

Risk Factors Comparison 2025-03-10 to 2024-03-11 Form: 10-K

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

The section below discusses the most significant risk factors that may materially adversely affect our business, results of operations and financial condition. Risks Related to Our Business and Our Industry We have incurred significant losses since inception, we anticipate that we will continue to incur losses in the future, and we may not be able to achieve or maintain profitability. **NET-Net** Power has historically incurred significant losses and experienced negative cash flows since inception, including net losses of \$ **49.2 million for the year ended December 31, 2024**, \$ 43.1 million for the period from June 8, 2023 through December 31, 2023 (Successor), **and** \$ 34.2 million for the period from January 1, 2023 through June 7, 2023 (~~Predecessor~~) **and** \$ ~~54.8 million for the year ended December 31, 2022~~ (~~Predecessor~~). We have not generated any material revenue, but we have substantial overhead expenses. We do not expect to generate meaningful revenue unless and until we are able to complete our first commercial plant deployment and begin licensing the ~~NET-Net~~ Power Cycle, and we may not be able to accomplish either of these milestones on our anticipated timetable, if at all. We have not yet commercialized the ~~NET-Net~~ Power Cycle and may never do so successfully, and, as a result, it is difficult for us to predict our future operating results. Our losses may be larger than anticipated, and we may not achieve profitability according to our expected timeline or at all; even if we do, we may not be able to maintain or increase profitability. We expect our operating expenses to continue to increase over the next several years as we begin to commercialize the ~~NET-Net~~ Power Cycle, continue to refine and streamline our technology, make technical improvements, hire additional employees and continue research and development efforts relating to new products and technologies. These efforts may be more costly than we expect and may not result in increased revenue, profits or growth in our business. Any failure to increase our revenue sufficiently to keep pace with our expenses could prevent us from achieving or maintaining profitability or positive cash flow. Furthermore, if our future growth and operating performance fail to meet investor or analyst expectations, or if we have future negative cash flows or losses resulting from our investment in acquiring customers or expanding our operations, this could have a material adverse effect on our business and financial condition. We **.We, our licensees and our partners may be unable to adequately control the costs associated with** the development and deployment of our technology. We will require significant capital to develop and grow our business, and we expect to incur significant expenses, including those relating to **SN1, developing and commercializing** the ~~NET~~ **development and commercialization of the Net** Power Cycle, research and development, production, sales, maintenance and service, and building the ~~Net-Net~~ Power brand. Our largest costs prior to project deployment are expected to be equipment and construction costs. Our current estimates of the costs associated with development and commercialization could prove inaccurate, and that could impact the cost of our technology, ~~our ability to obtain adequate funding at terms acceptable to us (or at all), and of~~ our business overall. If we are unable to efficiently design, develop, commercialize, license, market, and deploy our technology in a cost-effective manner, our margins, profitability and prospects **would be materially and adversely affected** may be unable to manage our future growth effectively, and such inability could make it difficult to execute our business strategy. If our operations grow as planned, we may need to expand our sales and marketing, research and development, and supply and manufacturing functions, and there is no guarantee that we will be able to scale the business and the sale of licenses as planned. We have relied heavily on key partnerships to date, and there is no guarantee that we will be able to maintain these relationships or find additional suitable partners in the future. **.As, and as such,** we may have difficulty commercializing our technology or broadening our internal capabilities. Any failure to effectively incorporate updates to the design, construction and operations of power plants using the ~~NET-Net~~ Power Cycle to ensure cost competitiveness could reduce the marketability of the ~~NET-Net~~ Power Cycle and has the potential to impact deployment schedules. Updating the design, construction and operations of such power plants will be necessary to ensure their competitiveness and attractiveness in the market, particularly in the U. S., where the price of power is generally lower than in other countries. If we are not able to achieve and maintain cost competitiveness in the U. S. or elsewhere, our business could be materially and adversely affected. Our continued growth could increase the strain on our resources, and we could experience operating difficulties, including difficulties in hiring, training and managing an increasing number of employees and delays in production and launches. These difficulties may result in the erosion of our brand image, divert the attention of management and key employees and impact financial and operational results. If we are unable to drive commensurate growth, these costs, which include lease commitments, headcount and capital assets, could result in decreased margins, which could have a material adverse effect on our business, financial condition and results of operations. We face significant barriers in our attempts to deploy our technology and may not be able to successfully develop our technology. If we cannot successfully overcome those barriers, it could adversely impact our business and operations. The technology behind the ~~NET-Net~~ Power Cycle is very complex, and, while we successfully achieved grid synchronization with our test facility, we have **yet not yet fully validated our technology nor have we** built any commercial facilities and **we** may face significant barriers in continuing to operate our test facility, developing and commercializing **Serial Number 1 our first utility- scale plant,** and developing and commercializing subsequent facilities. The ~~NET-Net~~ Power Cycle has yet to be integrated with a combustion system and turbine operating coincidentally at target temperature and pressure. We are reliant on NPI to successfully deliver a turbo expander that can meet these conditions to support commercial initiatives. Furthermore, project execution risks associated with deployment of a nascent technology include ~~, but are not limited to,~~ supply chain management, schedule compliance, general EPC competence, commissioning, and startup tuning. If we are unable to successfully develop our technology, this would materially adversely affect our business and we may be forced to cease operations. The technology we are developing will rely on complex machinery for its operation, and deployment involves a significant degree of risk and

uncertainty in terms of operational performance and costs. The **NET-Net** Power Cycle relies heavily on complex machinery and involves a significant degree of uncertainty and risk in terms of operational performance and costs. Our test facility consists of, and our future **NET-Net** Power plants are expected to consist of, large- scale machinery combining many components. These manufacturing plant components are likely to suffer unexpected malfunctions from time to time and will depend on repairs and spare parts to resume operations, and such repairs and spare parts may not be available when needed. If there are delays in the development and manufacturing of our technology by our partners or third- party suppliers, it may adversely impact our business and financial condition. Unexpected malfunctions of the plant components may significantly affect our intended operational efficiency. Operational performance and costs can be difficult to predict and are often influenced by factors outside of our control, such as, but not limited to, scarcity of natural resources, supply chain issues, environmental hazards and remediation, costs associated with decommissioning of machines, labor disputes and strikes, difficulty or delays in obtaining governmental permits, damages or defects in electronic systems, industrial accidents, pandemics, war, fire, seismic activity and natural disasters. Should operational risks materialize, it may result in the personal injury to or death of workers, the loss of production equipment, damage to manufacturing facilities, monetary losses, delays, and unanticipated fluctuations in production, environmental damage, administrative fines, increased insurance costs, and potential legal liabilities, all which could have a material and adverse effect on our business, results of operations, cash flows, financial condition, or prospects. If we, our partners or our third- party suppliers experience any delays in the development and manufacturing of turbo expanders, heat exchangers, **air separation units**, and other **implementing technology key components**, our business and financial condition may be adversely impacted. We have previously experienced, and it is possible that we may experience in the future, delays and other complications from our partners and third- party suppliers in the development and manufacturing of turbo expanders, heat exchangers, air separation units and other implementing technology required for deploying the **NET-Net** Power Cycle. We have in the past faced a number of delays relating to the **NET-Net** Power Cycle; for example, we had to obtain a redesigned rotor following synchronization, our recuperative heat exchanger train underwent modifications to meet welding specifications necessary for improved strength associated with nickel material portions, and we changed sealing materials compatible with the plant process chemistry for the remaining balance of the plant associated with compressors and pumps. Any disruption or delay in the development or supply of such components and technology could result in the delay or other complication in the design, manufacture, production, and delivery of our technology that could prevent us from commercializing the **NET-Net** Power Cycle according to our planned timeline and scale. If delays like this recur, if our remediation measures and process changes do not continue to be successful or if we experience issues with planned manufacturing activities, supply of components from third parties or design and safety, we could experience issues or delays in commencing or sustaining our commercial operations. If we encounter difficulties in scaling our production and delivery capabilities, if we fail to develop and successfully commercialize our technologies, if we fail to develop such technologies before our competitors, or if such technologies fail to perform as expected, are inferior to those of our competitors or are perceived as less safe than those of our competitors, our business, reputation, and financial condition could be materially and adversely impacted. We, our licensees, and our partners may not be able to establish supply relationships for necessary components or may be required to pay costs for components that are higher than anticipated, and such inability or increased costs could delay the deployment of our technology and negatively impact our business. We, our licensees, and our partners rely on third- party suppliers for components and materials used to develop, and eventually commercialize, the **NET-Net** Power Cycle. Any disruption or delay in the supply of components or materials by our key third- party suppliers or pricing volatility of such components or materials could temporarily disrupt production of our components or materials until an alternative supplier is able to supply the required material. In such circumstances, we may experience prolonged delays, which may materially and adversely affect our results of operations, financial condition, and prospects. We may not be able to control fluctuation in the prices for these materials or negotiate agreements with suppliers on terms that are beneficial to us. Our business depends on the continued supply to us and to our licensees of certain proprietary materials. We are exposed to multiple risks relating to the availability and pricing of such materials and components. Substantial increases in the prices for our raw materials or components would increase our operating costs and the operating costs of our licensees, either of which could materially impact our financial condition. Currency fluctuations, inflation, trade barriers, extreme weather (which may be influenced by climate change), war, tariffs, pandemics, or shortages and other general economic or political conditions may limit our ability or our licensees' ability to obtain key components or significantly increase freight charges, raw material costs and other expenses associated with our business and our licensees' business, and such increased costs could materially and adversely affect our results of operations, financial condition and prospects. Our deployment plans rely on the development and supply of turbomachinery and process equipment by NPI pursuant to a joint development agreement. We and NPI may not be able to commercialize technology developed under our joint development relationship. If NPI fails to commercialize such equipment, or such equipment fails to perform as expected, our ability to develop, market and license our technology could be harmed. ~~In February 2022, we entered into a strategic exclusive partnership with NPI pursuant to the Original JDA, which was amended and restated by the Amended and Restated JDA on December 13, 2022, pursuant to which~~ NPI is developing sCO₂ turbo expanders for use in facilities implementing the **NET-Net** Power Cycle **pursuant to the Amended and Restated JDA**. These turbo expanders are intended to be compatible with our existing technology, and as such, they are highly specialized and difficult to design. We expect these turbo expanders, as well as other critical technology such as our heat exchangers **and air separation units**, to be vital to the success of **Serial Number 1 our first utility- scale plant**, other future commercial- scale facilities and our licensing operations, and as such, any delay in their development or manufacture would likely adversely impact our business and financial condition. There can be no assurance that we will be able to maintain or further our relationship with NPI and / or that NPI will be successful in developing a turbo expander that successfully integrates with our other technology. Our relationship with NPI is subject to various risks that could adversely affect the value of our investments

and our results of operations. These risks include the following: • our interests may diverge from those of NPI, or we may not be able to agree with them on ongoing development, manufacturing and operational activities, or on the amount, timing or nature of further investments in our joint development; • our control over NPI's operations is limited; • the terms of our arrangement under the Amended and Restated JDA with NPI may turn out to be unfavorable to us; • provisions of the joint development agreement **Amended and Restated JDA** could give rise to disputes regarding the rights and obligations of the parties, potentially leading to termination of the agreement, delays in development or commercialization of the turbo expander, or litigation or arbitration; or • changes in tax, legal or regulatory requirements may necessitate changes to our arrangement under the joint development agreement **Amended and Restated JDA**. If our strategic relationship with NPI is ultimately unsuccessful or less successful than anticipated, our business, results of operations or financial condition may be materially adversely affected. Any such lack of success could also reduce our ability to secure collaboration agreements in the future or impair our relationships with other existing collaborators. Our commercialization strategy relies heavily on our relationship with Baker Hughes, OXY, **Constellation**, and other strategic investors and partners, who may have interests that diverge from ours and who may not be easily replaced if our relationships terminate, and any such divergent interests or inability to replace could adversely impact our business and financial condition. We are, and for a period of time will be, substantially reliant on our relationship with Baker Hughes, OXY, **Constellation**, and other strategic investors and strategic partners to develop and commercialize the **NET-Net** Power Cycle. We are also reliant on our license agreement with 8 Rivers for the in- license of the core technology of the **NET-Net** Power Cycle. Our strategic partners may have interests that diverge from our interests, and that may hinder our ability to license our technology to customers. If we lose our agreements with strategic partners, we may need to find new contractors who may have less experience designing and building power plants and complex machinery. We may also need to locate alternative sources of intellectual property rights enabling us to carry out our operations and to avoid infringing previously licensed intellectual property, and we may be unsuccessful in securing such new licenses or unsuccessful in finding suitable alternatives that would not infringe previously licensed intellectual property. **We have entered into the Amended and Restated JDA with NPI in connection with the joint development arrangement for the design and development of a turbo expander for use in the Net Power Cycle. Pursuant to the Amended and Restated JDA, NPI may terminate the arrangement, among other things, in the event of a change of control, and there is no guarantee that a change of control will not occur in the future.** The loss of any such relationships, if not adequately replaced, could substantially hinder or prevent our ability to commercialize our technology and adversely affect our business, financial condition and future prospects. Our partners have not yet completed development of, and finalized schedules for, delivery of key process equipment to customers, and any setbacks we may experience leading up to our first commercial delivery and other demonstration and commercial missions could have material adverse effects on our business, financial condition and results of operations and could harm our reputation. The success of our business will depend on our ability to successfully license our technology to customers on- time and on- budget at guaranteed performance levels, and such success would tend to establish greater confidence in our subsequent customers. Our partners have not yet completed development of and finalized schedules for delivery to customers of key process equipment, including turbo expanders, sCO₂ combustors, primary recuperative heat exchangers, and air separation units. There is no guarantee that our planned commercialization efforts will be successful. There can be no assurance that we will not experience operational or process failures and other problems during our first commercial deployments. Any failures or setbacks, particularly on our first commercial ventures, could harm our reputation and have a material adverse effect on our business and financial condition. Any actual or perceived safety or reliability issues may result in significant reputational harm to our business, in addition to tort liability and other costs that may arise. Such issues could result in delaying or canceling planned licenses, increased regulation or other systemic consequences. Our inability to meet our safety standards or adverse publicity affecting our reputation as a result of accidents or mechanical failures could have a material adverse effect on our business and financial condition. We may pursue the development of **NET-Net** Power plants through joint ventures, which may lead to disagreements with our joint venture partners and adversely affect our interest in the joint ventures. We may seek to enter into joint ventures to fund the construction and development of **NET-Net** Power plants and other endeavors related to **NET-Net** Power plants. Joint venture arrangements may restrict our operational and financial flexibility. Moreover, joint venture arrangements involve various risks and uncertainties, such as committing us to fund operating and / or capital expenditures, the timing and amount of which we may have little or partial control over, and our joint venture partners may not satisfy their obligations to the joint venture. Lack of availability or increased costs of component raw materials may affect manufacturing processes for plant equipment and increase our overall costs or those of our licensees. Recent global supply chain disruptions have increasingly affected both the availability and cost of raw materials, component manufacturing and deliveries. These disruptions have resulted in, and may continue to result in, delays in equipment deliveries and cost escalations that adversely impact our ability to develop and commercialize the **NET-Net** Power Cycle. Our processes are reliant on certain supply, including natural gas, and the profitability of our processes will be dependent on the price of such supply. The increased cost of natural gas and other raw materials, in isolation or relative to other energy sources, may adversely affect the potential profitability and cost effectiveness of our processes. We intend to license the **NET-Net** Power Cycle for the generation of electrical power using natural gas. Accordingly, the prices we eventually receive for our licenses will likely be tied to the prevailing market prices of natural gas. Historically, the price of natural gas has been volatile, and this volatility may continue to increase in the future. Factors that may cause volatility in the prices of natural gas include, among others, (i) changes in supply and availability of natural gas; (ii) governmental regulations; (iii) inventory levels; (iv) consumer demand; (v) price and availability of alternatives; (vi) weather conditions; (vii) negative publicity about natural gas; (viii) production or transportation techniques and methods; (ix) macro- economic **environmental** and political conditions, **including the conflict between Ukraine and Russia**; (x) transportation costs; and (xi) the price of foreign imports, **including volatility due to tariffs and other trade- related disputes**. We expect that natural gas prices will remain volatile for the near future because of these

and other factors. High natural gas prices in isolation or relative to other energy sources are likely to adversely affect the demand for the **NET-Net** Power Cycle and our potential profitability and cost effectiveness. The prices we receive for our licenses depend on numerous factors beyond our control, including, but not limited to, the following: • changes in global supply of, and demand for, natural gas; • worldwide and regional economic conditions impacting the global supply and demand for natural gas; • social unrest, political instability or armed conflict in major natural gas producing regions outside the U. S., such as the conflict between Ukraine and Russia, and acts of terrorism or sabotage; • the ability and willingness of the Organization of the Petroleum Exporting Countries and allied producers (known as OPEC) to agree and maintain oil price and production controls; • the price and quantity of imports of foreign natural gas; • governmental, scientific, and public concern over the threat of climate change arising from greenhouse gas emissions; • the level of global natural gas exploration and production; • the level of global natural gas inventories; • localized supply and demand fundamentals of regional, domestic and international transportation availability; • weather conditions, natural disasters and seasonal trends; • domestic and foreign governmental regulations, including embargoes, sanctions, tariffs and environmental regulations; • speculation as to the future price of natural gas and the speculative trading of natural gas futures contracts; • technological advances affecting energy consumption; • increasing attention to **scrutiny of** environmental, social and governance ("**ESG**") matters; and • the price, availability and use of alternative fuels and energy sources. ~~While Russia's invasion of Ukraine and its contribution to the volatility in the price of natural gas could impact demand for the NET Power Cycle, we have not yet been affected by such volatility in a materially adverse manner.~~ Manufacturing and transportation of key equipment may be dependent on open global supply chains. Supply chain issues could negatively impact deployment schedules. Our customers and the projects they develop will be reliant on equipment supplied by a core group of key global suppliers, generally including, but not limited to, air separation units, heat exchangers, control systems, piping, valves, fabricated modules and rotating turbomachinery. ~~Recent global~~ **Global** supply chain disruptions have ~~increasingly affected~~, **and may continue to affect**, both the availability and cost of raw materials, component manufacturing and deliveries. These disruptions may result in delays in equipment deliveries and cost escalations that could adversely affect our business. While we expect to take steps to minimize the impact of these increased costs by working closely with our suppliers and customers, global supply chain disruption may deteriorate and such disruption compounded by increasing inflation could adversely affect our business, financial condition, results of operations and cash flows. Moreover, any material disruption in the supply chain could delay our commercialization efforts, potentially causing us to delay the launch of ~~Serial Number 1~~ **our first utility- scale plant** and of subsequent commercial plants later than expected or to begin licensing our technology later than expected. Suppliers of key equipment to our **future** customers may not be able to scale to the production levels necessary to meet the anticipated growth in demand for our technology, and such inability could negatively impact our business and financial plan. We do not have manufacturing assets and our future licensees may not have manufacturing assets, and thus we rely, and our future licensees may rely, on third- party manufacturers to build licensed power plants and associated equipment. Moreover, we and our licensees are dependent on future supplier capability to meet production demands attendant to our forecasts. If suppliers of key equipment to our customers cannot meet the level of supply and schedule demands of such customers after we achieve commercialization, our revenues could be materially impacted, which would impact our operations and profitability. Manufacturing and construction issues not identified prior to design finalization, long-lead procurement and / or module fabrication could potentially be realized during production, fabrication or construction and may impact plant deployment cost and schedule, and such impact could adversely impact our business. The **NET-Net** Power Cycle design ~~is will be~~ actively managed through design reviews, prototyping, involvement of external partners and application of industry lessons, but we could still fail to identify latent manufacturing and construction issues early enough to avoid negative effects on production, fabrication, construction or ultimate performance of our technology, licenses or plants. Where these issues arise at such later stages of deployment, plant deployment could be subject to greater costs or be significantly delayed, and such delay could materially and adversely affect our business. Our Demonstration Plant and future facilities and operations could be damaged or otherwise adversely affected as a result of natural disasters and other catastrophic events, and such adverse effects would negatively impact our ability to develop key process equipment and technologies within our anticipated timeline and budget. Natural disasters or other catastrophic events may cause damage or disruption to our operations and the global economy and, thus, could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters (including those associated with climate change, such as floods, droughts, and severe storms), fire, power shortages, civil unrest, war, pandemics, acts of terrorism, and other events beyond our control. While we maintain crisis management and disaster response plans, natural disasters, and other events could also make it difficult or impossible for us to continue operations and could decrease demand for our platform. In addition, our test facility is located in La Porte, Texas, which is prone to natural disasters, such as severe weather, making our business particularly susceptible to natural disasters and other catastrophic events in those areas. Our test facility and future facilities could be harmed or rendered inoperable, or our other assets could be damaged or destroyed, by natural or ~~manmade~~ **man made** disasters, including severe weather, flooding, power outages, earthquakes, and contamination, and such damage or destruction may render it difficult or impossible for us to operate our business for some period of time. The inability to operate our test facility — for even a short period of time — may harm our reputation and result in a delay in our commercialization schedule, and such reputational harm or delay would have a material adverse effect on our financial condition and operating results. ~~If we cannot extend the lease for our Demonstration Plant, which is currently set to expire in 2025, then we may need to remove, rebuild and relocate our equipment to a suitable facility elsewhere and resume development activities thereafter, which could represent a significant expense to us and have a material adverse effect on our business and results of operations. We lease the land where the Demonstration Plant is located from Air Liquide Large Industries U. S. LP (" Air Liquide") under a lease that is set to expire on July 1, 2025. The NET Power Cycle was first demonstrated at the Demonstration Plant, and we continue to conduct development activities at this site, which are expected to continue beyond July 1, 2025. If we are unable to renew the lease for the Demonstration Plant with Air Liquide on~~

acceptable terms or at all, then we may need to relocate an alternate facility that meets the specifications required for our Demonstration Plant and rebuild our Demonstration Plant at such location. During this time, we may also be required to discontinue our development activities ongoing at the Demonstration Plant. Furthermore, the costs of rebuilding and relocating the facility could be significant, which could have a material adverse effect on our business and results of operations. Our Demonstration Plant has not yet overcome all power loads to provide net positive power delivery to the commercial grid during its operation. If initial commercial plants using the NET-Net Power Cycle are unable to efficiently provide a net power output to the commercial grid, it will negatively impact our business. Our Demonstration Plant successfully generated electric power while synchronized to the grid, but it has not yet overcome all facility auxiliary power loads (pumps, compressors, etc.) to provide net positive power delivery to the commercial grid during its operation. If initial commercial power plants are unable to efficiently provide net power output to the commercial grid using the NET-Net Power Cycle, this could harm our business, results of operation, and reputation. We may encounter difficulty in attracting licensees prior to the deployment of an initial full- scale commercial plant. If we cannot successfully overcome the barriers to deploying a first full- scale plant, our business will be negatively impacted and could fail. Until we have completed the deployment of **Serial Number 1 our first utility- scale plant** and, potentially, until we have completed deployment of one or more additional commercial plants, we may encounter difficulty attracting licensees. We expect revenues from licensing the NET-Net Power Cycle to be vital to reaching and sustaining profitability, but until potential customers have seen a plant successfully implement the NET-Net Power Cycle, they may decide to wait to purchase a license or forgo purchasing a license altogether. There is no guarantee that we will be able to attract any licensees in our desired price range, or at all prior to our initial deployment or that our initial deployment efforts will be timely or successful enough to attract licensees. If we cannot attract licensees and earn licensing revenue, we may experience delays in our commercial plant deployments and may otherwise suffer harm to our business, results of operations, and reputation. We expect a consortium led by NET-Net Power to undertake the **development of our first commercial plant deployment project in order to establish prove the commerciality of** our technology. Such a deployment will require significant capital expenditures, and, depending on availability of capital, including **government assistance in the form of loans or grants**, could require substantial capital investment from us and our partners. If we cannot **establish a secure sufficient finding to construct our** first commercial- scale plant, our business could fail. Our ability to find third parties willing to partner with us to launch **Serial Number 1 our first utility- scale plant** is vital to our future success. This deployment is expected to be very expensive, require significant capital, and be time consuming. If we cannot find suitable third parties to partner with us, we may not be able to launch **Serial Number 1 our first utility- scale plant**. We may seek DOE LPO Title XVII project funding. In furtherance of this possibility, we have submitted a Title XVII Part I LPO application in support of such funding, and we have been invited to submit a Part II application. However, the DOE advises that an invitation to submit a Part II application is not an assurance that DOE will invite the Company into the due diligence and term sheet negotiation process, that DOE will offer a term sheet to the Company or that the terms and conditions of a loan guarantee will be consistent with terms proposed by the Company. The foregoing matters are wholly dependent on the results of the DOE's review and evaluation of the Part II application, and determination whether to proceed. If we are unable to bring **Serial Number 1 our first utility- scale plant** to market, or launch other commercial plant deployments, our ability to create stockholder value will be limited, and our business could fail. Our future growth and success depend on our ability to license to customers and their ability to secure suitable sites. We have not yet entered into a binding contract with a customer to license the NET-Net Power Cycle, and we may not be able to do so. The future growth of our business depends on our ability to license the NET-Net Power Cycle and to expand our sales geographically. The NET-Net Power Cycle has never been utilized on a full- scale commercial basis. All tests conducted to date with respect to the technology have been performed at our Demonstration Plant, and the same or similar results may not be obtainable at competitive costs on a large- scale commercial basis. It will be difficult to demonstrate the value in our technology to licensees until we have deployed a successful full- scale commercial plant, as discussed under "— We may encounter difficulty in attracting licensees prior to the deployment of an initial full- scale commercial plant. If we cannot successfully overcome the barriers to deploying a first full- scale plant, our business will be negatively impacted and could fail. "— We have not yet entered into a binding contract with a customer to license the NET-Net Power Cycle, and we may not be able to do so on acceptable terms or at all. Even if we do enter into agreements with licensees, such licensees might be unable to find suitable sites for building their own power plants. If we are unable to successfully enter into agreements with a sufficient number of licensees, it may adversely impact our business and results of operations. We may not be able to accurately estimate the future demand for our technology, and such inability could result in a variety of inefficiencies in our business and could hinder our ability to generate revenue. If we fail to accurately predict market demand, we could incur additional costs or experience delays, adversely impacting our business and financial condition. Our business requires us to estimate future market demand for electricity and for licenses for our technology. We may be adversely affected to the extent that we overestimate or underestimate such demand. Our future success hinges on how many licenses for our technology we are able to sell. We have already incurred and expect to continue to incur significant expenses in connection with developing our technology, and we do not expect the amount of expenses incurred to vary significantly as we increase or decrease the number of licenses sold. As such, our profitability with respect to our licenses will likely depend entirely on the demand for such licenses, and, if we cannot sell enough licenses, the expenses incurred in connection with such licenses will be sunk costs. Thus, it is imperative that we accurately estimate the demand for such licenses. However, there is no guarantee that our current estimates, or any future estimates, will prove accurate, especially if competitors develop similar technology and compete for our target licensees or if the general landscape of the natural gas industry shifts in an unfavorable direction. If we cannot accurately estimate future demand for our licenses, our business and financial condition could be materially adversely impacted. Our ability to market our technology depends on numerous factors beyond our control, the effect of which cannot be accurately predicted or anticipated. Some of these factors include, without limitation, the availability of domestic and foreign natural gas production, the marketing

of competitive fuels, the proximity and capacity of pipelines, fluctuations in supply and demand, the availability of a ready market, the effect of U. S. federal and state regulation of production, refining, transportation and sales and general national and worldwide economic conditions. We are highly dependent on our senior management team, key employees and other highly skilled personnel, and if we are not successful in attracting or retaining highly qualified personnel, we may not be able to successfully implement our business strategy and our ability to compete may be harmed. Our success depends, in significant part, on continuing to attract and retain highly qualified talent, retaining the services of our senior management team and our ability to attract, motivate, develop and retain a sufficient number of other highly skilled personnel, including, but not limited to, engineers, manufacturing and quality assurance, finance, marketing, and sales personnel. Our senior management team has extensive experience in the energy and manufacturing industries, and we believe that their depth of experience is instrumental to our continued success. The loss of any one or more members of our senior management team for any reason, including resignation or retirement, could impair our ability to execute our business strategy and could have a material adverse effect on our business and financial condition if we are unable to successfully attract and retain qualified and highly skilled replacement personnel with experience necessary to fill the applicable senior management position or positions. Conflicts of interest may arise because several directors on the Board were designated by the Principal Legacy **NET-Net** Power Holders and Sponsor. Representatives or affiliates of OXY, Constellation, 8 Rivers, and Sponsor designated director nominees for election to the Board pursuant to the Stockholders' Agreement. As a result of these designation rights and the resulting relationships between the Principal Legacy **NET-Net** Power Holders and Sponsor and their respective director nominees on the Board, conflicts may arise in the future with the Principal Legacy **NET-Net** Power Holders and Sponsor where their independent business interests are inconsistent with the Board's and our stockholders' interests. Further, disagreements or disputes with the Principal Legacy **NET-Net** Power Holders and Sponsor could result in litigation, resulting in **an** increase of expenses incurred and potentially **limit-limiting** the time and effort our officers and directors are able to devote to **the** remaining aspects of our business, all of which could have a material adverse effect on our business, financial condition and results of operations. Despite implementing and maintaining industry standard security measures and controls, the website, systems, and data we maintain may be subject to intentional disruption, other security incidents or alleged violations of laws, regulations or other obligations relating to data handling that could result in liability and adversely impact our reputation and future sales. We and our service providers face threats from a variety of sources, including attacks on our networks and systems from numerous sources, including traditional "hackers," sophisticated nation- state and nation- state supported actors, other sources of malicious code (such as viruses and worms) and phishing attempts. We and our service providers could be a target of cyberattacks or other malfeasance designed to impede the performance of our software and services, penetrate our network security or the security of our cloud platform or our internal systems, misappropriate proprietary information and / or cause interruptions to our services. Our software, platforms and system, and those of our service providers, may also suffer security incidents as a result of non- technical issues, including intentional or inadvertent acts or omissions by our employees or service providers. With the increase in personnel working remotely, we and our service providers are at increased risk for security breaches. Due to the significant military action against Ukraine launched by Russia, the risk of such cyberattacks, malfeasance, security breaches, misappropriations and interruptions has increased. The conditions caused by the Russian invasion of Ukraine could also result in disruption or other security incidents for our service providers. We have taken and are taking steps to monitor and enhance the security of our software and services, cloud platform and other relevant systems, information technology infrastructure, networks and data. Furthermore, our Board schedules periodic discussions with management regarding significant risk exposures, including risks related to data privacy and cybersecurity, and assists in taking steps to mitigate the risk of cyberattacks on us. However, **the these actions unprecedented scale of remote work may require additional personnel and resources and nevertheless** cannot be guaranteed to fully safeguard our software and services, our cloud platform or any systems, IT infrastructure networks or data upon which we rely. We may be targeted for cyberattacks and other security incidents. A breach in our data security or an attack against our service availability, or that of our third- party service providers, could impact our networks or networks secured by our software and services, creating system disruptions or slowdowns and exploiting security vulnerabilities of our software and services, and the information stored on our networks or those of our third- party service providers could be accessed, publicly disclosed, altered, lost or stolen, possibly subjecting us to liability and causing us financial harm. If an actual or perceived disruption in the availability of our software and services or a breach of our security measures or those of our service providers occurs, it could adversely affect the market perception of our software and services, result in a loss of competitive advantage, have a negative impact on our reputation, result in the loss of customers, channel partners and sales and expose us to the loss or alteration of information, to litigation, to regulatory actions and investigations and to possible liability. Any such actual or perceived security breach, attack or disruption could also divert the efforts of our technical and management personnel. We also may incur significant costs and operational consequences of investigating, remediating, eliminating and putting in place additional tools and devices designed to prevent actual or perceived security incidents as well as the costs to comply with any notification obligations resulting from any security incidents. In addition, any such actual or perceived security breach could impair our ability to operate our business and to provide software and services to our customers. If this happens, our reputation could be harmed, our revenues could decline and our business could suffer. **Any- An financial impairment in the carrying value of or our goodwill economic crisis, or perceived threat of such a crisis, including a significant decrease in consumer confidence, may materially and adversely affect our- or business long- lived assets, principally other intangible assets and property, plant and equipment, could negatively impact our consolidated results of operations and financial condition and results of operations- In recent years- As of December 31, 2024, we had \$ 360 million of goodwill, \$ 1. 2 billion of other intangible assets, and \$ 151 million of property, plant and equipment. We periodically assess these assets to determine if the they are impaired. Goodwill represents global economies suffered dramatic downturns as a result of a deterioration in the credit markets- excess of amounts paid for acquired businesses over the fair value of the net assets acquired. Goodwill is not**

amortized but is tested for impairment annually on October 1st or more frequently if and an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Other intangible assets consist of developed technology related to financial crisis and a variety of other the Net factors including, among other things, extreme volatility in security prices, severely diminished liquidity and credit availability, inflation, ratings downgrades of certain investments and declining valuations of others. The U. S. and certain other governments have taken unprecedented actions in an attempt to address and rectify these extreme market and economic conditions by providing liquidity and stability to the financial markets. The outcome of the actions taken by these governments is still ongoing and, consequently, the return of adverse economic conditions may negatively impact the demand for our technology and may negatively impact our ability to raise capital, if needed, on a timely basis and on acceptable terms or at all. Our commercialization strategy relies heavily on our contractual relationship with Baker Hughes. We have entered into the Amended and Restated JDA with NPI in connection with the joint development arrangement for the design and development of a turbo expander for use in the NET Power Cycle and property, plant and equipment primarily consists of our Demonstration Plant and in- progress construction of our first utility- scale plant, SN1. Pursuant to the Other Amended intangible assets and Restated JDA property plant, NPI may terminate and equipment are evaluated for impairment when events or circumstances indicate the arrangement carrying amount may not be recoverable. Such events or circumstances that could cause us to impair goodwill, among other things intangible assets, or property in the event of a change of control, plant and equipment include, but are there is no guarantee that a change of control will not limited to, increases in the costs to commercialize occur our technology, including increases in costs the future. We may not be able to construct our commercial- replace this strategic partnership if our- or relationship terminates utility- scale facilities, which significant negative industry or economic trends, including rising interest rates, changes in our business plans, or a significant decline in our stock price or market capitalization for a sustained period of time. If certain factors arise, we may be required to record a significant charge to earnings related to the impairment of goodwill, other intangible assets, or property, plant and equipment in our consolidated financial statements. Any such charge could have a material adversely -- adverse impact on our business results of operations and financial condition. We, our licensees and our..... prospects would be materially and adversely affected. Increased scrutiny and changing stakeholder expectations with respect to ESG matters may impact our business and expose us to additional risks. In recent years, Companies-companies across all industries are facing increasing-have faced increased scrutiny from a variety of stakeholders, including investor advocacy groups, proxy advisory firms, certain institutional investors, and lenders, investment funds and other influential investors and rating agencies, related to their ESG and sustainability practices. If we do not adapt to or comply with investor or other stakeholder expectations and standards on ESG matters as they continue to evolve, or if we are perceived to have not responded appropriately or quickly enough to growing concern for ESG and sustainability issues, regardless of whether there is a regulatory or legal requirement to do so, we may suffer from reputational damage and our business, financial condition, and / or stock price could be materially and adversely affected. Growing interest on the part of stakeholders regarding sustainability information and growing scrutiny of sustainability- related claims and disclosure has also increased the risk that companies could be perceived as, or accused of, making inaccurate or misleading statements, often referred to as "greenwashing." Such perception or accusation could damage our reputation and result in litigation or regulatory actions. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings could lead to increased negative investor sentiment toward us and our industry and to the diversion of investment to other industries, which could have a negative impact on our stock price and our access to and costs of capital. Further, our operations and projects require us to have strong relationships with various key stakeholders, including our shareholders, employees, suppliers, customers, local communities, and others. If we do not successfully manage expectations across these varied stakeholder interests, it could erode stakeholder trust and thereby affect our brand and reputation. Such erosion of confidence could negatively impact our business through decreased demand, delays in projects, increased legal action and regulatory oversight, adverse press coverage and other adverse public statements, difficulty hiring and retaining top talent, difficulty obtaining necessary approvals and permits from governments and regulatory agencies on a timely basis and on acceptable terms, and difficulty securing investors and access to capital. Risks Related to Our Market The energy market continues to evolve and is highly competitive, so we may not be successful in competing in this industry or in establishing and maintaining confidence in our long- term business prospects among current partners, future partners and customers. The development and adoption of competing technology could materially and adversely affect our ability to license our technology. We operate in the highly competitive area of clean energy production with a substantial number of other companies, including combined cycle power plant assets with post- combustion capture, renewables with long- duration storage and SMRs. We face intense competition from independent, technology- driven companies in each of the following areas: • acquiring desirable properties or leases for developing plants; • marketing our licenses; • integrating new technologies; and • acquiring the equipment, personnel and expertise necessary to develop and operate our power plants. Many of our competitors have financial, managerial, technological, and other resources that are substantially greater than ours. Many of our competitors may enjoy technological advantages and may be able to implement new technologies more rapidly than we can. Our ability to compete effectively in the future will depend upon our ability to successfully conduct operations, attract qualified employees, implement advanced technologies, evaluate and select suitable properties and consummate transactions in this highly competitive environment. The market for power plants implementing the NET Net Power Cycle is not yet established, and there is limited infrastructure to efficiently transport and store carbon dioxide. If the market for power plants implementing the NET Net Power Cycle does not achieve the growth potential we expect or if it grows more slowly than expected, it could materially and adversely affect our business. We expect the NET Net Power Cycle to be the first standalone natural gas on- demand carbon

ultra-free low emissions energy (“24/7 CFE”) solution, and, as such, the market for our technology has not yet been established. In addition, there is limited infrastructure to efficiently transport and store carbon dioxide, and such limited infrastructure may limit the deployment of the **NET-Net** Power Cycle. Our estimates for the total addressable market are based on a number of internal and third-party estimates, including the number of potential customers that have expressed interest in licensing our technology, assumed prices and production costs for our plants, our ability to leverage our current logistical and operational processes and general market conditions. However, our assumptions and the data underlying our estimates may not be correct and the conditions supporting our assumptions or estimates may change at any time, thereby reducing the predictive accuracy of these underlying factors. As a result, our estimates of the annual total addressable market for our plants, as well as the expected growth rate for the total addressable market for our plants, may prove to be incorrect, which could materially and adversely affect our business. The cost of electricity generated from the **NET-Net** Power Cycle may not be cost competitive with other electricity generation sources in some markets, and such lack of competitiveness could materially and adversely affect our business. While our modeling suggests that a fully decarbonized, 24/7 CFE power grid, which is what our technology is designed to provide, is expected to result in lower electricity prices as compared to a grid solely based on variable renewable energy, like wind and solar, there can be no guarantee that such modeling is accurate or that our technology will actually result in lower prices of this magnitude or at all, and a fully renewable grid is not, in any event, currently cost-competitive with prevailing electric supply in many regions of the U. S. To that end, some electricity markets experience very low power prices due to a combination of subsidized renewables and low-cost fuel sources, and we may not be able to compete in these markets unless the benefits of the **NET-Net** Power Cycle are sufficiently valued in the market. Given the relatively lower electricity prices in the U. S. when compared to many international markets, the risk may be greater with respect to business in the U. S. Moreover, historically very low or negative market prices are the result of surplus generation that cannot be curtailed and are transitory. These low prices do not reflect a price to beat for our technology. Risks Related to Government Regulation Our business relies on the deployment of power plants that are subject to a wide variety of extensive and evolving government laws and regulations, including environmental laws and regulations. Changes in and / or failure to comply with such laws and regulations could have a material adverse effect on our business. Regulatory risk factors associated with our business include: • our ability to obtain ~~additional~~ applicable permits, approvals, licenses or certifications from regulatory agencies ~~if required, and to maintain current permits, approvals, licenses or certifications~~; • our ability to obtain regulatory approval for a site boundary emergency planning zone defined in such a fashion as will benefit the majority of U. S.-based customers; • regulatory delays, delays imposed as a result of regulatory inspections and changing regulatory requirements may cause a delay in our ability to fulfill our ~~existing or future~~ orders or may cause planned plants to not be completed at all, many of which may be out of our control, including changes in governmental regulations or in the status of our regulatory approvals or applications or other events that force us to cancel or reschedule plant construction, any of which could have an adverse impact on our business and financial condition; • regulatory, availability and other challenges may delay our progress in establishing the number of plant sites we require for our targeted build rate, and such challenges could have an adverse effect on our ability to grow our business; and • challenges as a result of regulatory processes or ~~in our ability~~ **inability** to secure the necessary permissions to establish ~~these~~ plant sites could delay our ~~customers’~~ ability to achieve commercial operations and could adversely affect our business. Any of these risk factors could have a material adverse effect on our business. Our customers must obtain regulatory approvals and permits before they construct power plants using our technology, and approvals may be denied or delayed. The lead time to build a natural gas power facility is long and requires site licensing and approvals from applicable regulatory agencies before a plant can be constructed. The regulatory framework to obtain approvals is complex and varies from ~~country~~ **market** to ~~country~~ **market**, and regulators’ ~~lack of familiarity with our technology may prolong this process, alongside any potential objections or adverse public reaction to the construction of a natural gas power plant. Any delays or inability to secure necessary permits experienced by our customers in siting a power plant using our products and services could materially and adversely affect our business. Unfavorable changes in laws, regulations and policies in foreign countries in which we seek to license our technology, failures to secure timely government authorizations under laws and regulations or our failure to comply with such laws and regulations could have a material adverse effect on our business, financial condition, and results of operations. Compliance with laws and regulations applicable to our international operations increases our cost of doing business in foreign jurisdictions. We may be unable to keep current with changes in foreign government requirements and laws as they change from time to time. Failure to comply with these laws and regulations could have adverse effects on our business. In many foreign countries, it is common for others to engage in business practices that are prohibited by our internal policies and procedures or by U. S. regulations applicable to us. Although we have implemented policies and procedures designed to ensure compliance with these laws and policies, there can be no assurance that all of our employees, contractors, partners and third-party service providers will comply with these laws and policies. Violations of laws or key control policies by our employees, contractors, partners or third-party service providers could result in delays in revenue recognition, financial reporting misstatements, fines, penalties or the prohibition of the importation or exportation of our products and services and could have an adverse effect on our business, financial condition, and results of operations. Changes in laws and regulations and electric market rules and protocols regarding the requirements for interconnection to the electric transmission grid and the commercial operation of our customers’ ~~power generation projects could affect the cost, timing, and economic results of conducting our operations. Our customers’~~ operations will be subject to governmental and electric grid regulations in virtually all aspects of our operations, including the amount and timing of electricity generation, the performance of scheduled maintenance and ~~the~~ compliance with power grid control and dispatch directives as well as environmental protection regulations. There can be no assurance that these regulations will not change in the future in a manner that could adversely affect our business. We and our potential licensees may encounter substantial delays in the design, manufacture, regulatory approval and launch of power plants, and that could prevent us and our licensees from commercializing and deploying our technology on a timely basis, if at all. Any delay in the design, manufacture,~~

regulatory approval and launch of power plants or related technology could adversely affect our business because it could delay our ability to generate revenue and could adversely affect the development of customer relationships. Additionally, we may encounter delays in obtaining the necessary regulatory approvals or delays in commercializing our technology, including delays in entering into agreements for the supply of component parts and manufacturing tools and supplies. Delays in the launching of our technology would materially and adversely affect our business, prospects, financial condition, and operating results. Our partners and customers are subject to environmental, health, and safety laws and to regulations including, if applicable, remediation matters that could adversely affect our business, results of operation and reputation. The operations and properties of our anticipated partners and customers are subject to a variety of federal, state, local, and foreign environmental, health and safety laws, and regulations governing, among other things, air emissions, wastewater discharges, management and disposal of hazardous and non-hazardous materials and waste and remediation of releases of hazardous materials. Although our business model is primarily focused on licensing our technology, we must design the technology so that it complies with such laws and regulations. Compliance with environmental requirements could require our customers to incur significant expenditures or could result in significant restrictions on their operations. The failure to comply with such laws and regulations, including failing to obtain any necessary permits, could result in substantial fines or enforcement actions, including regulatory or judicial orders enjoining or curtailing operations or requiring our customers to conduct or to fund remedial or corrective measures, to install pollution control equipment or to perform other actions. More vigorous enforcement by regulatory agencies, future enactment of more stringent laws, regulations or permit requirements, including those relating to climate change, or other unanticipated events may arise in the future and may adversely impact the market for our products, and such unanticipated events could materially and adversely affect our business, financial condition and results of operations. Transition risks related to climate change, including negative shifts in investor, regulator, and broader public sentiment with respect to fossil fuels, could have a material and adverse effects on us. Increasing attention from governmental and regulatory bodies, investors, consumers, industry, and other stakeholders on combating climate change, together with changes in consumer and industrial / commercial behavior, societal expectations on companies to address climate change, investor and societal expectations regarding voluntary climate-related disclosures, preferences and attitudes with respect to the generation and consumption of energy, the use of hydrocarbons, and the use of products manufactured with, or powered by, hydrocarbons, may result in the enactment of climate change-related regulations, policies, and initiatives (at the government, regulator, corporate, and / or investor community levels), including alternative energy requirements, new fuel consumption standards, energy conservation and emissions reductions, measures and responsible energy development; technological advances with respect to the generation, transmission, storage, and consumption of energy (including advances in wind, solar, and hydrogen power, as well as battery technology); increased availability of, and increased demand from consumers and industry for, energy sources other hydrocarbons (including wind, solar, nuclear, and geothermal sources as well as electric vehicles); and development of, and increased demand from consumers and industry for, products that enable lower emissions (such as carbon capture technology). While we believe that natural gas, and particularly natural gas used to produce clean ultra-low emissions energy using our 24/7 CFE technology, is an integral part of the global energy transition, these developments may in the future adversely affect the business our customers and the demand for our product while supporting the development of competing technologies and energy sources. We may not be able to respond to competitive pressures or implement new technologies on a timely basis or at an acceptable cost. If one or more of the technologies we use now or in the future were to become obsolete, our business, financial condition, or results of operations could be materially and adversely affected. See also “— We may be subject to new, stricter measures and / or regulatory requirements for the mitigation or reduction of greenhouse gas emissions that could require radical changes to development models” for a discussion of how climate change-related regulations and policies may have adverse affects to our business. Our future prospects are also dependent upon a certain level of public support for natural gas. There is still substantial opposition to natural gas due to its association with greenhouse gas emissions as well as other factors such as hydraulic fracturing (“fracking”), its non-renewability, and its reliance on high energy and water inputs. There is a significant coalition of people advocating against the use of natural gas for power generation and instead advocating for nuclear energy or renewable energy sources such as solar and wind energy. There is no guarantee that the existence or adoption of the Net Power Cycle will be able to positively influence public sentiment toward gas-fired electricity generation. Any adverse public reaction to our business or the business of our customers or business partners, including any high-profile incident involving fracking, could directly affect our customers and could ultimately affect our business. Adverse public reaction could lead to fewer customers, damage to our reputation, and increased regulatory, legislative, and judicial scrutiny, which may in turn lead to increased regulation or outright prohibition of aspects of our operations, limitations on the activities of our customers or other constituents within our value chain, more onerous operating requirements or other conditions that could have a material adverse impact on our customers and on our business. More broadly, while we believe our business is well-positioned to benefit from the enactment of climate change-related policies and initiatives across the market at the corporate level and / or investor community level (e. g., clean or renewable energy consumption targets or net zero commitments), such developments may in the future also result in adverse effects on our business, the degree of which may in part depend on the nature of any adverse effects that such developments have on our customers. Accordingly, the progress and challenges of the energy transition could have a significant adverse effect on us if we are unable to keep up with the pace of the global energy transition and allocate our resources effectively. Restrictions on the ability to procure natural use of certain operation practices, such as gas fracking, including its production and delivery, and the ability to construct carbon sequestration facilities, could adversely impact our business. Some states and certain municipalities have regulated or are considering regulating fracking natural gas and carbon sequestration activities, and such regulations could impact certain of our operations. While we do not believe that these regulations and contemplated actions have limited or prohibited fracking, and while they have not impacted our activities to date, there can be no assurance that these actions, if taken on a wider scale, may would not adversely impact our business

operations and **customers' ability to commercialize our plants in affected areas which, in turn, could impair our ability to generate** revenue. We may be subject to new, stricter measures and / or regulatory requirements for the mitigation or reduction of greenhouse gas emissions that could require radical changes to development models and adversely affect our business, reputation, and operations. Global climate change creates new challenges for the energy industry and its regulators. The United Nations and several countries have adopted, or are evaluating the adoption of, new measures and / or regulatory requirements for the mitigation or reduction of greenhouse gas emissions in the atmosphere, such as taxes on carbon, raising efficiency standards or adopting cap and trade regimes. See "Government Regulations" in Part I, Item 1. Business for further discussion of the laws and regulations related to greenhouse gases and climate change. Certain mitigation actions could require radical changes to development models, such as the transition from the use of conventional energy sources to the use of renewable or low carbon energy sources that reduce environmental pollution, contribute to sustainable development and help avoid global warming. While we believe that electricity produced using natural gas through our **NET-Net** Power Cycle will be an integral part of the global energy transition and help customers remain resilient to or excel under climate- related regulatory and policy pressures, we cannot rule out the possibility that the adoption of legislation or regulatory programs to reduce emissions of greenhouse gases (including carbon pricing schemes), or the adoption and implementation of regulations that require reporting of greenhouse gas emissions or other climate- related information, could adversely affect our business, including by requiring us or our customers to incur increased operating costs, inhibiting gas- fired electricity generation or otherwise restricting our ability to execute on our business strategy, reducing our access to financial markets, or creating greater potential for governmental investigations or litigation. Any such legislation or regulatory programs could also increase the cost of consuming electricity generated through gas combustion, and thereby ultimately adversely affect demand for our product. Consequently, legislation and regulatory programs to reduce emissions of greenhouse gas emissions could have an adverse effect on our business, financial condition, and results of operations. Moreover, incentives to conserve energy or use alternative energy sources as a means of addressing climate change could have an adverse impact on the demand for our products. We ~~therefore~~ cannot assure you that future regulations or measures adopted by the U. S. government or foreign governments will not have an adverse effect on our business and our results of operations. ~~Additionally, the SEC issued a proposed rule in March 2022 that would mandate extensive disclosure of climate- related data, risks, and opportunities, including financial impacts, physical and transition risks, related governance and strategy, and greenhouse gas emissions, for certain public companies. While we cannot predict the costs of implementation or any potential adverse impacts resulting from the proposed rule, if finalized as proposed, we could incur increased costs and compliance burden relating to the assessment and disclosure of climate- related risks. We may also face increased litigation risks related to disclosures made pursuant to the rule if finalized as proposed.~~ We are exposed to price volatility risks related to incentives. Transportation fuel carbon intensity reduction targets set by various regulators may have an impact on demand for our fuel and the price of related incentives. For example, changes in such targets in states with incentive programs may have a material negative impact on incentive supply and demand, and, therefore, pricing, which in turn could materially negatively impact our business. We may be unable to manage the risk of volatility in incentive pricing for all or a portion of our revenues, which would expose us to the volatility of commodity prices with respect to all or the portion of the incentives that we are unable to sell through forward contracts, including risks resulting from changes in regulations, general economic conditions and changes in the level of renewable energy generation. A significant decline in the price of such incentives for a prolonged period could materially adversely affect our business, financial condition or results of operations. The ability to license and deploy natural gas power plants may be limited due to conflict, war or other political disagreements between gas- producing nations and potential customers, and such disagreements may adversely impact our business plan. Conflict, war or other political disagreements between natural gas producing nations and potential customers could affect our operations in unpredictable ways, including disruptions of fuel supplies and markets and the possibility that infrastructure facilities, including pipelines, production facilities, refineries, electric generation, transmission and distribution facilities, offshore rigs and vessels and communications infrastructures, could be direct targets of, or indirect casualties of, a cyberattack or an act of piracy or terror. The continued threat of terrorism and the impact of military and other government action has led and may lead to further increased volatility in prices for natural gas and could affect the natural gas market or the financial markets that we use. In late February 2022, Russian military forces commenced a military operation and invasion against Ukraine. The U. S., other countries and certain international organizations have imposed broad economic sanctions on Russia and certain Russian individuals, banking entities and corporations as a response and additional sanctions may be imposed in the future. The length, impact and outcome of the ongoing war between Russia and Ukraine is highly unpredictable, and such unpredictability has created uncertainty for financial and commodity markets. While **NET-Net** Power does not currently have operations overseas, the conflict elevates the likelihood of supply chain disruptions, heightened volatility in energy prices and negative effects on our ability to raise additional capital when required and could have a material adverse impact on our business, financial condition or future results. Conflicts of this sort, or the threat of conflicts of this sort, may also have an adverse effect on the broader economy. Instability in the financial markets as a result of war, sabotage, piracy, cyberattacks or terrorism could also affect our ability to raise capital and could also adversely affect the natural gas and power industries and could restrict their future growth. Any resulting economic downturn could adversely affect our results of operations, impair our ability to raise capital or otherwise adversely impact our ability to realize certain business strategies. Any potential changes or reductions in available government incentives promoting **projects that reduce** greenhouse gas emissions ~~projects~~, such as the Inflation Reduction Act of 2022's financial assistance program funding installation of zero- emission technology, may adversely affect our ability to grow our business. In August 2022, President Biden signed the IRA into law. The provisions of the IRA are intended to, among other things, incentivize domestic clean energy investment, manufacturing and production. The economics for carbon sequestration will benefit from raising the carbon capture tax credit from \$ 50 per metric ton to \$ 85 per metric ton. The credit will be "direct pay," meaning it would be a refundable credit, for the first five

years, starting with the year a “qualified facility” is placed in service, but not beyond December 31, 2032. In addition, the law lowers the threshold for eligibility as a “qualified facility” to include any CCUS facility placed on an electric generating facility that captures 18, 750 tons of carbon annually and has a capture rate of at least 75 %, as measured by an applicable electric generating unit’s baseline carbon oxide production. We believe that a project utilizing the NET-Net Power Cycle can meet the criteria for a “qualified facility” under this definition, and, as such, we intend to apply for tax credits under Section 45Q of the Code. We view the enactment of the IRA as favorable for our development and commercialization efforts. However, we are continuing to evaluate the overall impact and applicability of the IRA to our development and commercialization efforts. It is unclear how this legislation will be implemented by the U. S. Department of Treasury and what, if any, impact it will have on our tax rate. **Additionally, in January 2025, President Trump issued an executive order directing an immediate pause on the disbursement of funds appropriated through the IRA, and the IRA may be subject to amendment or repeal through Congressional budget reconciliation.** If the IRA or any current or future similar legislation is amended or repealed, or if it is interpreted by courts or implemented by regulatory agencies differently than we expect, then this could adversely affect our anticipated timelines, projected financials and ability to grow our business. **We may not be able to utilize any future federal income tax credits. Our first utility- scale project is currently in the development stage, and historically we have not generated revenue. Consequently, as of December 31, 2024, our deferred tax assets include federal income tax net operating losses. If we are unable to monetize federal income tax credits generated under Section 45Q or any successor provision, either by transferring these credits or electing to receive a direct payment equal to their value, we would need to offset these credits against our taxable income. However, there is no guarantee that we will successfully transfer these tax credits, generate taxable income, or otherwise monetize the value of these federal income tax credits.**

Risks Related to Intellectual Property We are developing NET-Net Power- owned intellectual property, but we rely heavily on the intellectual property we have in- licensed and that is core to the NET-Net Power Cycle. The ability to protect these patents, patent applications, and other proprietary rights may be challenged by our inability or failure to obtain, maintain, protect, defend, and enforce, exposing us to possible material adverse impacts on our business, competitive position, and operating results. Our discovery and development technology platforms are built, in part, around intellectual property rights in- licensed from our partners, including our license from 8 Rivers that is core to the NET-Net Power Cycle **and the Amended and Restated JDA**. Under our existing license agreements, we are subject to various obligations, which may include diligence obligations with respect to development and commercialization activities, and payment obligations upon achievement of certain milestones and royalties on product sales. If there is any conflict, dispute, disagreement or issue of nonperformance between us and our counterparties regarding our rights or obligations under these license agreements, including any conflict, dispute or disagreement arising from our failure to satisfy diligence or payment obligations, we may be liable to pay damages and our counterparties may have a right to terminate the affected applicable license. The termination of any license agreement with one of our partners, including 8 Rivers, could adversely affect our ability to utilize the intellectual property that is subject to that license agreement in our discovery and development efforts, our ability to enter into future collaboration, licensing, and / or marketing agreements for one or more of our technologies and our ability to commercialize the affected technology. Furthermore, disagreements under any of these license agreements may arise, including those related to: • the scope of rights granted under the license agreement and other interpretation- related issues; • whether and the extent to which our technology and processes may infringe on intellectual property of the licensor that is not subject to the licensing agreement; • our right to sublicense patent and other rights to third parties under collaborative development relationships; and • the ownership of inventions and know- how resulting from the joint creation or use of intellectual property by our licensors and us and our partners. These disagreements may harm our relationship with our partners, and such harm could have negative impacts on other aspects of our business. Additionally, the intellectual property we have in- licensed from 8 Rivers could be susceptible to third- party challenges of 8 Rivers’ retained rights. Pursuant to our license agreement and a related excluded field agreement, we have exclusive rights to the NET-Net Power Cycle for the generation of electricity using CO2 as the primary working fluid utilizing any carbonaceous gas fuel other than those derived from certain solid fuel sources. 8 Rivers retains the rights of use to the NET-Net Power Cycle for the generation of electricity using CO2 as the primary working fluid utilizing any carbonaceous gas derived directly or indirectly from such solid fuel sources, and if any third party challenges such use, such challenges could tangentially impact our use of the in- licensed technology. We may lose our rights to some or all of the core intellectual property that is in- licensed by way of either the licensor not paying renewal fees or maintenance fees, or by way of third parties challenging the validity of the intellectual property, thereby resulting in competitors easily entering into the same market and decreasing the revenue that we may receive from our customers, and this may adversely affect our ability to develop, market, and license our technology. Because our technology requires the use of proprietary rights held by third parties, the growth of our business will likely depend in part on our ability to continue to in- license these proprietary rights. Licensing intellectual property involves complex legal, business and scientific issues. If we are not able to maintain such licenses, or if we fail to obtain any future necessary licenses on commercially reasonable terms or with sufficient breadth to cover the intended use of third- party intellectual property, our business could be materially harmed. Further, if our licensors lose their licenses, whether due to not paying renewal or maintenance fees, third parties challenging the validity or otherwise, we would also lose rights to the covered intellectual property, and such loss could also materially harm our business. If disputes over licensed intellectual property prevent or impair our ability to maintain the licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize our technology, or the dispute may have an adverse effect on our results of operation. We, our partners, our licensees and our critical equipment suppliers may need to defend ourselves against intellectual property infringement claims, which may negatively impact market demand for our process licenses. Further, defending against intellectual property claims can be time consuming and expensive, and such defense may divert our resources away from our business efforts, regardless of the outcome of these claims. Third parties may hold or obtain patents, trademarks or other

proprietary rights that would prevent, limit or interfere with our ability to manufacture, develop or sell our products, and that could make it more difficult for us to operate our business and generate revenue. From time to time, we may receive inquiries from holders of patents or trademarks inquiring whether we are infringing on their proprietary rights and / or seeking court declarations that they do not infringe upon our intellectual property rights. Companies holding patents or other intellectual property rights relating to our technology may bring suits alleging infringement of such rights or otherwise asserting their rights and seeking licenses. In addition, if we are determined to have infringed upon a third party's intellectual property rights, we may be required to do one or more of the following: cease licensing, selling, incorporating or using products that incorporate the challenged intellectual property; pay substantial damages; obtain a license from the holder of the infringed intellectual property right that may not be available on reasonable terms or at all; or redesign our plant technology. In the event of a successful claim of infringement against us and our failure or inability to obtain a license to the infringed technology, our business, prospects, operating results, and financial condition could be materially adversely affected. In addition, any litigation or claims, whether or not valid, could result in substantial costs and diversion of resources and management's attention. Third parties may successfully challenge or invalidate our rights or ability to use in- licensed intellectual property that is core to the **NET-Net** Power Cycle. Competitors or other third parties may infringe, misappropriate or otherwise violate our in- licensed issued patents or other intellectual property that we may own. To counter such infringement, misappropriation or other unauthorized use, we may be required to file infringement claims, which can be expensive and time- consuming and can divert the time and attention of our management and scientific personnel. Any claims we assert against third parties could provoke these parties to assert counterclaims against us alleging that we infringe, misappropriate, or otherwise violate their patents, trademarks, copyrights or other intellectual property. In addition, our in- licensed patents may become involved in inventorship or priority disputes. Third parties may raise challenges to the validity of certain of our in- licensed patent claims and may in the future raise similar claims before administrative bodies in the U. S. or abroad, even outside the context of litigation. For example, we may be subject to a third- party pre- issuance submission of prior art to the U. S. Patent and Trademark Office, or we may become involved in derivation, revocation, reexamination, post- grant review, inter partes review and equivalent proceedings in foreign jurisdictions, such as opposition proceedings challenging any patents that we may own or in- license. Such submissions may also be made prior to a patent's issuance, precluding the granting of a patent based on one of our owned or licensed pending patent applications. A third party may also claim that our potential future owned patents or licensed patent rights are invalid or unenforceable in a litigation. The outcome following legal assertions of invalidity and unenforceability is unpredictable. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, invalidate or render unenforceable our potential future owned patents or licensed patent rights, allow third parties to commercialize the **NET-Net** Power Cycle or related technologies and compete directly with us without payment to us, or such adverse determination could result in our inability to manufacture or commercialize products without infringing third- party patent rights. In a patent infringement proceeding, there is a risk that a court will decide that a patent we in- license is invalid or unenforceable, in whole or in part, and that we do not have the right to stop the other party from using the invention at issue. There is also a risk that, even if the validity of such patents is upheld, the court will construe the patent's claims narrowly or decide that we do not have the right to stop the other party from using the invention at issue on the grounds that our in- licensed patents do not cover the invention. An adverse outcome in a litigation or proceeding involving our in- licensed patents could limit our ability to assert our in- licensed patents against those parties or other competitors and may curtail or preclude our ability to exclude third parties from making and selling similar or competitive products. Similarly, in the future, we expect to rely on trademarks to distinguish the **NET-Net** Power Cycle or related technologies, and if we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks. In any infringement litigation, any award of monetary damages we receive may not be commercially valuable. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and, if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our securities. Moreover, there can be no assurance that we will have sufficient financial or other resources to adequately file and pursue such infringement claims, which typically last for years before they are concluded. Some of our competitors and other third parties may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Even if we ultimately prevail in such claims, the monetary cost of such litigation and the diversion of the attention of our management and scientific personnel could outweigh any benefit we receive as a result of the proceedings. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing, misappropriating or successfully challenging our intellectual property rights. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a negative impact on our ability to compete in the marketplace, and that could have a material adverse effect on our business, financial condition, results of operations, and prospects. Despite actively monitoring for potential third- party infringement, misappropriation, dilution or other violations of our intellectual property rights, there could be activities that could diminish the value of our services, brands, or goodwill and that cause a decline in our revenue. If we fail to protect our intellectual property rights adequately, our competitors might gain access to our technology, and our business might be harmed. In addition, defending our intellectual property rights might entail significant expense. Any of our trademarks or other intellectual property rights may be challenged by others or invalidated through administrative process or litigation. While we plan to file new patents, we may be unable to obtain patent protection for the technology covered in our patent applications. In addition, any patents issued in the future may not provide us with competitive advantages or may be successfully challenged by third parties. Furthermore, legal standards

relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to us in every country in which our service is available. The laws of some foreign countries may not be as protective of intellectual property rights as those in the U. S., and mechanisms for enforcement of intellectual property rights may be inadequate. Legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain, and any changes in, or unexpected interpretations of, intellectual property laws may compromise our ability to enforce our trade secrets and intellectual property rights. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property. We might be required to spend significant resources to monitor and protect our intellectual property rights. We may initiate claims or litigation against third parties for infringement of our proprietary rights or to establish the validity of our proprietary rights. Any litigation, whether or not it is resolved in our favor, could result in significant expense to us and divert the efforts of our technical and management personnel. Our patent applications may not result in issued patents and our patent rights may be contested, circumvented, invalidated, or limited in scope, any of which could have a material adverse effect on our ability to prevent others from interfering with commercialization of our technology. Our patent applications may not result in issued patents, and not having such patents may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours. The status of patents involves complex legal and factual questions, and the breadth of claims allowed is uncertain. As a result, we cannot be certain that any patent applications we have or will file will result in patents being issued or that our patents and any patents that may be issued to us will afford protection against competitors with similar technology. Numerous patents and pending patent applications owned by others exist in the fields in which we have developed and are developing our technology. In addition to those who may have patents or patent applications directed to relevant technology with an effective filing date earlier than any of our existing patents or pending patent applications, any of our existing or pending patents may also be challenged by others on the basis that they are otherwise invalid or unenforceable. Furthermore, patent applications filed in foreign countries are subject to laws, rules and procedures that differ from those of the U. S., and, thus, we cannot be certain that foreign patent applications related to issued U. S. patents will be issued. Even if our patent applications succeed and even if we are issued patents in accordance with them, it is still uncertain whether these patents will be contested, circumvented, invalidated or limited in scope in the future. The rights granted under any issued patents may not provide us with meaningful protection or competitive advantages, and some foreign countries provide significantly less effective patent enforcement than in the U. S. In addition, the claims under any patents that issue from our patent applications may not be broad enough to prevent others from developing technologies that are similar to ours or that achieve results similar to ours. The intellectual property rights of others could also bar us from licensing and exploiting any patents that issue from our pending applications. In addition, patents issued to us may be infringed upon or designed around by others, and others may obtain patents that we need to license or design around, either of which would increase costs and may adversely affect our business, prospects, financial condition and operating results. We maintain certain technology as trade secrets and others could independently develop competing or similar technologies, allowing others to develop plants without our license if our other intellectual property rights are insufficient to prevent such unlicensed development and deployment of plants. We currently rely, and intend to rely in the future, on trade secrets, know-how, and technology that are not protected by patents to maintain our competitive position. We may not be able to protect our trade secrets, know-how, and other internally developed information adequately. Although we use reasonable efforts to protect this internally developed information and technology, our employees, consultants, and other parties (including independent contractors and companies with which we conduct business) may unintentionally or willfully disclose our information or technology to competitors. Moreover, third parties may independently develop similar or equivalent proprietary information or otherwise gain access to our trade secrets, know-how, and other internally developed information. Enforcing a claim that a third party illegally disclosed or obtained and is using any of our internally developed information or technology is difficult, expensive and time-consuming, and the outcome is unpredictable. We rely, in part, on non-disclosure, confidentiality, and assignment-of-invention agreements with our employees, independent contractors, consultants, and companies with which we conduct business to protect our internally developed information. These agreements may not be self-executing or they may be breached, and we may not have adequate remedies for such breach. These agreements may be found by a court to be unenforceable or invalid. We may fail to enforce our agreements in court if we are compelled to present them as evidence but are unable to locate and provide copies. Moreover, when employees with knowledge of our trade secrets and confidential information leave us and join new employers, it may be difficult or impossible for us to detect or prove misappropriation of our confidential information and trade secrets by the former employee and / or the former employee's new employer. In addition, others may independently discover trade secrets and proprietary information, and, in such cases, we could not assert any trade secret rights against such party. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive position, business, financial condition and results of operations. A number of foreign countries do not protect intellectual property rights to the same extent as the U. S., and, so, our intellectual property rights may not be as strong or as easily enforced outside of the U. S. Patent, trademark and trade secret laws are geographical in scope and vary throughout the world. Some foreign countries do not protect intellectual property rights to the same extent as do the laws of the U. S. In addition, trade secrets and know-how can be difficult to protect and some courts inside and outside the U. S. are less willing or unwilling to protect trade secrets and know-how. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us, and our competitive position would be materially and adversely harmed. Further, even if we engaged local counsel in key foreign jurisdictions, policing the unauthorized use of its intellectual property in foreign jurisdictions may be difficult or impossible. Therefore, our intellectual property rights may not be as strong or as easily enforced outside of the U. S., and efforts to protect against the infringement, misappropriation, or unauthorized use of our intellectual

property rights, technology, and other proprietary rights may be difficult and costly outside of the U. S. Furthermore, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain, and any changes in, or unexpected interpretations of, intellectual property laws may compromise our ability to enforce our patent rights, trade secrets and other intellectual property rights. We, our partners or our licensees may not identify relevant third- party patents or may incorrectly interpret the relevance, scope or expiration of a third- party patent, and such failure to identify or correctly interpret the patent may adversely affect our ability to develop, market, and license our technology. We cannot guarantee that any of our patent searches or analyses, including the identification of relevant patents, the scope of patent claims, or the expiration of relevant patents, are complete or thorough nor can we be certain that we have identified each and every third- party patent and pending application in the U. S. and abroad that is relevant to or necessary for the commercialization of our technology in any jurisdiction. The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent, and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, and such incorrect interpretation may negatively impact our ability to market our products. We may incorrectly determine that our products are not covered by a third- party patent or may incorrectly predict whether a third party's pending application will issue with claims of relevant scope. In addition, because patent applications can take many years to issue, there may be currently pending applications unknown to us that may later result in issued patents upon which our technology may infringe. Our determination of the expiration date of any patent in the U. S. or abroad that we consider relevant may be incorrect, and such incorrect determination may negatively impact our ability to develop and market our technology. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our products. The information technology systems and data that we maintain may be subject to intentional or inadvertent disruption, other security incidents or alleged violations of laws, regulations or other obligations relating to data handling that could result in regulatory investigations or actions, litigation, fines and penalties, disruptions of our business operations, reputational harm, loss of revenue or profits, loss of customers or sales, and other adverse business consequences. We rely on information technology systems in order to conduct business, including communicating with employees and our facilities, ordering and managing materials from suppliers, and analyzing and reporting results of operations as well as for storing sensitive, personal, and other confidential information. While we have taken steps to ensure the security of our information technology systems, our security measures or those of our third- party vendors may not be effective and our or our third- party vendors' systems may nevertheless be vulnerable to computer viruses, security breaches, and other disruptions from unauthorized users. If our or our third- party vendors' information technology systems are damaged or cease to be available or function properly for an extended period of time, whether as a result of a significant cyber incident or otherwise, our ability to communicate internally as well as with our retail customers could be significantly impaired, and such impaired ability to communicate may adversely impact our business. Additionally, the techniques used to obtain unauthorized, improper or illegal access to information technology systems are constantly evolving, may be difficult to detect quickly and often are not recognized until after they have been launched against a target. We may be unable to anticipate these techniques, react in a timely manner or implement adequate preventative or remedial measures. Any operational failure or breach of security from these increasingly sophisticated cyberthreats could lead to the loss or disclosure of both our and our retail customers' financial, product, and other confidential information, lead to the loss or disclosure of personally identifiable information about our employees or customers, result in negative publicity and expensive and time- consuming regulatory or other legal proceedings, damage our relationships with our customers and have a material adverse effect on our business and reputation. In addition, we may incur significant costs and operational consequences in connection with investigating, mitigating, remediating, eliminating, and putting in place additional tools and devices designed to prevent future actual or perceived security incidents and in connection with complying with any notification or other obligations resulting from any security incidents. Because we do not control our third- party vendors or the processing of data by our third- party vendors, our ability to monitor our third- party vendors' data security is limited and we cannot ensure the integrity or security of the measures they take to protect and prevent the loss of our or our consumers' data. As a result, we are subject to the risk that cyberattacks on, or other security incidents affecting, our third- party vendors may adversely affect our business, even if an attack or breach does not directly impact our systems.

Risks Relating to the Tax Receivable Agreement Pursuant to the Tax Receivable Agreement, NET-Net Power Inc. is required to pay to certain OpCo Unitholders 75 % of the tax savings that NET-Net Power Inc. realizes as a result of increases in tax basis in OpCo's assets resulting from the exchange of OpCo Units for shares of Class A Common Stock (or cash) pursuant to the OpCo LLC Agreement as well as certain other tax benefits, including tax benefits attributable to payments under the Tax Receivable Agreement, and those payments may be substantial. OpCo Unitholders may exchange their OpCo Units for shares of Class A Common Stock or, upon the election of NET-Net Power Inc., cash pursuant to the OpCo LLC Agreement, subject to certain conditions and transfer restrictions as set forth therein. These exchanges are expected to result in increases in NET-Net Power Inc.'s allocable share of the tax basis of the tangible and intangible assets of OpCo, and such share may increase (for income tax purposes) depreciation and amortization deductions to which NET-Net Power Inc. is entitled. In connection with the Business Combination, NET-Net Power Inc. entered into the Tax Receivable Agreement, which generally provides for the payment by NET-Net Power Inc. of 75 % of certain tax benefits, if any, that NET-Net Power Inc. realizes (or in certain cases is deemed to realize) as a result of these increases in tax basis and for the payment of certain other tax benefits, including tax benefits attributable to payments under the Tax Receivable Agreement. These payments are the obligation of NET-Net Power Inc. and not of OpCo. The actual increase in NET-Net Power Inc.'s allocable share of OpCo's tax basis in its assets, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including the timing of exchanges, the market price of the Class A Common Stock at the time of the exchange, the extent to which such exchanges are taxable, and the amount and timing of the recognition of NET-Net Power Inc.'s income. While many of the factors that will determine the amount of payments that NET-Net Power Inc. will make under the Tax Receivable

Agreement are outside of its control, **NET-Net** Power Inc. expects that the payments it will make under the Tax Receivable Agreement may be substantial and could have a material adverse effect on **NET-Net** Power Inc.'s financial condition and liquidity. To the extent that **NET-Net** Power Inc. is unable to make timely payments under the Tax Receivable Agreement for any reason, the unpaid amounts will be deferred and will accrue interest until paid; however, nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement and would therefore accelerate payments due under the Tax Receivable Agreement, as further described below. Furthermore, **NET-Net** Power Inc.'s future obligation to make payments under the Tax Receivable Agreement could make it a less attractive target for an acquisition. In certain cases, payments under the Tax Receivable Agreement may exceed the actual tax benefits **NET-Net** Power Inc. realizes or may be accelerated. Payments under the Tax Receivable Agreement are based on the tax reporting positions of **NET-Net** Power Inc., and the IRS or another taxing authority may challenge, which a court may sustain, all or any part of the tax basis increases, as well as other tax positions that we take. In the event that any tax benefits that we initially claim are disallowed as a result of such a challenge, we would not be reimbursed for any excess payments that may previously have been made under the Tax Receivable Agreement. Rather, excess payments made to such holders will be netted against any future cash payments otherwise required to be made by us, if any, after the determination of such excess. A challenge to any tax benefits claimed by us may not arise for a number of years following the time payments ~~are begin to be~~ made in respect of such benefits or, even if challenged soon thereafter, such excess cash payment may be greater than the amount of future cash payments that we might otherwise be required to make under the terms of the Tax Receivable Agreement, possibly resulting in insufficient future cash payments against which to net such excess. As a result, in certain circumstances, we could make payments under the Tax Receivable Agreement in excess of our actual income or franchise tax savings, and such excess payment could materially ~~impair~~ **impact** our **cash flows and** financial condition. Moreover, the Tax Receivable Agreement provides that, in the event that (i) we exercise our early termination rights under the Tax Receivable Agreement, (ii) certain changes of control of **NET-Net** Power occur (as described in the Tax Receivable Agreement), (iii) we, in certain circumstances, fail to make a payment required to be made pursuant to the Tax Receivable Agreement by our final payment date, which non-payment continues until 30 days following receipt by us of written notice thereof, or (iv) the Tax Receivable Agreement is rejected in a case commenced under bankruptcy laws (in which case no written notice of acceleration is required), our obligations under the Tax Receivable Agreement will accelerate and we will be required to make a lump-sum cash payment to the applicable parties to the Tax Receivable Agreement equal to the present deemed value of all forecasted future payments that would have otherwise been made under the Tax Receivable Agreement, and such lump-sum payment would be based on certain assumptions that may materially overstate such present value, including those relating to our future taxable income. The lump-sum payment could be substantial and could materially exceed the actual tax benefits that we realize subsequent to such payment because such payment would be calculated assuming, among other things, that we would have certain tax benefits available to us and that we would be able to use the potential tax benefits in future years. There may be a material negative effect on our liquidity if the payments under the Tax Receivable Agreement exceed the actual income or franchise tax savings that we realize. Furthermore, our obligations to make payments under the Tax Receivable Agreement could also have the effect of delaying, deferring, or preventing certain mergers, asset sales, other forms of business combinations, or other changes of control. Risks Relating to Our Organizational Structure **NET-Net** Power Inc. is a holding company and its only material asset is its interest in OpCo, and it is accordingly dependent upon distributions made by OpCo and its subsidiaries to pay taxes, make payments under the Tax Receivable Agreement and pay dividends (it being understood that we do not anticipate paying any cash dividends on the Class A Common Stock in the foreseeable future). **NET-Net** Power Inc. is a holding company with no material assets other than its ownership interest in OpCo. As a result, **NET-Net** Power Inc. has no independent means of generating revenue or cash flow. Our ability to pay taxes, make payments under the Tax Receivable Agreement, and pay dividends (if any such dividend were to be paid) will depend on the financial results and cash flows of OpCo and its subsidiaries and on the distributions it receives from OpCo. Deterioration in the financial condition, earnings or cash flow of OpCo and its subsidiaries for any reason could limit or impair OpCo's ability to pay such distributions. Additionally, to the extent that **NET-Net** Power Inc. needs funds and OpCo and / or any of its subsidiaries are restricted from making such distributions under applicable law or regulation or under the terms of any financing arrangements, or OpCo is otherwise unable to provide such funds, it could materially adversely affect **NET-Net** Power Inc.'s liquidity and financial condition. OpCo is generally prohibited under Delaware law from making a distribution to a member to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of OpCo (with certain exceptions) exceed the fair value of its assets. OpCo's subsidiaries are generally subject to similar legal limitations on their ability to make distributions to OpCo. OpCo is treated as a partnership for U. S. federal income tax purposes and, as such, generally is not subject to any entity-level U. S. federal income tax. Instead, taxable income is allocated to holders of OpCo Units. Accordingly, **NET-Net** Power Inc. will be required to pay income taxes on its allocable share of any net taxable income of OpCo. Under the terms of the OpCo LLC Agreement, OpCo is obligated to make tax distributions to OpCo Unitholders (including **NET-Net** Power Inc.), calculated at certain assumed tax rates. In addition to income taxes, **NET-Net** Power Inc. also incurs expenses related to its operations, including payment obligations under the Tax Receivable Agreement, which could be significant, and some of which will be reimbursed by OpCo (excluding payment obligations under the Tax Receivable Agreement). **NET-Net** Power Inc. intends to cause OpCo to make ordinary distributions on a pro rata basis and to make tax distributions to OpCo Unitholders in amounts sufficient to cover all applicable taxes, relevant operating expenses, payments under the Tax Receivable Agreement and dividends, if any, declared by **NET-Net** Power Inc. However, OpCo's ability to make such distributions may be subject to various limitations and restrictions including, but not limited to, retention of amounts necessary to satisfy the obligations of OpCo and its subsidiaries and restrictions on distributions that would violate any applicable restrictions contained in OpCo's debt agreements or any applicable law or that would have the effect of rendering OpCo insolvent. To the extent that we are unable to make payments under the Tax Receivable Agreement for any reason, such payments will be deferred and

will accrue interest until paid; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement and may therefore accelerate payments under the Tax Receivable Agreement, which could be substantial. Additionally, although OpCo generally will not be subject to any entity-level U. S. federal income tax, it may be liable under U. S. federal tax law for adjustments to its tax return, absent an election to the contrary. In the event OpCo's calculations of taxable income are incorrect, OpCo and / or its members, including **NET-Net Power Inc.**, in later years may be subject to material liabilities pursuant to this U. S. federal tax law and its related guidance. We anticipate that the distributions **NET-Net Power Inc.** will receive from OpCo may, in certain periods, exceed our actual tax liabilities and obligations to make payments under the Tax Receivable Agreement. The Board, in its sole discretion, may make any determination from time to time with respect to the use of any such excess cash so accumulated, which may, among other uses, be used to pay dividends on Class A Common Stock. We will have no obligation to distribute such cash (or other available cash other than any declared dividend) to stockholders. The organizational structure of **NET-Net Power** confers certain benefits upon the holders of shares of Class B Common Stock and OpCo Units (which includes the Legacy **NET-Net Power** Holders) that will not benefit the holders of shares of Class A Common Stock to the same extent. As noted in the immediately above risk factor, **NET-Net Power Inc.** is a holding company with no material assets other than its ownership interest in OpCo. Subject to the obligation of OpCo to make tax distributions and to reimburse **NET-Net Power Inc.** for corporate and other overhead expenses, **NET-Net Power Inc.** has the right to determine whether to cause OpCo to make non-liquidating distributions, and the amount of any such distributions. If OpCo makes distributions, the holders of OpCo Units (who also hold Class B Common Stock) will be entitled to receive equivalent distributions from OpCo on a pro rata basis. However, because we must pay taxes, amounts that we may distribute as dividends to holders of Class A Common Stock are expected to be less on a per share basis than the amounts distributed by OpCo to the holders of OpCo Units on a per unit basis.

Risks Related to Governance

Concentration of ownership among the Principal Legacy **NET-Net Power** Holders may prevent new investors from influencing significant corporate decisions. Concentration of ownership among the Principal Legacy **NET-Net Power** Holders may prevent new investors from influencing significant corporate decisions. The Principal Legacy **NET-Net Power** Holders, if they were to act together, would be able to significantly influence all matters requiring stockholder approval, including the election and removal of directors, any merger, consolidation, sale of all or substantially all of our assets, or other significant corporate transactions. For further information, please see "— Risks Related to our Business and Industry — Conflicts of interest may arise because several directors on the Board were designated by the Principal Legacy **NET-Net Power** Holders and Sponsor." Moreover, some of these entities may have interests different than other stockholders. For example, because many of these stockholders have held their shares for a long period, they may be more interested in selling our company to an acquirer than other investors, or they may want us to pursue strategies that deviate from the interests of other stockholders. We are an "emerging growth company" and a "smaller reporting company" and, if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies or smaller reporting companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with certain other public companies. We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act ("JOBS Act"), and we may take advantage of certain exemptions and relief from various reporting requirements that are applicable to other public companies that are not "emerging growth companies." In particular, while we are an "emerging growth company," we will not be required to comply with the auditor attestation requirements of Section 404 (b) of the Sarbanes- Oxley Act, we will be exempt from any rules that could be adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotations or requiring a supplement to the auditor's report on financial statements, we will be subject to reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and we will not be required to hold non-binding advisory votes on executive compensation or stockholder approval of any golden parachute payments not previously approved. In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to "opt out" of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which that is neither an emerging growth company nor an emerging growth company which that has opted out of using the extended transition period difficult or impossible because of the potential differences in **accountant accounting** standards used. We will remain an emerging growth company until the earlier of (i) the last day of the fiscal year (a) following the fifth anniversary of the IPO, which occurred on June 18, 2021, (b) in which we have total annual gross revenue of at least \$ 1. 235 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common equity that is held by non-affiliates exceeds \$ 700 million as of the last business day of our most recently completed second fiscal quarter, and (ii) the date on which we have issued more than \$ 1. 0 billion in non-convertible debt securities during the prior three-year period. The exact implications of the JOBS Act are subject to interpretation and guidance by the SEC and other regulatory agencies, and we cannot assure you that we will be able to take advantage of all of the benefits of the JOBS Act. In addition, investors may find the Class A Common Stock less attractive to the extent we rely on the exemptions and relief granted by the JOBS Act. If some investors find the Class A Common Stock less attractive as a result, there may be a less active trading market for the Class A Common Stock and our stock price may decline or become more volatile. Additionally, we are a "smaller reporting company" as defined in Item 10 (f) (1) of Regulation S- K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (i) the market value of our common equity held by non-affiliates exceeds \$ 250 million as of the

last business day of the most recently completed second fiscal quarter or (ii) the market value of our common equity held by non-affiliates exceeds \$ 700 million as of the last business day of the most recently completed second fiscal quarter and our annual revenue in the most recent fiscal year completed before the last business day of such second fiscal quarter exceeded \$ 100 million. To the extent we take advantage of such reduced disclosure obligations, it may make comparison of our financial statements with other public companies difficult or impossible. If we fail to establish and maintain effective internal control over financial reporting and effective disclosure controls and procedures, we may not be able to accurately report our financial results in a timely manner or prevent fraud, and such inability may adversely affect investor confidence in our company. **Since the standards required for a public company under Section 404 (a) of the Sarbanes-Oxley Act are significantly more stringent than those-- the Closing, required of Old NET Power when it was a privately-held company. Management management has worked may not be able to effectively and timely implement controls and procedures required by that adequately respond to the increased regulatory compliance and reporting requirements that are applicable to following the Closing. To comply with the requirements of being a public company, including the we have undertaken actions, such as implementing new internal controls and procedures and hiring of additional accounting and internal audit resources.** When evaluating our internal control over financial reporting, we may identify material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404 of the Sarbanes-Oxley Act. If we identify any material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 in a timely manner or unable to assert that our internal control over financial reporting is effective or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting once we are no longer an emerging growth company, investors may lose confidence in the accuracy and completeness of our financial reports. As a result, the market price of the Class A Common Stock could be materially adversely affected. Our Certificate of Incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for certain disputes between us and our stockholders, and such provision could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or with our directors, officers or employees. Our Certificate of Incorporation specifies that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for most legal actions involving actions that may be brought against us by stockholders; provided that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or in the federal court sitting in the State of Delaware. Our Certificate of Incorporation also provides that the federal district courts of the U. S. are the exclusive forum for the resolution of any complaint asserting a cause of action against us or any of our directors, officers, employees or agents arising under the Securities Act. We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. However, these provisions may have the effect of discouraging lawsuits against our directors and officers. The choice of forum provision requiring that the Court of Chancery of the State of Delaware be the exclusive forum for certain actions would not apply to suits brought to enforce any liability or duty created by the Exchange Act. There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. If a court were to find these types of provisions to be inapplicable or unenforceable and if a court were to find the exclusive forum provision in our Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, and such costs could materially adversely affect our business. The Warrant Agreement 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 our warrants, which could limit the ability of warrant holders to obtain a favorable judicial forum for disputes with our company. 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 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) we irrevocably submit to such jurisdiction, which will 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 do not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal district courts of the U. S. are the sole and exclusive forum. Any person or entity purchasing or otherwise acquiring any interest in any of our warrants will be deemed to have notice of and to have consented to the forum provisions in the Warrant Agreement. Investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. 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 will 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 our company, and, therefore, the provision may discourage such lawsuits. Alternatively, if a court were to find this provision of the 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, and such costs could materially and adversely affect our business, financial condition and results of operations and could result in a diversion of the time and resources of our management and Board. Delaware law and our governing documents contain certain provisions, including anti-takeover provisions, that limit the ability of stockholders to take certain actions and that could delay or discourage takeover attempts that stockholders may consider favorable. Delaware law and our governing documents contain provisions that could have the effect of rendering more difficult, delaying or preventing an acquisition deemed undesirable by the Board and, therefore, could depress the trading price of the Class A Common Stock. These provisions could also make it difficult for stockholders to take certain actions, including electing directors who are not nominated by the current members of the Board. Among other things, our governing documents include provisions regarding:

- the ability of the Board to issue shares of preferred stock, including "blank check" preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval because such ability could be used to significantly dilute the ownership of a hostile acquirer;
- the limitation of the liability of and the indemnification of our directors and officers;
- a prohibition on stockholder action by written consent, thereby forcing stockholder action to be taken at an annual or special meeting of stockholders after such date and possibly delaying the ability of stockholders to force consideration of a stockholder proposal or to take action, including the removal of directors;
- the requirement that a special meeting of stockholders may be called only by the Chief Executive Officer, the Chairman of the Board or the Board, possibly delaying the ability of stockholders to force consideration of a proposal or to take action, including the removal of directors;
- controlling the procedures for the conduct and scheduling of Board and stockholder meetings;
- the ability of the Board to amend our Bylaws, possibly allowing the Board to take additional actions to prevent an unsolicited takeover and to inhibit the ability of an acquirer to amend our Bylaws to facilitate an unsolicited takeover attempt; and
- advance notice procedures with which stockholders must comply to nominate candidates to the Board or to propose matters to be acted upon at a stockholders' meeting, possibly precluding stockholders from bringing matters before annual or special meetings of stockholders, delaying changes in the Board and discouraging or deterring a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or to otherwise attempt to obtain control of the Company. These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in the Board or in its management.