

## Risk Factors Comparison 2024-03-26 to 2023-03-29 Form: 10-K

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Investing in our securities involves a high degree of risk. You should carefully consider the risks and uncertainties described below together with all of the other information contained in this Annual Report ~~on Form 10-K~~. If any of the events or developments described below were to occur, our business, ~~annual report~~, operating results and financial condition could suffer materially, the trading price of our common stock could decline, and you could lose all or part of your investment. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business. Risks ~~Relating~~ **Related** to our Business **We have identified conditions that raise substantial doubt about our ability to continue as a going concern. As of December 31, 2023, we had liquidity of \$ 75. 1 million, consisting of \$ 62. 7 million of cash and cash equivalents and \$ 12. 4 million of investments and no debt. During the year ended December 31, 2023, we incurred a net loss of \$ 129. 6 million and used cash in operations of \$ 71. 6 million. As of December 31, 2023, we had an accumulated deficit of \$ 438. 2 million. We are an early- stage company and have a history of operating losses and negative operating cash flows. We expect to continue to generate operating losses and have significant cash outflows from operating activities for at least the next few years. The amount of future losses and when, if ever, we will achieve profitability are uncertain. In addition, even if we achieve profitability, there can be no assurance that we will be able to maintain profitability in the future. Based on our liquidity position as of December 31, 2023 and our current forecast of operating results and cash flows, we anticipate that we may not have sufficient resources to fund our cash obligations for the next 12 months after the issuance date of this Annual Report. These factors raise substantial doubt about our ability to continue as a going concern. We are exploring various cost saving opportunities and intend to continue seeking opportunities to generate additional revenue through our commercialization of engineering services. We have also engaged a financial advisor and we are actively assessing various avenues to secure additional capital, including, but not limited to, the issuance of debt, equity or both. There can be no assurance that we will be successful in our plans described above or in attracting future financing on acceptable terms, or if at all. If we are unable to effectively implement additional cost reductions, generate additional revenue or raise additional funding, we may be forced to delay, reduce or eliminate some or all of our commercialization efforts, product expansion or R & D programs and our business, financial condition and results of operations could be materially and adversely affected. If we cannot continue as a going concern, our stockholders would likely lose most or all of their investment in us. Our operations require substantial ongoing expenditures, and we may not have adequate capital resources to fund all of our expected operating and capital expenditures. The growth of our business will depend on substantial amounts of additional capital for marketing and development of our carbon- free heat, steam, power and green hydrogen solutions. For the year ended December 31, 2023, we used cash in operations of \$ 71. 6 million and had capital expenditures of \$ 1. 3 million. Our capital requirements will depend on many factors, including the rate of our enhancements to our existing solutions, our expansion of sales and marketing and product development activities and customer demand for our solutions. As noted above, based on our liquidity position as of December 31, 2023 and our current forecast of operating results and cash flows, we anticipate that we may not have sufficient resources to fund our cash obligations for the next 12 months after the issuance date of this Annual Report, which raises substantial doubt about our ability to continue as a going concern. We will likely need to seek equity or debt financing to finance a portion of our capital expenditures. Such financing might not be available to us in a timely manner or on terms that are acceptable, or at all. The sale of additional equity or equity- linked securities could dilute our stockholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that may restrict our operations or our ability to pay dividends to our stockholders. Our ability to obtain the necessary financing to carry out our business plan is subject to a number of factors, including general market conditions and investor acceptance of our business model. These factors may make the timing, amount, terms and conditions of such financing unattractive or unavailable to us. If we are unable to raise sufficient funds when we need or want them, we will have to significantly reduce our spending, delay or cancel our planned activities or substantially change our corporate structure and our operations and prospects could be negatively affected. We might not be able to obtain any funding, and we might not have sufficient resources to conduct our business as projected, both of which could mean that we would be forced to curtail or discontinue our operations.** If demand for our concentrated solar energy solutions does not develop as we expect or our estimates of market opportunity and forecasts of market growth prove to be inaccurate, our revenues may suffer, and our business may be harmed. We believe, and our growth plans assume, that the market for solar energy solutions will continue to grow ~~and that we will increase our penetration of this market and that our revenues from selling into this market will continue to increase over time~~. However, market opportunity estimates and growth and demand forecasts, whether obtained from third- party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may prove to be inaccurate. The estimated addressable market may not materialize in the timeframe we expect, if ever, and even if the market meets the predicted size and growth estimates, our business could fail to grow at similar rates. If our expectations as to the size of this market or our ability to sell our products and services in this market are not correct, our revenues will suffer, and our business will be harmed. If we fail to win new contracts and purchase orders, our business operations and financial results may be adversely affected. Our business depends on our ability to win contracts and purchase orders with customers. To date ~~we have only signed contracts for one significant contract,~~ **material project — our**

**commercial agreements** with Woodside **related to the Capella Project. We have also signed smaller contracts and purchase orders with other customers for projects and engineering services. Refer to Note 3 — Revenue to our consolidated financial statements in Part II, Item 8 of this Annual Report, for additional information.** Contract proposals and negotiations are complex and frequently involve a lengthy bidding and selection process, which is affected by a number of factors. These factors may include market conditions, financing arrangements and required governmental approvals. For example, a client may require us to provide a bond or letter of credit to protect the client should we fail to perform under the terms of the contract. If **negative-challenging** market conditions **arise-continue**, or if we fail to secure adequate financial arrangements or the required government approvals, we may not be able to pursue particular projects, which could adversely affect our profitability. If we fail to complete a project in a timely manner, miss a required performance standard, or otherwise fail to adequately perform on a project, we may incur a loss on that project, which may reduce or eliminate our overall profitability. Our engagements involve complex projects that could be impacted by a number of factors, some of which are outside of our control, and therefore may result in significant losses on the projects. Our engagements will involve complex projects. The quality of our performance on such projects depends in large part upon our ability to manage the relationship with our clients and our ability to effectively manage the project and deploy appropriate resources, including third- party contractors and our own personnel, in a timely manner. If a project is not completed by the scheduled date or fails to meet required performance standards, we may either incur significant additional costs or be held responsible for the costs incurred by the client to rectify damages due to late completion or failure to achieve the required performance standards. The performance of projects can be affected by a number of factors including **unavoidable-delays outside of our control, such as** from suppliers and subcontractors, government inaction, public opposition, inability to obtain financing, weather conditions, unavailability of vendor materials, changes in the project scope of services requested by our clients, industrial accidents, environmental hazards, labor disruptions and financial market instability or disruptions to the banking system due to bank failures, **such as particularly in light of the recent events that have which** occurred with respect to Silicon Valley Bank. To the extent these events occur, the total costs of the project could exceed our estimates and we could experience reduced profits or, in some cases, incur a loss on a project, which may reduce or eliminate our overall profitability. Further, any defects or errors, or failures to meet our clients' expectations, could result in claims for damages against us. During the **year-years** ended December 31, **2023 and** 2022, we recognized a **total** provision for contract losses of \$ **52.9 million and** \$ 33.8 million, **respectively**, primarily related to **the Capella Project, which reflected our best estimate of the full expected loss on the project at the respective times given the consideration expected to be realized under** the commercial- scale demonstration agreement ("CSDA") ~~executed with Woodside in March 2022, which reflected our best estimate of the full expected loss on the development and completion of our first commercial- scale facility (the "Facility") given the consideration expected to be realized under the CSDA and the award from the DOE (the "DOE Award") relative to the total estimated cost at completion.~~ Our **current** cost estimates ~~as of December 31, 2022 for the Capella Project anticipated final scope of the Facility~~ are subject to further refinement as we continue **detailed value** engineering and design with the customers, **exploring additional** obtain firm pricing from subcontractors, order long-lead items and better understand short and long- term commodity and market impacts on cost inputs **savings opportunities and continue** to the CSDA **progress and negotiate and- an the Facility-executable EPC contract**. As a result, the actual ~~loss-cost~~ for the ~~CSDA-Capella Project~~ could vary from our current estimates- **estimate**. Our modular, AI-enabled, concentrated solar energy plants may not generate expected output levels. The modular, AI-enabled, concentrated solar energy plants that we plan to construct will be subject to various operating risks that may cause them to generate less than expected amounts of output. These risks include a failure or degradation of our equipment, the equipment of our customers or that of our vendors; an inability to find suitable replacement equipment or parts; or a less than expected supply of solar insolation. Any extended interruption in a plant's operation, or the failure of a plant for any reason to generate the expected amount of output, could have a material adverse effect on our business and operating results due to the damage to our reputation and the resulting dissatisfaction of the owner- operator. We may not be able to develop technologies and products to satisfy changes in customer demand or industry standards, and our competitors could develop products that decrease the demand for our products. Rapidly changing technologies and industry standards, along with frequent new product introductions, characterize the industries of many of our customers and potential customers. Our financial performance depends, in part, on our ability to design, develop, manufacture, assemble, test, market and support new products and technology enhancements on a timely and cost- effective basis. ~~We have not yet commercialized any of our products.~~ Our principal focus has been on R & D activities to improve our technology and make our product offerings more attractive to potential customers. These activities are subject to various risks and uncertainties we are not able to **fully** control, including changes in customer demand or industry standards and the introduction of new or superior technologies by others. Moreover, any failure by us in the future to develop new technologies or to timely react to changes in existing technologies could materially delay our development of new products, which could result in product obsolescence, decreased revenues and a loss of our market share to our competitors. In addition, products or technologies developed by others may render our products or technologies obsolete or non- competitive. Further, if our products are not in compliance with prevailing industry standards, such non- compliance could materially and adversely affect our financial condition, cash flows and results of operations. We may be unable to complete or operate our projects on a profitable basis or as we have committed to our customers. Development, installation, construction, and commissioning of our concentrated solar energy plants, and maintenance support of our concentrated solar energy plants, entails many risks, including: • failure to receive critical components and equipment that meet our design specifications and can be delivered on schedule, • failure to obtain all necessary rights to access and use land and water, • failure to receive quality and timely performance of third- party services, • increases in the cost of labor, equipment and commodities needed to construct or maintain projects, • permitting and other regulatory issues, license revocation and changes in legal requirements, • shortages of equipment or skilled labor, • unforeseen engineering problems, • credit risk of our customers, • weather interferences,

catastrophic events including fires, explosions, earthquakes, droughts and acts of terrorism, • accidents involving personal injury or the loss of life, • health or similar issues, such as a pandemic or epidemic, • labor disputes and work stoppages, • mishandling of hazardous substances and waste, and • other events outside of our control. Any of these factors could give rise to construction delays and costs in excess of our expectations. This could prevent us from completing construction of our projects, cause defaults under any then- existing financing agreements or under contracts that require completion of project construction by a certain time, cause projects to be unprofitable for us, or otherwise negatively impact our business, financial condition and operating results. If we are not able to successfully manage our growth strategy, our business operations and financial results may be adversely affected. Our expected future growth presents numerous managerial, administrative and operational challenges. Our ability to manage the growth of our operations will require us to continue to improve our management information systems and other internal systems and controls. In addition, our growth will increase our need to attract, develop, motivate, and retain both our management and professional employees. **We appointed a new Chief Executive Officer and Chief Financial Officer in 2023 and we currently have an Interim Chief Financial Officer after the departure of our former Chief Financial Officer in January 2024. A lack of continuity of management and personnel may make it difficult to implement our business strategy and growth plan.** The inability of our management to effectively manage our growth or the inability of our employees to achieve anticipated performance could have a material adverse effect on our business **operations and financial results**. An increase in the prices or changes in the supply and demand of certain materials and commodities used in our business could adversely affect our business. For certain contracts, we are exposed to market risk of increases in certain commodity prices of materials. We are dependent on the availability of essential materials, parts and subassemblies from our suppliers and subcontractors. The most important raw materials required for our concentrated solar energy systems are steel, stainless steel, glass, copper, aluminum, commodity electrical & electronics components, ceramics & ceramic fibers, thermal insulation materials, bauxite particles and / or silica sand and concrete. Prices and availability of these raw materials are subject to substantial fluctuations that are beyond our control due to factors such as supply and demand trends, energy costs, transportation costs, inflation, government regulations, global trade relationships, duties and tariffs, changes in currency exchange rates, price controls, general economic conditions and other unforeseen circumstances. Our components are produced by third- party suppliers both domestically and internationally where most raw materials are readily available and purchased by those independent contractors and suppliers in the country of manufacture. Many major equipment and systems components are procured on a single or sole- source basis, but where multiple sources exist, we work to qualify multiple suppliers to minimize supply chain risk. ~~If we also mitigate risk by maintaining safety stock for key parts and assemblies with lengthy procurement lead times. We use a variety of agreements with suppliers to monitor and mitigate risks of our supply base causing a business disruption. The risks monitored include supplier financial viability, the ability to increase or decrease production levels, business continuity, quality and delivery. Although we will continue to monitor and develop partial mitigation strategies, if existing vendors are unable to supply the raw materials we require, we cannot predict if we will be able to obtain alternative vendors within the time frames that we require and at a comparable cost. Shortages, price increases and / or delays in shipments of our raw materials and purchased component parts, have occurred and may continue to occur in the future which may have a material adverse effect on our results of operations if we are unable to successfully mitigate the impact.~~ In addition, our customers' capital budgets may be impacted by the prices of certain materials, and reduced customer spending could lead to fewer project awards and more competition. These prices could be materially impacted by **increases in inflation, interest rates,** general market conditions and other factors, including U. S. trade relationships with other countries, the imposition of tariffs, or political conditions. While we believe we can increase our prices to adjust for some price increases in commodities, there can be no assurance that price increases of commodities, if they were to occur, would be recoverable **or that any increase in our prices will not negatively impact demand**. Additionally, we expect many of our contracts to be fixed price, which would not allow us to adjust our prices and, as a result, increases in material costs could reduce our profitability with respect to such projects. The development of our modular, AI- enabled, concentrated solar energy plants will require significant capital, which our customers may finance through third parties, and such financing may not be available to our customers on favorable terms, if at all. We expect that our projects for customers will typically be financed by third parties. For the modular, AI- enabled, concentrated solar energy plants that we develop, we expect our customers to rely on a combination of their balance sheets and project- finance debt to fund construction costs. Increased interest rates may cause our customers to be unable to raise funds on acceptable terms when needed. Due to this, we may be unable to secure customer contracts, the size of contracts we do obtain may be smaller or we could be required to delay the development and construction of projects, reduce the scope of those projects or otherwise restrict our operations. Any inability by our customers to raise the funds necessary to finance our projects could negatively impact our business, financial condition and operating results. ~~We may require significant additional capital to pursue our growth strategy, but we may not be able to obtain additional financing on acceptable terms or at all. Based on our current operating plan, we believe that our existing cash and short- term investments, will be sufficient to fund our operating expenses and capital expenditure requirements for the next twelve months following the filing of this Annual Report on Form 10- K. We have based these estimates on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect. We expect our capital expenditures and our R & D expenditures to continue to be significant in the foreseeable future as we continue developing our product offerings and expand our business. The growth of our business will depend on substantial amounts of additional capital for marketing and development of our HelioHeat, HelioPower and HelioFuel solutions. Our capital requirements will depend on many factors, including the rate of our enhancements to our existing HelioFuel, HelioHeat and HelioPower solutions, our expansion of sales and marketing and product development activities and customer demand for our HelioHeat, HelioPower and HelioFuel solutions. The fact that we have a limited operating history means we have limited historical data on the demand for our solutions. As a result, our future capital requirements may be uncertain and actual capital requirements may be different from those we currently anticipate. We may~~

need to seek equity or debt financing to finance a portion of our capital expenditures. Such financing might not be available to us in a timely manner or on terms that are acceptable, or at all. The sale of additional equity or equity-linked securities could dilute our stockholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that may restrict our operations or our ability to pay dividends to our stockholders. In addition, we may consider strategic acquisitions of complementary businesses or technologies to grow our business, which could require significant capital and could increase our capital expenditures related to the future operation of acquired businesses or technologies. Our ability to obtain the necessary financing to carry out our business plan is subject to a number of factors, including general market conditions and investor acceptance of our business model. These factors may make the timing, amount, terms and conditions of such financing unattractive or unavailable to us. If we are unable to raise sufficient funds when we need or want them, we will have to significantly reduce our spending, delay or cancel our planned activities or substantially change our corporate structure and our operations and prospects could be negatively affected. We might not be able to obtain any funding, and we might not have sufficient resources to conduct our business as projected, both of which could mean that we would be forced to curtail or discontinue our operations. Project development or construction activities may not be successful, and we may make significant investments without first obtaining project financing, which could increase our costs and impair our ability to recover our investments. The development and construction of modular, AI-enabled, concentrated solar energy plants involves numerous risks. We may be required to spend significant sums for preliminary engineering, permitting, legal and other expenses before we can determine whether a project is feasible, economically attractive or capable of being built. In addition, we may choose to bear the costs of such efforts prior to obtaining project financing, prior to getting final regulatory approval and / or prior to our the final sale to a customer, if any. Successful completion of a particular project may be adversely affected by numerous factors, including: failures or delays in obtaining desired or necessary land rights, including ownership, leases and / or easements; failures or delays in obtaining necessary water rights, permits, licenses or other governmental support or approvals, or in overcoming objections from members of the public or adjoining land owners; uncertainties relating to land costs for projects; unforeseen engineering problems; access to available transmission for energy generated by our modular, AI-enabled, concentrated solar energy plants; construction delays and contractor performance shortfalls; work stoppages or labor disruptions and compliance with labor regulations; cost over-runs; availability of products and components from suppliers; adverse weather conditions; environmental, archaeological and geological conditions; and availability of construction and permanent financing. If we are unable to complete the development of one or more of our modular, AI-enabled, concentrated solar energy plants or fail to meet one or more agreed target construction milestone dates, we may incur losses or be liable for damages or penalties that we are may not be able to offset, which would have an adverse impact on our net income in the period in which the loss is recognized. We expect that some projects will require working capital to develop and / or build projects. If we are unable to complete a project, the associated working capital would also be an exposure that may need to be written off, which would have an adverse impact on our net income in the period in which the loss is recognized. We have a history of operating losses and expect to incur significant additional expenses and operating losses. We are an early-stage company and have a history of operating losses and negative operating cash flows. We incurred a net loss of \$ 142. 0 million and \$ 137. 4 million for the years ended December 31, 2022 and 2021, respectively. We expect that we will continue to incur operating and net losses for the medium term. The amount of future losses and when, if ever, we will achieve profitability are uncertain. In addition, even if we achieve profitability, there can be no assurance that we will be able to maintain profitability in the future. Our potential profitability is particularly dependent upon the growth of the market for renewable energy solutions, which may not occur at the levels we currently anticipate or at all. Our revenue, expenses and operating results may fluctuate significantly. Our revenue, expenses and operating results may fluctuate significantly because of numerous factors. In addition to the other risks described in this “ Risk Factors ” section, the following factors could cause our operating results to fluctuate: • the number and significance of client contracts commenced and completed during a quarter, • delays, increased costs, or other unanticipated changes in contract performance that may affect profitability, particularly with lumpsum contracts or contracts that have funding limits, • reductions in the prices of products or services offered by our competitors, • spending patterns of our private and public sector clients, • weather conditions, • budget constraints experienced by our federal, state and local government clients, • our ability to integrate any companies that we acquire, • the continuing creditworthiness and solvency of clients and • legislative and regulatory enforcement policy changes that may affect demand for our products or services. As a consequence, operating results for a particular future period are difficult to predict and, therefore, prior results are not necessarily indicative of results to be expected in future periods. Any of the foregoing factors, or any other factors discussed elsewhere in this “ Risk Factors ” section, could have a material adverse effect on our business, results of operations and financial condition that could adversely affect our stock price. **Our business could be negatively affected as a result of stockholder actions and such actions could adversely affect our business and relationships with our customers, suppliers and employees and divert time from our management. Stockholders may from time to time attempt to effect changes in our business, engage in proxy solicitations or advance stockholder proposals in a manner that is not in the best interests of our Company and all of its stockholders. Certain stockholders have made, or have indicated they may make, public and private strategic proposals related to our business, strategy, management or operations and have requested, or have indicated they may request, changes to the composition of our Board of Directors (the “ Board ”). For example, on April 13, 2023, we received an unsolicited, non-binding proposal from Continuum Renewables, Inc. (“ CRI ”) to acquire all of our outstanding capital stock for a purchase price of \$ 0. 40 per share of common stock (unadjusted for the subsequent reverse stock split) in cash. CRI was co- founded by our former Chief Executive Officer, Bill Gross, who was terminated by us in February 2023. The non-binding proposal was subject to various contingencies, including CRI obtaining financing. On April 24, 2023, we announced that after careful consideration and consultation with legal and financial advisors, our Board determined that the offer significantly undervalued our company and would result in an implied equity value for our common**

stockholders that is materially below our available liquidity. Accordingly, our Board determined that the proposal was not in the best interests of our stockholders and the proposal was rejected. We cannot predict, and no assurances can be given as to, the outcome or timing of any such matters. Proposals can divert the attention of our Board and management from executing on our strategic plans, create uncertainty for our employees, and create additional risks and uncertainties with respect to our financial position and operations, which could impact our relationships with our suppliers, customers and employees. In addition, while we have rejected the unsolicited proposal if it is followed by a proxy contest or other stockholder actions, we would most likely be required to incur significant legal fees and proxy solicitation expenses and significant additional time and attention by management and our Board. This could interfere with our ability to execute our strategic plan, give rise to perceived uncertainties as to our future direction, result in the loss of potential business opportunities or make it more difficult to attract and retain qualified personnel, any of which could materially and adversely affect our business and operating results. Any perceived uncertainties as to our future direction also may adversely affect the market price and volatility of our securities. Stockholders engaged in such activities may have interests that differ from those of other stockholders. Further, perceived uncertainties as to our future direction, including uncertainties related to the composition of our Board, may lead to the perception of instability or a change in the direction of our business, which may be exploited by our competitors, cause concern to current or potential customers, result in the loss of potential business opportunities, make it more difficult to attract and retain qualified personnel and / or affect our relationships with vendors, customers and other third parties. Moreover, a proxy contest could cause significant fluctuations in the price of our common stock based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business.

Failure of third parties to manufacture quality products or provide reliable services in a timely manner could cause delays in the delivery of our services and completion of our projects, which could damage our reputation, have a negative impact on our relationships with our customers and adversely affect our growth. Our success depends on our ability to provide services and complete projects in a timely manner, which in part depends on the ability of third parties to provide us with timely and reliable products and services. In providing our services and completing our projects, we rely on products that meet our design specifications and components manufactured and supplied by third parties, as well as on services performed by subcontractors. We will also rely on subcontractors to perform the majority of the construction work related to our projects; and we may need to engage subcontractors with whom we have no experience for our projects. If any of our subcontractors are unable to provide services that meet or exceed our customers' expectations or satisfy our contractual commitments, our reputation, business and operating results could be harmed. In addition, if we are unable to avail ourselves of warranty and other contractual protections with providers of products and services, we may incur liability to our customers or additional costs related to the affected products and components, which could have a material adverse effect on our business, financial condition and operating results. Moreover, any delays, malfunctions, inefficiencies or interruptions in these products or services could adversely affect the quality and performance of our solutions and require considerable expense to establish alternate sources for such products and services. This could cause us to experience difficulty retaining current customers and attracting new customers, and could harm our brand, reputation and growth. Our stock price is subject to volatility..... expectations of future growth and profitability. If we fail are unable to attract and retain qualified management meet expectations related to future growth, profitability, or our ability to compete other market expectations, the price of our stock may decline significantly, which could have a material adverse impact on investor confidence and successfully grow our employee retention. Our business could be harmed. Our success depends, in part, on the effectiveness of our executive team. The Chief Executive Officer is critical to executing on and achieving our vision, strategic direction, culture, products and technology. We appointed Christiana Obiaya, previously our Chief Financial Officer, as Chief Executive Officer in February 2023. The loss of the services of any of our executives could disrupt our operations, delay the development and introduction of our products and services, including with respect to our prototype products, and negatively affected as a result of actions of stockholders, and such actions could impact the price of our common stock. Stockholders may from time to time attempt to effect changes in our business, engage in proxy solicitations or advance stockholder proposals in a manner that is not in the best interests of our Company and all of its stockholders. Certain stockholders have made, or have indicated they may make, public and private strategic proposals related to our business, strategy, management or operations and have requested, or have indicated they may request, changes to the composition of our Board. We cannot predict, and no assurances can be given as to, the outcome or timing of any such matters. In the event of a proxy contest, our business could be adversely affected. Responding to a proxy contest can be costly, time-consuming and disruptive and can divert the attention of our management and employees from the operation of our business and execution of our strategic plan. Stockholders engaged in such activities may have interests that differ from those of other stockholders. Further, perceived uncertainties as to our future direction, including uncertainties related to the composition of our Board, may lead to the perception of instability or a change in the direction of our business, which may be exploited by our competitors, cause concern to current or potential customers, result in the loss of potential business opportunities, make it more difficult to attract and retain qualified personnel and / or affect our relationships with vendors, customers and other third parties. Moreover, a proxy contest could cause significant fluctuations in the price of our common stock based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business and operating results. The transition to our As noted above, we appointed a new Chief Executive Officer will be critical to our success and our business may be adversely impacted if we do not successfully manage the transition process. On February 5, 2023, our Board terminated Bill Gross from his position as our Chief Executive Officer and appointed Christiana Obiaya, previously our Chief Financial Officer in , as Chief Executive Officer. On February 5, 2023 and we currently have an ; the Board also appointed Kelly Rosser, our Chief Accounting Officer, as Interim Chief Financial Officer after . Our success depends, in part, on the effectiveness departure of our former new Chief Executive Officer. The Chief Executive Officer will

be critical to executing on and achieving our vision, strategic direction, culture, products and technology. Management transitions, such as the company's transition to a new Chief Executive Officer and Chief Financial Officer, **in January 2024.** **Management transitions** may create uncertainty, divert resources and management attention, or impact public or market perception, any of which could negatively impact the company's ability to operate effectively or execute its strategies and result in an adverse impact on its business. Further, these new executives may have different backgrounds, experiences and perspectives from those individuals who previously served in these roles and thus may have different views on the issues that will determine the company's future, potentially resulting in employee, customer and supplier uncertainty. **The employment agreements of our executive officers are each at will, and there is no assurance that we will be able to successfully retain senior leadership necessary to grow our business. Our failure to attract and retain our executive officers could adversely impact our business, prospects, financial condition, and operating results.** A lack of continuity of management and personnel may harm our ability to effectively manage our operations and implement our strategy and our business may suffer. Our business depends on experienced and skilled personnel and ~~substantial~~ specialty subcontractor resources, and if we lose key personnel or if we are unable to attract and integrate additional skilled personnel, it will be more difficult for us to manage our business and complete projects. The success of our business and construction projects will depend in large part on the skill of our personnel and on trade labor resources, including those with certain specialty subcontractor skills. Competition for personnel, particularly those with expertise in the energy services and renewable energy industries, is high. In the event we are unable to attract, hire and retain the requisite personnel and subcontractors, we may experience delays in completing projects in accordance with project schedules and budgets. Further, any increase in demand for personnel and specialty subcontractors may result in higher costs, causing us to exceed the budget on a project. Either of these circumstances may have an adverse effect on our business, financial condition and operating results, harm our reputation among and relationships with our customers, and cause us to curtail our pursuit of new projects ~~financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, our stock price.~~ Our material weaknesses relate to Heliogen not designing or maintaining an effective control environment specific to the areas of financial reporting and our close process, including effective review of technical accounting matters, proper segregation of duties, including separate review and approval of journal entries and access within our accounting system. We are currently taking actions to remediate the deficiencies in our internal control over financial reporting and are implementing additional processes and controls designed to address the underlying root causes associated with the above-mentioned deficiencies. Although we have made significant progress in remediating the aforementioned deficiencies outlined above, the material weaknesses continued to exist as of December 31, ~~2023~~ **2022 as the measures taken to address the material weaknesses had not been operating for a sufficient period of time to fully demonstrate they were operating effectively.** **Regulatory Risks** Our ability to. If we fail to introduce or acquire new products or services that achieve broad market acceptance on a timely basis, or if our products or services are not adopted as expected, we will not be able to compete effectively. We operate in a highly competitive, quickly changing environment and our future success depends on our ability to develop or acquire and market products and services that are recognized and accepted as reliable, ~~enabling and~~ cost-effective and that achieve broad market acceptance. Some of our potential customers may already use products or services similar to what we currently offer or what we may offer in the future and may be reluctant to replace those products or services. Market acceptance of our products, services and technology will depend on many factors, including, but not limited to, market demand costs, timely completion and introduction of these products, prompt resolution of any defects or bugs in these products, our ability to support these products, market acceptance of these products, delays and quality issues in releasing new products and services and our ability to convince potential customers that our products, services and technology are an attractive alternative to existing products, services and technology. Prior to adopting our products, services and technology, some potential customers may need to devote time and effort to testing and validating our systems. Any failure of our systems to meet these customer benchmarks could result in potential customers choosing to retain their existing systems or to purchase systems other than ours. The occurrence of one or more of the foregoing factors may result in lower revenue than expected, and we may in the future experience product or service introductions that fall short of their projected rates of market adoption. Our ability to successfully introduce and market new products is unproven. Because we have a limited operating history and the market for our products, including newly acquired or developed products, is rapidly evolving, it is difficult to predict our operating results, particularly with respect to any new products that we may introduce. Our future success will depend in large part upon our ability to identify demand trends in the market in which we operate and quickly develop or acquire, and design, manufacture and sell, products and services that satisfy these demands in a cost-effective manner. Also, we may not be able to respond effectively to new product or service announcements by competitors by quickly introducing competitive products and services. In order to differentiate our products and services from competitors' products, we will need to ~~increase focus~~ **on our** and ~~capital investment~~ **in R & D efforts**, including software development. If any products currently sold by, and services offered by, us do not continue, or if our new products or services fail to achieve widespread market acceptance, or if we are unsuccessful in capitalizing on opportunities in the market in which we operate, our future growth may be slowed and our business, results of operations and financial condition could be materially adversely affected. International expansion is one of our growth strategies, and our potential expansion into international markets may expose our business and operations to additional risks that we do not or will not face in the U. S., which could have an adverse effect on our operating results. As part of our business strategy, we intend to continue to consider the expansion of our addressable market by pursuing opportunities to provide our ~~HelioHeat~~ **carbon-free heat**, ~~HelioPower~~ **steam, power** and ~~HelioFuel~~ **green hydrogen** solutions in international markets, and we expect to generate a material portion of our revenues from operations outside of the U. S. in the future. Operations in international markets may require us to respond to new and unanticipated regulatory, marketing, sales and other challenges. These efforts may be time-consuming and costly, and there can be no assurance that we will be successful in responding to these and other challenges we may face as we enter and attempt to expand in international markets, including: • building and

managing a highly experienced foreign workforce and overseeing and ensuring the performance of foreign subcontractors, • difficulties in developing, staffing and simultaneously managing a large number of varying foreign operations as a result of distance, language and cultural differences, • increased travel, infrastructure and legal and compliance costs associated with multiple international locations, • additional withholding taxes or other taxes on our foreign income and tariffs or other restrictions on foreign trade or investment, • imposition of, or unexpected adverse changes in, foreign laws or regulatory requirements, many of which differ from those in the U. S., • increased exposure to foreign currency exchange rate risk, • longer payment cycles for sales in some foreign countries and potential difficulties in enforcing contracts and collecting accounts receivable, • difficulties in repatriating overseas earnings, • compliance with numerous legislative, regulatory or market requirements of foreign countries, • compliance with U. S. laws, such as the U. S. Foreign Corrupt Practices Act (“FCPA”) and local laws prohibiting bribery and corrupt payments to government officials, • laws and business practices that favor local competitors or prohibit foreign ownership of certain businesses, • potentially adverse tax consequences, • compliance with laws of foreign countries, international organizations, such as the European Commission, treaties and other international laws, • the inability to continue to benefit from local subsidies due to change in control, • unfavorable labor regulations and • general economic conditions in the countries in which we operate. Our future international operations will also be subject to general geopolitical risks, such as political, social and economic instability, war (including the repercussions of Russia’s invasion of Ukraine, **and the war between Israel and Hamas**), incidents of terrorism, changes in diplomatic and trade relations, or responses to such events. One or more of these factors could adversely affect any of our international operations and result in lower revenue and / or greater operating expenses than we expect and could significantly affect our results of operations and financial condition. Our overall success in international markets will depend, in part, on our ability to succeed in differing legal, regulatory, economic, social and political conditions. We may not be successful in developing and implementing policies and strategies that will be effective in managing these risks in each country where we do business. Our failure to manage these risks successfully could harm our international operations, reduce our international sales and increase our costs, thus adversely affecting our business, financial condition and operating results. **Certain of our facilities are or may be located in regions**

**that may be affected by extreme weather conditions and natural disasters. Our business is headquartered in southern California and we expect to have multiple facilities in California. Historically, California has been susceptible to natural disasters, such as earthquakes, drought, floods and wildfires. In addition, we are currently constructing a steam plant in west Texas, which is susceptible to severe weather events, including tornados, hurricanes, thunderstorms, hail storms, straight- line winds, blizzards, floods and dust storms. Although we intend to maintain loss insurance where necessary, an earthquake, wildfire, extreme weather event or other natural disaster in the geographic regions in which we operate could result in significant damage to our facilities, destruction or disruption of our critical business or information technology systems, recovery costs and interruption to certain of our operations. In addition, a catastrophic event could interrupt our operations or those of our customers and suppliers, which could result in delays or cancellation of customer orders, the loss of customers and impediments to the manufacture or shipment of products or execution of projects, which could result in loss of business or an increase in expense, both of which may have a material adverse effect on our business. Delays and other weather impacts could adversely affect our ability to meet project deadlines and may increase a project’s cost and decrease its profitability. In the specific case of wildfires, an accusation or ultimate determination that our operations were the cause of a wildfire may also have a material adverse effect on our business. Moreover, we expect to have multiple facilities in other domestic and international markets, which may be subject to similar risks as southern California and west Texas.**

**Risks Related to our Technology and Intellectual Property** An inability to protect our IP could negatively affect our ability to compete, our business and our results of operations. Our ability to compete effectively depends in part upon the maintenance and protection of the IP related to our **HelioHeat-carbon-free heat**, **HelioPower-steam, power** and **HelioFuel-green hydrogen** solutions. As of December 31, **2022-2023**, we had a portfolio of **8** issued U. S. patents, **6-9** issued non- U. S. patents, **22-12** pending U. S. patent applications **and 18** pending **for examination in the U. S. and 14** patent applications **pending for examination** in other countries, as well as numerous trademarks. However, our portfolio of patents is expected to evolve as new patents are issued and older patents expire, and the expiration of patents could have a negative effect on our ability to prevent competitors from duplicating certain or all of our products. Our U. S. issued patents are expected to expire between 2029 and **2040-2041**. We might not succeed in obtaining patents from any of our pending applications. Even if we are awarded patents, they may not provide any meaningful protection or commercial advantage to us, as they may not be of sufficient scope or strength or may not be issued in all countries where our products can be sold. Patent protection is unavailable for certain aspects of the technology and operational processes that are important to our business. Any patent held by us or to be issued to us, or any of our pending patent applications, could be challenged, invalidated, unenforceable or circumvented. In addition, our competitors may be able to design around our patents. To date, we have relied principally on patent, copyright, trademark and trade secret laws, as well as confidentiality and proprietary information agreements and licensing arrangements, to establish and protect our IP. However, we have not obtained confidentiality and proprietary information agreements from our targeted customers and vendors, and although we have entered into confidentiality and proprietary information agreements with all of our employees, we cannot be certain that these agreements will be honored. Some customers are subject to laws and regulations that require them to disclose information that we would otherwise seek to keep confidential. Policing unauthorized use of our IP is difficult and expensive, as is enforcing our rights against unauthorized use. The steps that we have taken or may take may not prevent misappropriation of the IP on which we rely. In addition, effective protection may be unavailable or limited in jurisdictions outside the U. S., as the IP laws of foreign countries sometimes offer less protection or have onerous filing requirements. From time to time, third parties may infringe our IP rights. Litigation may be necessary to enforce or protect our rights or to determine the validity and scope of the rights of others. Any litigation could be unsuccessful, cause us to incur substantial costs, divert resources away from our daily operations and result in

the impairment of our IP. Failure to adequately enforce our rights could cause us to lose rights in our IP and may negatively affect our business. In addition to patent protection, we rely significantly upon trade secret laws to protect our proprietary technologies. We regularly enter into confidentiality agreements with our key employees, customers, potential customers and other third parties and limit access to and distribution of our trade secrets and other proprietary information. However, these measures may not be adequate to prevent misappropriation of our technologies or to assure that our competitors will not independently develop technologies that are substantially equivalent or superior to our technologies. In addition, the laws of other countries in which we operate may not protect our proprietary rights to the same extent as the laws of the U. S. We are also subject to the risk of adverse claims and litigation alleging infringement of IP rights. **If certain of our facilities are or our may be located in regions that may be affected by extreme weather conditions and natural disasters. Our business is headquartered in Southern California and we expect to have multiple facilities in California. Historically, California has been susceptible to natural disasters, such as earthquakes, drought, floods and wildfires. Although we intend to maintain loss insurance where necessary, an earthquake, wildfire or other natural disaster in the geographic regions in which we operate could result in significant damage to our facilities, destruction or disruption of our critical business or information technology systems, recovery costs and interruption to certain of our or those of third parties upon which we rely, or our data are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; and other adverse consequences. In the ordinary course of our business, we and the third parties upon which we rely process sensitive data, and, as a result, we and such third parties face a variety of evolving threats that could cause security incidents. Cyber- attacks, malicious internet- based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive data and information technology systems, and those of the third parties upon which we rely. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer “hackers,” threat actors, “hacktivists,” organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states and nation- state- supported actors. Some actors now engage and are expected to continue to engage in cyber- attacks, including without limitation nation- state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we and the third parties we rely on may be vulnerable to a heightened risk of these attacks, including retaliatory cyber- attacks, that could materially disrupt our systems and operations, supply chain and ability to produce, sell and distribute our services. Such threats include, but are not limited to, social- engineering attacks (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial- of- service attacks, credential stuffing, credential harvesting, personnel misconduct or error, ransomware attacks, supply- chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, attacks enhanced or facilitated by AI, telecommunications failures, earthquakes, fires, floods and other similar threats. In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. Remote work has become more common and has increased risks to our information technology systems and data, as more of our employees utilize network connections, computers, and devices outside our premises or network, including working at home, while in transit and in public locations. Additionally, future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities’ systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program. In addition, a catastrophic event could interrupt our operations or our reliance those of our customers and suppliers, which could result in delays or cancellation of customer orders, the loss of customers and impediments to the manufacture or shipment of products or execution of projects, which could result in loss of business or an increase in expense, both of which may have a material adverse effect on our business. Delays and other weather impacts could adversely affect our ability to meet project deadlines and may increase a project’s cost and decrease its profitability. In the specific case of wildfires, an accusation or ultimate determination that our operations were the cause of a wildfire may also have a material adverse effect on our business. Moreover, we expect to have multiple facilities in other domestic and international markets, which may be subject to similar risks as California. Computer malware, viruses, ransomware, hacking, phishing attacks and other network disruptions could result in security and privacy breaches, loss of proprietary information and interruption in service, which would harm our business. Computer malware, viruses, physical or electronic break- ins and similar disruptions could lead to interruption and delays in our services and operations and loss, misuse or theft of data. Computer malware, viruses, ransomware, hacking, phishing attacks or denial of service, against online networks have become more prevalent and may occur on our systems. Any attempts by cyber attackers to disrupt our services or systems, if successful, could harm our business, introduce liability to data subjects, result in the misappropriation of funds, be expensive to remedy and damage our reputation or brand. Insurance may not be sufficient to cover significant expenses and losses related to cyberattacks. Notwithstanding the security measures we have implemented, such as managed security services, that are designed to detect and protect against cyberattacks, and any additional measures we may implement or adopt in the future, our facilities and systems and those of our third- party service providers, could be introduce new cybersecurity risks and vulnerable vulnerabilities, including supply- chain attacks, and other**



threats to our business operations. We rely on third-party service providers and technologies to operate critical business systems to process sensitive data in a variety of contexts, including, without limitation, cloud-based infrastructure, application hosting, data center facilities, encryption and authentication technology, employee email, content delivery to customers and other functions. We also rely on third-party service providers to provide other products, services, parts, or otherwise to operate our business. Our ability to monitor these third parties' information security breaches practices is limited, computer viruses, lost and these third parties may not have adequate information security measures in place. If or our third-party service providers experience a security incident misplaced data, programming errors, scams, burglary, human errors, acts of vandalism, or other events interruption, we could experience adverse consequences. The risk of While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award cyberattacks may be heightened as a result of remote or hybrid working environments. We Although we make significant efforts to maintain the security and integrity of our information technology and related systems and have implemented measures and maintain various information security processes and technologies designed to identify, assess and manage the material risk risks from of a security cybersecurity breach threats to or our disruption computer networks, third party hosted services, communications systems, hardware and software, and our critical data, including intellectual property, and confidential information that is proprietary, strategic or competitive in nature. However, there can be no assurance that these our security efforts and measures will be effective. We take steps designed to detect, mitigate and remediate vulnerabilities in or our information systems (such as our hardware and / or software, including that attempted security breaches or disruptions would not be successful or damaging. Efforts to prevent cyber attackers from entering computer systems are expensive to implement, and we may not be able to cause the implementation or enforcement of such preventions with respect to our third-party vendors. Hardware, software, or applications we develop or procure from third parties upon which we rely), including through trainings, incident tabletop exercises and system testing. We may contain not, however, defects detect and remediate all such vulnerabilities including on a timely basis. Further, we may experience delays in developing and deploying remedial measures and patches design designed to address identified vulnerabilities. Vulnerabilities could be exploited and result in a security incident. Any of the previously identified or manufacture similar threats could cause a security incident or other problems interruption that could unexpectedly compromise information security. Intentional result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to or our non-malicious breaches by employees or others may pose a risk that sensitive data, including our or IP, trade secrets or our personal information of technology systems, our or employees, customers or users, those of the third parties upon whom we rely. A security incident or other interruption could disrupt our ability (and that of third parties upon whom we rely) to provide our services. We may expend significant resources or modify our business activities partners may be exposed to unauthorized persons try to protect against security incidents. Additionally, certain data privacy and security obligations may require us to implement and maintain specific security measures or industry-standard or reasonable security measures to protect or our to the public, or that risks of loss or misuse of this information could occur technology systems and sensitive data. If we ( Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, any failure to maintain performance, reliability, a third party upon whom we rely) experience a security incident and availability of systems and technical infrastructure may cause harm to our or are perceived reputation, brand and ability to have experienced a security incident attract customers and result in exposure to significant costs, we may experience adverse consequences including costs to rebuild our systems, such as modify our products and services, defend litigation, respond to government enforcement actions (for example pay investigations, fines, penalties, audits and inspections); additional notification and reporting requirements and / or oversight; restrictions on processing sensitive data (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; diversion of management attention; interruptions in our operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant consequences may negatively impact our ability to grow and operate our business. Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, take other remedial steps, in addition to other losses, any of which could adversely affect our or business, results of operations and financial condition. There are several factors ranging from human error to data corruption that could materially impact the efficacy of any processes and procedures designed to enable us to recover from a disaster or catastrophe, including by lengthening the time services are partially or fully unavailable to customers and users. It may be difficult or impossible to perform some or all recovery steps and continue normal business operations due to the nature of a particular cyberattack, disaster or catastrophe or other disruption, especially during peak periods, which could cause additional reputational damages, or loss of revenues, any of which would adversely affect our business and financial results. Further, we cannot be certain that (a) our liability insurance will be sufficient in type or amount to cover us against claims related to our data privacy and security breaches, cyberattacks obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that other related breaches; (b) such coverage will cover any indemnification claims against us relating to any incident, will continue to be available to us on economically commercially reasonable terms or at all, or that such coverage (c) any insurer will pay not deny coverage as to any future claim. The successful assertion of one or more large claims against. In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive data about us from public sources, data brokers, or other means that exceed available insurance coverage, reveals competitively sensitive details about or our organization and the occurrence of changes in our insurance policies, including premium increases or the imposition or large deductible or co-insurance requirements, could adversely affect be used to undermine our

**competitive advantage** ~~our~~ **or market position** ~~reputation, business, financial condition and results of operations~~. Our mirror cleaning technology may perform below our expectations. The primary maintenance activity for solar thermal projects using our systems will be the routine and continuous cleaning of reflective mirror surfaces. We anticipate each mirror will need to be deep cleaned (rotating brush and water mist) every two weeks to prevent a buildup of soiling which would otherwise significantly degrade the system performance. Operational testing is ongoing on our ChariotAV autonomous cleaning vehicle which is intended to confirm the vehicles ability to accurately navigate the heliostat field autonomously while effectively and repeatedly cleaning the mirrors to maintain optimal light reflectivity. If our ChariotAV autonomous cleaning vehicle does not ultimately operate as intended, actual operating costs of our concentrated solar energy plants may be substantially higher than forecasted or total energy generation may fall short of estimates. **Regulatory Risks** We are subject to stringent and evolving U. S. laws, regulations, and rules, contractual obligations, industry standards, policies and other obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation (including class claims) and mass arbitration demands; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; and other adverse business consequences. In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit and share (collectively, process) personal data and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, sensitive third- party data, business plans, transactions and financial information (collectively, sensitive data). Our data processing activities subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations relating to data privacy and security. In the U. S., federal, state and local governments have identified enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e. g., Section 5 of the Federal Trade Commission Act), and other similar laws (e. g., wiretapping laws). In the past few years, numerous U. S. states — including California, Virginia, Colorado, Connecticut and Utah — have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt- out of certain data processing activities, such as targeted advertising, profiling and automated decision- making. The exercise of these rights may impact our business and ability to provide our products and services. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 (“ CPRA ”) (collectively, “ CCPA ”), applies to personal data of consumers, business representatives and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights. The CCPA provides for fines of up to \$ 7, 500 per intentional violation and allows private litigants affected by certain data breaches to recover significant statutory damages. Similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future. These developments may further complicate compliance efforts, and increase legal risk and compliance costs for us and the third parties upon whom we rely. In addition to data privacy and security laws, we are bound by other contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. We publish privacy policies, marketing materials and other statements, such as compliance with certain certifications or self- regulatory principles, regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators, or other adverse consequences. Obligations related to data privacy and security (and consumers’ data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources and may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf. We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties we rely on may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e. g., investigations, fines, penalties, audits, inspections and similar); litigation (including class- action claims) and mass arbitration demands; additional reporting requirements and / or oversight; bans on processing personal data; and orders to destroy or not use personal data. In particular, plaintiffs have become increasingly more active in bringing privacy- related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations. Any of these events could have a material weaknesses in our internal control over financial reporting and any failure to maintain effective internal control over financial reporting may have a material and adverse effect on our reputation, business, or operating results, financial condition and prospects. In connection with the preparation and audit of our financial statements as of and for the fiscal year ended December 31, including but 2021, we identified material weaknesses, as described below, in our internal control over financial reporting, which is an integral component of our disclosure controls and procedures. If we are unable to remediate

these material weaknesses, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not **limited** be able to accurately or timely report: **loss of customers; inability to process personal data our or financial condition to operate in certain jurisdictions; limited ability to develop or commercialize our results products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to our business model or** operations, which may adversely affect investor confidence in us and, as a result, our stock price. Our material weaknesses relate to Heliogen not..... they were operating effectively. **Regulatory Risks** Our business benefits in part from federal, state, provincial and local government support for renewable energy, and a decline in such support could harm our business. We benefit in part from legislation and government policies, incentives, mandates or other programs that support renewable energy, and energy storage projects that enhance the economic feasibility of our solar energy projects. This support includes legislation and regulations that encourage or in some cases require other customers to procure power from renewable or low- emission sources or otherwise to procure our services; and provide us or our customers with tax and other incentives that reduce our costs or increase our revenues. For example, the IRA contains many provisions intended to incentivize domestic clean energy investment, clean energy production and manufacturing of necessary components. However, it is unclear whether these initiatives will create sufficient incentives for projects or result in increased demand for our services. In addition, some of these government mandates and economic incentives are scheduled to be reduced or to expire, or could be eliminated altogether, while others are scheduled to be extended or expanded. Without ongoing federal, state, provincial and local government support for renewable energy our ability obtain project commitments and related financing could be adversely affected and our business, financial condition and results of operations could be adversely affected. Legislative or regulatory actions relating to renewable energy may impact demand for our services, our ability to remain in compliance with applicable laws and our cost of operations. We are subject to laws, regulations and rules enacted by national, regional and local governments. Compliance with, and monitoring of, applicable laws, regulations and rules may be difficult, time consuming and costly. Those laws, regulations and rules and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws, regulations and rules, as interpreted and applied, could have a material adverse effect on our business and results of operations. In addition, laws and regulations impacting our customers may affect the demand for our products. Because most of our revenue is expected to be derived from the energy and industrial market sectors, regulatory and environmental requirements affecting those industries could adversely affect our business, financial condition, results of operations and cash flows. Customers in the industries we serve, including oil & gas companies and power providers, face stringent regulatory and environmental requirements, as well as permitting processes, as they implement plans for their projects, which may result in delays, reductions and cancellations of some of their projects. Our customers' energy procurement policies may prohibit or limit their willingness to procure our products. Our business prospects may be negatively impacted if we are prevented from completing new installations or our installations become more costly as a result of laws, regulations, ordinances, or rules applicable to our products. These regulatory factors may result in decreased demand for our services, potentially impacting our operations and our ability to grow. The demand for our product could also be impacted by infrastructure legislation and funding. The locations of renewable energy projects, including the expected locations of our concentrated solar energy plants, are often remote and may not be viable unless new or expanded transmission infrastructure to transport the energy to demand centers is economically feasible. Furthermore, funding for renewable energy initiatives may not be available. These factors could result in fewer renewable energy projects and a delay in the construction of these projects and the related infrastructure, which could negatively impact our business. Opportunities associated with government contracts could lead to increased governmental regulation applicable to us. Most government contracts are awarded through a regulated competitive bidding process, including the award we received from the DOE to deploy our renewable energy technology in California. We may incur significant costs associated with bidding for government contracts before we realize any revenues from these contracts. Government agencies may review a contractor's performance, cost structure and compliance with applicable laws, regulations and standards. If government agencies determine through these reviews that costs were improperly allocated to specific contracts, they will not reimburse the contractor for those costs or may require the contractor to refund previously reimbursed costs. If government agencies determine that we engaged in improper activity, we may be subject to civil and criminal penalties. Government contracts are also subject to renegotiation of profit and termination by the government prior to the expiration of the term. **Risks Related to Ownership of Shares and Warrants** **Our** We are currently not in compliance with the NYSE's continued listing requirements relating to the minimum average closing price and our stock may be delisted if we do not timely cure the non-compliance. On December 23, 2022, we received a written notice from the NYSE that we were not in compliance with the NYSE's continued listing requirements relating to the minimum average closing price per share of our common stock **and Public Warrants**, because the average closing price of our common stock over a period of 30 consecutive trading days was below \$ 1.00 per share, which is the minimum average closing price per share required to maintain continued listing on the NYSE. We have **been suspended** timely notified the NYSE of our intent to regain compliance with the minimum share price requirement during the six-month cure period from the date of receipt of the notice. We can regain compliance at any time during the cure period if (i) on the last trading day of any calendar month during the cure period our common stock has a closing share price of at least \$ 1.00 and (ii) an average closing share price of at least \$ 1.00 over the 30 trading-day period ending on the last trading day of that month. We are currently in compliance with all other NYSE continued listing standard rules. In the event that we fail to restore our compliance with the continued listing standards of the NYSE, our common stock will be subject to NYSE's suspension and delisting procedures. To address this issue, we intend take steps to increase the value of our common stock through execution of our business strategy and we are still considering our other options for regaining compliance with the NYSE's minimum share price requirement including, but not limited to a reverse stock split, subject to stockholder approval, no later than at our next annual meeting of stockholders, if necessary to cure the stock price non-

compliance. If the NYSE delists our common stock from trading on its exchange for failure to meet the listing standards, we and **may be delisted from** our stockholders could face significant material adverse consequences including: • a limited availability of market quotations for our securities; • a determination that our common stock is a “ penny stock ” which will require brokers trading in our common stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the **NYSE** secondary trading market for our common stock; • a limited amount of analyst coverage; and • a decreased ability to issue additional securities or obtain additional financing in the future. Additionally, if our securities are not listed on, or become delisted from, the NYSE for any reason, and are quoted on the **other** OTC Bulletin Board, an inter-dealer automated quotation system for equity securities that is not a national securities exchange, **On November 7, 2023**, the liquidity and price of our securities may be more limited than if we were quoted or listed on **received a letter from the staff of NYSE Regulation notifying us** or another national securities exchange. You may be unable to sell your securities unless a market can be established or sustained. We may redeem our outstanding Public and Private Warrants prior to their exercise at a time that **it is disadvantageous to warrant holders**, thereby making such warrants worthless. As of December 31, 2022, we had **determined to commence proceedings to delist our common stock and** public warrants (“ Public Warrants ”) **Our stock** price is subject to volatility, which could have a material adverse impact on investors and employee retention. The price of our stock has experienced substantial price volatility and may continue to do so in the future. From January 1, ~~2023~~~~2022~~ to March ~~20-23~~~~2024~~~~2023~~, our stock price fluctuated between a low of \$ ~~0.52-19~~ per share and a high of \$ ~~26-16~~~~.25-31~~ per share (as adjusted for the reverse stock split). Additionally, the energy and technology industries, and the stock market as a whole have, from time to time, experienced extreme stock price and volume fluctuations that have affected stock prices in ways that may have been unrelated to the performance of the companies’ in these sectors. We believe the price of our stock should reflect **expectations of future growth and profitability**, and private placement warrants (“ Private Warrants, ” and together with the Public Warrants, the “ Public and Private Warrants ”) outstanding. We **may have the ability to** redeem our outstanding Public Warrants at a price of \$ ~~0.01-35~~ per warrant, provided that the last reported sales price of our common stock equals or exceeds \$ ~~18-630~~. 00 per share for any 20 trading days within a 30 trading- day period ending on the third trading day prior to the date we send the notice of redemption to the warrant holders. We may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. In addition, we **may have the ability to** redeem all (but not less than all) of our outstanding Public and Private Warrants at a price of \$ ~~0-3~~~~.10-50~~ per warrant if the following conditions are satisfied: (i) the last reported sale prices of our common stock equals or exceeds \$ ~~10-350~~. 00 (as may be adjusted for stock splits, stock dividends, reorganizations, recapitalizations or the like) on the trading day prior to the date of the notice; (ii) the Private Warrants are also concurrently exchanged at the same price as the outstanding Public Warrants; and (iii) there is an effective registration statement covering the issuance of the shares of our common stock issuable upon exercise of the warrants and a current prospectus relating thereto available throughout the 30- day period after written notice of redemption is given. In either case, the redemption of our outstanding Public and Private Warrants could force the warrant holders (i) to exercise their warrants and pay the exercise price therefor at a time when it may be disadvantageous for them to do so, (ii) to sell their warrants at the then- current market price when they might otherwise wish to hold their warrants or (iii) to accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, is likely to be substantially less than the market value of their warrants. The value received upon exercise of the warrants (i) may be less than the value the holders would have received if they had exercised their warrants at a later time where the underlying share price is higher and (ii) may not compensate the holders for the value of the warrants, including because the number of shares of common stock received is capped at ~~0.361-01~~ shares of our common stock per warrant (subject to adjustment) irrespective of the remaining life of the warrants. Refer to Note ~~5-4~~ — **Warrants Convertible Instruments and Equity** for additional information about our Public and Private Warrants. We have outstanding Public and Private Warrants that are exercisable into our common stock, which would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders. We have outstanding Public and Private Warrants to purchase an aggregate of ~~244,762~~ approximately ~~8.6~~ million shares of our common stock that ~~became~~~~are currently~~ exercisable on ~~March 18, 2022~~. The exercise price of the Public and Private Warrants is \$ ~~11-402~~. 50 per share, or approximately \$ 98. 5 million in the aggregate for all shares underlying these warrants, assuming none of the warrants are exercised through “ cashless ” exercise. To the extent such warrants are exercised, additional shares of our common stock will be issued, which will result in dilution to holders of our common stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such warrants may be exercised could adversely affect the market price of our common stock. However, there is no guarantee that the Public and Private Warrants will ever be in the money prior to their expiration, and as such, the warrants may expire worthless. We may be subject to securities litigation, which is expensive and could divert management attention. The market price of our common stock may be volatile and, in the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management’ s attention and resources from other business concerns and could also require us to make substantial payments to satisfy judgments or to settle litigation either of which could seriously harm our business. ~~If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or market, or if they change their recommendations regarding our securities adversely, the price and trading volume of our securities could decline. The trading market for our securities will be influenced by the research and reports that securities or industry analysts may publish about us, our business, our market, or our competitors. If any of the analysts who may cover us change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, the price of our securities would likely decline. If any analyst who may cover us were to cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.~~ General Risk Factors ~~The requirements of being a public company may~~

strain our resources and divert management's attention. As a public company, we are subject to the reporting requirements of the Exchange Act, the SOX, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2009, NYSE Listing Rules and other applicable securities rules and regulations. Compliance with these rules and regulations increases our legal and financial compliance costs, makes some activities more difficult, time-consuming or costly and increases demand on our systems and resources, which will further increase after we are no longer an "emerging growth company." The SOX requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will significantly increase our legal and financial compliance costs and will make some activities more time-consuming and costly. Among other things, we are required to: • maintain and evaluate a system of internal controls over financial reporting in compliance with the requirements of Section 404 of the SOX and the related rules and regulations of the SEC and the Public Company Accounting Oversight Board; • maintain policies relating to disclosure controls and procedures; • prepare and distribute periodic reports in compliance with our obligations under federal securities laws; • institute a more comprehensive compliance function, including with respect to corporate governance; and • involve, to a greater degree, our outside legal counsel and accountants in the above activities. The costs of preparing and filing annual and quarterly reports, proxy statements and other information with the SEC and furnishing audited reports to stockholders is expensive and much greater than that of a privately-held company and compliance with these rules and regulations involves a material increase in regulatory, legal and accounting expenses and the attention of our Board and management. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business and operating results. We may need to hire more employees in the future or engage outside consultants to comply with these requirements, which will increase our costs and expenses. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure create uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us, and our business may be adversely affected. In addition, the costs to maintain our director and officer liability insurance may continue to rise. In the future, we may be required to accept reduced coverage or incur substantially higher costs to obtain this coverage. These factors could also make it more difficult for us to attract and retain qualified executives and members of our Board. Our stockholders may not be able to enforce judgments entered by U. S. courts against certain of our directors. We are incorporated in the State of Delaware. However, some of our directors may reside outside of the U. S. As a result, our stockholders may not be able to effect service of process upon those persons within the U. S. or enforce against those persons judgments obtained in U. S. courts. Anti-takeover provisions contained in our second amended and restated certificate of incorporation as well as provisions of Delaware law, could impair a takeover attempt. Our second amended and restated certificate of incorporation ("Certificate of Incorporation") contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together these provisions may make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. These provisions include: • no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates; • a classified Board with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our Board; • the right of our Board to elect a director to fill a vacancy created by the expansion of our Board or the resignation, death or removal of a director in certain circumstances, which prevents stockholders from being able to fill vacancies on our Board; • a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders; and • the requirement that a meeting of stockholders may only be called by members of our Board or the stockholders holding a majority of our shares, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors. These provisions, alone or together, could delay hostile takeovers and changes in control or changes in our Board or our management. As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation Law ("DGCL"), which prevents some stockholders holding more than 15 % of our outstanding common stock from engaging in certain business combinations without approval of the holders of substantially all of our common stock. Any provision of our Certificate of Incorporation or bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock. Our Certificate of Incorporation provides, subject to limited exceptions, that the Court of Chancery of the State of Delaware and the U. S. federal district courts will be the sole and exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, stockholders or employees. Our Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative

action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee to us or our stockholders, (iii) any action asserting a claim against us, our directors, officers or employees arising pursuant to any provision of the DGCL or our Certificate of Incorporation or bylaws, or (iv) any action asserting a claim against us, our directors, officers or employees governed by the internal affairs doctrine and, if brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder's counsel, except any action (A) as to which the Court of Chancery of the State of Delaware determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), (B) which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or (C) for which the Court of Chancery does not have subject matter jurisdiction. Our Certificate of Incorporation also provides that the exclusive forum provision will be applicable to the fullest extent permitted by applicable law. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Furthermore, Section 22 of the Securities Act establishes concurrent jurisdiction for federal and state courts over Securities Act claims. Accordingly, both state and federal courts have jurisdiction to hear such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our Certificate of Incorporation also provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the U. S. will be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. While the Delaware courts have determined that such choice of forum provisions are facially valid and several state trial courts have enforced such provisions and required that suits asserting Securities Act claims be filed in federal court, there is no guarantee that courts of appeal will affirm the enforceability of such provisions and a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our Certificate of Incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions. If a court were to find either exclusive forum provision in our Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with litigating Securities Act claims in state court, or both state and federal court, which could seriously harm our business, financial condition, results of operations and prospects. Any person or entity purchasing or otherwise acquiring or holding or owning (or continuing to hold or own) any interest in any of our securities shall be deemed to have notice of and consented to the forum provisions in our Certificate of Incorporation. Although we believe these exclusive forum provisions benefit us by providing increased consistency in the application of Delaware law and federal securities laws in the types of lawsuits to which each applies, the exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our current or former directors, officers, stockholders or other employees, which may discourage such lawsuits with respect to such claims. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder as a result of our exclusive forum provisions. The warrant agreement governing our Public and Private Warrants designates the courts of the State of New York or the U. S. District Court for the Southern District of New York as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by holders of the warrants, which could limit the ability of warrant holders to obtain a favorable judicial forum for disputes with our company. Our Public and Private Warrants are issued in registered form under a warrant agreement between us and Continental Stock Transfer & Trust Company, as warrant agent. The warrant agreement provides that, subject to applicable law, (i) any action, proceeding or claim against us arising out of or relating in any way to the warrant agreement, including under the Securities Act, will be brought and enforced in the courts of the State of New York or the U. S. District Court for the Southern District of New York and (ii) that we irrevocably submit to such jurisdiction, which jurisdiction shall be the exclusive forum for any such action, proceeding or claim. We will waive any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. Notwithstanding the foregoing, these provisions of the warrant agreement will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the U. S. federal district courts are the sole and exclusive forum. Any person or entity purchasing or otherwise acquiring any interest in any of our warrants shall be deemed to have notice of and to have consented to the forum provisions in our warrant agreement. If any action, the subject matter of which is within the scope of the forum provisions of the warrant agreement, is filed in a court other than a court of the State of New York or the U. S. District Court for the Southern District of New York (a "foreign action") in the name of any holder of our warrants, such holder shall be deemed to have consented to: (x) the personal jurisdiction of the state and federal courts located in the State of New York in connection with any action brought in any such court to enforce the forum provisions (an "enforcement action") and (y) having service of process made upon such warrant holder in any such enforcement action by service upon such warrant holder's counsel in the foreign action as agent for such warrant holder. This choice-of-forum provision may limit a warrant holder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us, which may discourage such lawsuits. Alternatively, if a court were to find this provision of our warrant agreement inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and Board.