1500 (composed of the S & P 500, S & P MidCap 400 and S & P SmallCap 600). Indices have discretion to reassess and implement such policies with respect to multi-class differing voting right structures. Under any such policies, our dual class capital structure would make us ineligible for inclusion in any of these indices. Any exclusion from stock indices could result in a less active trading market for our Class A common stock. Any actions or publications by stockholder advisory firms or institutional investors critical of our

corporate governance practices or capital structure could also adversely affect the value of our Class A common stock. We are a “controlled company” within the meaning of the Nasdaq rules and, as a result, qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You may not have the same protections afforded to stockholders of companies that are subject to such corporate governance requirements. Our Continuing Equity Owners have more than 50 % of the voting power for the election of directors, and, as a result, we are considered a “controlled company” for the purposes of the Nasdaq rules. As such, we qualify for, and intend to rely on, exemptions from certain corporate governance requirements, including the requirements to have a majority of independent directors on our board of directors, an entirely independent compensation committee or to have director nominations be made, or recommended to the full board of directors, by its independent directors or by a nominations committee that is composed entirely of independent directors. The corporate governance requirements and, specifically, the independence standards are intended to ensure directors who are considered independent are free of any conflicting interest that could influence their actions as directors. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the Nasdaq rules. Our status as a controlled company could make our Class A common stock less attractive to some investors or otherwise harm our stock price. Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain stockholder litigation matters, and the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees, or stockholders. Our amended and restated certificate of incorporation provides (A) (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee, or stockholder of the Company to the Company or the Company’s stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws (as either may be amended or restated) or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any action asserting a claim governed by the internal affairs doctrine of the law of the State of Delaware shall, to the fullest extent permitted by law, be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, the federal district court of the State of Delaware; and (B) the federal district courts of the United States shall, **to the fullest extent permitted by law,** be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Notwithstanding the foregoing, the exclusive forum provision shall not apply to claims seeking to enforce any liability or duty created by the Exchange Act. The choice of forum provision may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers, and other employees. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our amended and restated certificate of incorporation. Our amended and restated certificate of incorporation provides that the doctrine of “corporate opportunity” does not apply with respect to any director or stockholder who is not employed by us or our subsidiaries. The doctrine of corporate opportunity generally provides that a corporate fiduciary may not develop an opportunity using corporate resources, acquire an interest adverse to that of the corporation or acquire property that is reasonably incident to the present or prospective business of the corporation or in which the corporation has a present or expectancy interest, unless that opportunity is first presented to the corporation and the corporation chooses not to pursue that opportunity. The doctrine of corporate opportunity is intended to preclude officers or directors or other fiduciaries from personally benefiting from opportunities that belong to the corporation. Our amended and restated certificate of incorporation provides that the doctrine of “corporate opportunity” will not apply with respect to any **of our Continuing Equity Owners, any of our directors who are employees or affiliates of the Continuing Equity Owners, or any** director or stockholder who is not employed by us or our subsidiaries, **except as provided in our amended and restated certificate of incorporation.** Any **of the foregoing persons** ~~director or stockholder who is not employed by us or our subsidiaries,~~ therefore, has no duty to communicate or present corporate opportunities to us, and has the right to either hold any corporate opportunity for their (and their affiliates’) own account and benefit or to recommend, assign or otherwise transfer such corporate opportunity to persons other than us, including to any director or stockholder who is not employed by us or our subsidiaries, **and will not be liable to us or to our stockholders for breach of any fiduciary duty by reason of any of these activities.** As a result, ~~certain of our stockholders, directors, and their~~ **the Continuing Equity Owners** ~~respective affiliates, including AES Grid Stability, LLC, Siemens AG, Siemens Pension Trust c. V., QHL,~~ and any of our directors nominated by them that are not employed by us or our subsidiaries, are not prohibited from operating or investing in competing **us in the energy storage businesses** ~~business.~~ We, therefore **including as a result of acquiring a company that operates an energy storage business. Due to the significant resources of our Continuing Equity Owners,** ~~may find ourselves in competition with~~ **including their intellectual property (all of which our Continuing Equity Owners retain and** ~~certain of our stockholders which they license to us under applicable intellectual property license agreements),~~ **directors’ financial resources, name recognition and know-how resulting from the previous management of** ~~or our business, our Continuing Equity Owners could have a significant competitive advantage over us should any of them decide to utilize these resources to engage in~~ ~~their~~ **the type of business** ~~respective affiliates, and we~~ **conduct** ~~may not have knowledge of, or be able to pursue, transactions that could potentially be beneficial to us. Accordingly, we may lose a corporate opportunity or suffer competitive harm, which could negatively impact~~ **may in turn cause** ~~our business, operating results, and financial condition~~ **to be materially adversely affected.** You may be diluted by future issuances of additional Class A common stock or ~~common~~

units **LLC Interests** in connection with our incentive plans, acquisitions, or otherwise; future sales of such shares in the public market, or the expectations that such sales may occur, could lower our stock price. The sale of shares of our Class A common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our Class A common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. As of September 30, ~~2023~~ **2024**, we had ~~outstanding~~ a total of ~~118,129, 903,421, 435,797~~ shares of Class A common stock **outstanding**. Of the outstanding shares, ~~41,631, 823,254, 465,327~~ shares held by public investors are freely tradable without restriction or further registration under the Securities Act, ~~other than any shares held by our affiliates~~. Any shares of Class A common stock held by our affiliates **are will be** eligible for resale pursuant to Rule 144 under the Securities Act, subject to the volume, manner of sale, holding period and other limitations of Rule 144. In addition, we, Fluence Energy, LLC and the Founders are party to the **Third Amended and Restated Limited Liability Agreement of Fluence Energy, LLC, dated October 27, 2021, as may be amended from time to time (the "Fluence Energy, LLC Agreement")** under which Founders (or certain permitted transferees thereof) were granted the right (subject to the terms of the Fluence Energy, LLC Agreement) to have their ~~common units~~ **LLC Interests** redeemed from time to time at our election (determined solely by our independent directors (within the meaning of the rules of the Nasdaq) who are disinterested), newly- issued shares of our Class A common stock on a one- for- one basis or a cash payment from the sale of newly issued shares of Class A common stock equal to a volume weighted average market price of one share of Class A common stock for each ~~common unit~~ **LLC Interest** so redeemed, in each case, in accordance with the terms of the Fluence Energy, LLC Agreement; provided that, at our election (determined solely by our independent directors (within the meaning of the rules of the Nasdaq) who are disinterested), we may effect a direct exchange by us of such Class A common stock or such cash, as applicable, for such ~~common units~~ **LLC Interests**. The Founders may exercise such redemption right, subject to certain exceptions, for as long as their ~~common units~~ **LLC Interests** remain outstanding. ~~For example~~ **As of the date of this Annual Report, in July 2022 AES Grid Stability maintains ownership of 51, Siemens Industry 499, 195 LLC Interests, and may in the future exercised- exercise its redemption right rights pursuant with respect to the Fluence Energy its entire holding of 58, LLC Agreement 586, 695 common units, which we elected the Company may choose to settle through the issuance of 58-51, 586-499, 695-195 shares of our Class A common stock.** The market price of shares of our Class A common stock could decline as a result of these redemptions or exchanges or the perception that a redemption or exchange **any subsequent sale** could occur. ~~These redemptions or exchanges, which or the possibility that these redemptions or exchanges may occur, also might make it more difficult for holders of our Class A common stock to sell such stock in the future at a time and at a price that they deem appropriate. In addition, we have there are outstanding vested options to acquire shares of Class A common stock pursuant to equity incentive awards issued previously pursuant to the 2020 Unit Option Plan of Fluence Energy, LLC (the "Existing Equity Plan"). Further, we have outstanding phantom shares conveying the right to receive cash or equity based upon the value of Class A common stock. Finally, we have reserved 9, 500, 000 shares of Class A common stock for issuance under the Fluence Energy, Inc. 2021 Incentive Award Plan (the "2021 Equity Plan") and there are 5, 207, 625 shares still available for grant under the 2021 Equity Plan as of September 30, 2024.~~ Any Class A common stock that we issue under the 2021 Equity Plan or other equity incentive plans that we may adopt in the future **as well as exercise of the outstanding options under any of equity plans** would be dilutive to Class A common stockholders. In the future, we may also issue securities in connection with investments, acquisitions, or capital raising activities, which could constitute a material portion of our then-outstanding shares of Class A common stock. Further in connection with the completion of the IPO, we entered into a Registration Rights Agreement with certain of the Continuing Equity Owners. Any such issuance of additional securities or any exercise of registration rights or the prospect of any such sales, could materially impact the market price of our Class A common stock and could impair our ability to raise capital through future sales of equity securities. **Short sellers may engage in manipulative activity intended to drive down the market price of our Class A common stock, which has and could in the future result in related governmental and regulatory scrutiny, among other effects. Short selling is the practice of selling securities that the seller does not own but rather has borrowed or intends to borrow from a third party with the intention of later buying lower priced identical securities to return to the lender. Accordingly, it is in the interest of a short seller of our Class A common stock for the price to decline. At any time, short sellers may publish, or arrange for the publication of, opinions or characterizations that are intended to create negative market momentum. Short selling reports can cause increased volatility in an issuer's stock price, and result in regulatory and governmental inquiries. For example, on February 22, 2024, as previously disclosed, a short seller report was published which contained certain allegations against the Company (the "Short Seller Report"). In response to the Short Seller Report, the Audit Committee of our board of directors completed an internal investigation, with the assistance of outside counsel and forensic accountants, into the allegations in the Short Seller Report. We, after consultation with the Audit Committee, believe that the internal investigation demonstrated that the allegations of wrongdoing contained in the Short Seller Report are without merit. We have been informed that the SEC is conducting a formal investigation and asking for certain information regarding our financial reporting. We are fully cooperating with the SEC's investigation. Based on the information requested by the SEC, we believe that the SEC is reviewing the Company's revenue recognition practices, a previously- disclosed material weakness in internal controls, capitalization of internal- use software costs, as well as certain service contracts with related parties. These areas were the subject of assertions in the Short Seller Report and were included in the Audit Committee's internal investigation. Any inquiries or investigations conducted by a governmental organization or other regulatory body, such as the ongoing SEC investigation, or any internal investigation, such as the one conducted by our Audit Committee, could result in a material diversion of our management's time and result in substantial cost and, in the event of an adverse finding, could have a material adverse effect on our business and results of operations. In addition, any perceived or actual failure by us to comply with**

applicable laws, rules, regulations, and standards could have a significant impact on our reputation and expose us to legal risk and potential criminal and civil liability. Risks Related to Our Existing Shareholders Our certificate of incorporation limit our Continuing Equity Owners' and their directors' and officers' liability to us or you for breach of fiduciary duty and could also prevent us from benefiting from corporate opportunities that might otherwise have been available to us. Our certificate of incorporation provides that, subject to any contractual provision to the contrary, our Continuing Equity Owners will have no obligation to refrain from: • engaging in the same or similar business activities or lines of business as we do; • doing business with any of our clients, customers, vendors or lessors; • employing or otherwise engaging any of our officers or employees; or • making investments in any property in which we may make investments. Under our certificate of incorporation, neither Continuing Equity Owners nor any officer or director of Continuing Equity Owners, except as provided in our certificate of incorporation, will be liable to us or to our stockholders for breach of any fiduciary duty by reason of any of these activities. Any interests or expectancy in corporate opportunities which become known to (i) any of our directors or officers who are also directors, officers, employees or other affiliates of Continuing Equity Owners or their affiliates (except that we and our subsidiaries shall not be deemed affiliates of Continuing Equity Owners or its affiliates for the purposes of the provision), or dual persons, or (ii) our Continuing Equity Owners themselves, and which relate to the business of Fluence or may constitute a corporate opportunity for both our Continuing Equity Owners and us. Generally, neither our Continuing Equity Owners nor our directors or officers who are also dual persons will be liable to us or our stockholders for breach of any fiduciary duty by reason of the fact that any such person pursues or acquires any corporate opportunity for the account of our Continuing Equity Owners or their affiliates, directs, recommends, sells, assigns or otherwise transfers such corporate opportunity to Our Continuing Equity Owners or its affiliates, or does not communicate information regarding such corporate opportunity to us. The corporate opportunity provision may exacerbate conflicts of interest between our Continuing Equity Owners and us because the provision effectively permits one of our directors or officers who also serves as a director, officer, employee, or other affiliate of Our Continuing Equity Owners to choose to direct a corporate opportunity to our Continuing Equity Owners instead of us. Our Continuing Equity Owners are not restricted from competing with us in the energy storage business, including as a result of acquiring a company that operates an energy storage business. Due to the significant resources of our Continuing Equity Owners, including their intellectual property (all of which our Continuing Equity Owners retain and certain of which they license to us under applicable intellectual property license agreements), financial resources, name recognition and know-how resulting from the previous management of our business, our Continuing Equity Owners could have a significant competitive advantage over us should any of them decide to utilize these resources to engage in the type of business we conduct, which may in turn cause our operating results and financial condition to be materially adversely affected. We are controlled by the Continuing Equity Owners, whose interests may differ from those of our public stockholders. As of the date of this Annual Report, the Continuing Equity Owners control approximately 89.83% of the combined voting power of our common stock through their ownership of both Class A common stock and Class B-1 common stock. The Continuing Equity Owners have the ability to substantially influence us **our corporate management and affairs** through their ownership, **including** position over corporate management and affairs. The Continuing Equity Owners are able to, subject to applicable law, and the voting arrangements, **to** elect a majority of the members of our board of directors **and control actions to be taken by us and our board of directors, including amendments to our certificate of incorporation and bylaws and approval of significant corporate transactions, including mergers and sales of substantially all of our assets.** The directors so elected **will have the authority ability to control actions to be taken by our board of directors, including amendments to our amended and restated certificate of incorporation and amended and restated bylaws and approval of significant corporate transactions, including mergers and sales of substantially all of our assets, and** subject to the terms of our indebtedness and applicable rules and regulations, **to approve the issue-issuance of** additional stock, implement stock repurchase programs, declare dividends and make other decisions. It is possible that the interests of the Continuing Equity Owners may in some circumstances conflict with our interests and the interests of our other stockholders, including you. For example, the Continuing Equity Owners may have different tax positions from us, especially in light of the Tax Receivable Agreement, that could influence our decisions regarding whether and when to dispose of assets, whether and when to incur new or refinance existing indebtedness, and whether and when we should terminate the Tax Receivable Agreement and accelerate its obligations thereunder. In addition, the determination of future tax reporting positions and the structuring of future transactions may take into consideration the Continuing Equity Owners' tax or other considerations, which may differ from the considerations of us or our other stockholders. Certain of our officers and directors may have actual or potential conflicts of interest because of their positions with our Continuing Equity Owners. Ricardo Falu, **Letitia ("Tish")** Mendoza, Barbara Humpton, Emma Falck, Axel Meier, **Chris John Christopher** Shelton, and Simon **James** Smith serve on our board of directors and are employed by and have retained their positions with AES, Siemens, or QIA, or any of their respective affiliates, as applicable. These individuals' holdings in and compensation from the relevant Continuing Equity Owners **or their affiliates** may be significant for some of these persons. Their positions at AES, Siemens, or QIA or their respective affiliates, their compensation from AES, Siemens, or QIA or their respective affiliates, and the ownership of any equity or **outstanding** equity awards in AES, Siemens, or QIA or their respective affiliates, **as applicable,** may create the appearance of conflicts of interest when these individuals are faced with decisions that could have different implications for our Continuing Equity Owners than the decisions have for us. We rely on our access to our Founders' brands and reputation for establishing and building relationships with customers. We believe the association with our Founders has **previously contributed** and continues to contribute to our establishing and building relationships with our customers due to the Founders' recognized brands and products, as well as resources such as their intellectual property and access to other third parties' intellectual property. Any perceived loss of our Founders' scale, capital base, and financial strength, or any actual loss or reduction in the Founders' ownership of the Company in the future, may prompt business partners to reprice, modify, or terminate their relationships with us. In addition, our Founders' reduction of their ownership of our **the company Company** may

cause some of our existing agreements and licenses to be terminated. Third parties may seek to hold us responsible for liabilities of our Founders, which could result in a decrease in our income. Third parties may seek to hold us responsible for our Founders' liabilities. If those liabilities are significant and we are ultimately held liable for them, we cannot assure that we will be able to recover the full amount of our losses from our Founders. We may be required to pay additional taxes as a result of partnership tax audit rules. We may be required to pay additional taxes as a result of partnership audit rules under U. S. federal and other applicable income tax law. The Bipartisan Budget Act of 2015 changed the rules applicable to U. S. federal income tax audits of partnerships, including entities such as Fluence Energy, LLC. Under these rules (which generally are effective for taxable years beginning after December 31, 2017), subject to certain exceptions, audit adjustments to items of income, gain, loss, deduction, or credit of an entity (and any holder's share thereof) are determined, and taxes, interest, and penalties attributable thereto, are assessed and collected, at the partnership level. It is possible that they could result in Fluence Energy, LLC (or any of its subsidiaries that are or have been treated as partnerships for U. S. federal income tax purposes) being required to pay additional taxes, interest, and penalties as a result of an audit adjustment, and we, as an owner of Fluence Energy, LLC (or as an indirect owner of such other entities), could be required to indirectly bear the economic burden of those taxes, interest, and penalties even if they relate to periods prior to the IPO and even though we may not otherwise have been required to pay additional corporate-level taxes as a result of the related audit adjustment.

Risks Related to Our Organizational Structure Our principal asset is our interest in Fluence Energy, LLC, and, as a result, we depend on distributions from Fluence Energy, LLC to pay our taxes and expenses, including payments under the Tax Receivable Agreement. Fluence Energy, LLC's ability to make such distributions may be subject to various limitations and restrictions. We are a holding company and have no material assets other than our ownership of LLC Interests. As such, we have no independent means of generating revenue or cash flow, and our ability to pay our taxes and operating expenses or declare and pay dividends in the future, if any, are dependent upon the financial results and cash flows of Fluence Energy, LLC and its subsidiaries and distributions we receive from Fluence Energy, LLC. There can be no assurance that Fluence Energy, LLC and its subsidiaries will generate sufficient cash flow to distribute funds to us or that applicable state law and contractual restrictions, including negative covenants in our debt instruments, will permit such distributions. The **ABL-2024** Credit Agreement limits, and our future debt agreements may similarly limit, our ability to make certain payments, including dividends and distributions on Fluence Energy, LLC's equity, Fluence Energy, Inc.'s equity and other restricted payments. Fluence Energy, LLC continues to be treated as a partnership for U. S. federal income tax purposes and, as such, generally is not subject to any entity-level U. S. federal income tax. Instead, any taxable income of Fluence Energy, LLC will be allocated to holders of LLC Interests, including us. Accordingly, we incur income taxes on our allocable share of any net taxable income of Fluence Energy, LLC. We expect to use distributions from Fluence Energy, LLC to fund any payments that we are required to make under the Tax Receivable Agreement. Under the terms of the Fluence Energy LLC Agreement, Fluence Energy, LLC is obligated, subject to various limitations and restrictions, including with respect to our debt agreements, to make tax distributions to holders of LLC Interests, ~~including us,~~ although tax distributions may not be paid in whole or in part in certain circumstances, including if Fluence Energy, LLC does not have available cash to make such distributions. In addition to tax expenses, we will also incur expenses related to our operations, including payments under the Tax Receivable Agreement, which we expect could be significant. We intend, as its managing member, to cause Fluence Energy, LLC to make cash distributions to the holders of LLC Interests in an amount sufficient to (1) fund all or part of their tax obligations in respect of taxable income allocated to them and (2) cover our operating expenses, including payments under the Tax Receivable Agreement. ~~However, Fluence Energy, LLC's ability to make such distributions may be subject to various limitations and restrictions, such as restrictions on distributions that would either violate any contract or agreement to which Fluence Energy, LLC is then a party, including debt agreements, or any applicable law, or that would have the effect of rendering Fluence Energy, LLC insolvent.~~ If we do not have sufficient funds to pay tax or other liabilities, or to fund our operations (including, if applicable, as a result of an acceleration of our obligations under the Tax Receivable Agreement), we may have to borrow funds, which could materially and adversely affect our liquidity and financial condition, and subject us to various restrictions imposed by any lenders of such funds. To the extent we are unable to make timely payments under the Tax Receivable Agreement for any reason, such payments generally will be deferred and will accrue interest until paid; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement resulting in the acceleration of payments due under the Tax Receivable Agreement. In addition, if Fluence Energy, LLC does not have sufficient funds to make distributions, our ability to declare and pay cash dividends will also be restricted or impaired. See "—Risks related to ownership of our Class A common stock". As a result of (1) potential differences in the amount of net taxable income allocable to us and to Fluence Energy, LLC's other equity holders, (2) the lower tax rate applicable to corporations as opposed to individuals, and (3) certain tax benefits that we anticipate from (a) future redemptions or exchanges of LLC Interests from the Founders, (b) payments under the Tax Receivable Agreement, and (c) certain other transactions, tax distributions to us may be in amounts that exceed our tax liabilities. Our board of directors will determine the appropriate uses for any excess cash so accumulated, which may include, among other uses, the payment of obligations under the Tax Receivable Agreement. We have no obligation to distribute such cash (or other available cash) to our stockholders. No adjustments to the redemption or exchange ratio or price for LLC Interests and corresponding shares of Class B- 1 or Class B- 2 common stock will be made as a result of any cash distribution ~~by us or any~~ retention of cash by us. To the extent we do not distribute such excess cash as dividends on our Class A common stock, we may take other actions with respect to such excess cash, for example, holding such excess cash, or lending it (or a portion thereof) to Fluence Energy, LLC or its subsidiaries, which may result in shares of our Class A common stock increasing in value relative to the value of LLC Interests. The holders of LLC Interests may benefit from any value attributable to such cash balances or loan receivables if they acquire shares of Class A common stock in exchange for their LLC Interests or otherwise exercise their rights to redeem or exchange their LLC Interests, notwithstanding that such holders may have participated previously as holders of LLC Interests in

distributions by Fluence Energy, LLC that resulted in the excess cash balances. The Tax Receivable Agreement with the Founders requires us to make cash payments to them in respect of certain tax benefits to which we may become entitled, and we expect that such payments will be substantial. We are party to a Tax Receivable Agreement with Fluence Energy, LLC and the Founders. Under the Tax Receivable Agreement, we are required to make cash payments to such Founders equal to 85 % of the tax benefits, if any, that we actually realize, or in certain circumstances are deemed to realize, as a result of (1) the increases in our share of the tax basis of assets of Fluence Energy, LLC and its subsidiaries resulting from any redemptions or exchanges of LLC Interests from the Founders and certain distributions (or deemed distributions) by Fluence Energy, LLC; and (2) certain other tax benefits arising from payments under the Tax Receivable Agreement. **The payment obligation under the Tax Receivable Agreement is an obligation of Fluence Energy, Inc. and not of Fluence Energy, LLC. We expect to use distributions from Fluence Energy, LLC to fund any payments that we will be required to make under the Tax Receivable Agreement. To the extent that we are unable to make timely payments under the Tax Receivable Agreement for any reason, the unpaid amounts generally will be deferred and will accrued interest until paid; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement resulting in the acceleration of payments due under the Tax Receivable Agreement. Fluence Energy, Inc. expects to benefit from the remaining 15 % of cash tax benefits, if any, it realizes from such tax benefits.** For example purposes of the Tax Receivable Agreement, the cash tax benefits will be computed by comparing the actual income tax liability of Fluence Energy, Inc. to the amount of such taxes that Fluence Energy, Inc. would have been required to pay had there been no such tax basis adjustments of the assets of Fluence Energy, LLC or its subsidiaries as a result of redemptions or exchanges and had Fluence Energy, Inc. not entered into the Tax Receivable Agreement. **On June 30, 2022, Siemens Industry, Inc. exercised its redemption right pursuant to the terms of the LLC Agreement with respect to its entire holding of 58, 586, 695 common units LLC Interests of Fluence Energy, LLC, together with the corresponding cancellation of an equivalent number of shares of Class B- 1 common stock of Fluence Energy, Inc., par value \$ 0. 00001 per share (the “ AES Redemption ”). On December 8, 2023, AES Grid Stability exercised its redemption right pursuant to the terms of the LLC Agreement with respect to 7, 087, 500 LLC Interests of Fluence Energy, LLC, together with the corresponding cancellation of an equivalent number of shares of Class B- 1 common stock of Fluence Energy, Inc., par value \$ 0. 00001 per share (the “ AES Redemption ”). As a result of increases in the tax basis adjustments of the assets of Fluence Energy, LLC and certain of its subsidiaries upon the redemptions and our possible utilization of certain tax attributes basis adjustment, the Siemens payments that we may make under the Tax Receivable Agreement will be substantial. The redemption redemptions will result in future tax savings of \$ 96-126 . 5-4 million. Siemens and AES will be entitled to receive payments under the Tax Receivable Agreement equaling 85 % of such amount, or \$ 82-107 . 0-4 million; assuming, among other factors, (i) we will have sufficient taxable income to fully- full utilize the tax benefits; (ii) Fluence Energy, LLC is able to fully depreciate or amortize its assets; and (iii) there are no material changes in applicable tax law. We anticipate funding ordinary course payments under the Tax Receivable Agreement from cash flow from operations of our subsidiaries, available cash, or available borrowings under any current or future debt agreements. We expect that the amount of the cash payments we will be required to make under the Tax Receivable Agreement will be substantial. Any payments made by us to the Founders under the Tax Receivable Agreement will not be available for reinvestment in our business and will generally reduce the amount of overall cash flow that might have otherwise been available to us and have a substantial negative impact on our liquidity. To the extent that we are unable to make timely payments under the Tax Receivable Agreement for any reason, the unpaid amounts generally will be deferred and will accrue interest until paid; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement resulting in the acceleration of payments due under the Tax Receivable Agreement. The payments under the Tax Receivable Agreement are not conditioned upon continued ownership of us by the redeeming or exchanging Founders. Furthermore, our future obligation to make payments under the Tax Receivable Agreement could make us a less attractive target for an acquisition, particularly in the case of an acquirer that cannot use some or all of the tax benefits that are the subject of the Tax Receivable Agreement. The actual increase in tax basis, and the actual utilization of any resulting tax benefits, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors: including the timing of redemptions or exchanges by the Founders; the price of shares of our Class A common stock at the time of the exchange; the extent to which such redemptions or exchanges are taxable; the amount of gain recognized by such Founders; the amount and timing of the taxable income allocated to us or otherwise generated by us in the future; the portion of our payments under the Tax Receivable Agreement constituting imputed interest; and the federal and state tax rates then applicable. **We recorded \$ 1. 5 million of Tax Receivable Agreement payment to related party expense for the 2024 tax year. The payment will be finalized after the filing of the Fluence Energy, Inc. U. S. income tax return during the fiscal year ending September 30, 2025.** Our organizational structure, including the Tax Receivable Agreement, confers certain benefits upon the Founders that will not benefit holders of our Class A common stock to the same extent that it will benefit the Founders. Our organizational structure, including the Tax Receivable Agreement, confers certain benefits upon the Founders that will not benefit the holders of our Class A common stock to the same extent that it will benefit such Founders. We are party to the Tax Receivable Agreement with Fluence Energy, LLC and certain Founders, which provides for the payment by us to such Founders of 85 % of the amount of tax benefits, if any, that we actually realize, or in some circumstances are deemed to realize, as a result of (1) the increases in our share of the tax basis of assets of Fluence Energy, LLC and its subsidiaries resulting from any future redemptions or exchanges of LLC Interests from the Founders and certain distributions (or deemed distributions) by Fluence Energy, LLC and (2) certain other tax benefits**

arising from payments under the Tax Receivable Agreement. Although we will retain 15 % of the amount of such tax benefits, this and other aspects of our organizational structure may adversely impact the future trading market for ~~the our~~ Class A common stock. In certain cases, payments under the Tax Receivable Agreement may be accelerated or significantly exceed any actual benefits we realize in respect of the tax attributes subject to the Tax Receivable Agreement. The Tax Receivable Agreement provides that if (1) we materially breach any of our material obligations under the Tax Receivable Agreement and the Founders elect an early termination of the Tax Receivable Agreement, (2) certain mergers, asset sales, other forms of business combinations, or other changes of control were to occur after the consummation of the IPO and the Founders elect an early termination of the Tax Receivable Agreement, or (3) we elect, at any time, an early termination of the Tax Receivable Agreement, then our obligations, or our successor's obligations, under the Tax Receivable Agreement to make payments would be based on certain assumptions, including an assumption that we would have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the Tax Receivable Agreement. As a result of the foregoing, we would be required to make an immediate cash payment equal to the present value of the anticipated future tax benefits that are the subject of the Tax Receivable Agreement, based on certain assumptions, which payment may be made significantly in advance of the actual realization, if any, of such future tax benefits. We could also be required to make cash payments to the Founders that are greater than the specified percentage of any actual benefits we ultimately realize in respect of the tax benefits that are subject to the Tax Receivable Agreement. In these situations, our obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring, or preventing certain mergers, asset sales, other forms of business combinations, or other changes of control. There can be no assurance that we will be able to fund or finance our obligations under the Tax Receivable Agreement. To the extent we are unable to make timely payments under the Tax Receivable Agreement for any reason, such payments generally will be deferred and will accrue interest until paid; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement resulting in the acceleration of payments due under the Tax Receivable Agreement. We may need to incur debt to finance payments under the Tax Receivable Agreement to the extent our cash resources are insufficient to meet our obligations under the Tax Receivable Agreement as a result of timing discrepancies or otherwise. We will not be reimbursed for any payments made under the Tax Receivable Agreement in the event that any tax benefits are disallowed. Payments under the Tax Receivable Agreement will be based on the tax reporting positions that we determine, and the U. S. Internal Revenue Service, or the IRS, or another tax authority, may challenge all or part of the tax basis increases or other tax benefits we claim, as well as other related tax positions we take, and a court could sustain such challenge. If the outcome of any audit of us or our subsidiaries is reasonably expected to adversely affect the rights and obligations of the Founders under the Tax Receivable Agreement in a material respect, then we will notify the Founders of such audit, keep them reasonably informed with respect thereto, provide them with a reasonable opportunity to provide information and other input concerning the audit or the relevant portion thereof and consider such information and other input in good faith. The interests of such Founders in any such challenge may differ from or conflict with our interests and your interests, and the Founders may exercise their rights relating to any such challenge in a manner adverse to our interests and your interests. We will not be reimbursed for any cash payments previously made under the Tax Receivable Agreement in the event that any tax benefits initially claimed by us and for which payment has been made are subsequently challenged by a taxing authority and are ultimately disallowed. Instead, any excess cash payments made by us will be netted against any future cash payments we might otherwise be required to make to the applicable Founder under the terms of the Tax Receivable Agreement. However, we might not determine that we have effectively made an excess cash payment to a Founder for a number of years following the initial time of such payment and, if any of our tax reporting positions are challenged by a taxing authority, we will not be permitted to reduce any future cash payments under the Tax Receivable Agreement until any such challenge is finally settled or determined. Moreover, the excess cash payments we made previously under the Tax Receivable Agreement could be greater than the amount of future cash payments against which we would otherwise be permitted to net such excess. The applicable U. S. federal income tax rules for determining applicable tax benefits we may claim are complex and factual in nature, and there can be no assurance that the IRS or a court will not disagree with our tax reporting positions. As a result, payments could be made under the Tax Receivable Agreement significantly in excess of any actual cash tax savings that we realize in respect of the tax attributes that are the subject of the Tax Receivable Agreement. Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our results of operations and financial condition. We are subject to taxes by ~~the~~ U. S. federal, state, local, and foreign tax authorities. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including: • allocation of expenses to and among different jurisdictions; • changes in the valuation of our deferred tax assets and liabilities; • expected timing and amount of the release of any tax valuation allowances; • tax effects of stock-based compensation; • costs related to intercompany restructurings; • changes in tax laws, tax treaties, regulations or interpretations thereof; or • lower than anticipated future earnings in jurisdictions where we have lower statutory tax rates and higher than anticipated future earnings in jurisdictions where we have higher statutory tax rates. In addition, we may be subject to audits of our income, sales, and other taxes by U. S. federal, state, and local, and foreign taxing authorities. Outcomes from these audits could have an adverse effect on our operating results and financial condition. If we were deemed to be an investment company under the Investment Company Act of 1940, as amended (~~or the~~ "1940 Act"), including as a result of our ownership of Fluence Energy, LLC, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business. Under Sections 3 (a) (1) (A) and (C) of the 1940 Act, a company generally will be deemed to be an "investment company" for purposes of the 1940 Act if (1) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities, or (2) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding, or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40 % of the value of its total assets (exclusive of U.

S. government securities and cash items) on an unconsolidated basis. We do not believe that we are an “investment company,” as such term is defined in either of those sections of the 1940 Act. We and Fluence Energy, LLC **conduct our operations and intend to continue** to conduct our operations so that we will not be deemed an investment company. As the sole managing member of Fluence Energy, LLC, we will control and operate Fluence Energy, LLC. On that basis, we believe that our interest in Fluence Energy, LLC is not an “investment security” as that term is used in the 1940 Act. However, if we were to cease participation in the management of Fluence Energy, LLC, or if Fluence Energy, LLC itself becomes an investment company, our interest in Fluence Energy, LLC could be deemed an “investment security” for purposes of the 1940 Act. ~~We and Fluence Energy, LLC intend to conduct our operations so that we will not be deemed an investment company.~~ If it were established that we were an unregistered investment company, there would be a risk that we would be subject to monetary penalties and injunctive relief in an action brought by the SEC, that we would be unable to enforce contracts with third parties and that third parties could seek to obtain rescission of transactions undertaken during the period it was established that we were an unregistered investment company. If we were required to register as an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business. ~~General Risk Factors~~ **Related Accounting Matters We have identified material weaknesses in our internal control over financial reporting. Failure to maintain proper and effective internal control over financial reporting could have a material adverse effect on our business, financial condition, results of operations, and stock price and may adversely affect investor confidence in our order to comply company with and, as a result, the value of our Class A common stock and your investment.** Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), **requires us to evaluate the effectiveness of our internal controls over financial reporting as of the end of each fiscal year, including a management report assessing the effectiveness of our internal controls over financial reporting, and a report issued by our independent registered public accounting firm on that assessment. Our ability to comply with the annual internal control reporting requirements will depend on the effectiveness of our financial reporting and data systems and controls across our company.** We may not expect these systems and controls to require additional investment as we become increasingly more complete ~~complete~~ **complex and our business grows. To effectively manage this complexity, we will need to continue to maintain and revise our operational, financial, and management controls, and our reporting systems and procedures. Certain weaknesses our or analysis deficiencies or failures to implement required new or improved controls, or difficulties encountered in the implementation or operation of these controls, could harm our operating results and cause us to fail to meet our financial reporting obligations, or result in material misstatements in our financial statements, which could adversely affect our business and reduce our the stock price of our Class A common stock. When evaluating our internal control over financial reporting, we have identified, and we may in the future identify additional material weaknesses that we may not be able to remediate in a timely manner.** As of September 30, ~~or~~ **2024, we determined that a material weakness in these the internal controls control over revenue recognition exists. A material weakness is may not be determined to be effective, which may adversely affect investor confidence in us and, as a result deficiency, the value of our or common stock. We are a combination of deficiencies public reporting company subject to the rules and regulations established from time to time by the SEC and Nasdaq. These rules and regulations require, in among other things, that we have and periodically evaluate procedures with respect to our internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.** The **Company did not consistently apply controls in its revenue recognition process related to the evaluation of designing contract terms for purposes of determining their impact on when costs are included in the measure of progress. We have taken and implementing are taking steps discussed under Part II, Item 9A, “Controls and Procedures” to remediate this material weakness. We have enhanced our controls over the evaluation of contract terms; however, the material weakness cannot be considered remediated until the applicable controls operate for a sufficient period of time, and management has concluded, through testing, that the controls are operating effectively. We cannot be certain as to the timing of completion of our evaluation, testing, and any remediation actions or the impact of the same on our operations. A material weakness in our internal control over financial reporting could result in an increased probability of fraud, the potential loss of customers, litigation from our stockholders, reduction in our ability to obtain financing, and required require additional expenditures to remediate** ~~comply with this requirement is time-consuming, costly, and complicated.~~ **Our failure** Under Section 404 (a) of the Sarbanes-Oxley Act our management is required to assess **implement and maintain** report annually on the effectiveness ~~effective~~ of our internal control over financial reporting **could result** and to identify any material weaknesses in **errors in our internal control over financial statements that could reporting. As a result in loss of no longer qualifying as investor confidence in the accuracy an and completeness** “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012 **our financial reports** and becoming a large accelerated filer **decline in our stock price, and we are also required could be subject** to comply with, among **sanctions or investigations by the SEC or other regulatory authorities** requirements, the auditor attestation requirements of Section 404 (b). If during the evaluation and testing process we identify one or more other material weaknesses in our internal control over financial reporting or determine that existing material weaknesses have not been fully remediated, our management will be unable to assert that our internal control over financial reporting is effective. In addition, if we fail to achieve and maintain the adequacy of our internal controls, as such standards are modified, supplemented, or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. As discussed in “Item 9A—Controls and Procedures—Management’s Report in Internal Control over Financial Reporting,” as of September 30, 2022, we previously reported a material weakness in internal control over revenue recognition and related inventory. As of September 30,

2023, the material weakness in internal control over revenue recognition has not fully been remediated. The Company's controls related to its estimate at completion ("EAC"), which is used in the Company's percentage of completion ("POC") accounting for its battery energy storage solutions were not effective. We assessed the material weakness as not remediated as the EAC controls did not consistently operate for a sufficient period of time and due to control operating effectiveness issues identified in management's assessment of controls. Certain aspects of the prior year material weakness have been successfully remediated as it relates to inventory and liquidated damages. We are actively engaged in implementing a remediation plan to address the material weakness. The material weakness will not be considered fully remediated until management designs and implements effective controls that operate for a sufficient period of time and management has concluded, through testing, that these controls are effective. We cannot be certain as to the timing of completion of our evaluation, testing, and any remediation actions or the impact of the same on our operations. If we are not able to implement the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner or with adequate compliance, our independent registered public accounting firm may issue an adverse opinion due to ineffective internal controls over financial reporting, and we may be subject to sanctions or investigation by regulatory authorities, such as the Nasdaq or SEC. As a result, there could be a negative reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. In addition, we may be required to incur costs in improving our internal control system and the hiring of additional personnel. Any such action could negatively affect our results of operations and cash flows. From time to time, we..... our financial condition and results of operations. Changes in accounting principles or their application to us could result in unfavorable accounting charges or effects, which could adversely affect our operating results and prospects. We prepare our financial statements in accordance with accounting principles generally accepted in the United States. The accounting for our business is subject to change based on the evolution of our business model, interpretations of relevant accounting principles, enforcement of existing or new regulations, and changes in policies, rules, regulations, and interpretations, of accounting and financial reporting requirements of the SEC or other regulatory agencies. A change in any of these principles or guidance, or in their interpretations or application to us, may have a significant effect on our reported results, as well as our processes and related controls, and may retroactively affect previously reported results, which may negatively impact our financial statements, which may in turn adversely affect our prospects. It is difficult to predict the impact of future changes to accounting principles and accounting policies over financial reporting, any of which could adversely affect our results of operations and financial condition and could require significant investment in systems and personnel. If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our operating results could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our **Class A** common stock. The preparation of our financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. We base estimates and assumptions on historical experience and on various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue, and expenses that are not readily apparent from other sources. We may make estimates regarding activities for which the accounting treatment is still uncertain. Actual results could differ from those estimates. If our assumptions change or if actual circumstances differ from our assumptions, our operating results may be adversely affected and could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock.