Risk Factors Comparison 2024-03-14 to 2023-03-15 Form: 10-K

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Our business, operating results or financial condition could be materially adversely affected by any of the following risks as well as the other risks highlighted elsewhere in this document, particularly the discussions about regulation, competition and intellectual property. The trading price of our Class B common stock ~~and Series 2012- A Preferred Stock~~ could decline due to any of these risks. Risks Related to Genie Retail Energy The REP business is highly competitive, and we may be forced to reduce prices or incur additional costs. GRE' s REP businesses face substantial competition both from the traditional incumbent utilities as well as from other REPs, including REP affiliates of the incumbent utilities in specific territories. As a result, we may be forced to reduce prices, incur increased costs or lose market share and cannot always pass along increases in commodity costs to customers. We compete on the basis of provision of services, customer service and price. Present or future competitors may have greater financial, technical or other resources which could put us at a disadvantage. Additionally, our experience has shown that utilities do not change their rates offered to customers immediately in response to increased prices for the underlying commodities. Increasing our market share depends in part on our ability to persuade more customers to switch to GRE' s services than those that churn from us to other providers or back to the local utility. Moreover, local utilities and some REPs may have certain advantages such as name recognition, financial strength and long- standing relationships with customers. Persuading potential customers to switch to GRE' s REPs requires significant marketing and sales operations. As we enter new international markets, we will face additional competitive ~~environment~~ **environments** . If GRE is not successful in convincing customers to switch both domestically and internationally, our REP businesses, results of operations and financial condition will all be adversely affected. Our strategy is based on current regulatory conditions and assumptions, which could change or prove to be incorrect. From time to time, various states may propose or modify legislation regulations which could adversely affect our marketing practices and ability to acquire and serve customers. The Company and the REP industry as a whole is working with government representatives, legislators, and advocacy interest groups to lobby for legislation and regulation that most effectively protects customer interests while preserving the competitive structure of deregulated markets. We also seek to expand and diversify into new markets with regulatory structures that are more favorable to the competitive retail supply of energy. For example, on April 16, 2021, the New York Public Service Commission (" PSC ") issued an order limiting the types of services energy retailer marketers may offer new customers or renewals, in terms of pricing for non- renewable commodities and renewable product offerings (the " 2021 Orders "). Such compliance could impact customer acquisition and renewal revenue and profitability. The Company is working to ensure that its products and services are fully compatible with the 2021 Orders. As of December 31, ~~2022~~ **2023** , New York represented ~~22~~ **16** . ~~4~~ **1** % of GRE' s total meters served and ~~18~~ **15** . ~~8~~ **0** % of the total residential customer equivalents (" RCEs ") of GRE' s customer base. For the years ended December 31, **2023 and** 2022 ~~and 2021~~ , gross revenue from New York was $ **66. 0 million and $** 63. 5 million **, respectively. In Maryland, the legislature is currently considering companion bills (SB0001** and **HB0267) calling for changes to be made to the retail energy marketplace, including among other things, restrictions and limitations on customer pricing, fees and contract renewals, licensing requirements for sales agents, and the modification of certain billing and collection arrangements between REPs and the utility. As of December 31, 2023, Maryland represented 3. 2 % of GRE' s total meters served and 2. 5 % of the total residential customer equivalents (" RCEs ") of GRE' s customer base. For the years ended December 31, 2023 and 2022, gross revenue from Maryland was** $ ~~52~~ **9. 7 million and $ 10** . 9 million, respectively **. In Massachusetts, the legislature is also considering a new bill (H. 3155) calling for various changes to be made to the retail energy marketplace, including, among other things, significant bonding requirements, additional training and regulation of customer acquisition standards and practices, creation of an oversight agency and a publicly available complaint database to monitor REP compliance, restrictions on supplying low- income customers, and prohibition on early termination fees. As of December 31, 2023, Massachusetts represented 10. 9 % of GRE' s total meters served and 8. 9 % of the total RCE of GRE' s customer base. For the years ended December 31, 2023 and 2022, gross revenue from Massachusetts was $ 60. 4 million and $ 54. 6 million, respectively. Although the Company is participating in industry groups and lobbying to minimize against adverse legislation, such legislation could have a material impact on the Company' s ability to sell and market energy supply in those states** . Any legislative or regulatory changes that negatively impacts the sale of fossil fuels or electricity derived therefrom would adversely affect the results of our operations and financial conditions. Unusual weather conditions, which may become more commonplace, may have significant direct and indirect impacts on GRE' s ~~and GREI' s business and~~ results of operations. Potential global climate change may produce, among other possible conditions, unusual variations in temperature and weather patterns, resulting in unusual weather conditions, more intense, frequent and extreme weather events and other natural disasters. Because our variable pricing plan resulted in increased prices charged to customers, we experienced an increase in customer churn as utilities and fixed price REPs appeared to have more attractive pricing, although those increased churn levels have peaked. A failure to mitigate an increase in churn could result in decreases in meters served and revenues ~~. The retail electricity price increases discussed above resulted in large numbers of customers filing informal and formal complaints to state utility commissions, state attorneys general and state legislators. IDT Energy was served with several thousand formal and informal customer complaints to state utility commission and state attorneys general related to the winter retail price increases~~ . In certain markets, we contractually commit to provide customers with a fixed price, irrespective of our cost of supply in the wholesale energy markets. Even under variable contracts, we seek to manage customer price expectations by using reasonable efforts to avoid or mitigate potential pass- throughs related to unforeseeable weather events (even where such pass- throughs are contractually permissible). Although we use our best efforts to reasonably hedge our commodity positions to absorb weather- related cost spikes, we cannot always anticipate unforeseeable extreme weather events, and we may be forced to absorb these cost increases in order to serve our customers. For example, a confluence of issues in January and February 2014 associated with the winter season' s polar vortex resulted in extraordinarily large spikes in the prices of wholesale electricity and natural gas in markets where GRE and other retail providers purchase their supply. Repeats of the circumstances or similar circumstances could similarly harm margins and profitability in the future, and we could find it necessary to take similar or other actions that would have a negative impact on our financial condition and results of operations. Additionally, in mid- February of 2021, the State of Texas experienced unprecedented cold weather and snow. With the grid overtaxed and rolling blackouts being enforced, by order of ERCOT, real- time commodity prices during the crisis escalated astronomically. Although our supply commitment for our customers in Texas was reasonably hedged for expected winter weather conditions, the extreme usage spike exposed us to further unexpected cost increases. Despite our cost increases related to the unprecedented price volatility in real- time electricity prices, we maintained customer rates under current agreements with customers. The impact on our consolidated profitability for the year ended December 31, ~~2022~~ **2021** was approximately $ 10. 6 million **. Our REP business may be subject to increased costs or liabilities related to the impact of GHG emissions or climate change. which may lead to substantially increased costs, including those beyond our ability to satisfy. There has been a trend in recent years toward increased scrutiny and regulatory oversight of the oil and gas and energy industries, including, among other things, proposed or enacted laws and regulations aimed at reducing or restricting oil and gas production or making the production, marketing or usage of oil and gas, including for generation of electricity, more expensive. Future laws or regulation or legal or regulatory efforts could also seek to impose liability on participants in the supply chain for natural gas or electricity produced from carbon- emitting fuel sources, including REPs like those we own and operate, for the current and historical effects of GHG and climate change, including health impacts, personal injuries and property and other damages. As discussed more fully in the section entitled " Climate Change " of this Annual Report on Form 10- K, the cost to us to comply with any legislation, regulations or initiatives limiting GHG or emissions or otherwise seeking to limit the impact of climate change could be substantial. Moreover, regulations imposing obligations on, or limiting GHG emissions that may be deemed to result from our operations could adversely affect pricing or demand for our offerings. We may not be able to pass on increases in costs to customers. In addition, changes in regulatory policies that result in a reduction in the demand for natural gas or electricity generated from carbon- emitting fuel sources that are deemed to contribute to climate change, or restrict the use of such products or fuel sources, may reduce demand for our offerings or impact the energy supply markets. Moreover, environmental agencies may seek penalties for failure to comply with laws, regulations or permits from parties involved in the supply chain for natural gas or electricity produced from carbon- emitting fuel sources, including REPs like those we own and operate, whose operations do not actually directly emit carbon fuels. We may also be subject to penalties from other regulatory agencies and be subject to increased operating costs for remediation and clean- up costs, civil penalties, or subject to claims from regulatory agencies, law enforcement or private parties for alleged effects of GHG and climate change, including health impacts, personal injuries and property and other damages** . GRE' s business is subject to physical, market and economic risks relating to potential effects of climate change, and policies at the national, regional and state levels to regulate GHG emissions and mitigate climate change could adversely impact our results of operations, financial condition and cash flows. Fluctuations in weather and other environmental conditions, including temperature and precipitation levels, may affect consumer demand for electricity or natural gas. In addition, the potential physical effects of climate change, such as increased frequency and severity of storms, floods and other climatic events, could disrupt GRE' s operations and supply chain, and cause it to incur significant costs in preparing for or responding to these effects. These or other changes in climate could lead to increased operating costs or capital expenses. GRE' s customers may also experience the potential physical impacts of climate change and may incur significant costs in preparing for or responding to these efforts, including increasing the mix and resiliency of their energy solutions and supply ~~. Hazards customary to the power production industry include the potential for unusual weather conditions, which could affect pricing and availability for electricity and natural gas. The contribution of climate change to the frequency or intensity of weather- related events could affect our operations and financial results and condition. The physical risks associated with climate change may have an adverse impact on our business operations, financial condition and cash flows Climate change poses potential physical risks. Scientific studies forecast that these risks include increases in sea levels, stresses on water supply, rising average temperatures and other changes in weather conditions, such as increases in precipitation and extreme weather events, such as floods, heat waves, hurricanes and other tropical storms and cyclones. The projected physical effects of climate change have the potential to be destructive to the suppliers from which we purchased our electricity and natural gas supply. An extreme weather event within our REPs service areas can also cause disruption in service to customers due to downed wires and poles or damage to other equipment. For all of these reasons, these physical risks could have an adverse financial impact on our business operations, financial condition and cash flows. Climate change poses other financial risks as well. To the extent weather conditions are affected by climate change, customers' energy use could increase or decrease depending on the duration and magnitude of the changes. Increased energy use due to weather changes may require us to purchase additional power and natural gas. Additionally, decreased energy use due to weather changes may affect our financial condition through decreased rates, revenues, margins or earnings. However, because the nature and timing of changes in extreme weather events (such as increased frequency, duration, and severity) are uncertain, it is not possible for us to estimate reliably the future financial risk to our operations caused by these potential physical risks~~ . Fixed Rate Products or Guaranteed Pricing Programs could result in losses or decreased profits if GRE fails to estimate future commodity prices and commodity consumption accurately. REPs and utilities offering fixed rate products or guaranteed pricing often are unable to change their sell rates offered to customers in response to volatility in the prices of the underlying commodities or changes in the regulatory environment. Sudden spikes in commodity prices, particularly when coupled with rapid, unexpected increases in consumptions, expose us to the risk that we will incur significant unforeseen costs in performing fixed rate contracts. During the year ended December 31, ~~2022~~ **2023**, GRE' s meters enrolled in offerings with fixed rate characteristics constituted approximately ~~24~~ **57**. ~~1~~ **9** % and ~~7~~ **31**. 1 % of GRE' s electric and natural gas ~~load~~ **revenues**, respectively. Fixed rate products are becoming a greater part of our offering as they are currently preferred by many customers and regulators. However, it is difficult to predict future commodity costs. Any shortfalls resulting from the risks associated with fixed rate programs will reduce our working capital and profitability. Our inability to accurately estimate the cost of providing services under these programs could have an adverse effect on our profitability and cash flows. We employ an active and robust hedging program. Within this exercise there are inherent assumptions about consumption and pricing. There is risk that volatility ~~with~~ **will** take place outside of the range of potential outcomes contemplated by the program. In these instances, the hedge will not be sufficient to control for risk and losses may occur. Commodity price volatility could have an adverse effect on our cost of revenues and our results of operations. Volatility in the markets for certain commodities can have an adverse impact on our costs for the purchase of the electricity and natural gas that GRE sells to its customers as what occurred in Texas and Japan during January and February of 2021. Similar or increased unprecedented volatility events can have a material adverse impact on our financial condition because of our fixed or guaranteed price products, we cannot, and in our variable price products, due to customer or competitive factors, we may not always be able or choose to, pass along increases in costs to our customers. This would have an adverse impact on our margins and results of operations. Alternatively, volatility in pricing for GRE' s electricity and natural gas related to the cost of the underlying commodities can lead to increased customer churn. In times of high commodity costs, our variable pricing model and commodity purchasing approach can lead to competitive disadvantages as we must pass along all or some portion of our increased costs to our customers ~~. The Russian invasion of Ukraine is recent and the implications on the global economy and energy supplies are uncertain but may prove to negatively impact our operations. The short and long- term implications of Russia' s invasion of Ukraine are difficult to predict at this time. The imposition of sanctions and counter sanctions may have an adverse effect on energy and economic markets generally and could result in an even greater impact related to global supply and pricing of electricity and natural gas. To the extent the war in Ukraine may adversely affect our business as discussed above, it may also have the effect of heightening many of the other risks described in this Item IA such as those relating to cyber security, supply chain, inflationary and other volatility in commodity, and the condition of the markets including as related to our ability to access additional capital, any of which could negatively affect our business. Because of the highly uncertain and dynamic nature of these events, it is not currently possible to estimate the impact of the Russian- Ukraine war on our business. Our business, results of operation and financial conditions could be adversely affected by the coronavirus COVID- 19 pandemic and the restrictions put in place in connection therewith. We have responded to the global outbreak of COVID- 19 by taking steps to mitigate the potential risks to us posed by its spread and the impact of the restrictions put in place by governments to protect the population. We continue to execute our business continuity plan and have implemented a comprehensive set of actions for the health and safety of our customers, employees and business partners. We have implemented work from home policies where appropriate. We continue to implement strong physical and cyber- security measures to ensure our systems remain functional to both serve our operational needs with a remote workforce and to provide uninterrupted service to our customers. We face challenges due to the need to operate with the remote workforce and are addressing those challenges so as to minimize the impact on our ability to operate. For the year ended December 31, 2022, the impacts of COVID- 19 on our operations and financial results were minimal. We benefited from the increased demand for electricity by residential customers due to more people working from their homes in 2021, though that impact began to abate in 2022 as more customers returned to work in corporate offices. On the other hand, like other retail providers, we suspended our face- to- face customer acquisition programs in March 2020 as public health measures were implemented to combat COVID- 19, resulting in a decrease in gross meter acquisitions and a slight reduction in the U. S. domestic meters served. The reduction in gross meter acquisitions decreased our customer acquisition expenses in 2021. Churn for in 2021 decreased as our competitors suspended their face- to- face marketing programs. COVID- 19 public health restrictions relaxed in some of GRE' s domestic market in 2021, facilitating a partial reactivation of the previously curtailed customer acquisition channels, and in 2022 the impact of public health restrictions on our meter acquisition programs and churn were substantially diminished and as of December 31, 2022 was not a significant factor. If the COVID- 19 pandemic continues for a prolonged period, or impact the territories we serve more significantly than it has today, our business, operations and financial condition could be impacted in more significant ways. The continued spread of COVID- 19 and efforts to contain the virus could have the following impacts, in addition to exacerbating the impacts described above: ● Adversely impact our strategic business plans and growth strategy; ● Result in increases in purchase of receivable, or POR fees and allowance for credit bad debt expense as a result of delayed or non- payment from our customers, both of which could be magnified by federal or state government legislation that requires us to extend suspensions of disconnections for non- payment; ● Reduce the availability and productivity of our employees and third- party resources; ● Cause us to experience an increase in costs as a result of our emergency measures; ● Cause a deterioration of the credit quality of our counterparties, including power purchase agreement counterparties, contractors or retail customers, that could result in credit losses; ● Cause impairment of long- lived assets; and ● Cause a deterioration in our financial metrics or the business environment that adversely impacts our credit ratings. The situation remains fluid and it is difficult to predict with certainty the potential impact of COVID- 19 on our business, results of operations, financial condition and cash flows. Regulatory conditions can affect the amount of taxes and fees we need to pay and our pricing advantage We are subject to audits in various jurisdictions for various taxes, including income tax, utility excise tax and sales and use tax. Aggressive stances taken recently by regulators increase the likelihood of our having to pay additional taxes and fees in connection with these audits. In the future, we may seek to pass such charges along to our customers, which could have an adverse impact on our pricing advantages~~. GRE' s growth depends in part on its ability to enter new markets. New markets, both domestic and international, are evaluated based on many factors, which include the regulatory environment, as well as GRE' s REP businesses' ability to procure energy in an efficient and transparent manner. We seek to purchase wholesale energy where there is a real time market that reflects a fair price for the commodity for all participants. Once new markets are determined to be suitable for GRE' s REP businesses, we expend substantial efforts to obtain necessary licenses and will incur significant customer acquisition costs and there can be no assurance that we will be successful in new markets. Furthermore, there are regulatory differences between the markets that we currently operate in and new markets, including, but not limited to, exposure to credit risk, additional churn caused by tariff requirements, rate- setting requirements and incremental billing costs. A failure to identify, become licensed in, and enter new territories may have a material negative impact on our growth, financial condition and results of operations. ~~Demand for REP services and consumption by customers are significantly related to weather conditions. Typically, colder winters and hotter summers create higher demand and consumption for natural gas and electricity, respectively. Milder than normal winters and / or summers may reduce the demand for our energy services, thus negatively impacting our financial results.~~ GRE is subject to litigation that may limit its operations. In connection with the 2013- 2014 events described in the Risk Factor above entitled " Unusual weather conditions which may become more commonplace, may have significant direct and indirect impacts on GRE' s and GREI' s business and results of operations, " IDT Energy was also sued in separate putative class action suits in New York, New Jersey and Pennsylvania, partially related to the price increases during the winter of 2014. From time to time, IDT Energy is also subject to inquiries, investigation or action from public utility commissions or other governmental regulatory or law enforcement agencies related to compliance of its practices with statutory or regulatory schemes. ~~These matters are more fully discussed in Note 15 of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10- K, including that IDT Energy entered into a settlement in connection with the three putative class actions, and with multiple regulators and governmental bodies terminating litigation with no admission of liability or finding of wrongdoing by IDT Energy.~~ IDT Energy does not believe that it was at fault or acted in any way improperly with respect to the events of winter 2014 or in connection with any other practices that are subject to investigation or litigation. Although we have taken action to insulate us and our customers from future similar events, we cannot assure that those actions will be effective and we will not be subject to litigation in the future. Such class action lawsuits or other claims against us could have a material adverse impact on our financial condition, competitive position or results of operations. Transition risks associated with climate change, including those related to regulatory mandates could negatively impact our financial results **.** Where federal or state legislation mandates the use of renewable fuel sources, such as wind and solar and such legislation does not also provide for adequate cost recovery, it could result in significant changes in our business, including material increases in REC and power purchase costs. Such mandatory renewable portfolio requirements may have an adverse effect on our financial condition and results of operations. A number of regulatory and legislative bodies have introduced requirements and / or incentives to reduce peak demand and energy consumption. Such conservation programs could result in customer consumption reduction and adversely impact our financial results in different ways. In the past, we have been adversely impacted by reduced electric usage due in part to energy conservation efforts such as the use of efficient lighting products such as CFLs, halogens and LEDs. We are unable to determine what impact, if any, conservation will have on our financial condition or results of operations. We face risks that are beyond our control due to our reliance on third parties both domestically and internationally and our general reliance on the electrical power and transmission infrastructure within the United States. Our ability to provide energy delivery and commodity services depends on the operations and facilities of third parties, including, among others, BP, NYISO and PJM. Our reliance on the electrical power generation and transmission infrastructure within the United States makes us vulnerable to large- scale power blackouts. The loss of use or destruction of third party facilities that are used to generate or transmit electricity due to extreme weather conditions, breakdowns, war, acts of terrorism or other occurrences could greatly reduce our potential earnings and cash flows. The REP business, including our relationship with our suppliers, is dependent on access to capital and liquidity. Our business involves entering into contracts to purchase large quantities of electricity and natural gas. Because of seasonal fluctuations, we are generally required to purchase electricity or natural gas in advance and finance that purchase until we can recover such amounts from revenues. Certain of GRE' s REPs have a Preferred Supplier Agreement with BP pursuant to which we purchase electricity and natural gas at market rate plus a fee. The agreement has been modified and extended since 2009, and is scheduled to terminate on November 30, ~~2023~~ **2026** , subject to renewal by agreement of the parties. In addition to other advantages of this agreement, we are only required to post security with BP. There can be no assurance that we will be able to maintain the required covenants, that BP will be able to maintain their required credit rating, or that the agreement will be renewed upon its expiration. In addition, the security requirements outside of the BP agreement may increase as we enter other markets. Difficulty in obtaining adequate credit and liquidity on commercially reasonable terms may adversely affect our business, prospects and financial conditions. A revision to certain utility best practices and programs in which we participate and with which we comply could disrupt our operations and adversely affect our results and operations. Certain retail access " best practices " and programs proposed and / or required by state regulators have been implemented by utilities in most of the service territories in which we operate. One such practice is participation in purchase of receivables programs under which certain utilities purchase customer receivables for approximately 98. 0 % of their face value in exchange for a first priority lien in the customer receivables without recourse against a REP. This program is a key to our control of bad debt risk in our REP business. The REP business depends on maintaining the licenses in the states in which we operate and any loss of those licenses would adversely affect our business, prospects and financial conditions. GRE' s REP businesses require licenses from public utility commissions and other regulatory organizations to operate its business. Those agencies may impose various requirements to obtain or maintain licenses. Further, certain non- governmental organizations have been focusing on the REP industry and the treatment of customers by certain REPs. Any negative publicity regarding the REP industry in general, including, but not limited to, legislatures potentially seeking to restrict the activities of REPs and GRE in particular or any increase in customer complaints regarding GRE' s REP businesses could negatively affect our relationship with the various commissions and regulatory agencies and could negatively impact our ability to obtain new licenses to expand operations or maintain the licenses currently held. In the aftermath of the polar vortex, several regulatory bodies adopted more aggressive policies toward REPs, including the action against IDT Energy in Pennsylvania described elsewhere in this Annual Report on Form 10- K. Any loss of our REP licenses would cause a negative impact on our results of operations, financial condition and cash flow. **Our growth strategy depends, in part, on our acquiring complementary businesses and assets and expanding our existing operations, which we may be unable to do. Our growth strategy is based, in part, on our ability to acquire businesses and assets that are complementary to our existing operations. We may also seek to acquire other businesses.** The ~~REP~~ success of this acquisition strategy will depend,in part,on our ability to accomplish the following:● identify suitable businesses or assets to buy;● complete the purchase of those businesses on terms acceptable to us;● complete the acquisition in the time frame we expect;● improve the results of operations of the businesses that we buy and successfully integrate their operations into our own;and ● avoid or overcome any concerns expressed by regulators,including antitrust concerns.There can be no assurance that we will be successful in pursuing any or all of these steps.Our failure to implement our acquisition strategy could have an adverse effect on other aspects of our business **our** products as well as in the operating market where we are competing for access to land rights or attractive development projects.As the demand for solar energy grows,more companies and investors enter the market,increasing competition and potentially lowering prices and profits.Changes in government regulations and policies can impact the financial viability of solar projects.The success of solar energy projects is highly dependent ~~on~~ government regulations and policies that impact the financial viability of the projects.This can include changes to tax incentives,subsidies,grid access and net metering policies.It can also include changes in building and safety codes,environmental regulations,and land use policies that impact the ability to construct and operate solar projects.The reduction,modification or elimination of ~~depends~~ - **depend** on the continuing efforts of our management team and our personnel with strong industry or operational knowledge and our efforts may be severely disrupted if we lose their services. Our success depends on key members of our management team, the loss of whom could disrupt our business operation. Our business also requires a capable, well- trained workforce to operate effectively. There can be no assurance that we will be able to retain our qualified personnel, the loss of whom may adversely affect our business, prospects and financial conditions. We could be harmed by network disruptions...... integrate acquired businesses effectively or profitably. Uncertainty related to our exit in the **Finnish** ~~U. K.~~ market. We face uncertainty related to our exit from the **Finnish** ~~U. K.~~ market. **On November 8, 2023, the Administrator, acting on behalf of the Bankruptcy Estate, filed a claim in the District Court of Helsinki against Genie Nordic, its directors, officers and affiliates, in which it alleges that the gain from the sale of swap instruments owned by Lumo Sweden amounting to € 35. 2 million (equivalent to $ 38. 9 million as of December 31, 2023) belongs to the Bankruptcy Estate. We believe that the Administrator’ s position is without merit, and it intends to vigorously defend its position against the Administrator’ s claims. We are also notified that the Administrator filed a claim against one of Lumo Finland’ s suppliers, seeking to recover payments made by Lumo Finland amounting to € 4. 2 million (equivalent to $ 4. 7 million as of December 31, 2023) prior to the bankruptcy.** The ~~Administrators~~ - **Administrator has also filed a recovery claim jointly against us and the supplier amounting to € 1. 6 million (equivalent to $ 1. 8 million as** of ~~Orbit~~ **December 31, 2023) related to our payment to the supplier under the terms of a previously supplied parental guarantee. The Administrator alleges that the payments represented preferential payments and therefore belong to the bankruptcy estate which** are **recoverable under** ~~currently engaged in a process to identify and settle creditors' claims. Unknown claims and liabilities could arise during~~ the ~~course~~ **laws** of **Finland** ~~the process~~ . ~~Delays in~~ **We believe that** the ~~settlement of creditors' claims could increase the operations cost of the administration~~ - **Administrator** ~~. It~~ **’ s position** is ~~unknown at~~ **incorrect, and we intend to vigorously defend our position. Nevertheless, should the Administrator succeed in clawing back the funds from the supplier, it is possible that following the conclusion of the bankruptcy proceedings, the supplier will seek to recover its losses against us, under terms of the parental guarantee. At** this time **,** ~~how much of the~~ **there** ~~funds that the Administrators are currently holding are ultimately going to be required to satisfy liabilities and the costs of administration, making it uncertain how much cash will be returned to us. Risks Related to Genie Renewables Competition in solar markets globally and across the solar value chain~~ is **insufficient basis** ~~intense, and could remain that way for an extended period of time. We face significant competition both in the C & I market where we are attracting customers~~ to **deem** our products as well as in the...... The reduction, modification or elimination of any **loss probable** ~~of these policies in one or more of our~~ - **or** ~~customer markets would materially and adversely affect the growth of such markets or result in increased price competition, either of which could cause our revenue~~ to **assess** ~~decline and materially adversely affect our financial results. We may be unable to profitably provide new solar offerings or achieve sufficient market penetration with such offerings. We may expand our portfolio of offerings to include solutions that build upon our core competencies but for which we have not had significant historical experience, including variations in our traditional product offerings or other~~ -- **the amount** ~~offerings related to commercial and industrial customers and community solar. We cannot be certain that we will be able to ascertain and allocate the appropriate financial and human resources necessary to grow these business areas. We could invest capital into growing these businesses but fail to address market or customer needs or otherwise not experience a satisfactory level~~ of ~~financial return. Also, in expanding into these areas, we may be competing against companies that previously have not been significant competitors, such as companies that currently have substantially more experience than we do in the residential, commercial and industrial, or other targeted offerings. If we are unable to achieve growth in these areas, our overall growth and financial performance may be limited relative to our competitors and our operating results could be adversely impacted. An increase in interest rates or tightening of the supply of capital in the global financial markets could increase the cost of borrowing and negatively impact our projects. C & I customers may depend on debt and / or equity financing to fund the initial capital expenditure required to purchase a system. Additionally, Genie Solar intends to utilize long- term debt financing for its operating portfolio. As a result, an increase in interest rates, or a reduction in the supply of project debt financing could reduce the number~~

~~of solar projects that we are able to construct and operate. Problems with product quality or performance may cause us to incur significant and / or unexpected contractual damages and / or warranty and related expenses, damage our market reputation, and prevent us from maintaining or increasing our market share. We perform a variety of quality and life tests under different conditions upon which we base our assessments and warranty. However, if our products perform below expectations, we could experience significant warranty and related expenses, damage to our market reputation, and erosion of our market share. If~~ any **possible loss** ~~of the assumptions used in estimating our warranties prove incorrect, we could be required to accrue additional expenses, which could adversely impact our financial position, operating results, and cash flows. Although we have taken significant precautions to avoid a manufacturing excursion from occurring, any manufacturing excursions, including any commitments made by us to take remediation actions in respect of affected modules beyond the stated remedies in our warranties, could adversely impact our reputation, financial position, operating results, and cash flows. Any widespread product failures may damage our market reputation, cause our net sales to decline, require us to repair or replace the defective products or provide financial remuneration, and result in us taking voluntary remedial measures beyond those required by our standard warranty terms to enhance customer satisfaction, which could have a material adverse effect on our operating results. Several of our key raw materials and components are either single- sourced or sourced from a limited number of suppliers, and their failure to perform could cause manufacturing delays and impair our ability to deliver solar modules to customers in the required quality and quantities and at a price that is profitable to us. Our failure to obtain raw materials and components that meet our quality, quantity, and cost requirements in a timely manner could interrupt or impair our ability to manufacture our solar modules or increase our manufacturing costs. Several of our key raw materials and components are either single- sourced or sourced from a limited number of suppliers. As a result, the failure of any of our suppliers to perform could disrupt our supply chain and adversely impact our operations. In addition, some of our suppliers are smaller companies that may be unable to supply our increasing demand for raw materials and components as we expand our business. We may be unable to identify new suppliers or qualify their products for use on our production lines in a timely manner and on commercially reasonable terms. A constraint on our production may result in our inability to meet our capacity plans and / or our obligations under our customer contracts, which would have an adverse impact on our business. Additionally, reductions in our production volume may put pressure on suppliers, resulting in increased material and component costs~~ . Risk Related to Our Financial Condition and Reporting We had a material weakness in our internal control over financial reporting in previous years and cannot assure you that additional material weaknesses will not be identified in the future. We reported in our Annual Report on Form 10- K as of December 31, 2020, a material weakness in internal control specifically related to management' s review of the income tax provision. During 2021, we implemented certain remediation measures related to the material weakness, however, we concluded that our internal control over financial reporting was ineffective as of December 31, 2021 (see Item 9A Control and Procedures in ~~this~~ **our** Annual Report on Form 10- K **filed on March 16, 2022**). During 2022, we implemented certain additional remediation measures related to the material weakness and concluded that our internal control over financial reporting was effective as of December 31, 2022. We also reported in our Annual Report on Form 10- K as of December 31, 2018, a material weakness in internal control related to an application, which the Company uses to process a wide variety of functions for GRE related to customer enrollment, customer programs and price plans, rebate programs, sales commissions, invoicing, and invoice payment information. During 2019, we completed the remediation measures related to the material weakness and concluded that our internal control over financial reporting was effective as of December 31, 2019. Completion of remediation does not provide assurance that our remediation or other controls will continue to operate properly. While we aim to work diligently to ensure a robust internal control that is devoid of significant deficiencies and material weaknesses, given the complexity of the accounting rules, we may, in the future, identify additional significant deficiencies or material weaknesses in our disclosure controls and procedures and internal control over financial reporting. Any failure to maintain or implement required new or improved controls, or any difficulties we encounter in their implementation, could result in additional significant deficiencies or material weaknesses, cause us to fail to meet our periodic reporting obligations or result in material misstatements in our financial statements. Any such failure could also adversely affect the results of periodic management evaluations and annual auditor attestation reports regarding the effectiveness of our internal control over financial reporting required under Section 404 of the Sarbanes- Oxley Act of 2002 and the rules promulgated under Section 404. The existence of a material weakness could result in errors in our financial statements that could result in a restatement of financial statements, cause us to fail to meet our reporting obligations and cause investors to lose confidence in our reported financial information, leading to a decline in our stock price. See Item 9A Controls and Procedures for a further discussion of our assessment of our internal controls over financial reporting. Risks Related to Our Capital Structure Holders of our Class B common stock ~~and Series 2012- A Preferred Stock~~ have significantly less voting power than holders of our Class A common stock. Holders of our Class B common stock ~~and Series 2012- A Preferred Stock~~ are entitled to one- tenth of a vote per share on all matters on which our stockholders are entitled to vote, while holders of our Class A common stock are entitled to three votes per share. As a result, the ability of holders of our Class B common stock ~~and Series 2012- A Preferred Stock~~ to influence our management is limited. **We** ~~Holders of our Series 2012- A Preferred Stock~~ are **controlled by** ~~entitled to an annual dividend and such payments may have a negative impact on our cash flow. Holders of our Series 2012- A Preferred Stock are entitled to receive an annual dividend, payable quarterly in cash. The payment of such dividend could have a negative impact on our cash flow and cash balances. If dividends on any shares of the Series 2012- A Preferred Stock are in arrears for six or~~ **our** ~~more quarters~~ **principal stockholder** , **which limits the ability** ~~whether or not consecutive, holders~~ of ~~the~~ **other stockholders** ~~Series 2012- A Preferred Stock shall have the right to elect two~~ - **to affect** ~~(2) additional directors to serve on our Board, and this could have a negative impact on~~ the **management** ~~market price~~ of ~~our equity securities. Eight trusts for~~ the **Company.** ~~benefit of sons and daughters of~~ Howard S. Jonas, our Chairman of ~~the~~ **our** Board of Directors **controls** ~~, hold shares that, in the aggregate, represent more than~~ a majority of the ~~combined~~ voting power of our ~~outstanding~~ capital stock ~~, which may limit the ability of other stockholders to affect our management~~ . **As** ~~Eight~~

~~trusts for the benefit~~ of ~~children of Howard S~~ **March 13, 2024, Mr** . Jonas **has** ~~, (the" Trusts"), our Chairman of the Board, collectively have~~ voting power over ~~5~~ **1** , ~~123~~ **377** , ~~374~~ **535** shares of our ~~common stock, (which is all the issued and outstanding shares of the~~ Class A common stock **(** ~~),~~ which are convertible into shares of our Class B common stock on a 1- for-1 basis ~~,~~ **)** and ~~3~~ **2** , ~~549~~ **939** , ~~048~~ **730** shares of our Class B common stock **,** representing approximately ~~70~~ **61** . 0 % of the combined voting power of our outstanding capital stock ~~, as of March 13, 2023~~ . **Mr** ~~In addition, as of March 13, 2023, Howard S~~ . Jonas **will** ~~holds 3, 683, 869 shares of our Class B common stock. Howard Jonas serves as our Chairman of the Board, which is not an officer position. However, he is our founder and served as an executive officer, including our Chief Executive Officer, for a very significant time period, and the members of the Board and management often look to him for guidance on major financial, operational and strategic matters. Howard S. Jonas does not have the right to direct or control the voting of the shares of our common stock that is held by the Trusts, and the independent trustees hold sole voting and dispositive power over the common stock held by the Trusts. However, he is the trustor of the trusts and is the father of each of the beneficiaries of the Trusts and his views may be taken into account by the trustees and others related to the Trusts. We are not aware of any voting agreement between or among any of the Trusts and / or Howard S. Jonas, but if such a voting agreement or other similar arrangement exists or were to be consummated, if all or several or all of the Trusts were to act in concert, or if we issued additional Class A common stock, certain or all of the Trusts and / or Howard S. Jonas along with holders of the Class A common stock would~~ be able to control matters requiring approval by our stockholders, including the election of all of the directors ~~, amendment of organizational documents~~ and the approval of significant corporate ~~transactions~~ **matters** , including any merger, consolidation or sale of all or substantially all of our assets. As a result, the ability of any of our other stockholders to influence our management **is** ~~may be~~ limited. **21** ~~In addition, our dual class structure has an anti- takeover effect, and accordingly, the holders of the shares of Class A common stock have the ability to prevent any change in control transactions that may otherwise be in the best interest of stockholders.~~