

Risk Factors Comparison 2024-02-28 to 2023-03-01 Form: 10-K

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Our business is subject to numerous risks and uncertainties that you should be aware of in evaluating our business. If any such risks and uncertainties materialize, our business, prospects, **results of operations, and** financial condition ~~and results of operations~~ could be materially and adversely affected. The risks described below are not the only risks that we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial ~~may~~, **could** also **have a materially** ~~-- material adversely--~~ **adverse affect effect on** our business, prospects **results of operations and** financial condition ~~and results of operations~~. The summary risk factors described below should be read together with the text of the risk factors set forth immediately after the summary risk factors, and both the summary and text of the risk factors should be read together with the other information set forth in this Report, including our consolidated financial statements and the related notes, as well as in other documents that we file with the SEC. Summary of the Material Risks Associated with Our Business These risks include, but are not limited to, the following:

- **Our expectations for when we will achieve various technical and production-level performance objectives depend in large part upon assumptions, estimates, measurements, testing, analyses, and data developed and performed by us, which may be incorrect or flawed.**
- It will be challenging to develop solid- state battery cells capable of production at volume and with acceptable performance, yields and costs. The pace of development in materials science is often not predictable. Delays or failures in accomplishing particular development objectives may postpone or prevent us from generating revenues from the licensing of our ~~battery~~-cell technology or sales of our electrolyte. **Solid Power, Inc. | 2023 Form 10- K | 14**
- We may not succeed in developing our electrolyte for commercialization or attracting customers. There is currently no commercial market for sulfide- based electrolytes and one may never emerge. Even if sulfide- based electrolytes are commercially adopted, we may not be able to effectively compete in any market. ~~If we are unable to develop and sell commercial levels of electrolyte, it could impair our reputation and prospects materially.~~
- If our cells or electrolyte fail to perform as expected, our ability to develop, market, and license our technology could be harmed.
- We have only conducted preliminary safety testing on our cells. Our cells will require additional and extensive safety testing prior to being installed in EVs.
- We are seeking additional partners with which to collaborate in the development of our ~~cell~~-technology. Our inability to enter into ~~joint development agreements~~ **relationships** with additional partners may impair our ability to control the timing of our development activities, generate licensing revenue, or sell our electrolyte.
- ~~We may~~ **If we do** not succeed in developing solid- state battery cells for commercialization **or meeting certain milestones** under **certain of** our **JDA agreements** within the **required** time **frames** parameters specified therein. If we do not meet the milestones in ~~certain JDAs~~, our partners may terminate ~~them~~ **the agreements** without liability to us. Termination of a JDA by a partner, particularly a key partner like BMW, Ford or SK On, could impair our reputation and prospects materially.
- The non- exclusive nature of our **JDA agreements** exposes us to the risk that our partners may elect to pursue other battery cell technologies, ~~which likely would impair our revenue generating ability.~~ **Solid Power, Inc. | 2022 Form 10- K | 15**
- Our business depends on our ability to manage our relationships with existing and future partners, customers, ~~and suppliers~~ **and contractors, and we** may not succeed in managing these business relationships, ~~which could slow our development progress and impair our business prospects.~~
- We have not reached any commercial agreement with our partners on economic terms for the **supply licensing** of our cell technology or sale of electrolyte. As a result, our projections of revenue and other financial results are uncertain.
- The terms of certain **JDA agreements** permit our partners to share in the intellectual property developed through the research and development efforts ~~required~~ under our particular **their respective** agreements with them. **Our In certain circumstances, our** ability to share developments gained through the course of performance of a particular **JDA agreement** with our other partners may be limited ~~in certain circumstances.~~ **In certain circumstances, and** our partners may be able to exploit certain of the intellectual property developed under their respective **JDA agreements** in ways that are detrimental to us.
- If we are unable to attract and retain key employees and qualified personnel, our ability to compete could be harmed ~~-- If solid- state battery cell technology does not become widely accepted, we may not be successful in generating revenues from the manufacture and sale of our electrolyte.~~
- The battery cell market continues to evolve and is highly competitive, and we may not be successful in competing in this market or establishing and maintaining confidence in our long- term ~~business~~ prospects among current and future partners and customers.
- We may not succeed in attracting customers during the development stage or for high volume ~~commercial production, and our future growth and success depend on our ability to attract customers.~~
- We may not be able to accurately estimate the future supply and demand for our **technology** cells and /or our electrolyte, which could result in a variety of inefficiencies in our business ~~and,~~ hinder our ability to generate revenue ~~-- If we fail to accurately predict our manufacturing requirements, we could~~ **and cause us to** incur additional costs or experience delays.
- We rely heavily on owned and exclusively- licensed intellectual property, **including** which includes patent rights, trade secrets, **copyright copyrights**, trademarks, and know- how ~~-- If, and we are~~ **may be** unable to protect and maintain access to these intellectual property rights, ~~our business and competitive position would be harmed.~~
- We have not performed exhaustive searches or analyses of the intellectual property landscape of the battery industry **and cannot**; therefore, we are unable to guarantee that our technology, or its ultimate integration into **EV EVs** battery packs, does not infringe intellectual property rights of third parties. We may need to defend ourselves against intellectual property infringement claims, which may be time- consuming and ~~could~~ cause us to incur substantial costs.
- Our business ~~model plan~~ **has yet to be tested**, and ~~any failure to~~ **we may not succeed in** execute **executing** on our strategic plans, including commercialization, ~~would have a material adverse effect on our operating results and business, harm our reputation and could result in substantial liabilities that exceed our resources.~~
- We are a

research and development stage company with a history of financial losses and expect to incur significant expenses and continuing losses for the foreseeable future. **Solid Power, Inc. | 2023 Form 10- K | 15** • We may require additional capital to support business growth, and this capital might not be available on commercially reasonable terms or at all. • If we fail to effectively manage our future growth, we may not be able to market and license the technology and know- how to manufacture our cells or sell our electrolyte ~~successfully~~. • Our **management team has** ~~interim CEO and several of our other executive officers have only~~ limited experience in operating a public company. • **Our business could also be adversely impacted if we have deficiencies in our disclosure controls and procedures or internal control over financial reporting as required by SOX.** • We incur significant expenses and administrative burdens as a public company. • Future litigation, regulatory actions, or government investigations and inquiries may lead us to incur significant costs or harm our reputation. • **The price of our common stock and Warrants could be adversely impacted by sales of substantial amounts of our common stock or Warrants in the public market or the perception that such sales could occur.** **Risks Related to Development and Commercialization** Our expectations for when we will achieve various technical and production- level performance objectives depend in large part upon assumptions, estimates, measurements, testing, analyses, and data developed and performed by us, which may be incorrect or flawed. Our expectations for when we will achieve various technical and production objectives reflect our current expectations and estimates. Whether and when we achieve these objectives depend on a number of factors, many of which are outside our control, such as: • the success and timing of our development activities, including our ability to develop cells with our desired performance metrics and achieve the requisite automotive industry validations; • our success in securing additional development partnerships and the pace of our efforts with each of them; • unanticipated technical or manufacturing challenges or delays; • difficulties identifying or constructing the necessary manufacturing facilities; • other technological developments that could adversely impact the commercial potential of our technology; • the extent of consumer acceptance of EVs generally and those deploying our products in particular; • competition, including from established and future competitors in the battery industry or from competing technologies that may be used to power EVs; • whether we can obtain sufficient capital when required to build our manufacturing facilities and sustain and grow our business; • adverse developments in our partnership relationships, including termination of our partnerships or changes in our partners' timetables and business plans; • our ability to manage our growth; **Solid Power, Inc. | 2022-2023 Form 10- K | 16** • Our expectations ~~our ability to manage our relationships with key suppliers and targets regarding the availability of the raw materials we need to procure from the them times~~; • our ability to retain existing key management, integrate recent hires, and attract, retain, and motivate qualified personnel; and • the overall strength and stability of domestic and international economies. **Unfavorable changes in any of these or other factors beyond our control could impede our ability to achieve our objectives** when ~~planned~~ we will achieve various technical, pre- production and production- level performance objectives depend in large part upon assumptions, estimates, measurements, testing, analyses and data developed and performed by us, which if incorrect or flawed, could have a material adverse effect on our actual operating **business, prospects,** results and performance. • If we are unable to maintain an effective system of internal controls and procedures required by the Sarbanes- Oxley Act, we may not be able to accurately report our financial results in a timely manner, which may adversely affect investor confidence in us and materially and adversely affect our stock price, business and operating **operations** results. • We incur significant expenses and administrative burdens as a public company, which could have an **and** adverse effect on our business, financial condition and results of operations. • Sales of substantial amounts **Additionally, we cannot predict market reaction or the impact on the price** of our common stock ~~in the~~ **and Warrants as we make announcements regarding our achievement, or failure to achieve, our objectives and public publicly - disclosed milestones. Negative markets - market reactions**, or the perception that such sales could occur, could cause **result in volatility in** the market of the price of our common stock to drop significantly. **Risks Related to Development and Commercialization- Warrants. It** will be challenging to develop solid- state battery cells capable of production at volume and with acceptable performance, yields, and costs. The pace of development in materials science is often not predictable. Delays or failures in accomplishing particular development objectives may postpone or prevent us from generating revenues from the licensing of our ~~battery~~ cell technology or sales of our electrolyte. Our business depends on our ability to develop **solid- state** battery cells that outperform the lithium- ion batteries currently prevalent in EVs. We expect to need several additional years of research and development and automotive qualification efforts before our cells will be advanced enough for us to realize material revenue from licensing agreements for our ~~battery~~ cell technology or reach commercial levels of sales of our electrolyte materials. Developing the technology and know- how to produce **solid- state battery** cells at scale and cost, and which meet the performance requirements for wide adoption by OEMs, is extremely challenging. We must overcome significant hurdles to complete development, validation, and automotive qualification of our ~~battery~~ cells prior to being able to license or sell our technology to any customers. Some of the development hurdles that we need to overcome before licensing or selling our solid- state battery cell technology to customers include: • **meeting the rigorous and challenging specifications required by our customers and ultimately OEMs and battery manufacturers, such as battery life, energy density, abuse and safety testing, charge rate, cycle life, stack pressure, and operating temperature;** • increasing the volume, yield, reliability, and uniformity of our cells and cell components; • increasing the size and number of layers of our cells; • developing manufacturing techniques to produce the volume of cells needed for customer applications; • understanding optimization requirements for high volume manufacturing equipment; • designing and engineering packaging to ensure adequate cycle life (i. e., the number of charge and discharge cycle that a battery cell can sustain until its capacity falls below 80 % of the original capacity); **and** • reducing cost of production; ~~and~~ • **meeting the rigorous and challenging specifications required by our customers, and ultimately OEMs and cell manufacturers, including but not limited to, battery life, energy density, abuse and safety testing, charge rate, cycle life, stack pressure, and operating temperature.** We have encountered, and expect to continue to encounter, engineering challenges **and delays** as we increase the dimensions and throughput of **our**

cells and cell components and cells. For example, after experiencing lower than expected manufacturing yields in 2022, we implemented cell design improvements with the goal of better matching our manufacturing capabilities. To achieve target energy levels, we need to increase the layers and dimensions of our current electrodes, which are enclosed within a single battery package. In order to be commercially viable, our cells will need to be capable of being produced at a high yield without compromising performance, and we will have to solve related packaging challenges in a way that is scalable and at an acceptable cost. If we are not **able** to overcome these engineering and mechanical hurdles, we may not succeed in licensing our cell technology or selling our **electrolytes** **electrolyte** to customers as needed to continue our business and may result in damage to our business, prospects, financial condition, operating results and brand. Even if we complete development and succeed in entering into commercial license agreements, we may not start to generate revenues from such agreements until our customers have retrofitted or constructed and deployed facilities to build our cell designs at scale **and we have constructed facilities to produce commercial volumes of our electrolyte**. Any delay in the development, automotive qualification, **or third-party manufacturing scale-up, or construction of commercial electrolyte production facilities** would delay our time to generate **revenue** **and** **It may adversely also negatively impact our** end-user relationships, including OEMs. Significant delays in providing licenses to our technology **or selling our electrolyte** **would could have a materially-- material damage adverse effect on** our business, prospects, **results of operations, and** financial condition **operating results and brand**. We may not succeed in developing our electrolyte for commercialization or attracting customers. There is currently no commercial market for sulfide-based electrolytes and one may never emerge. Even if sulfide-based electrolytes are commercially adopted, we may not be able to effectively compete in any market. **If we are unable to develop and sell commercial levels of electrolyte, it could impair our reputation and prospects materially.** Our electrolyte is in the development **stage**, and there is no established market for sulfide-based electrolyte **material**. **Our business plan contemplates that we will develop the necessary production capabilities to manufacture our electrolyte for sale to top tier battery manufacturers and OEMs that have determined to manufacture solid-state battery cells**. Even if we are able to successfully develop our electrolyte **for commercialization**, our ability to sell it to customers will depend upon our **or their** success in developing battery cells which outperform those of traditional lithium-ion batteries. If battery manufacturers do not adopt sulfide-based cell architectures **or if markets for solid-state battery cells and sulfide-based solid electrolytes do not develop in the time or to the level we anticipate**, we may not be able to find customers to buy our electrolyte. Even if sulfide-based electrolytes are commercially adopted, we may have to compete with established companies that may be better capitalized, **or have more experienced-- experience**, can deliver a superior product **products**, or have stronger relationships with their **suppliers supply chain** and customers. **Given the importance Potential customers may be wary of future electrolyte unproven products or not be inclined to work with less established businesses, and large organizations, including many OEMs, may have significant purchasing power and leverage in negotiating contractual arrangements with us. In addition, large organizations often have lengthy sales cycles to our success, if which may increase the risk that we spend substantial time and resources on a customer that ultimately elects not to purchase our products. If we are unable to successfully sell commercial volumes of electrolyte, we may be unable to achieve our financial projections, we may not recoup the costs associated with scaling our production of our electrolyte, and our reputation and prospects may be adversely impacted, any one of which could have a material adverse effect on our business, prospects, results of operations, and financial condition results, and prospects will be materially impacted.** If our cells or electrolyte fail to perform as expected, our ability to develop, market, and license or sell our technology could be harmed. Our **battery-cell architecture is inherently complex and incorporates technology and components that have not been used in commercial battery cell production. We anticipate that our research and development efforts will extend in an iterative process even beyond the time at which we initially deliver delivery of our cells to OEMs for validation or electrolyte to customers wishing to incorporate the material into their products. The continuous need to refine and optimize our products will require us to continue to perform extensive and costly research and development efforts even after the initial delivery of our cells to OEMs or electrolyte to customers. For instance example, we have learned, and may continue to learn, from these validation efforts that our cells contain defects or errors that cause the cells not to perform as expected or our electrolyte contains impurities or otherwise does not meet the quality or performance requirements of our customers. Fixing any such problems may require design changes or other research and development efforts, take significant time, and be costly. We cannot guarantee There can be no assurance that we will be able to detect and fix any defects or errors. If our cells or electrolyte or cell design fails-- fail to perform as expected, we could lose licensing contracts and customers of our electrolyte. In addition, because we have a limited frame of reference from which to evaluate the long-term performance of our electrolyte and cell designs, it is possible that issues or problems will arise once our technology has been deployed for a longer period. If our customers determine our technology does not perform as expected, they may delay deliveries, terminate further orders, or initiate product recalls, each any one of which could have a material adversely-- adverse affect effect on our business, prospects, and results of operations, and financial condition**. We have only conducted preliminary safety testing on our cells. Our cells will require additional and extensive safety testing prior to being installed in EVs. To achieve acceptance by OEMs and be installed in commercially available EVs, our cells will have to undergo extensive safety testing **in addition to the preliminary safety testing we have conducted**. We cannot **assure you guarantee that** such tests will be successful. We have identified, and may **continue to identify**, different or new safety **performance** issues during our cell development that have not been present previously. **For example, during late 2023 and early 2024, a few EV cells we produced went into thermal runaway during testing. We may are actively working to identify the root cause for these performance issues, but we cannot guarantee that we will successfully mitigate the problem. We have made, and will continue to make, cell design or and manufacturing process changes to address any safety issues, which could lead to delays to or suspension of commercialization, which could materially damage our business, prospects, financial condition, operating results and brand.** Solid Power, Inc. | 2022-2023 Form 10-K |

18We **18**address performance issues, which may lead to delays to or suspension of research and development projects or commercialization and in turn have a material adverse effect on our business, prospects, results of operations, and financial condition. We are seeking additional partners with which to collaborate in the development of our cell technology. Our inability to enter into joint development agreements relationships with additional partners may impair our ability to control the timing of our development activities, generate licensing revenue, or sell our electrolyte. We have entered into JDAs agreements with three key partners, BMW, Ford, and SK On. We are actively seeking additional partnerships with other OEMs or top tier battery manufacturers in an effort to diversify our development risk. **However, the relationships we have with our existing partners and our partners' rights under their respective agreements may deter other OEMs and battery manufacturers from working with us.** If we are not successful in establishing partnerships with other OEMs or battery manufacturers, we will remain highly dependent upon our existing three partners. Because we generally cannot control the pace or extent of our partners' collaborative efforts with us, the pacing of our efforts generally must align with that of each partner. As a result, a failure to diversify may have the impact of preventing us from controlling the timing at which our cell technology and electrolyte mature matures to commercialization and harm our prospects. We may **If we do not succeed in developing solid-state battery cells for commercialization or meeting certain milestones under certain of our JDAs agreements within the required time frames parameters specified therein. If we do not meet the milestones in certain JDAs, our partners may terminate them the agreements without liability to us. Termination of a JDA by a partner, particularly a key partner like BMW, Ford or SK On, could impair our reputation and prospects materially.** We have entered into non-exclusive JDAs agreements, including with BMW, Ford, and SK On, to collaborate on the research and development of our cells. The terms of some of these JDAs agreements generally require us to continue our research and development of solid-state battery cells and component materials such that our products are capable of being deployed in EVs within the next few years. **We cannot guarantee** There is no assurance that we will be able to complete research and development in the time frame required by the these JDAs and if agreements. **If we are unable to do not meet these milestones, we may not receive the payments that would be due to us under these agreements and our partners may terminate their participation in the agreements without liability JDAs.** Given the importance to us of these relationships, which the termination of a JDA by a partner could impair adversely impact our reputation and prospects materially. The non-exclusive nature of our JDAs agreements exposes us to the risk that our partners may elect to pursue other battery cell technologies, which likely would impair our revenue generating ability. Our OEM partners are motivated to develop and commercialize improved battery cell technologies. To that end, our partners have invested, and are likely to continue to invest in the future, in their own development efforts and, in certain cases, in JDAs agreements with our current and future competitors. If other technology technologies is are developed more rapidly than our or cells, or if such competing technologies are determined to be more efficient or effective than our ours cells, our partners may elect to adopt and install a competitor's battery-cell technology or products over ours, which could have a materially material impact adverse effect on our business, prospects, results of operations, and financial condition results, and prospects. Our business depends on our ability to manage our relationships with existing and future partners, customers, and suppliers. We, and contractors, and we may not succeed in managing these business relationships, which could slow our . **We rely on a number of third parties in connection with development of progress and impair our business prospects technology and performance on our contracts.** Our OEM partners, other customers, and suppliers, and contractors may have economic, business, or legal interests or goals that are inconsistent with ours. As a result, it may be challenging for us to resolve issues that arise in respect of the performance of our JDAs contracts, including our agreements with our partners and in particular as any issue might impact development work underway under the JDAs. Any significant disagreements with these third parties them, and especially if we become dependent on that OEM partner for our research and development efforts, may impede our ability to maximize the benefits of our partnerships and perform our contractual obligations and may slow the commercial roll-out of our cell technology. **For example, we plan to utilize one or more subcontractors for the designs design and installation of the SK On Line, and a failure by a subcontractor to satisfactorily and timely provide services could adversely impact our ability to fulfill our obligations under the Line Installation Agreement.** In addition, if our partners counterparties are unable or unwilling to meet their economic or other obligations under the JDAs our agreements, we may be required to fulfill those obligations alone, which could delay our research and development progress and otherwise negatively impact our business and financial results. We expect that the particular interests of our partners may dictate future research and development efforts in regard to cell design. As a result, we may need to expand our technical staffing team in the future, and particularly if we succeed in adding new development partners. Furthermore, the relationships we have with our existing partners and the rights our partners' rights have under their respective JDAs, may deter other OEMs and cell manufacturers from working with us. If we are not able to expand our other customer relationships, our business and prospects could be materially harmed. We have not reached any commercial agreement with our partners on economic terms for the supply licensing of our cell technology or sale of electrolyte. As a result, our projections of revenue and other financial results are uncertain. Our JDAs agreements provide a framework for our cooperation with our partners, and certain of the these JDAs agreements contemplate that we will enter into additional arrangements with our partners for the purchase and pricing of electrolyte materials for integration into our cell design, as well as licensing our cell technology to cell producers. We have not reached agreement on key commercial terms with any of these partners-Solid Power, Inc. | 2022-2023 Form 10-K | **19**for the licensing of our cell technology or sale of our electrolyte with any of these partners, **19**and and the structure for realizing the monetary value of our products is unknown. **We cannot guarantee** There can be no assurance that we will be able to agree with our partners these key elements commercial terms or that any terms will be financially beneficial for us. The terms of certain JDAs agreements permit our partners to share in the intellectual property developed through the research and development efforts required under our particular their respective agreements with them. **Our In certain circumstances, our ability to share developments gained through the course of performance of a particular JDA agreement with our other partners**

may be limited in certain circumstances. In certain circumstances, and our partners may be able to exploit certain of the intellectual property developed under their respective JDA agreements in ways that are detrimental to us. Certain of our JDA agreements provide that, among other things, (i) any intellectual property jointly developed will be owned by both parties, with each party having the right to license that intellectual property to third parties in connection with the development of such party's products, (ii) each party retains sole ownership of previously or independently developed intellectual property, and (iii) the partner receives a license to our solely developed intellectual property under the JDA agreement for use in the partner's products. To Furthermore, to the extent that a development we make jointly with one of our partners involves such partner's previously developed intellectual property, we may not be able to use any information gleaned in the course of performance under the JDA agreement with such partner in performance of our other partners' JDA agreements, which could prevent us from scaling the development or deploying it in work with all of our partners. There are no assurances. We cannot guarantee that we will maintain the access we need to any of our partners' intellectual property, of our partners or that any jointly developed intellectual property will be adequately protected, or that our partners will not seek to capitalize on jointly developed intellectual property for their sole benefit to the extent permitted by our agreements with them, such as through licensing agreements or other contractual arrangements they may enter with third parties that do not benefit us. In Further, in certain of our agreements JDAs to date, we have agreed that our partners would receive certain rights to our intellectual property in certain circumstances, including if we were to fail to perform under commercial agreements that we may enter into in the future or otherwise abandon our business following the execution of such commercial agreements. If those provisions are triggered, certain of our partners may receive perpetual, irrevocable, royalty-free licenses to portions of our intellectual property, which may limit the profitability and competitive advantage offered by our intellectual property and adversely affect impact our revenue. We are subject to risks relating to production scale manufacturing of our cells through partners in the longer-- long term. Our business plan contemplates that top tier battery cell suppliers and OEMs will manufacture our cell designs pursuant to licensing agreements with us. A component of our plan is to develop our products in such a way as to enable our manufacturing partners to utilize existing lithium-ion battery cell manufacturing processes and equipment. While we believe our development of a manufacturing process compatible with existing lithium-ion battery cell manufacturing lines provides significant competitive advantages, modifying or constructing these lines for production of our products could be more complicated or present significant challenges to our manufacturing partners that we do not currently anticipate. As with any large-scale capital project, any modification or construction of this nature could be subject to delays, cost overruns, or other complications. Any failure to commence commercial production on schedule would likely lead to additional costs and could delay our ability to generate meaningful revenues. In addition, any such delay could diminish any "first mover" advantage we aim to attain, prevent us from gaining the confidence of OEMs, and open the door to increased competition. All Any of the foregoing could hinder our ability to successfully launch and grow our business and achieve a competitive position in the market. Collaboration with third parties to manufacture our cell designs reduces our level of control over the manufacturing process. We could experience delays if our partners do not meet agreed upon timelines or experience capacity constraints. There is risk of potential disputes with partners, which could stop or slow battery cell production, and we could be affected impacted by adverse publicity related to our partners, whether or not such publicity is related to such partner third parties' collaboration with us. In addition, we cannot guarantee that our suppliers will not deviate from agreed-upon quality standards. Further, any partnerships with international third-party cell manufacturers or OEMs could expose us to the political, legal, and economic risks impacting the regions in which our partners' manufacturing facilities are located, further reducing our control over the production process as we scale manufacturing. We may be unable to enter into agreements with cell manufacturers on terms and conditions acceptable to us and, therefore, we may need to contract with other third parties or create our own commercial production capacity. We may not be able to engage other third parties or establish or expand our own production capacity to meet our needs on acceptable terms, or at all. The, and the expense and time required to adequately complete any transition or expansion may be greater than anticipated, which. Any of the foregoing could have a material adversely-- adverse affect effect on our business, prospects, results of operations, and financial condition and prospects. 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We are subject to risks relating to the construction and development of facilities for our short-term research and development and long-term production requirements. Our business model plan contemplates that we will construct additional facilities for research and development and eventually commercial electrolyte manufacturing. In the near-term, we are working to expand nearing completion of a facility for advanced research and development and scaling of our electrolyte material production capabilities at our existing facilities. In the longer-- long-term, and in connection with potential supply agreements, we will need to construct facilities to produce commercial volumes of our electrolyte. We have not secured a location or obtained the necessary licenses or, approvals, permits, or consents for commercial-level electrolyte manufacturing facilities. In connection with constructing these facilities, we will need to identify and acquire the land or obtain leases for suitable locations that are appropriately zoned for activities involving hazardous materials, which will limit where we are able to locate our facilities and may require us to pay a premium for any such real estate. If we fail to do so, or otherwise encounter delays or lose necessary licenses, approvals, permits, consents, permits, licenses, or commercial agreements, we could face delays or terminations of construction or development activities. If our planned facilities do not become operable on schedule, or at all, or become inoperable, production of our electrolyte battery cells and our business will be harmed. We rely on complex equipment for our operations, and production involves a significant degree of risk and uncertainty in terms of operational performance and costs. We rely heavily on complex equipment for our operations, and the production of our battery technology involves a significant degree of risk and uncertainty in terms of operational performance and costs. We rely heavily on complex equipment for our operations and the production of our cells and electrolyte. Integrating The work required to integrate this equipment into the production of our cells and electrolyte manufacturing is time intensive and requires us to work closely with the equipment providers to ensure that it works properly with our technology. This integration involves a degree of uncertainty and risk and

may result in the delay in the scaling up of production or **result in cause us to incur** additional **cost-costs** to our cell technology. Our current manufacturing facilities require, and we expect **that** our future manufacturing facilities will require, large-scale machinery. Such machinery may unexpectedly malfunction and require repairs and spare parts to resume operations, which may not be available when needed. **We Because we** do not expect to maintain any redundancies in our research and development facilities, **so** unexpected malfunctions of our production equipment may significantly affect our operational efficiency. In addition, because this equipment has **not** historically **not** been used to build solid-state battery cells or **produce** sulfide-based **solid** electrolyte **electrolytes**, the operational performance and costs associated with this equipment is difficult to predict and may be influenced by factors outside of our control, such as ~~but not limited to~~, failures by suppliers to deliver necessary components of our products in a timely manner and at prices and volumes acceptable to us ~~;~~ environmental hazards and associated costs of remediation ~~;~~ difficulty or delays in obtaining governmental permits ~~;~~ damages or defects in systems ~~;~~ industrial accidents ~~;~~ and fires, seismic activity, and other natural disasters. Problems with our manufacturing equipment could result in **it not performing to our expectations**, the personal injury to or death of workers, ~~the~~ loss of production equipment, damage to **our** manufacturing facilities, monetary losses, delays and, unanticipated fluctuations in production ~~.~~ **In addition, in some cases operational problems may result in** environmental damage, administrative fines, increased insurance costs, and potential legal liabilities ~~.~~ **Any of these operational problems, any one or a combination of them which** could have a material adverse effect on our business, **prospects**, results of operations, ~~and cash flows,~~ financial condition or **prospects**. Substantial increases in the prices for our raw materials and components, some of which are obtained from a limited number of sources where demand may exceed supply, could materially and adversely affect our business. We rely on third-party suppliers for **materials**, components, and equipment necessary to develop our battery cells and produce our electrolyte, including key supplies, such as Li2S, NMC, silicon, lithium metal foil, and manufacturing tools. We face risks relating to the **timely** availability, **adequate quality, and consistency** of these materials and components, including that we will be subject to demand shortages and supply chain challenges and generally may not have sufficient purchasing power to eliminate the risk of price increases for the raw materials and tools we need. Further, certain **materials and** components, including Li2S, are not currently produced at a scale we believe necessary to support our proposed commercial operations. **If** ~~To the extent that~~ we are unable to enter into commercial agreements with our current suppliers or our replacement suppliers on favorable terms, or these suppliers experience difficulties meeting our requirements, the development and commercial progression of our **battery cells, electrolyte, and related technologies technology** may be delayed. Separately, we may be subject to various supply chain requirements regarding, among other things, conflict minerals and labor practices. We may be required to incur substantial costs to comply with these requirements, which may include locating new suppliers if certain issues are discovered. We may not be able to find any new suppliers for certain raw materials or components required for our operations, or such suppliers may be unwilling or unable to provide us with products. Solid Power, Inc. | 2022-2023 Form 10-K | 21 Any disruption in the supply of **materials**, components, ~~or~~ equipment ~~or materials~~ could temporarily disrupt **our** research and development activities or production of our battery cells or electrolyte until **we obtain** an alternative supplier is able to supply the required material. For example, in 2022-2023, we ~~suffered supply chain issues while constructing~~ **received lower-quality NMC from one of** our **suppliers** electrolyte facility, which ~~caused~~ led to ~~delays in bringing cell production and affected~~ the facility ~~online performance of our cells~~. Changes in business conditions, unforeseen circumstances, governmental changes, transportation disruptions, and other factors beyond our control or which we do not ~~presently~~ **currently** anticipate ~~,~~ could also affect our suppliers' ability to deliver components or equipment to us on a timely basis. ~~Any of the foregoing could materially and adversely affect our results of operations, financial condition and prospects.~~ Currency fluctuations, trade barriers, tariffs, ~~or~~ shortages and other general economic or political conditions may limit our ability to obtain key **materials**, components ~~or,~~ and equipment for our cells or electrolyte or significantly increase freight charges, raw material costs, and other expenses associated with our business, ~~which could further materially and adversely affect our results of operations, financial condition and prospects.~~ We may be unable to adequately control the costs associated with our operations and the components necessary to **develop** build our battery cells and electrolyte material, and, if we are unable to control these costs and achieve cost advantages in our production of cells or **our technology** electrolyte at scale, our business will be adversely affected. We require significant capital to develop our ~~solid-state battery cell technologies technology~~ and expect to incur significant expenses, including those relating to research and development, raw material procurement, leases, sales, and distribution as we build our brand and market our ~~technologies technology~~, and general and administrative costs as we scale our operations. Our ability to become profitable in the future will ~~not only~~ depend on our ability to successfully develop and market our electrolyte and cells, ~~but also~~ **as well as** **our ability** to control our costs. If we are unable to efficiently design, appropriately price, **and** sell and distribute our ~~electrolyte and cell technologies technology~~, our anticipated margins, profitability, and prospects would be ~~materially and~~ adversely affected **impacted**. If we are unable to attract and retain key employees and qualified personnel, our ability to compete could be harmed. Our success depends on our ability to attract and retain our executive officers, key employees, and other qualified personnel, and our operations **may could** be severely disrupted if we lost their services. ~~Departures of key executives, as experienced in late 2022 upon the retirement of our former CEO, Douglas Campbell, may result in stockholder uncertainty and cause the market prices for our securities to decline.~~ We continue to be highly dependent on the services of ~~Derek Johnson, our Chief Operating Officer, our other executive officers,~~ and other senior technical and management personnel ~~,~~ who would be difficult to replace. ~~If Dr. Johnson or other key personnel were to depart, we may not be able to successfully attract and retain the personnel necessary to grow our business.~~ As we build our brand and become more well known, there is increased risk that competitors or other companies will seek to hire our personnel. **If key** ~~Many of our technical personnel have been long-time employees were to depart, we may not be able to successfully attract and hold retain the personnel necessary to grow our business.~~ **Departures of key executives may also result in stockholder uncertainty and cause the price of our common** stock options which are currently exercisable and **Warrants** significantly ~~"in the money"~~ at current market prices. Despite

our efforts to retain them, these employees could decide **decline** to exercise such options and pursue other opportunities. **Further** Our success also depends on our continuing ability to identify, **competition for** hire, attract, train and develop other highly-qualified personnel. Competition for these employees can be intense, and our ability to hire, attract and retain them depends on our ability to provide competitive compensation. We may not be able to attract **and**, assimilate, develop or retain qualified personnel in the future, and our failure to do so could **seriously have a material adverse effect on our business, prospects, results of operations, and financial condition.** Accidents and severe weather conditions, natural disasters, or other catastrophic events could adversely impact our facilities and operations. Some of our operations involve the manufacture and handling of a variety of explosive and flammable materials, and our research and development activities expose our employees to a number of potential occupational hazards. Among other things, we could experience leaks and ruptures, explosions, fires, transportation accidents involving our products, chemical spills, other discharges or releases of toxic or hazardous substances or gases, and other environmental and workplace safety incidents. For example, our employees could be exposed to toxic hydrogen sulfide as a result of the components we use being exposed to moisture, which could harm our employees, slow or stop production, and result in litigation, fines, increased insurance premiums, and workers' compensation claims. Severe weather conditions, natural disasters, and other natural events, such as floods, fires, earthquakes, typhoons, and health pandemics, such as the COVID- 19 pandemic, could also affect our facilities and operations. For example, our facilities are located in a region which is affected by fires. In December 2021, the Marshall fire destroyed a significant number of buildings and disrupted a number of businesses in the Louisville, Colorado area. Further, our facilities and operations could also be adversely impacted by other events outside of our control, including power loss, telecommunications failures, cyberattacks, wars, riots, break- ins, and terrorist attacks. Damage to our facilities or disruption of our operations could have a material adverse effect on our **business and**, prospects, results of operations, and financial condition. **Our** Further, we cannot guarantee that associated losses, claims, or liabilities will be covered by our insurance coverage may not be adequate to protect us from all business risks or any risks of indemnity or contribution that we have against others. We may **also cannot** be **sure** subject, in the ordinary course of business, to losses resulting from products liability, accidents, acts of God, and other claims against us, for which we may have no insurance coverage. As a general matter, the policies that we do have may include significant deductibles, and we cannot be certain that our **existing** insurance coverage will **continue to be available on acceptable terms or in sufficient amounts** to cover all **future of our potential** losses or claims against us. A loss that is uninsured or which exceeds policy limits may **could** require us to pay substantial amounts, which could **have a material** adversely -- **adverse affect effect on** our **business, prospects, results of operation, and** financial condition and operating results. Furthermore, although we plan to obtain and maintain insurance for damage to our property and the disruption of our business, this insurance may be challenging to obtain and maintain on terms acceptable to us and may not be sufficient to cover all of our potential losses. Solid Power, Inc. | 2022 **2023** Form 10- K | **22A global** **22**Our facilities or operations could be damaged or adversely affected as a result of natural disasters and other catastrophic events, including fire and explosions. Our current and future development and manufacturing facilities or operations could be adversely affected by events outside of our control, such as natural disasters, wars, health pandemics, **pandemic** and epidemics such as the ongoing (e. g., COVID- 19) and associated responses could disrupt our **business and operations.** A global pandemic, and other calamities, **as could have significant impact on economic activity and markets throughout the world.** For example, in December 2021, the Louisville, Colorado area was significantly affected by the Marshall fire, which destroyed a significant number of buildings and disrupted a number of businesses. We cannot provide assurance that any backup systems will be adequate to protect us from the effects of fire, explosions, floods, cyber- attacks (including ransomware attacks), typhoons, earthquakes, power loss, telecommunications failures, break- ins, war, riots, terrorist attacks or similar events. Any of the foregoing events may give rise to interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to conduct our research and development activities as and on the timeline currently contemplated. We have been, and may in the future be, adversely affected by epidemics, pandemics or other -- **the impact of** outbreaks. We face various risks related to epidemics, pandemics, and other outbreaks, including the COVID- 19 pandemic and / or any other pandemic. The impact of COVID- 19, including changes in consumer and business behavior, pandemic fears and market downturns, and restrictions on business and individual activities, created significant volatility in the global economy and led to reduced economic activity. **Governmental authorities may implement measures in an attempt to contain a virus, such as travel bans and restrictions, quarantines, shelter- in- place orders, and business shutdowns, which may disrupt supply chains and impact our ability to continue our operations.** Various aspects of our business cannot be conducted remotely, including many aspects of the research and development and manufacturing of our **products electrolyte and cells.** The extent to which a future pandemic, impacts our business, prospects and, results of operations, and **financial condition** will depend on future developments, which are highly uncertain and cannot be predicted, **such as** including, but not limited to, the duration and spread of the pandemic, its severity, the actions **taken** to contain the virus or **treat address** its impact, mutations in the virus, vaccine distribution and uptake, the impact on **us and** our **partners, contractors, suppliers, and customers**, employees, and vendors, and how quickly and to what extent normal economic and operating activities can resume.

Risks Related to Industry and Market **Trends** **The** Trends If solid- state battery cell technology does **market continues to evolve and is highly competitive, and we may** not become widely accepted, we may not be successful in **competing in this market** generating revenues from the manufacture and sale of our **or establishing** electrolyte. Our business plan contemplates that we will develop the necessary production capabilities to manufacture our electrolyte for sale to top tier battery suppliers and **maintaining confidence in our long** OEMs that have determined to manufacture solid- **term prospects among current and future partners and customers** state battery cells. If a market for sulfide- based solid- state battery cells does not develop in the time or to the level we anticipate, we might not be able to generate revenues from this product line. This may prevent us from

achieving our financial projections or recouping the costs we expect to incur in scaling our production of our electrolyte. The battery cell market **in which we compete** continues to evolve and is highly competitive, ~~and we may not be successful in competing in this market or establishing and maintaining confidence in our long-term business prospects among current and future partners and customers.~~ The battery cell market in which we compete continues to evolve and is highly competitive. To date, we have focused our efforts on our ~~sulfide-based~~ solid-state battery cell technology, a promising alternative to conventional lithium-ion battery cell technology. However, lithium-ion battery cell technology has been widely adopted, and our current competitors have, and future competitors may have, greater resources than we do and may also be able to devote greater resources to the development of their current and future technologies. These competitors **may** also ~~may~~ have greater access to customers and may be able to establish cooperative or strategic relationships amongst themselves or with third parties that may further enhance their resources and competitive positioning. In addition, traditional lithium-ion battery ~~cell~~ manufacturers may continue to reduce cost and expand supply of conventional batteries and, therefore, **reduce the adversely impact our** prospects **and** for our business or negatively impact the ability for us to sell our products at a market-competitive price **prices with** and yet at sufficient margins. ~~Solid Power, Inc. | 2022 Form 10-K | 23~~ Many -- **Many** OEMs are researching and investing in solid-state battery cell efforts and, in some cases, in battery cell development and production. We do not have exclusive relationships with any OEM to provide their future battery cell technologies, and ~~it is possible that the~~ investments made by these OEMs **might may** result in technological advances earlier than, or superior in certain respect to, the **technology battery cells** we are developing. There are a number of companies seeking to develop alternative approaches to solid-state battery cell technology. We expect competition in battery cell technology and EVs to intensify due to increased demand for these vehicles and a regulatory push for EVs, continuing globalization, and consolidation in the worldwide automotive industry. As new companies and larger, existing vehicle and battery ~~cell~~ manufacturers enter the solid-state battery cell space, we may lose any perceived or actual technological advantage we may have in the marketplace and suffer a decline in our **market position in the market.** ~~The~~ Furthermore, the battery ~~cell~~ industry also competes with other emerging or evolving technologies, such as natural gas, advanced diesel, and hydrogen-based fuel cell powered vehicles. Developments in alternative technologies or improvements in ~~batteries~~ **battery technology technologies** made by competitors may ~~materially adversely affect~~ **impact** the sales, pricing, and gross margins of our products. As technologies change, we will attempt to upgrade or adapt our products to continue to provide products with the latest technology. However, our products may become obsolete or our research and development efforts may not be sufficient to adapt to changes in or to create the necessary technology to effectively compete. If we are unable to keep up with competitive developments, including if **such competing** technologies achieve lower prices or **other emerging technologies** enjoy greater policy support ~~than the lithium-ion battery cell industry~~, our competitive position and growth prospects may be harmed. Similarly, if we fail to accurately predict and ensure that our solid-state battery cell technology ~~can address~~ **addresses** customers' changing needs or emerging technological trends, or if our customers fail to achieve the benefits expected from our ~~battery cells~~, our business will be harmed. We must continue to commit significant resources to ~~develop~~ **developing** our ~~cell~~ technology in order to establish a competitive position, and these commitments must be made without knowing whether our investments will result in products ~~potential~~ customers will accept. ~~There is no assurance~~ **We cannot guarantee that** we will successfully identify ~~new~~ customer requirements, ~~and~~ develop and bring our cell technology or electrolyte to market on a timely basis, or that products and technologies developed by others will not render our cells or electrolyte obsolete or noncompetitive, any **one** of which ~~would~~ **could have a material** adversely -- **adverse affect effect** **on** our business ~~and operating~~, **prospects, results of operation, and financial condition.** ~~We expect that~~ **Solid Power, Inc. | 2023 Form 10-K | 23** In addition, OEMs and **other customers may** top-tier battery cell suppliers will be less likely to license our cell designs and / or incorporate our electrolyte if they are not convinced that our business will succeed in the long term. Similarly, suppliers and other third parties ~~will~~ **may** be less likely to invest time and resources in developing business relationships with us if they are not convinced that our business will succeed in the long term. Accordingly, in order to build and maintain our business, we must instill and maintain confidence among current and future partners, customers, suppliers, analysts, ratings agencies, and other parties in our long-term financial viability and ~~business~~ prospects. Maintaining such confidence may be ~~particularly~~ complicated by certain factors, including those that are largely outside of our control, such as: • our limited operating history; • market unfamiliarity with our products; • delays in or impediments to completing or achieving our research and development goals; • unexpected costs that OEM and **other potential** top-tier cell partners may be required to incur to scale manufacturing, delivery, and service operations to meet demand for EVs containing our ~~technologies~~ **technology** or products; • competition and uncertainty regarding the future of EVs; • the development and adoption of competing technologies that are less expensive and / or more effective than our products; and • our eventual production and sales performance compared with market expectations. ~~Solid Power, Inc. | 2022 Form 10-K | 24~~ Our -- **Our** future growth and success are dependent upon consumers' willingness to adopt EVs. Our growth and future demand for our products ~~is~~ **are** highly dependent upon the adoption by consumers of alternative fuel vehicles in general and EVs in particular. The market for new energy vehicles is still rapidly evolving, characterized by ~~rapidly~~ changing technologies, competitive pricing and factors, evolving government regulation and industry standards, and changing consumer demands and behaviors. If the market for EVs in general does not develop as expected, or develops more slowly than expected, our business, prospects, **results of operation, and** financial condition ~~and operating results~~ could be **materially** harmed. ~~We may not succeed in attracting customers during the development stage or for high volume commercial production, and~~ **adversely affected** our future growth and success depend on our ability to attract customers. ~~We may not succeed in attracting customers during our development stage or for high volume commercial production.~~ Customers may be wary of unproven products or not be inclined to work with less established businesses. In addition, if we are unable to attract new customers in need of high-volume commercial production of our products, our business will be harmed. OEMs are often large enterprises. Therefore, our future success will depend on our or our partners' ability to effectively sell our products to such large customers. Sales to these end-customers involve risks that may not

be present (or that are present to a lesser extent) with sales to smaller customers. These risks include, but are not limited to, (i) increased purchasing power and leverage held by large customers in negotiating contractual arrangements with us and (ii) longer sales cycles and the associated risk that substantial time and resources may be spent on a potential end-customer that elects not to purchase our products. OEMs that are large organizations often undertake a significant evaluation process that results in a lengthy sales cycle. Large organizations typically have longer implementation cycles, require greater product functionality and scalability, require a broader range of services, and demand that vendors take on a larger share of risks. All of these factors can add further risk to business conducted with these potential customers. We may not be able to accurately estimate the future supply and demand for our **technology** cells and / or our electrolyte, which could result in a variety of inefficiencies in our business and, hinder our ability to generate revenue. If we fail to accurately predict our manufacturing requirements, we could **and cause us to** incur additional costs or experience delays. It is difficult to predict our future revenues **demand for our technology** and appropriately budget for our expenses, and we may have limited insight into trends that may emerge and affect our business. We anticipate being required to provide forecasts of our demand to our **current and future** suppliers prior to the scheduled delivery of products to **potential our** customers. Currently, there is no historical basis for making judgments on the demand for our **technology** cells and / or our electrolyte or our ability to develop, manufacture, and deliver **such our** products ; **or our profitability in the future**. If we overestimate our requirements, our suppliers may have excess inventory, which **could** indirectly **would** increase our costs. If we underestimate our requirements, our suppliers may have inadequate inventory, which could interrupt manufacturing of our products and result in delays in shipments and revenues. In addition, lead times for materials and components that our suppliers order may vary significantly and depend on factors such as the specific supplier, contract terms, and demand for each component at a given time. If we fail to order sufficient quantities of product components in a timely manner, the delivery of our **products to** cells and / or **our** our electrolyte to our potential customers could be delayed, which **would could** harm **have a material adverse effect on** our business, **prospects, results of operation, and** financial condition and operating results. Solid Power, Inc. | 2022-2023 Form 10-K | 25 Risks-24 Risks Related to Intellectual Property We rely heavily on owned and exclusively- licensed intellectual property, **including which includes** patent rights, trade secrets, **copyright copyrights**, trademarks, and know- how. **If, and we are may be** unable to protect and maintain access to these intellectual property rights, **our business and competitive position would be harmed**. **We Our success depends on our ability to protect and maintain our intellectual property rights, and we** may not be able to prevent unauthorized use of our owned and exclusively- licensed intellectual property, **which could harm our business and competitive position**. We rely on a combination of the intellectual property protections afforded by patent, copyright, trademark, and trade secret laws in the United States and other jurisdictions, as well as license agreements and other contractual protections, to establish, maintain, and enforce rights and competitive advantage in our **proprietary technologies technology**. In addition, we seek to protect our intellectual property rights through **non- nondisclosure disclosure** and invention assignment agreements with our employees and consultants, and through non- disclosure agreements with business partners and other third parties. Despite our efforts to protect our **proprietary intellectual property** rights, third parties, including our vendors, **partners,** customers, **partners,** and consultants, have and may in the future attempt to copy or otherwise obtain and use our intellectual property without our consent or may decline to license or defend necessary intellectual property rights to us on terms favorable to our business. In addition, our technology and intellectual property may be subject to theft or compromise via more indirect routes. For example, our products or components thereof may be reverse engineered by partners, customers, or other third parties, which could result in **infringement of** our patents **being infringed** or **theft of** our know- how or trade secrets **stolen**. **Monitoring Detecting and addressing** unauthorized use of our intellectual property is difficult and costly, and the steps we have taken or will take to prevent misappropriation may not be sufficient. Any enforcement efforts we undertake, including litigation, could require involvement of the licensor, be time- consuming and expensive, and **could divert management's attention, all of which could harm our business, results of operations and financial condition**. **Additionally In addition,** existing intellectual property laws and contractual remedies may **afford less not provide the** protection than needed to safeguard our **proprietary technologies intellectual property**. **A For example, a** significant portion of our patent rights have been obtained through exclusive licenses. Because we do not own those patent rights, we have less control over their maintenance and enforcement, which **could harm may limit** our ability to maintain any competitive advantage those patent rights provide. **Failure to adequately protect our owned and exclusively- licensed intellectual property may result in our competitors using our intellectual property to offer products, loss of our competitive advantage, and harm to our reputation and could have a material adverse effect on our business, prospects, results of operations, and financial condition. There are risks to our intellectual property based on our international business operations.** Patent, copyright, trademark, and trade secret laws vary significantly throughout the world. A number of foreign countries do not protect intellectual property rights to the same extent as the United States. **Therefore, and** our intellectual property rights may not be as strong or as easily enforced outside of the United States and, **efforts Efforts** to protect against the unauthorized use of our intellectual property rights, **technology and other proprietary rights may be impossible** outside of the United States **may be unsuccessful**. **Our** Failure to adequately protect our owned and exclusively- licensed intellectual property rights could result in our competitors using our intellectual property to offer products, potentially resulting in the loss of some of our competitive advantage, a decrease in our revenue and reputational harm caused by inferior products offered by third parties, which would adversely affect our business, prospects, financial condition and operating results. There are risks to our intellectual property based on our international business operations. There are risks to technology and intellectual property that may result from **also expose** us conducting business outside the United States, particularly in jurisdictions that do not have comparable levels of protection of corporate proprietary information and assets such as intellectual property, trademarks, and trade secrets. For instance, we may be exposed to material risks of theft of **proprietary our** technology and other intellectual property, including technical data, business processes, production processes, formulas, data sets, or other sensitive information. While these risks are common to many companies, **conducting Conducting** business in certain foreign

jurisdictions, housing our technology, data and other intellectual property abroad, or and licensing our technology to foreign partners may increase our present more significant exposure to these risks. Solid Power, Inc. | 2022 Form 10-K | 26 Our -- Our patent applications may not result in issued patents, and which would result in the disclosures in those applications being available to the public. Also, 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 products. Our patent portfolio includes some patent applications. Our If our patent applications may do not result in issued patents, which the disclosures in those applications would become available to the public and we may be unable have a material adverse effect on our ability to prevent others from commercially exploiting products similar to our ours products to our disadvantage. 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 the our patent applications that we file will result in patents being issued, or that our patents, and any patents that may be issued to us, will afford us adequate protection against competitors with similar technology. Others have Numerous numerous patents and pending patent applications owned by others exist in the same fields as in which we have developed and are developing our technology and may claim priority, which could prevent us from obtaining a particular patent. Our In addition to those who may claim priority, any of our future or existing patents and or pending patent applications (, including those we have rights to under exclusive exclusively license licensed, could) may also be challenged by others on the basis that they are otherwise invalid or unenforceable. Furthermore, patent Patent applications filed in foreign countries may be subject to laws, rules, and procedures that differ from those of the United States, and thus we cannot guarantee be certain that foreign patent applications related to issued U. S. patents will be issued. We Solid Power, Inc. | 2023 Form 10- K | 25 We have not performed exhaustive searches or analyses of the intellectual property landscape of the battery industry and cannot ; therefore, we are unable to guarantee that our technology, or its ultimate integration into EV EVs battery packs, does not infringe intellectual property rights of third parties. We may need to defend ourselves against intellectual property infringement claims, which may be time- consuming and could cause us to incur substantial costs. Others Companies, organizations or individuals, including our current and future competitors, may hold or obtain intellectual property patents, trademarks or other proprietary rights that would prevent, limit, or interfere with our ability to make, use, develop, sell, license, lease, or market our technology or products or technologies, which could make it more difficult for us to operate our business. From time to time, we may receive inquiries from third parties relating to whether we are infringing their intellectual property rights and /or third parties may seek court declarations that they do are not infringe infringing upon our intellectual property rights. The defense of Companies holding patents or other intellectual property rights relating to batteries may bring suits alleging infringement claims may divert management' s attention of such rights or otherwise asserting their rights and seeking licenses. In addition, if and we may incur significant expenses in addressing these matters. 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 selling, leasing, incorporating, or using products that incorporate the challenged intellectual property; · pay substantial damages; · materially alter our research and development activities and proposed production processes; · obtain a license from the holder of the infringed intellectual property right, which may not be available on commercially reasonable terms or at all; or · redesign our battery cells at significant expense. In the event of a successful claim of infringement against us and our failure or inability to obtain a license to continue to use the technology on reasonable terms, our business, prospects, operating results and financial condition could be materially adversely affected. In addition, any litigation or claims, whether or not well- founded, could result in substantial costs, negative publicity, reputational harm and diversion of resources and management' s attention. We also license patents and other intellectual property from third parties, and we may face claims that our use of this intellectual property infringes the rights of others. In such cases, we may seek indemnification from our licensors under our license contracts with them as permitted by our license agreements. However, but our rights to indemnification may be unavailable or insufficient to cover our costs and losses, depending --- depend on a number of factors, such as our use of the technology ; and whether we choose to retain control over conduct of the litigation, and other factors. Solid Power If our rights to indemnification are unavailable or insufficient to cover our costs and losses, the future infringement claims could have a material adverse effect on our business, prospects, results of operations, and financial condition. | 2022 Form 10- K | 27 Risks -- Risks Related to Our Limited Operating History Our business model plan has yet to be tested, and any failure to we may not succeed in execute executing on our strategic plans, including commercialization, would have a material adverse effect on our operating results and business, harm our reputation and could result in substantial liabilities that exceed our resources. Investors should be aware. As a research and development stage company, we face a number of the difficulties normally encountered by a new enterprise enterprises, many of which are beyond our control, including substantial risks and expenses in the course of establishing or entering new markets, organizing operations, and undertaking marketing activities. The likelihood of our success must be considered in light of these difficulties risks, expenses, complications, delays and the competitive environment in which we operate. There is, therefore, nothing at this time upon which to base an assumption that our business plan will prove successful, and we may not be able to generate significant revenue, raise additional capital, or operate profitably. We will continue to encounter challenges risks and difficulties frequently experienced by early commercial stage companies, including scaling up our infrastructure and headcount, and may encounter unforeseen expenses, difficulties, or delays in connection with our growth. In addition, as a result of the capital requirements of our business, we can be expected to continue to sustain substantial operating expenses without generating sufficient revenue to cover expenditures. Any investment in our company is therefore highly speculative and could result in the loss of your entire investment. It is difficult to predict our future revenues and appropriately budget for our expenses, and we have limited insight into trends that may emerge and affect our business. If In the event that actual results differ from our estimates or we adjust our estimates in future periods, our operating business, prospects, results of operations, prospects and financial position condition could be materially and adversely affected. Furthermore, our financial performance in one period may not be indicative of financial performance in

future periods. We are a research and development stage company with a history of financial losses and expect to incur significant expenses and continuing losses for the foreseeable future. We incurred an operating loss of approximately \$ 59.88. + 9 million for the year ended December 31, 2022-2023 and an accumulated deficit of approximately \$ 19.82. 0.9 million from our inception in 2012 through December 31, 2022-2023. We believe that we will continue to **Solid Power, Inc. | 2023 Form 10-K |** incur **26** incur operating losses each quarter until the time significant production of our cell designs or **sales- sale** of our electrolyte begins. **As disclosed above, development Development** in materials sciences is not linear, and the pace of our efforts will depend in significant part on the level of engagement and extent of resources devoted to these efforts by our **development** partners, making it difficult to predict when we will begin to recognize material revenues from our **cell-technology or electrolyte**. The rate at which we will incur losses may be significantly higher in future periods as we, among other things, continue to incur significant expenses in connection with the design, development, and manufacturing of our **technology materials and cells**; expand our research and development activities; invest in additional research and development and manufacturing facilities and capabilities; build up inventories of raw materials and other components; commence sales and marketing activities; develop our distribution infrastructure; and increase our general and administrative functions to support our growing operations. We may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in revenues, which would further increase our losses. We may require additional capital to support business growth, and this capital might not be available on commercially reasonable terms or at all. **We may need additional Our expectations regarding our capital needs are dynamic before we commence generating material revenues, changing and it may not be available on acceptable terms, if at all and subject to various risks and uncertainties, including those described herein.** For example, our budgets assume, among other things, that our development timeline progresses as planned and our corresponding expenditures are consistent with current expectations, **both of which have but our timeline and expectations** been derived based on discussions with our key partners only and do not factor in the possibility of additional partnerships. **Further** Accordingly, our expectations regarding our capital needs are dynamic and changing, and are subject to various risks and uncertainties, including those described herein. More specifically, our capital expenditures and operating and development requirements have increased materially as we accelerate our research and development efforts and, scale up production operations with our partners, and incur expenses as a public company, including insurance, financial reporting, legal, and audit costs. As we continue our progress toward commercialization, we expect **that** our operating expenses will increase substantially due to increased headcount and other general and administrative expenses necessary to support a rapidly growing public company. **Solid Power We may need additional capital before we recognize material revenues, the which may not be available on commercially reasonable terms or at all. As** **2022 Form 10-K | 28** As a result, we may need to access the debt and equity capital markets to obtain additional financing in the future. **However, these sources of financing may not be available on acceptable terms, or at all.** Our ability to obtain additional financing will be subject to a number of factors, including: • market conditions; • the level of success we have experienced with our research and development programs; • our operating performance; • investor sentiment; and • our ability to incur additional debt in compliance with any agreements governing our then- outstanding debt. These factors may make the timing, amount, terms, or conditions of additional financings unattractive to us. If we raise additional funds by issuing equity, equity- linked, or debt securities, those securities may have rights, preferences, or privileges senior to the rights of our **currently-then-** issued and -outstanding equity or debt, and our existing stockholders may experience dilution. If we are unable to generate sufficient funds from operations or raise additional capital, we may be forced to take actions to reduce our capital or operating expenditures, including by not seeking potential acquisition opportunities, eliminating redundancies, or reducing or delaying our production facility expansions, **any one of which may could have a material adversely- adverse affect-effect on** our business, **operating prospects, results of operations, and** financial condition and prospects. If we fail to effectively manage our future growth, we may not be able to market and license the technology and know- how to manufacture our cells or sell our electrolyte **successfully**. We intend to use our cash on hand to expand our operations significantly, with a view toward accelerating our research and development activities and positioning our company for potential commercialization of our **technologies technology**. In connection with these efforts, we anticipate hiring, retaining, and training personnel; establishing manufacturing plants and other facilities; and implementing administrative infrastructure, systems, and processes. That said, our management team has considerable discretion in the application of the funds available to us. We may invest these funds in a manner that does not **improve our ability to market and license the technology and know- how to manufacture our cells or sell our electrolyte and ultimately result results** in a significant return, or any, **Solid Power, Inc. | 2023 Form 10-K | return 27** return at all for our stockholders. In addition, pending their use, we may invest the **our cash we hold on hand** in a manner that does not produce income or that loses value. **If we cannot Failure to effectively** manage our growth **could have a material adverse effect on** effectively, including by controlling our expenditures for these initiatives to the greatest extent possible, our business, **prospects, results** could be harmed. Our interim CEO and several of our other executive officers have only limited experience in operating **operations**, a public company. We are evaluating candidates for our chief executive officer position. We cannot assure you of the timing for completion of our recruitment efforts for this key position. Our interim CEO and **financial condition** several of our executive officers have only limited experience in the management of a publicly traded company. Our management team **has limited experience in operating a public company. Our management team has limited experience in the management of a public company and** may not successfully or effectively manage being a public company subject to significant regulatory oversight and reporting obligations under federal securities laws. We may not have adequate personnel with the appropriate level of knowledge, experience, and training in the policies, practices, or internal controls over financial reporting required of public companies in the United States. As a result, we may be required to pay higher outside legal, accounting, or consulting costs than our competitors, and our management team members may have to devote a higher proportion of their time to issues relating to compliance with the laws applicable to public companies, **both- either** of which

might **could** put us at a disadvantage relative to **our** competitors. We may not succeed in establishing, maintaining, and strengthening our brand, which **would could** materially and adversely **affect impact** customer acceptance of our **technologies technology** and our business, revenues and prospects. Our business and prospects depend on our ability to develop, maintain, and strengthen our brand. If we are not able to establish, maintain and strengthen our brand, we may lose the opportunity to build a critical mass of customers. The automobile **battery** industry is intensely competitive, and we may not be successful in building, maintaining, and strengthening our brand. Our current and potential competitors, including many **battery**-cell manufacturers and OEMs around the world, have greater name recognition, broader customer relationships, and substantially greater marketing resources than we do. If we do not develop and maintain a strong brand, **we may lose the opportunity to build a critical mass of customers, which could adversely impact customer acceptance of our technology and have a material adverse effect on** our business, prospects, **results of operations, and financial condition**. **Risks Related to Finance and Accounting** Incorrect estimates or assumptions by management in the preparation of our consolidated financial statements could adversely impact our reported assets, liabilities, income, revenue, or expenses. The preparation of our consolidated financial statements requires management to make critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, stockholders' equity, revenue, income, and expenses during the reporting periods. Incorrect estimates and assumptions by management could result in reported amounts that are overstated or understated and have a material adverse effect on our business, prospects, **results will be materially of operations, and financial condition**. Our business could also be adversely impacted if we have deficiencies in our disclosure controls and procedures or internal control over financial reporting as required by SOX. Pursuant to Section 404 of SOX, we are required to conduct annual assessments on the effectiveness of our internal control over financial reporting. These assessments require disclosure of any material weaknesses identified in our internal control over financial reporting, and we may not always be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective. During the course of our review and testing, we may identify deficiencies, including material weaknesses, and be unable to remediate them before we must provide required reports. If we identify one or more material weaknesses, stockholders may lose confidence in the reliability of our financial statements and the price of our common stock and Warrants may decline. The existence of a material weakness could also limit our ability to prevent or detect a misstatement of our accounts or disclosures, which could result in a material misstatement of our consolidated financial statements. We cannot guarantee that efforts to remediate a material weakness will ultimately have the intended effects to permit us to timely file our quarterly and annual reports with the SEC, and we may become subject to litigation or investigations by the SEC or other regulatory authorities. If we are unable to timely file periodic reports or maintain compliance with applicable stock exchange listing requirements, stockholders may lose confidence in our financial reporting, the price of our common stock and Warrants may decline, our common stock and Warrants may be subject to delisting, and we may become subject to litigation or investigations by the SEC or other regulatory authorities. We cannot guarantee that the measures we take will be sufficient to avoid potential future deficiencies or material weaknesses. Solid Power, Inc. | 2022-2023 Form 10-K | 29 Risks Related to Finance 28

We incur significant expenses and administrative burdens as Accounting Our expectations and targets regarding the times when we will achieve various technical, pre-production and production-level performance objectives depend in large part upon assumptions, estimates, measurements, testing, analyses and data developed and performed by us, which if incorrect or flawed, could have a **public company** material adverse effect on our actual operating results and performance. **As** Our expectations and targets regarding the times when we will achieve various technical, pre-production and production objectives reflect our current expectations and estimates. Whether we will achieve these objectives when we expect depends on a **public company** number of factors, **we** many of which are **subject** outside our control, including, but not limited to: • success and timing of our development activity and ability to develop cells that achieve our desired performance metrics and achieve the requisite automotive industry validations before our competitors; • our success in securing additional development partnerships and the pace of our efforts with each of them; • unanticipated technical or manufacturing challenges or delays; • difficulties identifying or constructing the necessary research and development and manufacturing facilities; • technological developments relating to lithium-ion, lithium-metal solid-state or other batteries that could adversely affect the commercial potential of our technologies; • the extent of consumer acceptance of EVs generally, and those deploying our products, in particular; • competition, including from established and future competitors in the battery cell industry or from competing technologies such as hydrogen fuel cells that may be used to power EVs; • whether we can obtain sufficient capital when required to build our manufacturing facilities and sustain and grow our business; • adverse developments in our partnership relationships, including termination of our partnerships or changes in our partners' timetables and business plans, which could hinder our development efforts; • our ability to manage our growth; • whether we can manage relationships with key suppliers and the availability of the raw materials we need to procure from them; • our ability to retain existing key management, integrate recent hires and attract, retain and motivate qualified personnel; and • the overall strength and stability of domestic and international economies. Unfavorable changes in any of these or other factors, most of which are beyond our control, could materially and adversely affect our ability to achieve our objectives when planned and our business, results of operations and financial results. Additionally, we cannot predict market reaction or the impact on the market price of our common stock as we make announcements regarding our achievement or failure to achieve our objectives and/or milestones we have publicly disclosed. Any negative market reactions as we make such announcements could result in the volatility of the price of our common stock. Solid Power, Inc. | 2022 Form 10-K | 30

Incorrect estimates or assumptions by management in connection with the preparation of our financial statements could adversely affect our reported assets, liabilities, income, revenue or expenses. The preparation of our consolidated financial statements requires management to make critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, income, revenue or expenses during the reporting **requirements** periods. Incorrect

estimates and assumptions by management could adversely affect our reported amounts of assets, liabilities, income, revenue and expenses during the Exchange reporting periods. If we make incorrect assumptions or estimates, our reported financial results may be over or understated, which could materially and adversely affect our business, financial condition and results of operations. If we are unable to maintain an effective system of internal controls and procedures required by the Sarbanes-Oxley Act, SOX we may not be able to accurately report our financial results in a timely manner, which may adversely affect investor confidence in us and materially and adversely affect our stock price, business and operating results. Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. A material weakness is a deficiency, or a combination of deficiencies, in internal controls over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Any newly-identified material weaknesses could limit our ability to prevent or detect a misstatement of our accounts or disclosures that could result in a material misstatement of our annual or interim financial statements. Efforts to remediate a material weakness, as we experienced in 2021 and 2022, may be time consuming and costly and there is no assurance that these initiatives will ultimately have the intended effects and permit us to timely file our periodic financial reports. If we are unable to maintain compliance with securities law requirements regarding timely filing of periodic reports or applicable stock exchange listing requirements, investors may lose confidence in our financial reporting and our stock price may decline as a result and we could become subject to litigation or investigations by the SEC or other applicable securities rules and regulatory regulations authorities, which could. These rules and regulations require us additional financial and management resources. We cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to avoid potential future material weaknesses. We incur significant expenses and administrative burdens as a public company, which could have an adverse effect on our business, financial condition and results of operations. As a public company, we face increased legal, accounting, administrative and other costs and expenses that we did not face as a private company. The Sarbanes-Oxley Act, including the requirements of Section 404, as well as rules and regulations subsequently implemented by the SEC, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations promulgated and to be promulgated thereunder, the PCAOB, and the securities exchanges impose additional reporting and other obligations on public companies. The development and implementation of the standards and controls necessary for us to achieve the level of accounting standards required of a public company in the United States may require costs greater than expected. We will be required to expand our employee base and hire additional employees to support our operations as a public company, which will increase our operating costs in future periods. Compliance with public company requirements increases costs and makes certain activities more time-consuming. A number of those requirements require us to carry out activities we have not done previously. For example, our Board has committees that did not exist when we were a private company and we have adopted new internal controls and disclosure controls and procedures. In addition, we incur significant expenses associated with SEC reporting requirements. Furthermore, if any issues in complying with those requirements are identified (for example, if the auditors identify a material weakness or significant deficiency in the internal control over financial reporting), we could incur additional costs rectifying those issues, and the existence of those issues could adversely affect our reputation or investor perceptions of it. As a public company, it is also more expensive to obtain director and officer liability insurance. The additional reporting and other obligations imposed by these rules and regulations will increase legal and financial compliance costs and the costs of related legal, accounting and administrative activities. In addition, These increased costs will require us to spend money that could otherwise be used on our research and development programs and to achieve strategic objectives. Advocacy advocacy efforts by stockholders and third parties may also prompt additional changes in governance and reporting requirements. Our management team and other personnel devote a substantial amount of time to compliance initiatives. Our compliance efforts may not be successful and may divert management's attention from other business concerns and harm our business, financial condition, and results of operations. We maintain cash deposits in excess of federally insured limits. Adverse developments affecting financial institutions, including bank failures, could adversely impact our liquidity and financial performance. We maintain domestic cash deposits in Federal Deposit Insurance Corporation, or FDIC, insured banks that exceed the FDIC insurance limits. The failure of a bank, or other adverse conditions in the financial or credit markets impacting financial institutions at which we maintain balances, could further increase costs adversely impact our liquidity and financial performance. Solid Power Bank failures; events involving limited liquidity, the defaults, non-performance, or other adverse developments that affect financial institutions; or concerns or rumors about such events may lead to liquidity constraints. +2022 Form- For example, on March 10 -K+, 2023, Silicon Valley Bank failed and was taken into receivership by the FDIC. We cannot guarantee that our deposits in excess of the FDIC or other comparable insurance limits will be backstopped by the U. S. or applicable foreign government, or that any bank or financial institution with which we do business will be able to obtain needed liquidity from other banks or government institutions or by acquisition in the event of a failure or liquidity crisis. 34Our-- Our ability to utilize our any net operating loss losses and or tax credit carryforwards to offset future taxable income may be subject to certain limitations. In general, under Section 382 of the Internal Revenue Code, limits the ability of a corporation that undergoes an "ownership change" is subject to limitations on its ability to use its pre-change NOLs net operating losses to offset future taxable income. An The limitations apply if a corporation undergoes an "ownership change," which is generally means defined as a greater than 50 percentage point change (by value) in its a corporation's equity ownership by certain stockholders over a three- year period. If we have experienced an ownership change at any time since our incorporation, we may be subject to these limitations on our ability to utilize our existing NOLs net operating losses and other tax attributes to offset taxable income or tax liability. In addition, the business combination and future changes in our stock ownership, which may be outside of our control, may trigger an ownership change. Changes in tax law or regulations could suspend the use of net operating losses or tax credits, possibly with retroactive effect. As a result, if we earn net taxable income, we could be unable or limited in our ability to use net

operating losses and other tax attributes to offset such taxable income, which could result in increased future income tax liabilities. Similar provisions of state tax law may also apply to limit our use of accumulated state tax attributes. **Solid Power** As a result, even position **Inc**. We may be involved in a variety of **2023 Form 10- K | 29Risks Related to Legal and Regulatory Compliance**Future litigation, other claims, suits, regulatory actions, or government investigations and inquiries and commercial **may lead us to incur significant costs or harm our reputation** contractual disputes that, from time to time, are significant. In addition, from **From** time to time, we may become also be involved in **significant litigation, regulatory actions, or government investigations and inquiries as well as** legal proceedings and investigations arising in the normal course of business including, **such as** without limitation, commercial or contractual disputes; including warranty claims; and other disputes with potential customers, former employees, and suppliers; intellectual property matters; personal injury claims; environmental issues; tax matters; and employment matters. **Further** For example, in connection with the business if we are earn net taxable income in the future, our ability to use our pre-change NOLs and other tax attributes to offset such taxable income or tax liability may be subject to limitations, which could potentially result in increased future income tax liability to us. There is also a risk that changes in law or regulatory changes may result in suspensions on the use of NOLs or tax credits, possibly with retroactive effect, and our existing NOLs or tax credits expiring or otherwise being unavailable to offset future income tax liabilities. The unavailability, reduction or elimination of government and economic incentives could have a material adverse effect on our business, prospects, financial condition and operating results. We currently, and expect to continue to, benefit directly and indirectly from certain government grants, subsidies and economic incentives including tax credits, rebates and other incentives that support the development and adoption of clean energy technology. We cannot assure you that these grants, subsidies and incentive programs will be available to us at the same or comparable levels in the future. Any reduction, elimination or discriminatory application of government grants, subsidies and economic incentives because of policy changes, or the reduced need for such grants, subsidies and incentives due to the perceived success **successful in** of clean and renewable energy products or **our** other reasons **commercialization efforts**, may require us to seek additional financing, which may not be obtainable on commercially attractive terms or at all, and may result in the diminished competitiveness of the battery cell industry generally or our solid-state battery cells in particular. Any change in the level of grants, subsidies and incentives from which we benefit could materially and adversely affect our business, prospects, financial condition and operating results. **Risks Related to Legal and Regulatory Compliance** We may become subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend **or our** insure against such claims. If we are successful in our commercialization efforts, we may become subject to product **products** liability claims which could harm our business, prospects, operating results, and financial condition. We face inherent risk of exposure to claims in the event our battery cells do not perform as expected or malfunction resulting in personal injury. **The defense of lawsuits, regulatory actions, or government investigations and inquiries may divert or our death. Our risks management's attention, and we may incur significant expenses in this area addressing these matters. In the future, we may be required to pay damages or settlements or become subject to injunctions or other equitable remedies, and such claims or liabilities may not be covered by our insurance or by any rights of indemnity or contribution that we have against others. Although we maintain insurance in amounts we believe to be adequate, we may incur claims or liabilities for which we are not insured particularly pronounced given our or that exceed** cells and electrolyte are still in the development stage **amount of our insurance coverage. The outcome of litigation, regulatory actions, and government investigations and inquiries is often difficult to predict, and future litigation, regulatory actions, or government investigations and inquiries could have not yet been commercially tested a material adverse effect on or our mass produced business, prospects, results of operations, and financial condition. A Additionally, even if successful unsuccessful product liability claim against us could require us to pay a substantial monetary award. Moreover, a product liability claim lawsuit, regulatory action, or government investigation could generate substantial negative publicity about our technology and business and, inhibit or prevent commercialization of our cells and electrolyte and future product products candidates, which would have a material adverse effect on our brand and impede our** business, prospects and operating results. Any insurance coverage might not be sufficient to cover all potential product liability **ability** claims. Any lawsuit seeking monetary damages either in excess of our coverage, or outside of our coverage, may have a material adverse effect on our reputation, business and financial condition. We may not be able to secure additional product liability insurance coverage on commercially acceptable terms or at reasonable costs when needed, **any one of** particularly if we do face liability for our products and are forced to make a claim under then-existing policies. **Solid Power, Inc. | 2022 Form 10- K | 32** From time to time, we may be involved in litigation, regulatory actions or government investigations and inquiries, which could have **an a material adverse impact effect** on our **profitability business, prospects, results of operations, and consolidated financial condition** position. We may be involved in..... ultimately settling with, such alleged stockholder. We are subject to substantial regulation, and **unfavorable** changes to, or failure by us to comply with, these regulations could **substantially harm have a material adverse effect on** our business and operating, **prospects, results**. The sale of EVs **operations**, and motor vehicles in general, **financial condition. Our technology** is subject to substantial regulation under international, federal, state, and local laws, including export control laws and other international trade regulations, which are continuously evolving as technology develops and becomes more widely adopted. We anticipate that our battery cells and electrolyte also would be subject to these regulations, and we expect to incur significant costs in complying with these regulations **as we develop and work to commercialize our technology**. The U. S. government has made and continues to make significant changes in U. S. trade policy and has taken certain actions that could **negatively adversely** impact U. S. trade, including imposing tariffs on certain goods imported into the United States, increasing scrutiny on foreign direct investment, and modifying export control laws applicable to certain technologies. In retaliation, other countries have implemented, and continue to evaluate, **imposing** additional trade controls on a wide range of **American U. S.** products and companies. The U. S. or foreign governments may take additional administrative, legislative, or regulatory action

that could materially interfere with our ability to source and procure the raw materials we need for our research and development activities and, in the future, to sell products in certain countries. Sustained uncertainty about, or worsening of, current global economic conditions and further escalation of trade tensions between the United States and its trading partners could result in a global economic slowdown and long-term changes to global trade. **Compliance** Any alterations to our business strategy or operations made in order to adapt to or comply with any such changes could, **and monitoring of, applicable regulations may be difficult, time-consuming, and expensive costly. The nature and extent of any changes in regulations, and their impact on our business, may be unpredictable**, and certain of our competitors may be better suited to withstand or react to these changes. **To the extent Any changes in the laws and regulations to which we or our partners, contractors, suppliers, or customers are subject, or any change changes in enforcement, administration, our- or interpretation of such products may not comply with applicable international, federal, state or local laws or regulations, which would could interfere have an a material** adverse effect on our business. Compliance with changing regulations could be burdensome, time consuming, and expensive. To the extent compliance with new regulations is cost prohibitive, our business, prospects, **results of operations, and** financial condition and operating results would be adversely affected. Internationally, there may be **We are also subject to laws affecting our operations outside of the United States, including anti- bribery laws, anti- corruption laws, anti- money laundering, and export control laws. For example, our products — including our cells and related technology — are or may in the future be subject to trade and export control laws and regulations in the United States and other jurisdictions where we do business. As a result, an export license may be required to export or re- export our products and technology to certain countries or end- users or for certain end- uses or such export, re- export, or end uses may be prohibited. Obtaining the necessary export license for a particular sale or offering may not be possible or may be time- consuming and may result in the delay or loss of sales opportunities. Additionally, the FCPA prohibits bribery of foreign public officials, government employees, and political parties and requires public companies in the United States to keep books and records that accurately and fairly reflect their transactions. We may leverage third parties to sell our products and conduct our business abroad, and we or such third parties may interact with officials and employees of government agencies or state- owned or- affiliated entities. Regulators in the United States and a number of other countries have expanded their focus on enforcement of anti- bribery, anti- corruption, and export control laws in recent years. While we have implemented policies and procedures designed to ensure compliance by us and our personnel with the FCPA and other applicable anti- bribery, anti- corruption, anti- money laundering, and export control laws, such policies and procedures may not yet entered or be effective in all instances to prevent violations. Any determination that we have violated these laws could subject us to, among we are unaware of in jurisdictions we have entered that may restrict our sales or other business practices. The laws in this things area can be complex, civil difficult to interpret and criminal penalties, significant fines, profit disgorgement, injunctions may change over time. Continued regulatory limitations and other obstacles that may interfere with our ability to commercialize our products could have a negative and material impact on future conduct, securities litigation, suspension our- or disbarment business, prospects, financial condition and results of operations. Solid Power, Inc. | 2022-2023 Form 10- K | 30from government contracts 33Our technology and our website, systems, and loss data we maintain may be subject to intentional disruption, other security incidents, or alleged violations of laws export privileges, any one of which regulations, or other obligations relating to data handling that could result in liability and adversely impact our reputation and future sales. We may be required to expend significant resources to continue to modify or enhance our protective measures to detect, investigate and remediate vulnerabilities to security incidents, including measures impacting our ability to develop and maintain a supply chain. In addition, we will be required to comply with rapidly evolving laws and regulations legislation in this area. Any future failure by us to comply with applicable cybersecurity or data privacy legislation or regulation could have a material adverse effect on our business, reputation prospects, results of operations or, and financial condition. Responding to any investigation or action may also divert our management's attention, and we may incur significant expenses in defending an investigation or action. Additionally, we and our partners, contractors, suppliers, and customers are subject to numerous international, federal, state, and local environmental health and safety laws and regulations that may require us or our partners, contractors, suppliers, or customers to obtain permits; comply with procedures or restrictions; or incur significant capital, operating, and other costs associated with compliance. For example, our manufacturing process creates regulated air emissions, and we are required to utilize emissions control technology as a result. Our facilities are also subject to environmental permitting requirements, and permitting agencies with discretionary authority may refuse to issue required permits or impose costly permit conditions. Such actions could increase the cost, or lengthen the timeline, of developing additional manufacturing facilities. Future changes in permitted uses or conflicts with non- governmental organizations regarding the use of land for our manufacturing facilities could delay or prevent us from building additional research and development and manufacturing facilities, which could have a material adverse effect on our business, prospects, results of operations, and financial condition. Further, we rely on third- party contractors to ensure compliance with certain laws and regulations, including those relating to the disposal of wastes. If we are unable to secure contractors for key supply chain and disposal services, we could incur increased costs for compliance with environmental health and safety laws and regulations. Any determination that we or our contractors have violated these laws and regulations could subject us to, among other things, civil and criminal penalties, other liabilities under such laws and regulations, and liabilities for any impacts to human health or natural resources, any one of which could have a material adverse effect on our business, prospects, results of operations, and financial condition. We expect may be adversely impacted by a disruption or failure of our information technology infrastructure, data security breach, or failure to comply face significant challenges with respect to privacy laws. Our information technology infrastructure is critically important to security and maintaining the security and integrity of our business operations. We rely heavily on a**

host of computer software and hardware systems and other systems used in our business, including as well as with respect to the data stored on or our financial processed by these systems. We also anticipate receiving and storing confidential business information of our partners and customers. Advances in technology, accounting an increased level of sophistication and expertise of hackers, and new discoveries in the field of cryptography can result in a compromise or breach of the systems used in our business or of security measures used in our business to protect confidential information, personal information, and other data processing. We may be a target for attacks designed to disrupt our operations or to attempt to gain access to our systems and or to data that we possess, including proprietary information that we obtain from our partners pursuant to our JDAs with them. We also are at risk for interruptions, outages and breaches of our and our outsourced service providers' operational systems of and security systems, our integrated software and technology, and data that we or our third- party service providers process or possess. These may be caused by, among other causes, physical theft, viruses or other malicious code, denial or degradation of service attacks, ransomware, social engineering schemes, and insider theft or misuse. The availability and effectiveness of our cell technology and our ability to conduct our business and operations depend on the continued operation of information technology and communications systems, some of which we have yet to develop or otherwise obtain the ability to use. Systems we currently use or may use in the future in conducting our business, including data centers and other information technology systems, many will be vulnerable to damage or interruption. Such systems could also be subject to break-ins, sabotage and intentional acts of which are managed vandalism, as well as disruptions and security incidents as a result of non-technical issues, including intentional or inadvertent acts or omissions by employees, service providers, or others. We currently use, and may use in the future, outsourced service providers to help provide certain services, and any such outsourced service providers face similar security and system disruption risks as us. Our ability to monitor our outsourced service providers' security measures is limited, and, in any event, third parties or used in connection with shared service centers, may be able susceptible to circumvent damage, disruptions, or shutdowns due to factors outside of our control, such as failures during those-- the process of upgrading or replacing software, databases, or components thereof; maintenance or security issues with migration of personal, confidential, applications to the " cloud; " power outages; hardware or software failures; cyberattacks and other data-cyber incidents; telecommunication failures; denial of service; user errors; or natural disasters , including data relating to individuals terrorist attacks, or other catastrophic events . Some of the our information technology systems are used in our business will not be fully redundant, and our disaster recovery planning cannot account for all eventualities. Any We and our third- party service providers face various security threats on a regular basis, including ongoing cybersecurity threats to and attacks on our and their information technology infrastructure. Cyberattack techniques change often, may not immediately be recognized, and can originate from a wide variety of sources. There has been an increase in the frequency, sophistication, and ingenuity of the data security threats we and our service providers face. We have experienced threats to our data and systems, and existing measures may not prevent or limit the impact of a future incidents-- incident. Any unauthorized access to or acquisition of data belonging to us or our partners, contractors, suppliers, customers, or employees could result in loss or theft of confidential information or intellectual property, financial loss or misappropriation of funds, a disruption of our business, damage to our reputation and competitive position, and exposure to regulatory intervention and fines, and other disruptions to liability, any data centers one of which could have a material adverse effect on or our other business, prospects, results of operations, and financial condition. Additionally, if our partners, contractors, suppliers, and customers experience a breach or systems-- system used in our failure, their business could be disrupted, which could result in lengthy interruptions a disruption in our supply chain our- or service and may adversely affect our research business, prospects, financial condition, reputation and operating results development activities . We incur Significant significant costs capital and other resources may be required in efforts to building and maintaining our information technology infrastructure; protect-protecting against information security or remediating breaches, security incidents, and system disruptions ;, or to alleviate problems caused by actual or suspected information security breaches and other monitoring and complying with evolving and complex data privacy regulations, which costs security incidents and system disruptions. The resources required may increase over time as the methods used by hackers. We are subject to a variety of laws and regulations regarding privacy, data protection, and data security, and many jurisdictions require companies to notify individuals, regulatory authorities, and others of security breaches involving certain types of engaged in online criminal activities and otherwise seeking to obtain unauthorized access to systems or data , and to disrupt systems, are increasingly sophisticated and constantly evolving. In particular, ransomware attacks have become more prevalent in the industrial sector, which could materially and adversely affect our ability to operate and may result in significant expense. In addition, we may face increased compliance burdens regarding such requirements with regulators and customers regarding our products and services and also incur additional costs for oversight and monitoring of our supply chain. These additional compliance and logistical burdens are attenuated through our international partnerships. We also cannot be certain that these systems, networks, and other infrastructure or technology upon which we rely, including those of our third- party suppliers or service providers, will be effectively implemented, maintained or expanded as planned, or will be free from bugs, defects, errors, vulnerabilities, viruses, or malicious code. We may be required to expend significant resources to make corrections notify third parties of a breach, and or our insurance coverage may not be sufficient to remediate issues that are identified cover claims or liabilities related to a breach or incident. Further, we may be unable to comply with changes in data privacy regulations in the necessary timeframe or at reasonable cost, and any failure or alleged or perceived failure to comply with applicable data privacy regulations could result in regulatory investigations and proceedings, fines and other liability, and damage to or our reputation to find alternative sources. Solid Power, Inc. | 2022 2023 Form 10- K | 31 We 34 Any failure or perceived failure by us or our service providers to prevent information security breaches or other security incidents or system disruptions, or any compromise of security that results in or is perceived or

reported to result in unauthorized access to, or loss, theft, alteration, release or transfer of, our information, or any personal information, confidential information, or other data could result in loss or theft of proprietary or sensitive data and intellectual property, could harm our reputation and competitive position and could expose us to legal claims, regulatory investigations and proceedings, and fines, penalties, and other liability. Any such actual or perceived security breach, security incident or disruption could also divert the efforts of our technical and management personnel and could require us to incur significant costs and operational consequences in connection with investigating, remediating, eliminating and putting in place additional tools, devices, policies, and other measures designed to prevent actual or perceived security breaches and other incidents and system disruptions. Moreover, we could be required or otherwise find it appropriate to expend significant capital and other resources to respond to, notify third parties of, and otherwise address the incident or breach and its root cause, and most jurisdictions have enacted laws requiring companies to notify individuals, regulatory authorities and others of security breaches involving certain types of data. Further, we cannot assure that any limitations of liability provisions in our current or future contracts that may be applicable would be enforceable or adequate or would otherwise protect us from any liabilities or damages with respect to any particular claim relating to a security breach or other security-related matter. We also cannot be sure that our existing insurance coverage will continue to be available on acceptable terms or will be available in sufficient amounts to cover claims related to a security breach or incident, or that the insurer will not deny coverage as to any future claim. The successful assertion of claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, including our financial condition, operating results, and reputation. Additionally, laws, regulations, and other actual and potential obligations relating to privacy, data hosting and transparency of data, data protection, and data security are evolving rapidly, and we expect to potentially be subject to new laws and regulations, or new interpretations of laws and regulations, in the future in various jurisdictions. These laws, regulations, and other obligations, and changes in their interpretation, could require us to modify our operations and practices, restrict our activities, and increase our costs. Further, these laws, regulations, and other obligations are complex and evolving rapidly, and we cannot provide assurance that we will not have claims, allegations, or other proceedings related to actual or alleged obligations relating to privacy, data protection, or data security. It is possible that these laws, regulations, and other obligations may be inconsistent with one another or be interpreted or asserted to be inconsistent with our business or practices. We anticipate needing to dedicate substantial resources to comply with laws, regulations, and other obligations relating to privacy and cybersecurity in order to comply. Any failure or alleged or perceived failure to comply with any applicable laws, regulations, or other obligations relating to privacy, data protection, or data security could also result in regulatory investigations and proceedings, and misuse of or failure to secure data relating to individuals could also result in claims and proceedings against us by governmental entities or others, penalties and other liability, and damage to our reputation and credibility, and could have a negative impact on our business, prospects, financial condition and operating results. We are subject to various existing and future environmental health and safety laws, which may result in increased compliance costs or additional operating costs and restrictions. Failure to comply with such laws and regulations may result in substantial fines or other limitations that could adversely impact our financial results or operations. Our company and our operations, as well as our contractors, suppliers, and customers, are subject to numerous federal, state, local and foreign environmental laws and regulations governing, among other things, the generation, storage, transportation, and disposal of hazardous substances and wastes. We are also subject to a variety of product stewardship and manufacturer responsibility laws and regulations, primarily relating to the collection, reuse and recycling of electronic waste, as well as regulations regarding the hazardous material contents of electronic product components and product packaging, and non-hazardous wastes. We or others in our supply chain may be required to obtain permits and comply with procedures that impose various restrictions and operations that could have adverse effects on our operations. If key permits and approvals cannot be obtained on acceptable terms, or if other operations requirements cannot be met in a manner satisfactory for our operations or on a timeline that meets our commercial obligations, it may adversely impact our business. There are also significant capital, operating and other costs associated with compliance with these environmental laws and regulations. Solid Power, Inc. | 2022 Form 10-K | 35 Environmental and health and safety laws and regulations are subject to change and may become more stringent in the future, such as through new regulations enacted at the supranational, national, sub-national, and / or local level or new or modified regulations that may be implemented under existing law. The nature and extent of any changes in these laws, rules, regulations, and permits may be unpredictable and may have material effects on our business. Future legislation and regulations or changes in existing legislation and regulations, or interpretations thereof, could cause additional expenditures, restrictions, and delays in connection with our operations as well as our other future projects, or may require us to manufacture with alternative technologies and materials. Our manufacturing process creates regulated air emissions which are typically managed within established permit limits by available emissions control technology. Should permitted limits or other requirements change in the future, the company may be required to install additional, more costly control technology. If we were to violate any such permit or related permit conditions, we may incur significant fines and penalties. We rely on third parties to ensure compliance with certain environmental laws, including those relating to the disposal of wastes. Any failure to properly handle or dispose of wastes, regardless of whether such failure is ours or our contractors, may result in liability under environmental laws, as well as liability for any impacts to human health or natural resources. The costs of liability with respect to contamination could have a material adverse effect on our business, financial condition, or results of operations. Additionally, we may not be able to secure contracts with third parties and contractors to continue their key supply chain and disposal services for our business, which may result in increased costs for compliance with environmental laws and regulations. Our research and development activities expose our employees to potential occupational hazards such as, but not limited to, the presence of hazardous materials, machines with moving parts, and high voltage and / or high current electrical systems typical of large manufacturing equipment and related safety incidents. There may be safety incidents that damage machinery or product, slow or stop production, or harm

employees. Employees may be exposed to toxic hydrogen sulfide as a result of the components we use being exposed to moisture. If released in an uncontrolled manner, this hydrogen sulfide can create hazardous working conditions. Consequences may include litigation, fines, increased insurance premiums, mandates to temporarily halt production, workers' compensation claims, or other actions that impact our brand, finances, or ability to operate. Some of our operations involve the manufacture and/or handling of a variety of explosive and flammable materials. We might experience incidents such as leaks and ruptures, explosions, fires, transportation accidents involving our chemical products, chemical spills and other discharges or releases of toxic or hazardous substances or gases and environmental hazards in the future or that these incidents will not result in production delays or otherwise have a material adverse effect on our business, financial condition or results of operations, for which we may not be adequately insured. We rely on government contracts and grants for a substantial portion of our revenue and to partially fund our research and development activities, which and such contracts and grants are subject to a number of uncertainties, challenges, and risks. We currently rely on government contracts and grants for a substantial portion of our revenue and to partially fund our research and development activities. Contracts and grants with government entities are subject to a number of risks. Obtaining grant funding and selling to government entities can be highly competitive, expensive, and time consuming, often requiring significant upfront time and expense without any assurance of that we will be successful. success.

Awards of In the event that we are successful in being awarded a government contract contracts or and grant grants, such award may be subject to appeals, disputes, or litigation, including, but not limited to, bid protests by unsuccessful bidders. Availability of government funding for our solutions may be impacted by public sector budgetary cycles and funding authorizations, with funding reductions or delays could adversely affecting impact public sector demand for our solutions technology. Where Further, government funds are used, the government may require all work to be performed in and/or certain products to be manufactured in the United States, and we may not manufacture all products in locations that meet government requirements, and as a result, our business and results of operations may suffer. Contracts with governmental entities may also include preferential pricing terms, including, but not limited to, "most favored customer" pricing and obligations to disclose aspects of how our pricing is developed. Additionally, we may be required to obtain special certifications to sell some or all of our solutions to government or quasi-government entities. Such certification requirements for our solutions may change, thereby restricting our ability to sell into the federal government sector until we have obtained such certification. If our products are late in achieving or fail to achieve compliance with these certifications and standards, or our competitors achieve compliance with these certifications and standards, we may be disqualified from selling our products to such governmental entities, or be at a competitive disadvantage, which would harm our business, results of operations, and financial condition. There are no assurances that we will find the terms for obtaining such certifications to be acceptable or that we will be successful in obtaining or maintaining the certifications. Solid Power, Inc. | 2022 Form 10-K | 36

As a government contractor or subcontractor, we must comply with laws, regulations, and contractual provisions relating to the formation, administration, and performance of government contracts and grants and inclusion on government contract vehicles, which affect how we and our partners do business with government agencies. Government contracts often contain provisions and are subject to laws and regulations that provide government customers with additional rights and remedies not typically found in commercial contracts. For example, These rights and remedies allow government customers may, among other things, to terminate existing contracts for convenience, and/or with short notice, and without cause, and whether. Government contracts may also require work to be performed or products to be manufactured in a particular jurisdiction, include preferential pricing terms, or require us to obtain special certifications. If such certification requirements change or we fail to timely achieve or maintain compliance with applicable requirements, we may be at a competitive disadvantage and disqualified from selling our technology to government contract or quasi-grant might be terminated by the government entities under such a provision is outside of our control and could adversely affect our revenue. As a government contractor result of actual or perceived noncompliance-subcontractor, we must comply with government contracting laws, regulations, or and contractual provisions relating, we may be subject to the formation, administration, and performance of government contracts and grants, which may impose added costs on our business. Any failure to comply with such laws, regulations, and provisions could lead to claims for damages from our partners, contract price adjustments or refunds, civil or criminal penalties, termination of contract, suspension or debarment from obtaining government contracts and grants, or non-ordinary course audits and internal investigations, any one of which may prove costly to our business financially, divert management time, or limit our ability to continue selling our products and services to our government customers. These laws and regulations may impose other added costs on our business, and failure to comply with these or other applicable regulations and requirements, including non-compliance in the past, could lead to claims for damages from our partners, downward contract price adjustments or refund obligations, civil or criminal penalties, and termination of contracts and suspension or debarment from obtaining government contracts and grants for a period of time with government agencies. Any such damages, penalties, disruption, or limitation in our ability to do business with a government could have a material adverse effect on our business, prospects, results of operations, and financial condition, public perception and growth prospects. In We are subject to multiple environmental permitting processes at the national, sub-national, and/or local level. Failure to obtain key permits and approvals may adversely impact our business. Our facilities are subject to local, state and federal siting and environmental permitting requirements. Permitting agencies with discretionary authority may refuse to issue required permits, forcing consideration of alternative sites, or may impose costly permit conditions. Such actions could increase the cost, or lengthen the timeline, of developing additional addition manufacturing facilities. Even if to government contracts and grants, we successfully navigate our way through benefit from certain government subsidies and economic incentives, including tax credits, rebates, and the other incentives permitting phases, that support future conflicts may arise in the course of our development activities, including restrictions on our actions due to new or evolving environmental legislation, changes in permitted uses and conflicts with non-governmental organizations regarding the use of land and adoption for our

manufacturing facilities. If such conflicts arise, we may be delayed or prevented from building our research and development and manufacturing facilities, which could have a negative impact on our financial condition, prospects, and results of operations. We are subject to anti-corruption and anti-bribery laws and anti-money laundering laws, and non-compliance with such laws can **clean energy technology** subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition and reputation. We are subject to the FCPA, the U. S. domestic bribery statute contained in 18 U. S. C. § 201, the U. S. Travel Act, and possibly other anti-bribery and anti-corruption laws and anti-money laundering laws in various jurisdictions in which we conduct, or in the future may conduct, activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit us and our officers, directors, employees, business partners, agents, representatives and third-party intermediaries from corruptly offering, promising, authorizing or providing, directly or indirectly anything of value to recipients in the public or private sector. We may leverage third parties to sell our products and conduct our business abroad. We, our officers, directors, employees, business partners, agents, representatives and third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and may be held liable for the corrupt or other illegal activities of these employees, agents, representatives, business partners or third-party intermediaries even if we do not explicitly authorize such activities. We cannot **guarantee** assure you that **government grants, subsidies, and incentives will be available to us at the same or comparable levels in the future. Any reduction, elimination, or discriminatory application of these grants, subsidies, or incentives may require us to seek additional financing, which may not be obtainable on commercially attractive terms or at all, and may diminish the competitiveness of the battery industry generally** our- or officers, directors, employees, business partners, agents, representatives and third-party intermediaries will not take actions in violation of applicable law, for which we may be ultimately held responsible. If we conduct international sales and business, our risks under **technology in particular. Any change in our ability to secure these grants** laws may increase. These laws also require companies to make and keep books, **subsidies** records and accounts that accurately reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls and compliance procedures designed to prevent any such actions. While we have certain policies and procedures to address compliance with such laws, we cannot assure you that none of our officers, directors, employees, business partners, agents, representatives and **incentives** third-party intermediaries will take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. Solid Power, Inc. | 2022 Form 10-K | 37A violation of these laws or regulations could adversely affect our business, results of operations, financial condition and reputation. Our policies and procedures designed to ensure compliance with these regulations may not be sufficient and our directors, officers, employees, representatives, consultants, agents, and business partners could engage in improper conduct for which we may be held responsible. Any allegations or violation of the FCPA or other applicable anti-bribery and anti-corruption laws and anti-money laundering laws could subject us to whistleblower complaints, adverse media coverage, investigations, settlements, prosecutions, enforcement actions, fines, damages, loss of export privileges, and severe administrative, civil and criminal sanctions, suspension or debarment from government contracts, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, results of operations, prospects, financial condition and reputation. Responding to any investigation or action will likely result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees. Changes in laws or regulations, or a failure to comply with any laws or regulations, may adversely affect our business, investments and results of operations. We are subject to laws and regulations enacted by national, regional and local governments. In particular, we are required to comply with certain SEC and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time-consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and **prospects**, results of operations. In addition, a failure to comply with applicable **and financial condition. Changes in relevant tax** laws or regulations, **an adverse interpretation of these items by tax authorities, or changes to our obligations** as interpreted and applied, could have a material adverse effect on our business and results of operations. As a result of plans to expand **expanded** our business operations **could adversely impact our effective**, including to jurisdictions in which tax laws may not be favorable **rate and tax liability. We are subject to income**, our **withholding, and other tax** obligations **in the United States and the Republic of Korea and** may change or fluctuate, become significantly more complex or become subject to **taxation in additional international** greater risk of examination by taxing authorities, **state**, any of which could adversely affect our after-tax profitability and financial results **local jurisdictions with respect to income, operations, and subsidiaries related to those jurisdictions**. Our effective tax rates may fluctuate widely in the future, particularly if our business expands domestically or internationally. Future effective tax rates could be affected by operating losses in jurisdictions where no tax benefit can be recorded under GAAP, changes in deferred tax assets and liabilities, or changes in tax laws. Factors that could materially affect our future effective tax rates **may fluctuate widely. Our effective** include, but are not limited to: (i) changes in tax **rate** laws or the regulatory environment, (ii) changes in accounting and tax standards or practices **a given financial reporting period may be materially impacted by a variety of factors**, such as (iii) changes in the composition of operating income by tax jurisdiction ; **changes in deferred tax assets** and (iv) **liabilities, application of accounting and tax standard, and our** pre-tax operating results ; and new our- or **business revised tax legislation**. Additionally, we **record** may be subject to significant income, withholding, and other tax **expense based** obligations in the United States and may become subject to taxation in numerous additional U. S. state and local and non- **on** - U. S. **our estimates of future payments, which may include reserves for uncertain tax positions in multiple tax** jurisdictions with respect to income, operations and subsidiaries **valuation allowances** related to **certain net** those jurisdictions. Our after-tax profitability and financial results could be subject to volatility or be affected by numerous factors, including (i) the

availability of tax deductions, credits, exemptions, refunds and other benefits to reduce tax liabilities, (ii) changes in the valuation of deferred tax assets and liabilities, if any **one time**, (iii) the expected timing and amount of the release of any **many tax years may be** valuation allowances, (iv) the tax treatment of stock-based compensation, (v) changes in the relative amount of earnings subject to tax in the **audit or examination by** various **taxing** jurisdictions, (vi) **and the results of the these audits** potential business expansion into **examinations** or otherwise becoming subject to tax in additional jurisdictions, (vii) changes to existing intercompany structure (and **negotiations with** any costs related thereto) and business operations, (viii) the extent of intercompany transactions and the extent to which **taxing authorities in relevant jurisdictions respect may affect the ultimate settlement of these these** intercompany transactions, **issues. Increases in our effective tax rate and tax** (ix) the ability **liability** to structure business operations in an efficient and competitive manner. Outcomes from audits or examinations by **taxing authorities** could have an **a material** adverse effect on our after-tax profitability **business, prospects, results of operations**, and financial condition. Additionally, the IRS and several foreign tax authorities have increasingly focused attention on intercompany transfer pricing with respect to sales of products and services and the use of intangibles. Tax authorities could disagree with our intercompany charges, cross-jurisdictional transfer pricing or other matters and assess additional taxes. If we do not prevail in any such disagreements, our profitability may be affected. Our after-tax profitability and financial results may also be adversely affected by changes in relevant tax laws and tax rates, treaties, regulations, administrative practices and principles, judicial decisions and interpretations thereof, in each case, possibly with retroactive effect. Solid Power, Inc. | 2022 Form 10-K | 38

Changes to applicable tax laws and regulations or exposure to additional income tax liabilities could affect our business and future profitability. We are a U. S. corporation and thus subject to U. S. corporate income tax on our worldwide income. Further, our operations and customers are primarily located in the United States, and, as a result, we are subject to various U. S. federal, state and local taxes. U. S. federal, state and local and non-U. S. tax laws, policies, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us and may have an adverse effect on its business and future profitability. For example, several tax proposals have been set forth that would, if enacted, make significant changes to U. S. tax laws. Congress may consider, and could include, some or all of these proposals in connection with tax reform that may be undertaken. It is unclear whether these or similar changes will be enacted and, if enacted, how soon any such changes could take effect. The passage of any legislation as a result of these proposals and other similar changes in U. S. federal income tax laws could adversely affect our business and future profitability. Risks Related to our Common Stock and the **Warrants**

The price of our common stock and **Warrants** Sales ----- **Warrants could be adversely impacted by sales** of substantial amounts of our common stock **or Warrants** in the public **market** market, or the perception that such sales could occur, could cause the market price of our common stock to drop significantly. Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the **market** price of our common stock **and Warrants**. **We Solid Power, Inc. | 2023 Form 10-K | 32**

We have registered shares reserved for future issuance under our equity **incentive** compensation plans. Subject to the satisfaction of applicable vesting restrictions, the shares issued thereunder will be available for immediate resale in the public market. **We may not realize the anticipated benefits of our stock repurchase program, and any failure to repurchase shares of our common stock may adversely impact the price of our common stock. On January 23, 2024, we announced that our Board approved a stock repurchase program authorizing us to purchase up to \$ 50 million of our outstanding common stock. Under the repurchase program, we may purchase shares of our common stock from time to time on the open market, in unsolicited negotiated transactions, or in any manner that complies with the provisions of Rule 10b- 18 of the Exchange Act. The repurchase program expires December 31, 2025. The timing and amount of any purchases under the repurchase program will depend on a number of factors, such as the price of our common stock, economic and market conditions, and corporate and regulatory requirements. If we do not purchase shares of our common stock under the repurchase program, our reputation, investor confidence, and the price of our common stock may be adversely impacted. The existence of the repurchase program could cause the price of our common stock to be higher than it otherwise would be and potentially reduce the market liquidity for our common stock. Further, we cannot guarantee that any purchases under the repurchase program will enhance long- term stockholder value. For example, the price of our common stock may decline below the levels at which we purchase such shares, and short- term fluctuations in the price of our common stock could reduce the effectiveness of the repurchase program. Purchasing shares of our common stock under the repurchase program will also reduce the amount of cash we have available to fund capital expenditures, investments in strategic initiatives, other operating requirements, and further share repurchases, and we may fail to realize the anticipated benefits of the repurchase program**

If securities or industry analysts do not publish, or cease publishing, or **publish inaccurate or unfavorable**, research or reports about us, our business, or our market, or if they **adversely** change their recommendations regarding our common stock **adversely**, the price and trading volume of our common stock **and Warrants** could decline. The trading market for our common stock and **warrants** **Warrants is** will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market, or our competitors. If any of **the these** analysts **adversely** who may cover us change their recommendation regarding our common stock **adversely**, or provide more favorable relative recommendations about our competitors, the price of our common stock and **warrants** **Warrants** would **could** likely decline. If any **of these analyst analysts** who may cover us were to cease their coverage or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause **the our stock** price or trading volume **of our common stock and Warrants** to decline. **The We** may issue **issuance of** additional **shares of** common stock under an **employee our equity** incentive **compensation plan plans** or an employee stock purchase plan or **shares of** preferred stock. Any such **issuances** would dilute the interest of our stockholders and **likely may** present other risks. We may issue a substantial number of additional shares of common stock under an **employee our equity** incentive **compensation plan plans** or an employee stock purchase plan, and we may also issue preferred stock.

The issuance of additional shares of common stock or **shares** of preferred stock: • may significantly dilute the equity interests of our ~~investors~~ **existing stockholders**; • ~~may~~ **would** subordinate the rights of holders of common stock if preferred stock is issued with rights senior to those afforded our common stock; • could cause a change in control if a substantial number of shares of our common stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors; and • may adversely **impact the** ~~affect prevailing market prices~~ **price for of** our common stock and ~~for warrants~~ **Warrants**. Solid Power, Inc. | ~~2022~~ **2023** Form 10- K | ~~39~~ **33** Delaware law and provisions in our Second A & R Charter and Bylaws might delay, discourage, or prevent a change in control of the Company or changes in our management, thereby depressing the ~~market~~ price of our common stock and ~~warrants~~ **Warrants**. ~~We are~~ Our status as a Delaware corporation, and the anti- takeover provisions of the DGCL may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, ~~the provisions of our~~ **the provisions of our** Second A & R Charter and ~~our Bylaws contain provisions that~~ may make the acquisition of us more difficult, ~~deter hostile~~ **takeovers**, or delay or prevent changes in ~~control of~~ our management. Among other things, these provisions: • provide advance notice procedures with regard to stockholder nominations of candidates for election as directors or other stockholder proposals to be brought before meetings of our stockholders, which may ~~preclude~~ **discourage** our stockholders from bringing certain matters before meetings of our stockholders; • provide the Board the ability to authorize issuance of preferred stock ~~in one or more series~~, which makes it possible for the Board to issue, without our stockholder ~~s~~ approval, preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of Solid Power and which may have ~~the effect of deterring hostile takeovers or delaying changes in control or management of Solid Power~~; • provide ~~that the~~ **for a** ~~classified~~ Board ~~with staggered~~ be divided into three classes of directors ~~— year terms~~, with each class as nearly equal in number as possible; ~~;~~ ~~servicing staggered three-year terms~~; • ~~a prohibition~~ **prohibit** on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders; • provide that certain provisions of our Second A & R Charter can only be amended or repealed by the affirmative vote of the holders of at least 66 2 / 3 % in voting power of the outstanding shares of our common stock entitled to vote thereon, voting together as a single class; • provide that certain provisions of our Bylaws can be altered or repealed by (i) the Board or (ii) our stockholders upon the affirmative vote of 66 2 / 3 % of the voting power of our common stock outstanding and entitled to vote thereon, voting together as a single class; • ~~provide that~~ only the Board (pursuant to a majority vote) or the Chairperson of the Board may call a special meeting ~~of stockholders~~; and • ~~the designation~~ **designate** of Delaware and federal courts as the exclusive forum for certain disputes. Our Bylaws designate ~~state courts within~~ **the Court of Chancery of** the State of Delaware as the exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees, or agents. Our Bylaws provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another ~~State state~~ court in Delaware or the federal district court for the District of Delaware) shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of Solid Power, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, stockholder, officer or other employee of Solid Power to us or our stockholders, (iii) any action arising pursuant to any provision of the DGCL ~~— or~~ our Second A & R Charter or our Bylaws (as either may be amended from time to time), or (iv) any action asserting a claim governed by the internal affairs doctrine, except for, as to each of (i) through (iv) above, any claim as to which such court determines that there is an indispensable party not subject to the jurisdiction of such court (and the indispensable party does not consent to the personal jurisdiction of such court within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than such court or for which such court does not have subject matter jurisdiction. Solid Power, Inc. | ~~2022~~ **2023** Form 10- K | ~~40~~ **34** In addition, our Bylaws provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America will be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act against any person in connection with any offering of our securities, including, without limitation and for the avoidance of doubt, any auditor, underwriter, expert, control person, or other defendant. ~~Pursuant to~~ **Our Bylaws provide that** the exclusive **Exchange Act, claims arising thereunder must be brought in federal district courts of the United States of America. The choice of** forum provision ~~in~~ will be applicable to the fullest extent permitted by applicable law. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or ~~our Bylaws~~ liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision does not apply to suits brought to enforce any duty or liability created by the Exchange Act or any rule or regulation promulgated thereunder (in each case, as amended), or any other claim over which the federal courts have exclusive jurisdiction. This choice of forum provision may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or ~~any of~~ our directors, officers, ~~other employees~~, or ~~stockholders~~ **agents**, which may discourage lawsuits with respect to such claims. ~~However~~, although our stockholders will not be deemed to have waived ~~(and cannot waive)~~ our compliance with federal securities laws and the rules and regulations thereunder. ~~If~~ **Alternatively**, if a court were to find the choice of forum provision ~~contained~~ in our Bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could ~~harm~~ **have a material adverse effect on** our business, ~~operating prospects~~, results of **operations**, and financial condition. There ~~is can be~~ no ~~guarantee assurance~~ that the ~~Public~~ **Warrants** will ~~ever~~ be in the money at the time they become exercisable, and they may expire worthless. The exercise price for ~~the~~ **each of our Public Warrants and Private Placement Warrants** is \$ 11. 50 per share of common stock. There ~~is can be~~ no ~~guarantee assurance~~ that the ~~Public~~ **Warrants** will ~~ever~~ be in the money ~~following the time they become exercisable and~~ prior to their expiration, and as such, the

~~Public-Warrants~~ may expire worthless. We may amend the terms of the ~~warrants~~ **Warrants** in a manner that may be adverse to holders of ~~Public Warrants~~ with the approval of the holders of at least 50 % of the then- outstanding Public Warrants (or, if applicable, 65 % of the then- outstanding Public Warrants and 65 % of the then- outstanding Private Placement Warrants, voting as separate classes). ~~As a result, the exercise price of the warrants could be increased, the exercise period could be shortened and the number of shares of our common stock purchasable upon exercise of a warrant could be decreased, all without any specific holder's approval.~~ Our ~~warrants~~ **Warrants** were issued in registered form under our warrant agreement with Continental Stock Transfer & Trust Company ~~which, as warrant agent. The warrant agreement~~ provides that the terms of the ~~warrants~~ **Warrants** may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 50 % of the then- outstanding Public Warrants to make any ~~other change~~ **changes that. However, if an amendment would adversely and differently affects- affect either** the interests of the registered holders of Public Warrants ~~or Private Placement Warrants, the approval of 65 % of the then- outstanding Public Warrants and 65 % of the then- outstanding Private Placement Warrants, voting as separate classes, is required.~~ Accordingly, we may amend the terms of the ~~Public-Warrants~~ in a manner adverse to a holder if holders of at least 50 % of the then- outstanding Public Warrants (or, if applicable, 65 % of the then- outstanding Public Warrants and 65 % of the then- outstanding Private Placement Warrants, voting as separate classes) approve of such amendment. Although our ability to amend the terms of the ~~Public-Warrants~~ with ~~approval of the consent-holders~~ **approval of** the ~~consent-holders~~ of at least 50 % of the then- outstanding Public Warrants (or, if applicable, 65 % of the then- outstanding Public Warrants and 65 % of the then- outstanding Private Placement Warrants, voting as separate classes) is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the ~~warrants~~ **Warrants**, convert the ~~warrants~~ **Warrants** into cash or stock (at a ratio different than initially provided), shorten the exercise period, or decrease the number of shares of our common stock purchasable upon exercise of a ~~warrant~~ **Warrant**.