

Risk Factors Comparison 2025-03-20 to 2024-03-21 Form: 10-K

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

Investing in our securities involves risks. If any of these risks actually occur, it may materially harm our business, financial condition, liquidity and results of operations. As a result, the market price of our securities could decline, and you could lose all or part of your investment. Additionally, the risks and uncertainties described in this Annual Report on Form 10-K are not the only risks and uncertainties that we face. We may face additional risks and uncertainties that are not presently known to us, or that we currently deem immaterial, which may also impair our business, prospects, financial condition or operating results. The following discussion should be read in conjunction with our financial statements and notes to our financial statements included herein, as well as the other documents that we file with the Securities and Exchange Commission.

Risks Related to Our Business and Industry We have a history of generating net losses, and if we are unable to **control our costs or** achieve adequate revenue growth ~~while our expenses increase~~, we may not achieve or maintain profitability in the future or have sufficient cash to fund our future operations. We have a history of incurring net losses, and we may not achieve or maintain profitability in the future. We experienced net losses of \$ **62.7 million and \$ 1.0 million and \$ 7.0 million** for the years ended December 31, **2024 and 2023 and 2022**, respectively. As of December 31, ~~2023~~ **2024**, we had an accumulated deficit of \$ ~~75.138.85~~ **8.5** million. ~~In Beginning in~~ the second half of 2023, we also experienced higher operating losses than in previous quarters, primarily as a result of higher channel inventories, order cancellations and a slowdown in the macroeconomic environment. **While we did see some stabilization in the solar market during 2024, we cannot be certain that this trend will continue or other unfavorable macroeconomic conditions and market conditions will not arise, including as a result of a change in policies of the new U. S. presidential administration.** As a result, we cannot accurately predict when or whether we will reach or maintain profitability. **In addition, our management has concluded that there is substantial doubt about the Company's ability to continue as a going concern. See the risk factor described under the heading, " Our management has performed an analysis of our ability to continue as a going concern and has identified substantial doubt about our ability to continue as a going concern. If we are unable to obtain sufficient additional funding or if we do not have access to sufficient capital, we may be required to terminate or significantly curtail our operations. "** We expect our costs will increase over time and our losses to continue as we expect to continue to invest significant additional funds in expanding our business, sales, and marketing activities, and research and development as we continue to develop our products and services, and maintain high levels of customer support, each of which we consider critical to our continued success. We also expect to incur additional general and administrative expenses as we continue to support our operations as a public company. Historically, our costs have increased over the years due to these factors, and we expect to continue to incur increasing costs to support our anticipated future growth. If we are unable to generate adequate revenue growth and manage our expenses, we may continue to incur significant losses and may not achieve or maintain profitability or have sufficient cash to fund our future operations.

Because we have a limited operating history, predicting our future revenue and appropriately budgeting for our expenses is difficult, and we have limited insight into trends that may emerge and affect our business. Given the challenging macroeconomic conditions outlined above, the Company has ~~in the past and may in the future taken~~ **take** measures to preserve liquidity, including the strategic decision to restructure our operations and reduce our workforce by **approximately 15 % in December 2023 and by approximately 10 % in April 2024**. The Company closely monitors these conditions and may need to reduce operational expenditures further. We may also make decisions that could adversely affect our short- term operating results if we believe those decisions improve the experiences of our customers and if we believe such decisions will improve our operating results over the long term. Our decisions may not be consistent with the expectations of investors and may not produce the short- term or long- term benefits that we expect, in which case our business may be materially and adversely affected. The rapidly evolving and competitive nature of the solar industry makes it difficult to evaluate our future prospects. Our entry into other adjacent markets is new and highly competitive and it is difficult to evaluate our future in these new markets as well. The rapidly evolving and competitive nature of the solar industry makes it difficult to evaluate our current business and future prospects. In addition, we have limited insight into emerging trends that may adversely affect our business, financial condition, results of operations and prospects. The future energy management services that we intend to offer are new to us and these are highly competitive markets in which we will need to compete. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, including unpredictable and volatile revenues and increased expenses as we continue to grow our business. The viability and demand for our products may be affected by many factors outside of our control, including, but not limited to: • cost competitiveness, reliability and performance of our solar systems compared to conventional and non- solar renewable energy sources and products; • competing new technologies at more competitive prices than those we offer for our products; • availability and amount of government subsidies and incentives to support the development and deployment of solar energy solution systems; • the extent to which the electric power industry and broader energy industries are deregulated to permit broader adoption of solar electricity generation; • prices of traditional carbon- based energy sources; • levels of investment by end- users of solar energy products, which tend to decrease when economic growth slows; and • the emergence, continuance or success of, or increased government support for, other alternative energy generation technologies and products. Macroeconomic conditions in our domestic and international markets, as well as inflation concerns, instability of financial institutions, rising interest rates, and recessionary concerns may adversely affect our industry, business and financial results. Our business depends on the overall demand for our solar energy hardware and software solutions and on the economic health and willingness of our

customers and potential customers to make capital commitments to purchase our products and services. As a result of macroeconomic or market uncertainty, including inflation concerns, **tariffs and** rising interest rates, **potential economic slowdowns or recessionary recessions concerns**, geopolitical conflicts, and higher inventory channels **have caused and may continue to cause** customers ~~may decide~~ to delay purchasing our products and services or not purchase at all. In addition, a number of the risks associated with our business, which are disclosed in these risk factors, may increase in likelihood, magnitude or duration, and we may face new risks that we have not yet identified. ~~In the past, unfavorable~~ **Unfavorable** global macroeconomic and market conditions, including higher interest rates, **tariffs** and inflation, have resulted in sustained periods of decreased demand. For example, starting in the second quarter of 2023 ~~and continuing throughout the year~~, we experienced a significant decline in sales activity ~~compared to the first half of 2023~~ due to an industry-wide inventory oversupply, higher interest rates and governmental changes to net metering programs in the U. S. and Europe. ~~In addition~~ **While we did see some stabilization in the solar market in 2024, we cannot be certain that this trend will continue or other unfavorable macroeconomic conditions and market conditions will not arise, including as a result of a change in policies of the new U. S. presidential administration. Macroeconomic** and market conditions could be adversely affected by a variety of political, economic or other factors in the U. S. and international markets, which could, in turn, adversely affect spending levels of installers and end users and could create volatility or deteriorating conditions in the markets in which we operate. Macroeconomic uncertainty or weakness could result in: • reduced demand for our products as a result of constraints on capital spending for residential solar energy systems by our customers; • increased price competition for our products that may adversely affect revenue, gross margin and profitability; • decreased ability to forecast operating results and make decisions about budgeting, planning and future investments; • business and financial difficulties faced by our suppliers or other partners, including impacts to material costs, sales, liquidity levels, ability to continue investing in their businesses, ability to import or export goods, ability to meet development commitments and manufacturing capability; and • increased overhead and production costs as a percentage of revenue. Reductions in customer spending in response to unfavorable or uncertain macroeconomic and market conditions, globally or in a particular region where we operate, have adversely affected, and could continue to adversely affect ~~our business, results of operations and financial condition~~. Developments in alternative technologies or improvements in distributed solar energy generation may have a material adverse effect on demand for our products. Significant developments in alternative technologies, such as advances in other forms of distributed solar PV power generation, storage solutions (such as batteries), the widespread use or adoption of fuel cells for residential or commercial properties or improvements in other forms of centralized power production, may have a material adverse effect on our business and prospects. Any failure by us to adopt new or enhanced technologies or processes, or to react to changes in existing technologies, could result in product obsolescence, the loss of competitiveness of our products, decreased revenue and a loss of market share to competitors. The solar industry has historically been cyclical and experienced periodic downturns, including the current downturn. Our future success partly depends on continued demand for solar PV systems in the end- markets we serve, including residential, commercial and utility sectors across the world. The solar industry has historically been cyclical and is currently experiencing a downturn which has affected the demand for our products. Challenging business conditions, mainly as a result of overproduction, higher interest rates, and reductions in applicable governmental subsidies, have also contributed to demand decreases. For example, ~~during~~ **beginning in** the second part of 2023, the solar industry began to experience a downturn, particularly in Europe, which led to a large amount of requests to cancel or delay orders and the buildup of significant backlog of our products. **While we did see stabilization in the solar market throughout 2024, we cannot be certain that this trend will continue or other unfavorable macroeconomic conditions and market conditions will not arise, including as a result of a change in policies of the new U. S. presidential administration**. The cancellation or deferral of product orders, or overproduction due to a change in anticipated order volumes could result in us holding excess or obsolete inventory, which could result in inventory write-downs and, in turn, could have a material adverse effect on our financial condition. Therefore, the solar industry may suffer significant or sustained downturns now or in the future, which has in the past and could in the future adversely affect demand for our solar products and our results of operations. Defects or performance problems in our products or delays, disruptions, or quality control problems in our manufacturing operations could result in loss of customers, reputational damage, and decreased revenue, and we may face warranty, indemnity, and product liability claims arising from defective products. If any energy storage systems procured from original equipment manufacturer (“OEM”) suppliers and provided to our customers contain manufacturing defects, our business and financial results could be adversely affected. Although our products meet our stringent quality requirements, they may contain undetected errors or defects, especially when first introduced or when new generations are released. Errors, defects, or poor performance can arise due to design flaws, defects in raw materials or components or manufacturing difficulties, which can affect both the quality and the yield of the product. Any actual or perceived errors, defects, or poor performance in our products could result in the replacement or recall of our products, or components thereof, shipment delays, rejection of our products, damage to our reputation, lost revenue, diversion of our personnel from our product development efforts, and increases in customer service and support costs, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects. A product recall of a competitor’s product may also result in negative publicity towards the market we operate in and damage our brand. Furthermore, defective components may give rise to warranty, indemnity, or product liability claims against us that exceed any revenue or profit we receive from the affected products. Our failure to accurately predict future claims could result in unexpected volatility in, and have a material adverse effect on, our financial condition. We have in the past, and may in the future, be exposed to product liability claims, if one of our products were to cause injury to someone or cause property damage. We could incur significant costs and liabilities if we are sued and if damages are awarded against us. Further, any product liability claim we face could be expensive to defend and could divert management’s attention. The successful assertion of a product liability claim against us could result in potentially significant monetary damages, penalties or fines, subject us to adverse publicity, damage our reputation and competitive position, and

adversely affect sales of our products. In addition, product liability claims, injuries, defects, or other problems experienced by other companies in the residential solar industry could lead to unfavorable market conditions for the industry as a whole. Depending on the product, we offer a 5- to 25- year limited warranty for our products covering defects in design, materials, workmanship, and manufacturing of our products under proper use and service conditions. Therefore, we bear the risk of warranty claims long after we have sold products and recognized revenue. While we do have accrued reserves for warranty claims, our estimated warranty costs for previously sold products may change to the extent future products are not compatible with **the** earlier generation products under warranty. Our warranty accruals are based on our assumptions, and we do not have a long history of making such assumptions. As a result, these assumptions could prove to be materially different from the actual performance of our systems, causing us to incur substantial unanticipated expenses to repair or replace defective products in the future or to compensate customers for defective products. Our business has been and could continue to be affected by seasonal trends and construction cycles. We have been and could continue to be subject to industry- specific seasonal fluctuations. Historically, the majority of our revenues are from the European and North American regions which experience higher sales of our products in the second and third quarters and have been affected by seasonal customer demand trends, including weather patterns and construction cycles. The first and fourth quarters historically have had softer customer demand in our industry, due to these same factors. In addition, construction levels of new solar PV projects, which create demand for our products, are typically slower in colder and wetter months. In European countries with Feed- in- Tariffs (FiTs), the construction of solar PV systems requiring our products may be concentrated during the second half of the calendar year, largely due to the annual reduction of the applicable minimum FiT and the fact that the coldest winter months are January through March. Accordingly, our business and quarterly results of operations could be affected by seasonal fluctuations in the future. We depend upon a small number of outside contract manufacturers, and our business and operations could be disrupted if we encounter problems with these contract manufacturers. We heavily rely upon our contract manufacturers to manufacture most of our products. We mainly rely on two contract manufacturers. Any change in our relationship or contractual terms with our contract manufacturers, or changes in our contract manufacturers' ability to comply with their contractual obligations could adversely affect our financial condition and results of operations. Our reliance on a small number of contract manufacturers makes us vulnerable to possible capacity constraints and reduced control over component availability, delivery schedules, manufacturing yields and costs. In addition, we will remain heavily dependent on suppliers of the components needed for our manufacturing. The revenues that our contract manufacturers generate from our orders represent a relatively small percentage of their overall revenues. As a result, fulfilling our orders may not be considered a priority in the event of constrained ability to fulfill all of their customer obligations in a timely manner. In addition, the facilities in which our products are manufactured are located outside of the U. S., currently in Thailand and China. The location of these facilities outside of key markets such as the U. S. increases shipping time, thereby causing a long lead time between manufacturing and delivery. If our contract manufacturers were unable or unwilling to manufacture our products in required volumes and at high quality levels or renew existing terms under supply agreements, we would have to identify, qualify, and select acceptable alternative contract manufacturers, which may not be available to us when needed or may not be in a position to satisfy our quality or production requirements on commercially reasonable terms. Any significant interruption in manufacturing would require us to reduce our supply of products to our customers or increase our shipping costs to make up for delays in manufacturing, which in turn could reduce our revenues, harm our relationships with our customers, subject us to liquidated damages for late deliveries, and damage our reputation with local installers and potential end-users, all of which will cause us to forego potential revenue opportunities. Further, the ramp of a new contract manufacturer is time- consuming and draining on the resources of our operations team. We rely primarily on distributors and installers of solar financing to assist in selling our products to customers, and the failure of these providers to perform at the expected level, or at all, could have an adverse effect on our business, financial condition and results of our operations. During the years ended December 31, **2024 and 2023** ~~and 2022~~, our largest customer accounted for approximately **7.9% and 7.4%** ~~and 10.6%~~, respectively, of our annual net revenue for such period. Our customers' decisions to purchase our products are influenced by a number of factors outside of our control. The agreements we have with some of our largest customers do not have long- term purchase commitments. While we do not believe we are dependent on any one individual customer in the long- term, the loss of, or events affecting, one or more of these customers could have a material adverse effect on our business, financial condition, and results of operations. In addition, we do not have exclusive arrangements with our third- party distributors. Many of our distributors also market and sell products from our competitors. These distributors may terminate their relationships with us at any time and with little or no notice. Further, these distributors may fail to devote the resources necessary to sell our products at the prices, in the volumes, and within the time frames that we expect, or may focus their marketing and sales efforts on products of our competitors. Termination of agreements with current distributors, failure by these distributors to perform as expected, or failure by us to cultivate new distributor relationships, could hinder our ability to expand our operations and harm our revenue and results of operations. ~~We anticipate a significant portion of our future sales will come from residential solar energy system customers. If our expectations do not materialize, our revenue, financial condition and business could be adversely affected. We anticipate a significant portion of our revenue growth will be driven by residential solar energy system customers from offerings of our GO-ESS product line. If our expectations do not materialize, or if we lose key residential solar energy system customers, or if key residential solar energy system customers reduce or stop placing orders for our high- volume products, our financial results could be adversely affected. Significant reductions in sales to this customer, or any other large, direct customers, or a general decrease in demand for our products within a short period of time could require us to write down inventory or otherwise adversely affect our revenue, financial condition, and business.~~ The loss of, or events affecting, one or more of our major customers could reduce our sales and have an adverse effect on our business, financial condition and results of operations. Our customers' decisions to purchase our products are influenced by a number of factors outside of our control, including retail energy prices and government regulation and incentives, among others. Although we have agreements with some of our largest

customers, these agreements generally do not have long- term purchase commitments and are generally terminable by either party by providing written notice ahead of an annual renewal. In addition, these customers may decide to no longer use, or to reduce the use of, our products and services for other reasons that may be out of our control. We may also be affected by events impacting our large customers that result in **their them** decreasing their orders with us or impairing their ability to pay for our products, **whether due to a decrease in demand from the end markets they serve or the deterioration in the financial condition or bankruptcy of any such customer or the solar installers they resell to, or a significant decrease in their business**. The loss of, or events affecting, one or more of our large customers has had from time to time and could in the future have a material adverse effect on our business, financial condition and results of operations. Our products may not achieve broader market acceptance, which would prevent us from increasing our revenue and market share. If we fail to achieve broader market acceptance of our products, there would be an adverse impact on our ability to increase our revenue, and gain market share. **For example, our GO ESS line of energy storage solutions line of business has not participated in our business recovery as well as we had anticipated and we incurred inventory charges for the fourth quarter and full year 2024**. Our ability to achieve broader market acceptance for our products will be impacted by a number of factors, including: • our ability to produce products that compete favorably against other solutions on the basis of price, quality, reliability and performance; • our ability to timely introduce and complete new designs and timely qualify and certify our products; • whether installers, system owners and solar financing providers will continue to adopt our systems, which have a relatively limited history with respect to reliability and performance; • whether installers, system owners and solar financing providers will adopt our storage solution, which is a relatively new technology with a limited history with respect to reliability and performance; • the ability of prospective system owners to obtain long- term financing for solar PV installations based on our product platform on acceptable terms or at all; • our ability to develop products that comply with local standards and regulatory requirements, as well as potential in- country manufacturing requirements; and • our ability to develop and maintain successful relationships with our customers and suppliers. In addition, our ability to achieve increased market share will depend on our ability to increase sales to established solar installers, who have traditionally sold central or string inverters, or who currently sell competing DC- to- DC optimizers and energy storage systems. These installers often have made substantial investments in design, installation resources and training in traditional central or string inverter systems, DC optimizers, or energy storage systems, which may create challenges for us to achieve their adoption of our solutions. ~~Mergers in the solar industry among our current or potential customers may adversely affect our competitive position. There has been an increase in consolidation activity among distributors, large installers, and other strategic partners in the solar industry. For example, in October 2020, Sunrun, a leading provider of residential solar, battery storage and energy services, acquired Vivint Solar. In addition, in December 2021, Stem Inc., a storage software and services company acquired AlsoEnergy, a solar asset management software company. If this consolidation continues, it will further increase our reliance on a small number of customers for a significant portion of our sales and may negatively impact our competitive position in the solar market.~~ Our recent and planned expansion into existing and new geographic markets or new product lines or services could subject us to additional business, financial, and competitive risks. We have in the past, and may in the future, evaluate opportunities to expand into new geographic markets and introduce new product offerings and services. We also may from time to time engage in acquisitions of businesses or product lines with the potential to strengthen and expand our market position, our technological capabilities, or provide synergy opportunities. For example, we intend to continue to introduce new products targeted at large commercial and utility- scale installations and to continue to expand into other international markets. Our success operating in these new markets will depend on a number of factors, including our ability to develop solutions to address the requirements of residential and utility- scale solar PV markets, timely certification of new products, our ability to manage increased manufacturing capacity and production, and to identify and integrate any acquired businesses. Further, we expect these new solar PV markets and the additional markets we have entered, or may enter, to have different characteristics from the markets in which we currently sell products, and our success will depend on our ability to adapt properly to these differences. These differences include differing regulatory requirements, including tax laws, trade laws, labor regulations, tariffs, export quotas, customs duties, or other trade restrictions, limited or unfavorable intellectual property protection, international, political or economic conditions, restrictions on the repatriation of earnings, longer sales cycles, warranty expectations, product return policies and cost, performance and compatibility requirements. In addition, expanding into new geographic markets will increase our exposure to presently existing risks, such as fluctuations in the value of foreign currencies and difficulties and increased expenses in complying with U. S. and foreign laws, regulations and trade standards, including the Foreign Corrupt Practices Act of 1977, as amended. Failure to develop and introduce these new products successfully, to successfully integrate acquired businesses or to otherwise manage the risks and challenges associated with our potential expansion into new product and geographic markets, could adversely affect our revenues. ~~We anticipate a significant increase in revenue from our GO ESS solution. Revenue from the GO ESS product line will partially depend on our ability to educate existing and potential customers on the benefits of our GO ESS product line. Should a market fail to develop for our GO ESS product line, our actual operating results may differ materially from the forecasted results. Our future success depends, in part, on the commercial acceptance of our GO ESS product line. The market for our GO ESS product line is relatively new and rapidly evolving. If we are unable to educate our existing and potential customers about the advantages of our GO ESS product line over competing products, our ability to sell our GO ESS product line will be limited. In addition, the energy storage market is rapidly evolving and, therefore, it is difficult to accurately assess the size of the addressable market and we may have limited insight into trends that may emerge and affect our business, results of operations or financial condition. If the market for our demand response solutions and GO ESS product line does not continue to develop, or if we do not keep up with market trends, our ability to grow our business could be limited and we may not be able to operate profitably.~~ Our success in marketing and selling our products depend, in part, upon our ability to continue to work closely with leading solar manufacturers. We continue to work on variants of our integrated solar systems that are compatible with all major module

manufacturers. The market success of such integrated solar PV solutions and future product offerings will depend in part on our ability to continue to work closely with major solar module manufacturers to ensure our products remain compatible with their designs and products going forward. We may not be able to encourage solar module manufacturers to work with us on the development of such compatible solutions for a variety of reasons, including differences in marketing or selling strategy, competitive considerations, lack of competitive pricing and technological compatibility. In addition, our ability to form effective partnerships with solar module manufacturers may be adversely affected by the substantial challenges faced by many of these manufacturers due to declining prices and revenues from sales of solar modules and the tariffs in the U. S. We have in the past, and may in the future, face product liability lawsuits which, regardless of outcome, can be expensive to defend, divert the attention of management, and lead to reputational harm. Solar power systems have the capacity to produce high electric voltages. The component parts in such systems may experience a breakdown of continuity or breakdown of insulation, which can generate sustained electrical arcs. Electrical arcs as well as other potential electrical faults may create a risk of thermal events, damage, or injury to installers and other personnel. We have in the past, and may in the future, face product liability lawsuits and adverse publicity as a result of thermal events, which may cause reputational damage, divert the attention of management or adversely affect our financial condition. If we fail to retain our key personnel or if we fail to attract additional qualified personnel, we may not be able to achieve our anticipated level of growth and our business could suffer. We believe that our success and our ability to reach our strategic objectives are highly dependent on the contributions of our key management, technical, engineering and sales personnel. The loss of the services of any of our key employees could disrupt our operations, delay the development and introduction of our hardware and software-enabled services, and negatively impact our business, financial condition and operating results. In particular, we are highly dependent on the services of our Chief Executive Officer and Chairman, as he possesses technical knowledge of our business, operations, and strategy. If we lose his services or if he decides to join a competitor or otherwise compete directly or indirectly with us, our business, operating results and financial condition could be materially harmed. We also depend on the skills and knowledge of our Chief Financial Officer ~~and~~ Vice President of **Software and Hardware R & D** and Vice President of **Software R & D**. We cannot assure you that we will be able to successfully attract and retain the senior leadership necessary to grow our business. Furthermore, there is increasing competition for talented individuals in our field, and competition for qualified personnel is especially intense in the San Francisco Bay Area, where our principal offices are located. All of our employees, including our senior management, are free to terminate their employment relationships with us at any time. Competition for highly skilled executives and employees in the technology industry is intense, and our competitors have targeted individuals in our organization that have desired skills and experience. If we are not able to continue to attract, train and retain our leadership team and our qualified employees necessary for our business, the progress of our product development programs could be hindered, and we could be materially adversely affected. To help attract, retain and motivate our executives and qualified employees, we use stock-based incentive awards, including restricted stock units. The recent **significant** decline in our stock price and our cost reduction initiatives may adversely affect our ability to attract and retain highly qualified personnel, and we may experience increased attrition or we may need to provide additional cash or equity compensation to retain employees. In addition, if the value of such stock awards **continues to decline and** does not appreciate as measured by the performance of the price of our common stock, or if our share-based compensation otherwise ceases to be viewed as a valuable benefit, our ability to attract, retain and motivate our executives and employees could be weakened, which could harm our business and results of operations ~~. Also, if the value of our stock awards increases substantially, this could potentially create substantial personal wealth for our executives and employees and affect our ability to retain our personnel.~~ In addition, any future restructuring plans may adversely impact our ability to attract and retain key employees ~~. Any failure by management to properly manage growth could have a material adverse effect on our business, operating results and financial condition.~~ Our business has experienced growth in the past several years. ~~To the extent we continue to experience significant growth in the future, it could place significant demands on our management, operations, systems, accounting, internal controls and financial resources, and it may also negatively impact our ability to retain key personnel. If we experience difficulties in any of these or other areas, we may not be able to expand our business successfully or effectively manage our growth. Any failure by management to manage our growth and to respond to changes in our business could have a material adverse effect on our business, financial condition and results of operations. We may not realize the anticipated benefits of past or future acquisitions, including our recent acquisition of Foresight Energy Ltd. (“fSight”), and the integration of fSight or other acquired businesses may disrupt our business and management, which could adversely affect our business, operating results and financial condition. On January 25, 2023, we acquired all the issued and outstanding share capital of fSight, a software company organized under the laws of the state of Israel. We may not realize the anticipated benefits of our acquisition of fSight, or such other acquisitions, and we may encounter substantial difficulties, costs and delays involved in integrating such businesses into our operations, including exposure to unknown liabilities, failure to maximize our financial and strategic position, failure to achieve planned synergies or expected financial results benefits and failure to realize the potential of fSight’s technologies or properly obtain or secure protection of intellectual property rights. Ultimately, there can be no assurance that we will successfully integrate our acquisition of fSight, or any future acquisition and we may not realize the benefits of such acquisitions to the extent anticipated, which could adversely affect our business, operating results and financial condition.~~ Risks Related to Legal, Compliance and Regulations The reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar electricity applications could reduce demand for solar PV systems and harm our business. Given our dynamic customer makeup across the world, we and our customers are subject to governmental policies applicable to renewable energy development in numerous jurisdictions. The market for on-grid applications, where solar power, on a standalone basis or paired with energy storage systems, is used to supplement a customer’s electricity purchased from the utility network or sold to a utility under tariff, depends in large part on the availability and size of government **issued subsidies** and economic incentives that vary by geographic market. Because our customers’ sales of solar

power are typically into the on- grid market, the reduction, elimination or expiration of government subsidies and economic incentives for on- grid solar electricity may negatively affect the competitiveness of solar electricity relative to conventional and non- solar renewable sources of electricity and could harm or halt the growth of the solar electricity industry and our business. National, state and local government bodies in many countries, including the United States, have provided incentives in the form of feed- in tariffs (“ FiTs ”), **NEM tariffs and related policies**, rebates, tax credits , **tax incentives** and other incentives to system owners, distributors, system integrators and manufacturers of solar PV systems and battery energy storage systems to bolster the cost competitiveness of solar electricity in on- grid applications relative to the cost of utility power, and to reduce dependency on other forms of energy. Many of these government incentives expire, phase out over time, **have limited** terminate upon the exhaustion of the allocated funding , **allocations that** require renewal by the applicable **jurisdictional** authority , or are being changed by governments due to changing market circumstances or changes to national, state or local energy policy . **Further, if the ITC, AMPTC, or any other existing tax credits or incentives are reduced or eliminated as part of futures changes to the U. S. Internal Revenue Code, or changes to state law or regulatory reform initiatives by subsequent legislative or executive actions, sales of our products in North America and other markets could be adversely affected. In addition, several European countries, including Germany, Belgium, Italy, the Netherlands and the United Kingdom, have adopted reductions in or ended their NEM or FIT programs. Certain countries have proposed or enacted taxes levied on renewable energy. These and related developments have significantly impacted the solar industry in Europe and may adversely affect the future demand for solar energy solutions in Europe, which could adversely impact our results of operations** . Electric utility companies or generators of electricity from other non- solar renewable sources of electricity may successfully lobby for changes in the relevant legislation in their markets that are harmful to the solar industry. Reductions in, or eliminations or expirations of, governmental incentives in regions where we focus our sales efforts could result in decreased demand for and lower revenue from solar PV systems there, which would adversely affect sales of our products. In addition, our ability to successfully penetrate new geographic markets may depend on new countries adopting and maintaining incentives to promote solar electricity, to the extent such incentives are not currently in place. Furthermore, electric utility companies may establish pricing structures or interconnection requirements that could adversely affect our sales and be harmful to the solar and distributed rooftop solar generation industry. Among other government- established incentives, net energy metering and related policies have supported the growth of on- grid solar products, and changes to such policies may reduce demand for electricity from our solar service offerings. Net energy metering is a **tariffed** utility rate program that **requires permits** a consumer ’ s electric company to **purchase sell** the excess solar energy that the consumer ’ s solar panels produce **and to the electric utility company at a predetermined price. The most basic type of NEM tariff pay-pays consumers** the retail rate for electricity **that their solar panels exported-- export** to the grid, less certain “ non- bypassable ” fees paid by the consumer. **However** For example, **certain states have sought to move away from** in 2016, the CPUC issued an order retaining retail rate- based net energy metering **credits crediting for compensating excess solar generation** residential customers of California’ s major utilities as part of NEM 2- . **For example** 0. Customers under NEM 2- 0 were made subject to interconnection application fees and must take service under time -of- use rates with different electricity prices during peak and off- peak hours. Existing customers who receive service under the prior net energy metering program , **in** as well as new customers under the NEM 2- 0 program, remain eligible for the NEM 2- 0 program for a period of 20 years. However, on December 15, 2022, the CPUC adopted a “ NEM 3. 0 ” policy, also known as the Net Billing Tariff, that unbundles export compensation from retail rates and instead bases it on a tool called the Avoided Cost Calculator (“ ACC ”), which estimates the hourly utility costs that are avoided by exports from distributed generation **for each hour of the year** . The CPUC did seek to ease the transition for the solar market by adopting **export small** “ adders ” to the hourly ACC **export** values for the first several years of the tariff. Nevertheless, these ACC- based export compensation values are significantly lower than retail rates for most hours of the year and may therefore increase payback periods, and thereby reduce demand ,for solar- only systems. Similarly, in November 2023, the CPUC adopted changes to its “ Virtual NEM ” and “ NEM Aggregation ” programs that prohibit the **netting of import energy charges at multi- meter commercial or agricultural properties property with owners from netting** solar energy generated at or adjacent to those properties **against import charges recorded on the meters at the property** , except for residential account holders in a multi- family residential property. These types of modifications to net energy metering **incentives policies** have impacted and could further harm our business, both in California, where we have derived a significant portion of historical revenues in the United States, and in other jurisdictions, if pursued there. **On In** August 16, 2022, **President Biden the Inflation Reduction Act of 2022 was** signed into law **and** the Inflation Reduction Act of 2022, which among other things, extended the 30 % investment tax credit for installations of solar systems through the end of 2032, reduced to 26 % for 2033, 22 % for 2034 and 0 % thereafter. **These-- The new U. S. presidential administration and / or current U. S. Congress may, within the scope of their authority, take action to revise, repeal, or otherwise modify existing rules and regulations, including various tax incentives, and the impact of such on the Company remains uncertain at this time. Currently, the Inflation Reduction Act and its tax credits remain in place and could would require an act of Congress to be repealed reduced or eliminated as part of future U. S. tax legislation, and any changes to federal agency rules would require or regulatory reform initiatives by the current Congress or the new presidential administration administrative action** . The reduction in the investment tax credit could reduce the demand for solar system solutions in the U. S. which would have an adverse impact on our business, financial condition and results of operations. Federal, state, local and foreign tax credits, grants and other incentive programs have **in the past** had a positive effect on our sales since inception. However, **unless if** these programs are **reduced, eliminated** further extended or modified to allow for **or expire** continued growth in the residential solar market , **it** the phase- out of such programs could adversely affect sales of our products in the future. Reductions in incentives and uncertainty around future energy policy, including local content requirements, have **in the past and could in the future** negatively affected -- **affect us** and may continue to negatively affect our business, financial condition, and results of

operations as we seek to increase our business domestically and abroad. **Furthermore, electric utility companies may establish rate structures or interconnection requirements that could be harmful to the solar industry and adversely affect our sales.** Additionally, **as we further our ability to expand to other countries may depend on new countries adopting and maintaining tax credits, tax incentives, NEM policies, or other programs to promote solar electricity and storage, to the extent such incentives or programs are not currently in place.** ~~changes~~ **Changes** in incentive programs or electricity policies could negatively affect returns on our investments in ~~these~~ **the countries in which we operate** as well as our business, financial condition and results of operations. Existing electric utility industry regulations, and changes to regulations, may present technical, regulatory, and economic barriers to the purchase and use of solar PV systems that may significantly reduce demand for our products or harm our ability to compete. In addition, determinations of various regulatory bodies regarding lack of compliance with certifications or other regulatory requirements could harm our ability to sell our products in certain countries. Federal, state, local and foreign government regulations and policies concerning the electric utility industry, and internal policies and regulations promulgated by electric utilities, heavily influence the market for electricity generation products and services. These regulations and policies could deter purchases of solar PV systems sold by our customers, significantly reducing the potential demand for our products. For example, utilities commonly charge fees to larger, industrial customers for disconnecting from the electric grid or for having the capacity to use power from the electric grid for back-up purposes. These fees could increase the cost to use solar PV systems sold by our customers and make them less desirable, thereby harming our business, prospects, financial condition and results of operations. In addition, depending on the region, electricity generated by solar PV systems competes most effectively with expensive peak-hour electricity from the electric grid, rather than the less expensive average price of electricity. Modifications to the utilities' peak hour pricing policies or rate design, such as to a flat rate, could require the price of solar PV systems and their component parts to be lower in order to compete with the price of electricity from the electric grid. Changes in current laws or regulations applicable to us or the imposition of new laws and regulations in the U. S., Europe, or other jurisdictions in which we do business could have a material adverse effect on our business, financial condition and results of operations. Any changes to government or internal utility regulations and policies that favor electric utilities could reduce the competitiveness of solar PV systems sold by our customers and cause a significant reduction in demand for our products and services. In addition, changes in our products or changes in export and import laws and implementing regulations may create delays in the introduction of new products in international markets, prevent our customers from deploying our products internationally or, in some cases, prevent the export or import of our products to certain countries altogether. Any such event could have a material adverse effect on our business, financial condition, and results of operations. Compliance with various regulatory requirements and standards is a prerequisite for placing our products on the market in most countries in which we do business. We have all such certifications but there are at times challenges by local administrative telecommunications, consumer board or other authorities that can place sales bans on products. We maintain our position that all of our current products are tested, approved and compliant with relevant regulations, any adverse ruling can have a negative impact on our business and reputation. ~~Our management has limited experience in operating a public company. The requirements of being a public company may strain our resources and divert management's attention, and the increases in legal, accounting and compliance expenses resulting from being a public company may be greater than we anticipate. Our management team, including our executive officers, has limited experience in the management of a publicly traded company. Our management team has limited experience in dealing with the increasingly complex laws pertaining to public companies, which could be a significant disadvantage in that an increasing amount of their time has been and will continue to be devoted to these activities which will result in less time being devoted to the management and growth of the Company. Although we have hired additional accounting personnel since becoming a public company, we may not have adequate personnel with the appropriate level of knowledge, experience and training in the accounting policies, practices or internal control over financial reporting required of public companies in the U. S. The implementation of the standards and controls necessary for us to maintain the level of accounting standards required of a public company in the U. S. may require costs greater than expected. We may be required to expand our employee base and hire additional employees to support our operations as a public company, which would increase our operating costs in future periods.~~ The installation and operation of our energy storage systems are subject to environmental laws and regulations in various jurisdictions, and there is uncertainty with respect to the interpretation of certain environmental laws and regulations to our energy storage systems, especially as these regulations evolve over time. We are subject to national, state and local environmental laws and regulations, as well as environmental laws in those foreign jurisdictions in which we operate. Environmental laws and regulations can be complex and may change often. These laws can give rise to liability for administrative oversight costs, cleanup costs, property damage, bodily injury, fines and penalties. We are committed to compliance with applicable environmental laws and regulations, including health and safety standards, and we continually review the operation of our energy storage systems for health, safety and compliance. Our energy storage systems, like other battery technology-based products of which we are aware, produce small amounts of hazardous wastes and air pollutants, and we seek to ensure that they are handled in accordance with applicable regulatory standards. Maintaining compliance with laws and regulations can be challenging given the changing patchwork of environmental laws and regulations that prevail at the U. S. federal, state, regional and local level and in foreign countries in which we operate. Most existing environmental laws and regulations preceded the introduction of battery technology and were adopted to apply to technologies existing at the time, namely large, coal, oil or gas-fired power plants. Currently, there is generally little guidance from these agencies on how certain environmental laws and regulations may, or may not, be applied to our technology. In many instances, our technology is moving faster than the development of applicable regulatory frameworks. It is possible that regulators could delay or prevent us from conducting our business in some way pending agreement on, and compliance with, shifting regulatory requirements. Such actions could delay the sale to and installation by customers of energy storage systems, result in fines, require their modification or replacement, or trigger claims of performance warranties and defaults under customer contracts

that could require us to refund hardware or service contract payments, any of which could adversely affect our business, financial performance and reputation. We are subject to risks related to **corporate social responsibility. We are facing increasing scrutiny related to our environmental, social and governance (“ ESG ”). We are subject to risks related to our ESG practices and our ability to comply with** requested disclosures by institutional and individual investors **who are increasingly using ESG screening criteria in making investment decisions.** Our disclosures on these matters or a failure to satisfy evolving stakeholder expectations for ESG practices and reporting may potentially harm our reputation and impact relationships with investors . **We also face pressure from some in the investment community and certain public interest groups to limit the focus on ESG in our decision- making, arguing that ESG considerations do not relate to financial outcomes.** Certain market participants, including major institutional investors, use third- party benchmarks or scores to measure our ESG practices in making investment decisions. Furthermore, some of our customers and suppliers evaluate our ESG practices or request that we adopt certain ESG policies as a condition of awarding contracts. In addition, our failure or perceived failure to pursue or fulfill our goals, targets and objectives or to satisfy various reporting standards within the timelines we announce, or at all, could expose us to government enforced actions and / or private litigation. As ESG best practices, reporting standards and disclosure requirements continue to develop, we may incur increasing costs related to ESG monitoring and reporting. Our significant international operations subject us to additional risks that could adversely affect our business, results of operations and financial condition. We have significant international operations, and we are continuing to expand our international operations as part of our growth strategy. Our current international operations and our plans to expand our international operations have placed, and will continue to place, a strain on our employees, management systems and other resources. Our international operations may fail to succeed due to risks inherent in operating businesses internationally, such as: • our lack of familiarity with commercial and social norms and customs in countries which may adversely affect our ability to recruit, retain and manage employees in these countries; • difficulties and costs associated with staffing and managing foreign operations; • the potential diversion of management’ s attention to oversee and direct operations that are geographically distant from our U. S. headquarters; • compliance with multiple, conflicting and changing governmental laws and regulations, including employment, tax, privacy and data protection laws and regulations; • legal systems in which our ability to enforce and protect our rights may be different or less effective than in the United States and in which the ultimate result of dispute resolution is more difficult to predict; • higher employee costs and difficulty in terminating non- performing employees; • differences in workplace cultures; • unexpected changes in regulatory requirements; • tariffs, export controls and other non- tariff barriers such as quotas and local content rules; • more limited protection for intellectual property rights in some countries; • adverse tax consequences, including as a result of transfer pricing adjustments involving our foreign operations; • fluctuations in currency exchange rates; • anti- bribery compliance by us or our partners; • restrictions on the transfer of funds; • global epidemics, pandemics, or contagious diseases; and • new and different sources of competition. Our failure to manage any of these risks successfully could harm our existing and future international operations and seriously impair our overall business. Our business could be adversely affected by trade tariffs or other trade barriers. **We may also be negatively affected by the prospect of expanded trade restrictions between the government of the United States and where we or our partners operate. Escalating trade tensions between the United States and China have led to increased tariffs and trade restrictions, including tariffs applicable to some of our products. In addition recent years, in early 2025 the new U. S. presidential administration imposed, or sought to impose, additional tariffs on goods imported from China , Mexico, Canada, and indicated that that it may impose substantial new or increased tariffs on foreign imports into the U. S. Any have each imposed tariffs, and there remains a potential for further trade barriers. These barriers may escalate escalation into of a trade war between China and the U. S. Tariffs , or between any other jurisdictions in which we conduct business,** could potentially impact our hardware component prices and impact any plans to sell products in China and other international markets. **In addition The escalation of any “ trade war ” may also contribute to the rise of inflation , which may negatively affect the United States’ and global markets. At this time, it is unclear how further expanded trade restrictions may impact us or our partners, although they pose the risk of price instability and that exports of our products may become subject to retaliatory tariffs. Any of these developments factors could have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could have a material adverse effect on** our business, financial condition and results of operations . . Current or future litigation or administrative proceedings could have a material adverse effect on our business, financial condition and results of operations. We have been and continue to be involved in legal proceedings, administrative proceedings, claims and other litigation that arise in the ordinary course of business. In addition, since our energy storage system is a new type of product in a nascent market, we have in the past needed and may in the future need to seek the amendment of existing regulations or, in some cases, the creation of new regulations, in order to operate our business in some jurisdictions. Such regulatory processes may require public hearings concerning our business, which could expose us to subsequent litigation. Unfavorable outcomes or developments relating to proceedings to which we are a party or transactions involving our products, such as judgments for monetary damages, injunctions, or denial or revocation of permits, could have a material adverse effect on our business, financial condition, and results of operations. Any inability to enforce our patents against our competitors or any finding that our patents are invalid, including in our current litigation or administrative proceedings, could have a materially adverse effect on our business, financial condition, or results of operations. In addition, settlement of claims could adversely affect our financial condition and results of operations. Changes in U. S. and foreign tax laws could have a material adverse effect on our business, cash flow, results of operations or financial conditions. The tax regimes we are subject to or operate under, including income and non- income taxes, are unsettled and may be subject to significant change. Changes in tax laws, regulations, or rulings, or changes in interpretations of existing laws and regulations, could materially affect our financial position and results of operations. For example, the 2017 Tax Cuts and Jobs Act, or Tax Act, made broad and complex changes to the U. S. tax code, including changes to U. S. federal tax rates, additional limitations on the deductibility of interest, both positive and negative

changes to the utilization of future NOL carryforwards, and allowing for the expensing of certain capital expenditures. The 2020 Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, modified certain provisions of the Tax Act. In addition, on August 16, 2022, the IRA, among other provisions, imposes a 15 % minimum tax on the adjusted financial statement income of certain large corporations and a 1 % excise tax on corporate stock repurchases by U. S. publicly traded corporations and certain U. S. subsidiaries of non- U. S. publicly traded corporations, as well as significant enhancements of U. S. tax incentives relating to climate and energy investments . **The change in U. S. presidential administrations raises the prospect of shifts in public policies and government incentives. Among the recent policy shifts directed by the new presidential administration is a pause in disbursements and review of funding processes for projects supported by the IRA.** The exact impact of the Tax Act, the CARES Act and the IRA for future years is difficult to quantify, but these changes could materially affect our effective tax rate in future periods, in addition to any changes made by new tax legislation. The Organization for Economic Co- operation and Development (the “ OECD ”) / G20 Inclusive Framework on Base Erosion and Profit Shifting has a two- pillar approach to address tax challenges arising from the digitalization of the global economy by (i) allocating profits to market jurisdictions (“ Pillar One ”) and (ii) ensuring multinational enterprises pay a minimum level of tax regardless of where the headquarters are located or the jurisdictions in which the company operates (“ Pillar Two ”). Pillar One targets multinational groups with global revenue exceeding € 20 billion and a profit- to- revenue ratio of more than 10 %. Companies subject to Pillar One will be required to allocate profits and pay taxes to market jurisdictions. Pillar Two focuses on global profit allocation and a global minimum tax rate. In December 2022, the European Union (“ EU ”) Member States formally adopted the EU’ s Pillar Two Directive, which generally provides for a minimum effective tax rate of 15 %, as established by the OECD Pillar Two Framework that was supported by over 130 countries worldwide. The EU Pillar Two Directive became effective on January 1, 2024. Other countries are also actively considering changes to their tax laws to adopt certain parts of the OECD’ s proposals. Based on the current revenue and profit thresholds, we do not currently expect to be impacted by either Pillar One or Pillar Two, but will continue to monitor and evaluate the potential future impact of both the proposals on our effective tax rate and related impact on our consolidated financial statements and related disclosures. The potential impact of any future rules or regulations to address the tax challenges arising from the digitization of the global economy could have a material adverse effect on our consolidated financial statements. Significant judgment is required in evaluating our tax positions and our worldwide provision for taxes. During the ordinary course of business, there are many activities and transactions for which the ultimate tax determination is uncertain. As we expand the scale of our business activities, changes to the taxation of our activities could increase our worldwide effective tax rate, increase the amount of taxes imposed on our business, and harm our financial position. We may be audited in various jurisdictions, and such jurisdictions may assess additional taxes against us. Although we believe our tax estimates are reasonable, the final determination of any tax audits or litigation could be materially different from our historical tax provisions and accruals. Any such changes may also apply retroactively to our historical operations and result in taxes greater than the amounts estimated and recorded in our financial statements, which could have a material adverse effect on our operating results or cash flows in the relevant period or periods. Natural disasters, public health events, significant disruptions of information technology systems, data security breaches, or other catastrophic events could adversely affect our operations. Our worldwide operations could be subject to natural disasters (including as a result of climate change), public health events, significant disruptions of information technology systems, data security breaches and other catastrophic business disruptions, which could harm our future revenue and financial condition and increase our costs and expenses. We rely on third- party manufacturing facilities, including for all product assembly and final testing of our products, which are performed at third- party manufacturing facilities in China and Thailand. There may be conflict or uncertainty in the countries in which we operate, including public health issues (for example, the COVID- 19 pandemic or an outbreak of other contagious diseases or health epidemics), safety issues, natural disasters, fire, disruptions of service from utilities, nuclear power plant accidents, regional wars, or general economic or political factors. Such risks could result in an increase in the cost of components, production delays, general business interruptions, delays from difficulties in obtaining export licenses for certain technology, tariffs and other barriers and restrictions, longer payment cycles, increased taxes, restrictions on the repatriation of funds and the burdens of complying with a variety of foreign laws, any of which could ultimately have a material adverse effect on our business. In the event that natural disasters (including as a result of climate change), public health epidemics or technical catastrophes were to damage or destroy any part of our facilities or those of our contract manufacturer, destroy or disrupt vital infrastructure systems or interrupt our operations or services for any extended period of time, our business, financial condition and results of operations would be materially and adversely affected. Market Opportunity Risks The market for our products is highly competitive and we expect to face increased competition as new and existing competitors introduce power optimizers, inverters, solar PV system monitoring and other smart energy products, which could negatively affect our results of operations and market share. The market for solar PV solutions is highly competitive. We principally compete with traditional inverter manufacturers as well as microinverter manufacturers. Over the past few years, several new entrants to the inverter and MLPE market, including low- cost Asian manufacturers, have announced plans to ship or have already shipped products in markets in which we sell our products, including, with respect to sales in Australia and in Europe. We expect competition to intensify as new and existing competitors enter the market. In addition, there are several new entrants, including ourselves, that are proposing or have proposed solutions to the rapid shutdown functionality which has become a regulatory requirement for PV rooftop solar systems in the United States. Our competitors may offer a more competitive price and technologically attractive solution to the residential solar PV market, which could make it more difficult for us to maintain market share. Several of our existing and potential competitors have the financial resources to offer competitive products at aggressive or below- market pricing levels, which could cause us to lose sales or market share or cause us to lower prices for our products in order to compete effectively. If we have to reduce our prices by more than we anticipated, or if we are unable to offset any future reductions in our average selling prices by increasing our sales volume, reducing our costs and expenses or introducing new products, our financial

condition and results of operations would suffer. In addition, competitors may be able to develop new products more quickly than us, may partner with other competitors to provide combined technologies and competing solutions and may be able to develop products that are more reliable or that provide more functionality than ours. A drop in the retail price of electricity derived from the utility grid or from alternative energy sources may harm our business, financial condition, results of operations, and prospects. Decreases in the retail prices of electricity from the utility grid, or other renewable energy resources, would make the purchase of solar PV systems less economically attractive and would likely lower sales of our products. The price of electricity derived from the utility grid could decrease as a result of: • construction of a significant number of new power generation plants, including plants utilizing natural gas, nuclear, coal, renewable energy or other generation technologies; • relief of transmission constraints that enable local centers to generate energy less expensively; • reductions in the price of natural gas, or alternative energy resources other than solar; • utility rate adjustment and customer class cost reallocation; • energy conservation technologies and public initiatives to reduce electricity consumption; • development of smart- grid technologies that lower the peak energy requirements of a utility generation facility; • development of new or lower- cost energy storage technologies that have the ability to reduce a customer' s average cost of electricity by shifting load to off- peak times; and • development of new energy generation technologies that provide less expensive energy. Moreover, technological developments in the solar components industry could allow our competitors and their customers to offer electricity at costs lower than those that can be offered by us and our customers, which could result in reduced demand for our products. If the cost of electricity generated by solar PV installations incorporating our systems is high relative to the cost of electricity from other sources, our business, financial condition and results of operations may be harmed. Increased interest rates and the tightening of supply of capital in the global financial markets has in the past, and could in the future, make it difficult for end- users to finance the cost of a solar PV system and could reduce the demand for smart energy products and thus demand for our products. Many end- users depend on financing to fund the initial capital expenditure required to develop, build or purchase a solar PV system. As a result, the current level of increased interest rates and a reduction in the supply of project debt financing or reduced tax equity investments, has in the past, and could in the future, reduce the number of solar projects that receive financing or otherwise make it difficult for our customers or the end- users to secure the financing necessary to develop, build, purchase or install a solar PV system on favorable terms, or at all, and thus lower demand for our products which could limit our growth or reduce our net sales. In addition, we believe that a significant percentage of end- users install solar PV systems as an investment, funding the initial capital expenditure through financing. The increased level of interest lowers such end- users' return on investment on a solar PV system, increases the equity return requirements and could make alternative investments more attractive relative to solar PV systems, and, in each case, could cause such end- users to seek alternative investments.

~~Our limited operating history at current scale and our nascent industry make evaluating our business and future prospects difficult. We have a limited history operating our business at its current scale, and therefore a limited history upon which you can base an investment decision. There is rising demand for clean electric power solutions that can provide electric power with lower carbon emissions with high availability. One such solution is distributed, renewable energy generation which is supplementing and replacing conventional generation sources, given its increasingly compelling economics. Among other renewable energy market trends, we expect our business results to be driven by declines in the cost of generation of renewable power (as evidenced by current solar and wind generation deployments), decreases in the cost of manufacturing battery packs and a rapidly growing energy storage market driven by increasing demand from C & I customers, utilities and grid operators. However, predicting our future revenue and appropriately budgeting for our expenses is difficult, and we have limited insight into trends that may emerge and affect our business.~~

If renewable energy technologies are not suitable for widespread adoption or sufficient demand for our hardware and software- enabled services does not develop or takes longer to develop than we anticipate, our sales and revenue may decline. The market for renewable, distributed energy generation is emerging and rapidly evolving, and its future success is uncertain. If renewable energy generation proves unsuitable for widespread commercial deployment or if demand for our renewable energy hardware and software- enabled services fails to develop sufficiently, we would be unable to achieve sales and market share. Many factors may influence the widespread adoption of renewable energy generation and demand for our hardware and software- enabled services, including, but not limited to the cost- effectiveness of renewable energy technologies as compared with conventional and competitive technologies, the performance and reliability of renewable energy products as compared with conventional and non- renewable products, fluctuations in economic and market conditions that impact the viability of conventional and competitive alternative energy sources, increases or decreases in the prices of oil, coal and natural gas, continued deregulation of the electric power industry and broader energy industry, and the availability or effectiveness of government subsidies and incentives. Events that negatively impact the growth of renewable energy will have a negative impact on our business and financial condition. The growth and profitability of our business is dependent upon the future growth of renewable energy, such as solar. The solar industry is an evolving industry that has experienced substantial changes in recent years, and we cannot be certain that consumers, businesses, or utilities will adopt solar PV systems as an alternative energy source at levels sufficient to grow our business. If demand for our solar energy hardware and software solutions fails to continue to develop sufficiently, demand for our products will decrease, resulting in an adverse impact on our ability to increase our revenue and grow our business. The growth of renewable energy, including the number of renewable energy projects is dependent upon a number of factors, including governmental policies, including incentives that encourage the building of renewable energy projects, and the cost of alternative energy sources, including fossil fuels and new technologies. Any events or change in the regulatory framework or electricity energy market that negatively impact the growth and development of renewable energy, particularly wind and solar energy, will have a negative impact on our business and financial condition. The failure of battery storage cost to continue to decline would have a negative impact on our business and financial condition. The growth and profitability of our ~~business~~ **GO ESS product line** is dependent upon the continued decline in the cost of battery storage. Over the last decade, the cost of battery storage systems, particularly lithium- ion based battery storage systems, has

declined significantly. This lower cost has been driven by advances in battery technology, maturation of the battery supply chain, the scale of battery production by the leading manufacturers and other factors. The growth of our hardware sales and related software-enabled services is dependent upon the continued decrease in the price and efficiency of battery storage systems of our OEM suppliers. If for whatever reason, our OEM suppliers are unable to continue to reduce the price of their battery storage systems, our ~~business and financial condition will~~ **GO ESS product line could** be negatively impacted.

Operating Risks Our operating results may fluctuate significantly as a result of a variety of factors, many of which are outside of our control. We are subject to, among other things, the following factors that may negatively affect our operating results:

- seasonal and other fluctuations in demand for our products;
- the timing, volume and product mix of sales of our products, which may have different average selling prices or profit margins;
- changes in our pricing and sales policies or the pricing and sales policies of our competitors;
- our ability to design, manufacture and deliver products to our customers in a timely and cost-effective manner and that meet customer requirements;
- our ability to manage our relationships with our contract manufacturers, customers and suppliers;
- quality control or yield problems in our manufacturing operations;
- the anticipation, announcement or introductions of new or enhanced products by our competitors and ourselves;
- reductions in the retail price of electricity;
- changes in laws, regulations and policies applicable to our business and products, particularly those relating to government incentives for solar energy applications;
- the impact of tariffs on the solar industry in general and our products in particular;
- unanticipated increases in costs or expenses;
- the amount and timing of operating costs and capital expenditures related to the maintenance and expansion of our business operations;
- the impact of government-sponsored programs on our customers;
- our exposure to the credit risks of our customers, particularly in light of the fact that some of our customers are relatively new entrants to the solar market without long operating or credit histories;
- our ability to estimate future warranty obligations due to product failure rates, claim rates or replacement costs;
- our ability to forecast our customer demand and manufacturing requirements, and manage our inventory;
- our ability to predict our revenue and plan our expenses appropriately;
- fluctuations in foreign currency exchange rates;
- announcement of acquisitions or dispositions of our assets or business operations;
- changes in our management; and
- general economic conditions and changes in such conditions specific to our target markets.

The above factors are difficult to forecast, and these, as well as other factors, could materially and adversely affect our operating results. Any failure to adjust spending quickly enough to compensate for a revenue shortfall could magnify the adverse impact of this revenue shortfall on our results of operations. There can be no assurance that we will be able to successfully address these risks. We are exposed to general economic conditions and the fluctuations of interest and inflation rates may have an adverse effect on our business. We are seeing an increase in overall operating and other costs as the result of higher inflation rates, in particular in Europe and the United States. While we do not believe inflationary pressures have caused a material impact on our business to date, there can be no guarantee that inflation will not cause our operations to suffer in the future. If high inflation rates continue, or if the global or U. S. economies experience a recession or economic slowdown, consumers may not be able to purchase our products as usual, especially where these factors have a direct impact on the consumers. As a consequence, our earnings may be adversely affected. High interest rates in Europe, the U. S., or elsewhere could adversely affect our costs and earnings due to the impact those changes have on our variable-rate debt instruments. Furthermore, we could be adversely affected by negative economic conditions prevalent in the U. S. or other countries, even when economic conditions in such countries may differ significantly from economic conditions in Europe or elsewhere, as investors' reactions to developments in any of these other countries may have an adverse effect on our securities. Consequently, the market value of our securities may be adversely affected by events taking place outside of Europe or the U. S.

~~Disruption in our global supply chain and rising prices of oil and raw materials as a result of the conflict between Russia and Ukraine may negatively impact our businesses. The Russian invasion of Ukraine beginning in late February 2022, and the recent recognition by Russia of the independence of the self-proclaimed republics of Donetsk and Luhansk, in the Donbas region of Ukraine, may significantly amplify already existing disruptions to our supply chain and logistics. Specifically, the conflict may disrupt the transit of goods by train from China to Europe, result in an increase in prices of certain raw materials sourced in Russia such as nickel and aluminum that are used in the manufacture of products relevant to the solar industry as well as increase oil prices that will in turn cause overall shipping costs to rise. In addition, the governments of the United States, the European Union, Japan and other jurisdictions have recently announced the imposition of sanctions on certain industry sectors and parties in Russia and the regions of Donetsk and Luhansk, as well as enhanced export controls on certain products and industries. These and any additional sanctions, as well as any counter responses by the governments of Russia or other jurisdictions, could adversely affect the global financial markets generally and levels of economic activity as well as increase financial markets volatility. Our compliance with these measures, and any additional measures or sanctions, as well as the resulting rise in prices of certain raw materials sourced in Russia and the prices of oil may disrupt our business and operations, and / or impact the pricing of our products.~~As a result of war, hostilities and other conditions in Israel, the Company's business operations could be negatively impacted. The Company has subsidiaries that conduct research and development, in addition to our Predict service, that are located in Israel. Accordingly, political, economic, and military conditions in Israel directly affect us. Israel has been and is currently involved in a number of armed conflicts and is the target of terrorist activity, including threats from Hezbollah militants in Lebanon, Iranian militia in Syria, **repeated attacks on civilians from Iran,** and others. For example, on October 7, 2023, Hamas terrorists and members of other terrorist organizations conducted a series of attacks on Israeli civilian and military targets. Shortly following the attack, Israel declared war against Hamas, and several hundred thousand Israeli reservists were drafted to perform immediate military service. ~~The intensity~~ **Although Israel has since agreed to cease fires with each of Hamas and Hezbollah with respect to the conflicts in the Gaza Strip and Iran, these conflicts could re-escalate if the cease fires are violated. Military conflicts at some** of Israel's ~~current war against Hamas and military conflicts at some of its~~ borders are difficult to predict, as are its economic implications on the Company's business and operations in Israel and on Israel's economy in general. In addition, any future armed conflict, political instability, event of escalation or violence in the

region may impede our ability to manage our business effectively or otherwise adversely affect our business or operations. Some of our employees in Israel are obligated to perform annual reserve duty in the Israeli military and are subject to being called for additional active duty under emergency circumstances, including in connection with the current war against Hamas. In the event that our subsidiary's office is damaged as a result of hostile action, or the current war against Hamas or new hostilities otherwise disrupt the ongoing operation of our office, our ability to operate could be materially adversely affected.

Political uncertainty in the U. S. and jurisdictions in which we operate may have an adverse impact on business. We are subject to various legal, compliance and regulatory risks in numerous jurisdictions throughout the world. These risks include the availability of economic incentives in certain geographic regions in which the Company operates. Future elections in various countries, including the United States and throughout Europe, may further increase these risks. The elections could result in shifts in domestic, foreign, and economic policy approaches, and uncertainty with respect to, regulation and legislation directly affecting the Company and our business environment, including tax incentives or potential tariffs that could directly affect the solar industry. Actions taken by new administrations may have an adverse impact on our industry and business or may indirectly affect us because of adverse impacts on our customers, suppliers and manufacturers, which could result in a material adverse effect on our business, financial condition, results of operations and future growth. Some international areas are politically less stable than other areas and may be subject to civil unrest, conflict, insurgency, corruption, security risks and labor unrest. Political instability in areas where we operate may expose our operations to increased risks, including increased difficulty in obtaining required permits and government approvals, enforcing our agreements in those jurisdictions and potential adverse actions by local government authorities. The political landscape in the United States is characterized by increasing polarization, uncertainty, and volatility. Political developments, including changes in leadership, shifts in policy priorities, and legislative gridlock, with increased risks of federal government shutdowns or debt defaults, could have significant implications for our business operations, regulatory environment, and financial performance. The unpredictability of the political environment poses challenges in anticipating and mitigating risks effectively.

We are dependent on ocean transportation to deliver our products in a timely and cost- efficient manner. If we are unable to use ocean transportation to deliver our products, our business and financial condition could be materially and adversely impacted. We rely on ocean transportation for the delivery of most of our products to our customers, and when unavailable, incompatible with customer delivery time requirements, or when we are unable to accommodate accelerated delivery times due to growing customer volume demands, we rely on alternative, more expensive air transportation. Our ability to deliver our products via ocean transportation could be adversely impacted by shortages in available cargo capacity, changes by carriers and transportation companies in policies and practices, such as scheduling, pricing, payment terms and frequency of service or increases in the cost of fuel, taxes and labor, disruptions to ports and other shipping facilities due to geopolitical conflicts or pandemics, and other factors not within our control.

For example, in the last quarter of 2023, costs increased again due to geopolitical tensions in the Middle East. Specifically, actions by the Houthi rebel group in Yemen disrupted international shipping lanes in the Red Sea, necessitating the rerouting of commercial ships away from the Suez Canal to longer alternative routes. While we have seen costs stabilize throughout 2024, if

we are unable to use ocean transportation and are required to substitute more expensive air transportation, our financial condition and results of operations could be materially and adversely impacted.

Throughout 2022 and into the first quarter of 2023, the Company experienced an increase in the cost of goods sold, driven by higher shipping rates. This rise in shipping rates were primarily due to a reduction in ocean freight capacity, the build-up of containers in the U. S. and Europe that were not returned to Asia, and a decrease in air freight availability, leading to a greater dependence on ocean freight. During the second and third quarters of 2023, shipping costs moderated as the global supply chain began to normalize. However, in the last quarter of 2023, costs increased again due to geopolitical tensions in the Middle East. Specifically, actions by the Houthi rebel group in Yemen disrupted international shipping lanes in the Red Sea, necessitating the rerouting of commercial ships away from the Suez Canal to longer alternative routes. Additionally, drought conditions in Latin America resulted in restrictions on the number of ships that can pass through the Panama Canal each day. Given these persisting challenges, the Company has continued to experience increased shipping costs. If these specific factors continue, the Company anticipates that shipping rates could remain high, and continue to lead to increased costs of goods sold.

If our estimates of useful life for our solar energy hardware and software solutions are inaccurate or if our OEM suppliers do not meet service and performance warranties and guarantees, our business and financial results could be adversely affected. We sell hardware and software- enabled services to our customers. Our software- enabled services are essential to the operation of these hardware products. As a result, in connection with the sales of solar energy hardware, we enter into recurring long- term services agreements with customers. Our pricing of services contracts is based upon the value we expect to deliver to our customers, including considerations such as the useful life of the solar energy systems and prevailing electricity prices. We also provide certain warranties and guarantees covering product specification and drawings, as well as defects in design, materials, workmanship, and manufacturing. We do not have a long history with a large number of field deployments, and our estimates may prove to be incorrect. Failure to meet these performance warranties and guarantee levels may require us to refund our service contract payments to the customer, or require us to make cash payments to the customer based on actual performance, as compared to expected performance. Further, the occurrence of any defects, errors, disruptions in service, or other performance problems, interruptions, or delays with our solar energy and management systems, whether in connection with day- to- day operations or otherwise, could result in:

- loss of customers;
- loss or delayed market acceptance and sales of our hardware and software- enabled services;
- delays in payment to us by customers;
- injury to our reputation and brand;
- legal claims, including warranty and service level agreement claims, against us; or
- diversion of our resources, including through increased service and warranty expenses or financial concessions, and increased insurance costs.

The costs incurred in correcting any material defects or errors in our hardware and software or other performance problems may be substantial and could adversely affect our

business, financial condition and results of operations. Any failure to offer high- quality technical support services may adversely affect our relationships with our customers and adversely affect our financial results. Our customers depend on our support organization to resolve any technical issues relating to our hardware and software- enabled services. In addition, our sales process is highly dependent on the quality of our hardware and software- enabled services, on our business reputation and on strong recommendations from our existing customers. Any failure to maintain high- quality and highly- responsive technical support, or a market perception that we do not maintain high- quality and highly- responsive support, could adversely affect our reputation, our ability to sell our products to existing and prospective customers, and our business, financial condition and results of operations. We offer technical support services with our hardware and software- enabled services and may be unable to respond quickly enough to accommodate short- term increases in demand for support services, particularly as we increase the size of our customer base. We also may be unable to modify the format of our support services to compete with changes in support services provided by competitors. It is difficult to predict demand for technical support services and if demand increases significantly, we may be unable to provide satisfactory support services to our customers. Additionally, increased demand for these services, without corresponding revenue, could increase costs and adversely affect our business, financial condition and results of operations. Our hardware and software- enabled products involve a lengthy sales cycle, and if we fail to close sales on a regular and timely basis it could adversely affect our business, financial condition and results of operations. Our sales cycle is typically six to twelve months for our hardware and software- enabled products, but can vary considerably. To make a sale, we must typically provide a significant level of education to prospective customers regarding the use and benefits of our hardware and software- enabled products. The period between initial discussions with a potential customer and the sale of even one of our various products typically depends on a number of factors, including the potential customer' s budget and decision as to the type of financing it chooses to use, as well as the arrangement of such financing. Prospective customers often undertake a significant evaluation process, which may further extend the sales cycle. This lengthy sales cycle is subject to a number of significant risks over which we have little or no control. Because of both the long sales and installation cycles, we may expend significant resources without having certainty of generating a sale. These lengthy sales and installation cycles increase the risk that our customers fail to satisfy their payment obligations or cancel orders before the completion of the transaction or delay the planned date for installation. Cancellation rates may be impacted by factors outside of our control including an inability to install solar energy hardware at the customer' s chosen location because of permitting or other regulatory issues, unanticipated changes in the cost or availability of alternative sources of electricity available to the customer or other reasons unique to each customer. Our operating expenses are based on anticipated sales levels, and many of our expenses are fixed. If we are unsuccessful in closing sales after expending significant resources or if we experience delays or cancellations, our business, financial condition and results of operations could be adversely affected. Additionally, we have ongoing arrangements with our customers and target customers. Some of these arrangements are evidenced by contracts or long- term contract partnership arrangements. If these arrangements are terminated or if we are unable to continue to fulfill the obligations under such contracts or arrangements, our business, financial condition and results of operations could be adversely affected. Our business is subject to risks associated with construction, utility interconnection, cost overruns and delays, including those related to obtaining government permits and other contingencies that may arise in the course of completing installations. The installation and operation of our solar energy hardware at a particular site is generally subject to oversight and regulation in accordance with national, state and local laws and ordinances relating to building codes, safety, environmental protection and related matters, and typically requires obtaining and keeping in good standing various local and other governmental approvals and permits, including environmental approvals and permits, that vary by jurisdiction. In some cases, these approvals and permits require periodic renewal. It is difficult and costly to track the requirements of every individual authority having jurisdiction over energy storage system installations, to design our solar energy hardware to comply with these varying standards, and for our customers to obtain all applicable approvals and permits. We cannot predict whether or when all permits required for a given customer' s project will be granted or whether the conditions associated with the permits will be achievable. The denial of a permit or utility connection essential to a project or the imposition of impractical conditions would impair our customer' s ability to develop the project. In addition, we cannot predict whether the permitting process will be lengthened due to complexities and appeals. Delay in the review and permitting process for a project can impair or delay our customers' abilities to develop that project or increase the cost so substantially that the project is no longer attractive to our customers. Furthermore, unforeseen delays in the review and permitting process could delay the timing of the installation of our solar energy hardware and could therefore adversely affect the timing of the recognition of revenue related to hardware acceptance by our customer, which could adversely affect our operating results in a particular period. In addition, the successful installation of our solar energy hardware is dependent upon the availability of and timely connection to the local electric grid. We may be unable to obtain the required consent and authorization of local utilities to ensure successful interconnection to energy grids to enable the successful discharge of renewable energy to customers. Any delays in our customers' ability to connect with utilities, delays in the performance of installation- related services or poor performance of installation- related services will have an adverse effect on our results and could cause operating results to vary materially from period to period. The threat of global economic, capital markets and credit disruptions, including sovereign debt issues, pose risks to our business. The threat of global economic, capital markets and credit disruptions pose risks to our business. These risks include slower economic activity and investment in projects that make use of our products and services. These economic developments, particularly decreased credit availability, have in the past reduced demand for solar products. For instance, the European sovereign debt crisis in recent years has caused and may continue to cause European governments to reduce, eliminate or allow to expire government subsidies and economic incentives for solar energy, which could limit our growth or cause our net sales to decline and materially and adversely affect our business, financial condition, and results of operations. These conditions, including reduced incentives, continued decreases in credit availability, as well as continued economic instability, have and may continue to adversely impact our business, financial condition and results of operations as

we seek to increase our sales internationally. Fluctuations in currency exchange rates may negatively impact our financial condition and results of operations. Although our revenues are generated in U. S. dollar, a portion of our operating expenses are accrued in New Israeli Shekels (primarily related to payroll), the Euro and, to a lesser extent, the Yuan. Our profitability is affected by movements of the U. S. dollar against the Euro, and, to a lesser extent, the New Israeli Shekel, Yuan and other currencies in which we generate revenues, incur expenses, and maintain cash balances. Foreign currency fluctuations may also affect the prices of our products which are denominated primarily in U. S. dollars. If there is a devaluation of a particular currency, the prices of our products will increase relative to the local currency and may be less competitive. Despite our efforts to minimize foreign currency risks, primarily by maintaining cash balances in New Israeli Shekels, significant long- term fluctuations in relative currency values, in particular a significant change in the relative values of the Euro and, New Israeli Shekel, Yuan and other currencies, against the U. S. dollar could have an adverse effect on our profitability and financial condition.

Third- Party Partner Risks We depend on sole- source and limited- source suppliers for key components, raw materials, and products. If we are unable to source these components, raw materials, and products on a timely basis or at acceptable prices, we will not be able to deliver our products to our customers and production time and production costs could increase, which may adversely affect our business. We depend on limited- source suppliers for certain key components of our products, such as our lithium- ion batteries, inverters, Auto Transfer Switches, and smart meters, as well as sole- source suppliers for other components, such as CPUs, Wi- Fi chips, FPGA chips, potting, and plastics. Any of the sole- source and limited- source suppliers upon whom we rely on could experience quality and reliability issues, stop producing our components, cease operations, or be acquired by, or enter into exclusive arrangements with, our competitors. Any such quality or reliability issue, or interruption or delay may force us to seek similar components or products from alternative sources, which may not be available on commercially reasonable terms, or at all. Switching suppliers may require that we redesign our products to accommodate new components, and may potentially require us to re- qualify our products, which would be costly and time- consuming. Any interruption in the quality or supply of sole- source or limited- source components for our products would adversely affect our ability to meet scheduled product deliveries to our customers and could result in lost revenue or higher expenses and would harm our business. While our supply agreements have automatic renewal provisions, some allow for termination upon advanced written notice by our manufacturers. Our supply agreements require us to place individual purchase orders, which provide flexibility in regard to product quantities and pricing. Each purchase order requires us to forecast our projected demand for products and competitive pricing. Termination of any supply agreement, incorrectly projecting our demand or pricing of materials, or our inability to negotiate and execute successive purchase orders could have a material adverse effect on our business. Our supply chain is reliant upon manufacturers in Thailand and China. Changes in the economic, political or social conditions, government policies or regulatory developments in those countries could have a material adverse effect on our business and operations. All of our manufacturers are headquartered and have manufacturing facilities in Thailand and China. Accordingly, our supply chain, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in those countries. The Asian economy differs from most developed markets in many respects, including the level of government involvement, level of development, growth rate, control of foreign exchange, government policy on public order and allocation of resources. In some of the Asian markets, governments continue to play a significant role in regulating industry development by imposing industrial policies. Moreover, some Asian markets have experienced, and may in the future experience, political and economic instabilities, which include but are not limited to strikes, demonstrations, protests, marches, coups d' état, guerilla activity, risks of war, terrorism, nationalism or other types of civil disorder, and regulatory changes such as nullification of contracts. For example, in particular, in recent years, tensions between China and Taiwan have further escalated, with China accelerating the development of military capabilities and threatening the use of military force to gain control over Taiwan in certain circumstances. Although we have not experienced any material disruptions related to our manufacturers to date, there can be no assurance that we will not experience such interruptions in the future, due to an escalation of tensions between China and Taiwan or otherwise. Any adverse changes in economic conditions in Asia, or in the policies of the governments or of the laws and regulations in each respective jurisdiction of our manufacturers could have a material adverse effect on our business and operating results, lead to disruptions in our supply chain and adversely affect our competitive position. Our hardware and software- enabled services rely on interconnections to distribution and transmission facilities that are owned and operated by third parties, and as a result, are exposed to interconnection and transmission facility development and curtailment risks. Our hardware and software- enabled services are interconnected with electric distribution and transmission facilities owned and operated by regulated utilities necessary to deliver the electricity that our storage systems produce. A failure or delay in the operation or development of these distribution or transmission facilities could result in a loss of revenues or breach of a contract because such a failure or delay could limit the amount of renewable electricity that our solar energy hardware delivers or delay the completion of our customers' construction projects. In addition, certain components of our solar energy hardware generation may be curtailed without compensation due to distribution and transmission limitations, reducing our revenues and impairing our ability to capitalize fully on a particular customer project' s potential. Such a failure or curtailment at levels above our expectations could impact our ability to satisfy agreements entered into with our suppliers and adversely affect our business. We have in some instances, and may in the future, enter into long- term supply agreements that could result in insufficient inventory and negatively affect our results of operations. We have entered into supply agreements with certain suppliers of battery storage systems and other components of our solar energy systems. Some of these supply agreements provide for fixed or inflation- adjusted pricing and substantial prepayment obligations. If our suppliers provide insufficient inventory at the level of quality required to meet customer demand, or if our suppliers are unable or unwilling to provide us with the contracted quantities, as we have limited alternatives for supply in the short term, our results of operations could be materially and negatively impacted. Further, we face significant specific counterparty risk under long- term supply agreements when dealing with certain suppliers without a long, stable production and

financial history. Given the uniqueness of our product, many of our suppliers do not have a long operating history and may not have substantial capital resources. In the event any such supplier experiences financial difficulties, it may be difficult or may require substantial time and expense to replace such supplier. We do not know whether we will be able to maintain supply relationships with our critical suppliers, or secure new long- term supply agreements. Additionally, many of the battery storage systems and components of our solar energy systems are procured from foreign suppliers, which exposes us to risks including unforeseen increases in costs or interruptions in supply arising from changes in applicable international trade regulations, such as taxes, tariffs, or quotas. Any of the foregoing could materially adversely affect our business, financial condition and results of operations. We must maintain customer confidence in our long- term business prospects in order to grow our business.

Customers may be less likely to purchase our hardware and services if they are not convinced that our business will succeed or that our services and support and other operations will continue in the long term. Similarly, suppliers and other third parties will be less likely to invest time and resources in developing business relationships with us if they are not convinced that our business will succeed. Accordingly, in order to grow our business, we must maintain confidence among our customers, OEM suppliers, analysts, ratings agencies, third- party general contractor partners, financing partners and other parties in our long- term business prospects. This may be particularly complicated by factors such as: • our limited operating history at current scale; • unfamiliarity with or uncertainty about our energy storage and management systems and the overall perception of the distributed and renewable energy generation markets; • inexperience with new product offerings and services and difficulties arising from the successful rollout thereof; • delivery and service operations to meet demand; • prices for electricity in particular markets; • competition from alternate sources of energy; • warranty or unanticipated service issues we may experience in connection with third- party manufactured hardware and our proprietary software; • the environmental consciousness and perceived value of environmental programs to our customers; • the size of our expansion plans in comparison to our existing capital base and the scope and history of operations; and • the availability and amount of incentives, credits, subsidies or other programs to promote installation of energy storage systems. Several of these factors are largely outside our control, and any negative perceptions about our long- term business prospects, even if unfounded, would likely adversely affect our business, financial condition and results of operations.

Cybersecurity and Information Technology Risks We are subject to stringent privacy laws, information security policies and contractual obligations governing the use, processing and transfer of personal information and any unauthorized access to, or disclosure or theft of personal information we gather, store or use could harm our reputation and subject us to claims or litigation. We receive, store and use certain personal information of our customers, and the end- users of our customers' solar PV systems, including names, addresses, e- mail addresses, credit information and energy production statistics. We also store and use personal information of our employees. We take steps to protect the security, integrity and confidentiality of the personal information we collect, store and transmit, but there is no guarantee that inadvertent or unauthorized use or disclosure will not occur or that third parties will not gain unauthorized access to this information despite our efforts. Because techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target, we and our suppliers or vendors may be unable to anticipate these techniques or to implement adequate preventative or mitigation measures. We are subject to a variety of local, state, national and international laws, directives and regulations that apply to the collection, use, retention, protection, disclosure, transfer, and other processing of personal information in the different jurisdictions in which we operate, including comprehensive regulatory systems in the U. S. and Europe. **In addition to the Federal Trade Commission Act (" FTC Act "), which generally**

regulates the data privacy and cybersecurity practices of businesses as consumer protection, California enacted the CCPA, which creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal information. The CCPA has been amended from time to time, including by the California Privacy Rights Act (" CPRA "), which was approved by California voters in the November 3, 2020 election. The CPRA significantly modified the CCPA, including by establishing particular consumer rights with respect to certain sensitive personal information. The CPRA also created a new state agency vested with authority to enforce the CCPA and implement regulations under the CCPA. It remains unclear what, if any, further modifications will be made to the CCPA or how such legislation will be interpreted. In addition, new legislation proposed or enacted in other states will continue to shape the data privacy environment nationally. Comprehensive data privacy laws in **Colorado, Connecticut, Delaware, Florida, Iowa, Montana, Nebraska, New Hampshire, New Jersey, Oregon, Texas, Utah and Virginia**, ~~Colorado, Connecticut, and Utah~~ have been enacted and **are in slated to go into effect in 2023**; data privacy laws in **Montana, Indiana, Oregon, Kentucky, Maryland, Minnesota, Rhode Island,** and ~~Texas~~ **Tennessee** will take effect in **the second half of 2024** and laws in four additional states will take effect in **2025 or in 2026**. These state laws impose similar obligations on businesses and grant similar rights in consumers as is provided under the CCPA but some obligations under these state privacy statutes remain unclear, resulting in further legal uncertainty and potentially requiring us to modify our data practices and policies and to incur substantial additional costs and expenses in an effort to comply. Complying with these and other laws, regulations, amendments to or re- interpretations of existing laws and regulations, and contractual or other obligations relating to privacy, data protection, data transfers, data localization, or information security may require us to make changes to our services to enable us or our customers to meet new legal requirements, incur substantial operational costs, modify our data practices and policies, and restrict our business operations. **All**

The SEC requires cybersecurity disclosures about cybersecurity incidents and risk management. The SEC Cybersecurity Rules mandate that we report a cybersecurity incident on a Form 8- K within four days after we determine that the incident is material. See Item 1C, " Cybersecurity," for further information about our processes for assessing, identifying and managing material cybersecurity risks, any risks from cybersecurity threats, the Board of Directors' oversight of risks from cybersecurity threats, and management' s role in assessing and managing the registrant' s material risks from cybersecurity threats. Additionally, all 50 states have laws requiring businesses to provide notification of certain breaches of personal information to affected individuals, state agencies and others. On May 25, 2018, the

EU began enforcement of the GDPR. The GDPR applies to organizations within the EU that process personal information and organizations located outside of the EU that process personal information of individuals in the EU where such processing relates to either: (a) the offering of goods or services to individuals in the EU; or (b) the monitoring of the behavior of individuals as far as that behavior takes place within the EU. The UK GDPR applies in the same manner, with respect to the UK, following the UK's departure from the EU. The GDPR / UK GDPR impose strict requirements to implement appropriate technical and organizational measures to keep personal information secure, and to report data breaches to data protection authorities, and potentially to affected individuals, within specified timescales. The GDPR / UK GDPR also impose strict requirements on the transfer of personal information out of the EEA / UK to the United States and other third countries. Organizations in the EEA may transfer personal information to **US-U.S.** companies (and companies based in other third countries) on the basis of the new standard contractual clauses ("updated SCCs") published by the European Commission in 2021. In addition, on July 10, 2023 the European Commission adopted an adequacy decision regarding the **EU-US-U.S.** Data Privacy Framework ("DPF") which allows organizations in the EEA to transfer personal information to **US-U.S.** companies that self-certify to the DPF (which forgoes the need to implement the updated SCCs). The UK Information Commissioner's Office has also issued new data transfer agreements: a UK Addendum to the updated SCCs; and a standalone International Data Transfer Agreement ("UK IDTA"), and, effective on October 12, 2023, the UK adopted the **UK-US-U.S.** Data Bridge, that largely applies the DPF in the context of transfers of personal data from the UK to companies in the United States that participate in the DPF and the Data Bridge extension. Presently, the primary means of validly transferring personal information from the EEA / UK to the United States are the DPF / Data Bridge and the updated SCCs / UK Addendum / UK IDTA, which should be supported by a transfer impact assessment detailing the risks to the personal information that have been transferred according to the application of local laws in the jurisdiction to which they are being transferred. Where personal information is transferred without updated SCCs / UK Addendum / UK IDTA in place, and / or any other valid transfer mechanism, this creates a risk of enforcement action for non-compliance with the requirements of the GDPR / UK GDPR. ~~The GDPR also imposes strict requirements on the transfer of Personal Data out of the European Economic Area ("EEA") to the United States and other third countries. In July 2020, the Court of Justice of the European Union issued a decision that struck down the EU-U.S. Privacy Shield framework, which provided companies with a mechanism to comply with data protection requirements when transferring Personal Data from the EEA to the United States and additionally called into question the validity of the European Commission's Standard Contractual Clauses ("SCCs"), on which U.S. companies rely to transfer personal information from the EEA to the United States and elsewhere. Presently, the primary means of validly transferring personal information from the EEA to the United States is the updated SCCs of the European Commission, which should be supported by a transfer impact assessment detailing the risks to the personal information that have been transferred according to the application of local laws in the jurisdiction to which they are being transferred. Where personal information is transferred without SCCs in place, and / or any other valid transfer mechanism, this creates a risk of enforcement action for non-compliance with the requirements of the GDPR.~~ On June 28, 2021, the European Commission announced a decision of "adequacy" concluding that the UK ensures an equivalent level of data protection to the GDPR. The UK had already announced a reciprocal adequacy finding in respect of the EU. The effect of these adequacy decisions is that personal information may flow between the EEA and the UK without hindrance and / or the need to implement any specific data transfer mechanism. These adequacy decisions must be reviewed after four years and are subject to modification or revocation at any time. We note that the UK government has indicated its intention to amend the UK GDPR, the Data Protection Act 2018 and other laws relevant to privacy and cybersecurity. The impact of any changes to existing privacy and cybersecurity laws will not be clear until full details of these changes have been published and agreed. The EU / UK also impose cybersecurity obligations on organizations that operate in critical sectors of the economy (for example, the UK energy sector) and / or provide specific services (e. g., digital services such as online search engines). These cybersecurity obligations are primarily imposed through EU Member States' implementation of directive (EU) 2016 / 1148 (the "NIS Directive") and the Network and Information Systems Regulations 2018 / 506 (the "UK NIS Regulations"). Multinational organizations providing services in the UK and across EU Member States may be exposed to overlapping obligations, compliance requirements, and regulatory oversight. The UK NIS Regulations and the NIS Directive require that in-scope entities take appropriate and proportionate measures (having regard to the state of the art) to manage risks posed to the security of the network and information systems on which their services rely and to minimize the impact of incidents with a view to ensuring the continuity of service. In addition, in-scope entities are required to notify relevant authorities without undue delay of any incident having a significant impact on the continuity of the service (in the UK, organizations have 72 hours from the moment of becoming aware of such an incident to notify). Failure to comply with these requirements exposes in-scope entities: (i) to fines of up to £ 17million, if subject to the UK NIS Regulations; and (ii) to the applicable sanctions for non-compliance set forth in the implementing legislation of the EU Member State whose laws are applicable. The NIS Directive **was will be repealed with effect effective from October 18, 2024**, and replaced with Directive (EU) 2022 / 2555 (the "NIS 2 Directive"). **The implementation of the NIS 2 Directive, and repeal of the NIS Directive, does not impact the UK NIS Regulations because the UK is no longer an EU Member State.** The NIS 2 Directive imposes a more robust range of cybersecurity obligations than the NIS Directive, including a list of minimum cybersecurity measures that must be adopted. In addition, the management body of an entity subject to the EU Member State law implementing the NIS 2 Directive may be held liable for non-compliance. The NIS 2 Directive provides that national cybersecurity authorities have a more extensive array of enforcement tools at their disposal, have greater access to information, and benefit from a more considered approach to cross-border and regulatory cooperation. The NIS 2 Directive also establishes consistent minimum standards with respect to regulatory oversight, enforcement, and sanctions. Although the NIS 2 Directive broadens the range of specific cybersecurity measures that in-scope entities must adopt, these measures only represent minimum requirements. ~~It remains open to EU Member States to~~ **may** impose more stringent requirements on in-scope entities with respect to cybersecurity than provided for under the text of

the NIS 2 Directive. This could lead to divergences in approach and make compliance more challenging and costly for multinational organizations with exposure to national laws implementing the NIS 2 Directive across Member States. Organization's subject to the EU Member State laws implementing the NIS 2 Directive may be subject to fines capped at the greater of: (i) at least € 10 million or (ii) 2 % of total annual worldwide turnover. **Notwithstanding that the NIS Directive has been repealed, the majority of EU Member States have not yet implemented the NIS 2 Directive in domestic legislation. As such, multinational organizations with exposure to the laws of several Member States may be subject to both: (i) national laws implementing the NIS Directive in Member States where the NIS 2 Directive has not yet been implemented; and (ii) national laws implementing the NIS 2 Directive.** The UK has also implemented the Product Security and Telecommunications Infrastructure Act 2022 (" PSTI ") which, amongst other things, imposes obligations on manufacturers, importers and distributors of specific categories of consumer connectable products to comply with minimum security requirements with a view to securing such products against cyber- attacks. Non- compliance with PSTI exposes the organization to fines up to the greater of £ 10 million or 4 % of worldwide revenue. The EU is also due to implement the Cyber Resilience Act (the " CRA ") which will impose obligations on manufacturers, importers and distributors of products with a digital component to ensure that such products adhere to minimum security requirements. Failure to comply with the CRA exposes organizations to fines of up to the greater of € 15 million or 2. 5 % of annual worldwide turnover. Compliance with U. S. and international data protection and cybersecurity laws and regulations could cause us to incur substantial costs or require us to change our business practices and compliance procedures in a manner adverse to our business. Our and our collaborators' and contractors' failure to fully comply with GDPR / UK GDPR, the CCPA and other data protection and cybersecurity laws could lead to significant fines and require onerous corrective action. In addition, data security breaches experienced by us, our collaborators or contractors could result in the loss of trade secrets or other intellectual property, public disclosure of sensitive commercial data, and the exposure of personal information (including sensitive personal information) of our employees, customers, collaborators and others, leading to loss of business opportunities and other adverse effects. Compliance with these and any other applicable privacy and data security laws and regulations is a rigorous and time- intensive process, and we may be required to put in place additional mechanisms ensuring compliance with the new data protection rules. Furthermore, the laws are not consistent, and compliance with various different requirements may be costly. If we fail to comply with any such laws or regulations, we may face significant fines and penalties that could adversely affect our business, financial condition and results of operations. Unauthorized use or disclosure of, or access to, any personal information maintained by us or on our behalf, whether through breach of our systems, breach of the systems of our suppliers or vendors by an unauthorized party, or through employee or contractor error, theft or misuse, or otherwise, could harm our business. If any such unauthorized use or disclosure of, or access to, such personal information was to occur, our operations could be seriously disrupted, and we could be subject to demands, claims and litigation by private parties, and investigations, related actions, and penalties by regulatory authorities. In addition, we could incur significant costs in notifying affected persons and entities and otherwise complying with the multitude of foreign, federal, state and local laws and regulations relating to the unauthorized access to, or use or disclosure of, personal information. Finally, any perceived or actual unauthorized access to, or use or disclosure of, such information could harm our reputation, substantially impair our ability to attract and retain customers and have an adverse impact on our business, financial condition and results of operations. A failure of our information technology and data security infrastructure could adversely affect our business and operations. Our business and operations may be impacted by cybersecurity incidents, data security breaches and cybersecurity attacks, including attempts to gain unauthorized access to confidential data. We rely upon the capacity, reliability and security of our IT and data security infrastructure and our ability to expand and continually update this infrastructure in response to the changing needs of our business. Our existing IT systems and any new IT systems we utilize may not perform as expected. If we experience a problem with the functioning of an important IT system or a security breach of our IT systems, including during system upgrades or new system implementations, the resulting disruptions could adversely affect our business. Despite our implementation of reasonable security measures, our IT systems, like those of other companies, are vulnerable to damages from computer viruses, natural disasters (including as a result of climate change), fire, power loss, telecommunications failures, personnel misconduct, human error, unauthorized access, physical or electronic security breaches, cyber- attacks (including malicious and destructive code, phishing attacks, ransomware, and denial of service attacks), and other similar disruptions. Such attacks or security breaches may be perpetrated by bad actors internally or externally (including computer hackers, persons involved with organized crime, or foreign state or foreign state- supported actors). In addition, some of our products connect to the internet. Despite our implementation of reasonable security measures, these connected products, like those of other companies who produce devices connected to the internet, are vulnerable to unauthorized access and other security breaches. Cybersecurity threat actors employ a wide variety of methods and techniques that are constantly evolving, increasingly sophisticated, and difficult to detect and successfully defend against. Any future incidents could expose us to claims, litigation, regulatory or other governmental investigations, administrative fines and potential liability. Any system failure, accident or security breach could result in disruptions to our operations. A material network breach in the security of our IT systems could include the theft of our trade secrets, customer information, human resources information or other confidential data, including but not limited to personally identifiable information. A breach in the security of our connected products could lead to a disruption in service, remediation costs, loss of reputation, and loss of sales. Although past incidents have not had a material effect on our business operations or financial performance, to the extent that any disruptions or security breach results in a loss or damage to our data, or an inappropriate disclosure of confidential, proprietary or customer information, it could cause significant damage to our reputation, affect our relationships with our customers and strategic partners, lead to claims against us from governments and private plaintiffs, and adversely affect our business. While we have been subject to cyberattacks or other IT systems disruptions in the past, to our knowledge, we have not experienced a material cybersecurity incident to date. We cannot guarantee that future cyberattacks, if successful, will not have a material effect on our business or

financial results. Many governments have enacted laws requiring companies to implement minimum cybersecurity measures (as detailed above) and to provide notice of cyber incidents involving certain types of data, including personal information. If an actual or perceived cybersecurity breach of security measures, unauthorized access to our system or the systems of the third-party vendors that we rely upon, or any other cybersecurity threat occurs, we may incur liability, costs, or damages, contract termination, our reputation may be compromised, our ability to attract new customers could be negatively affected, and our business, financial condition, and results of operations could be materially and adversely affected. We could also be subject to regulatory investigations for non-compliance with applicable cybersecurity laws, be subject to significant fines, and / or be subject to litigation from anyone harmed as a result of non-compliance. Any compromise of our security or the security of our products, could also result in a violation of applicable domestic and foreign security, privacy or data protection, consumer and other laws, regulatory or other governmental investigations, enforcement actions, and legal and financial exposure, including potential contractual liability. In addition, we may be required to incur significant costs to protect against and remediate damage caused by these disruptions or security breaches in the future.

Competition Risks We currently face and will continue to face significant competition. We compete for customers, financing partners and incentive dollars with other solar energy hardware and software solution providers. Many providers of electricity, such as traditional utilities and other companies offering distributed generation products, have longer operating histories, customer incumbency advantages, access to and influence with local and state governments, and more capital resources than we do. Significant developments in alternative energy technologies or improvements in the efficiency or cost of traditional energy sources, including coal, oil, natural gas used in combustion or nuclear power, may materially and adversely affect our business and prospects in ways we cannot anticipate. We may also face new solar energy hardware and software solutions competitors who are not currently in the market. If we fail to adapt to changing market conditions and to compete successfully with new competitors, we will limit our growth and adversely affect our business results. We face supply chain competition, including competition from businesses in other industries, which could result in insufficient inventory and negatively affect our results of operations. Certain of our suppliers also supply systems and components to other businesses, including businesses engaged in the production of consumer electronics and other industries unrelated to solar energy hardware and software solutions. As a relatively low-volume purchaser of certain of these parts and materials, we may be unable to procure a sufficient supply of the items in the event that our suppliers fail to produce sufficient quantities to satisfy the demands of all of their customers, which could materially adversely affect our business, financial condition and results of operations.

Our gross margins are not able to increase due to continuous pressure we face to reduce the prices of our products, which has adversely affected, and may continue to adversely affect, our gross margins. The solar power industry has been characterized by declining product prices over time. We must continue to reduce the costs of production, installation and operation of our solar energy hardware and software solutions to expand our market and remain competitive. **We have reduced the prices of our products in the past, and we expect to continue to experience pricing pressure for our products in the future, including from our major customers. We have reduced our prices ahead of planned cost structure and current environment reductions of our products, which has adversely affected our gross margins. When seeking to maintain or increase their market share, our competitors may also reduce the prices of their products.** If our competitors are able to drive down their manufacturing costs faster than we can or increase the efficiency of their products, our products may become less competitive even when adjusted for efficiency, and we may be forced to sell our products at a price lower than our cost. **In addition, our customers may have the ability or seek to internally develop and manufacture competing products at a lower cost than we would otherwise charge, which would add additional pressure on us to lower our selling prices.** Further, if raw materials costs and other third-party component costs were to increase, we may not meet our cost reduction targets. **If we cannot effectively execute our cost reduction roadmap, or offset any future reductions in our average selling prices by increasing our sales volume, reducing our costs and expenses or introducing new products,** we may not be able to remain price competitive, which would result in lost market share and lower our gross margins **would continue to be adversely affected.** Additionally, certain of our existing service contracts were entered into based on projections regarding service costs reductions that assume continued advances in the cost of delivery of our services, which we may be unable to realize. While we have been successful in reducing our costs to date, the cost of battery storage systems and other components of our energy storage systems, for example, could increase in the future. Any such increases could slow our growth and cause our financial results and operational metrics to suffer. In addition, we have in the past faced increases in our other expenses, including increases in wages or other labor costs, as well as marketing, sales or related costs, and we may continue to experience such increases in the future. We will continue to make significant investments to drive growth in the future. In order to expand into new markets while still maintaining our current margins, we will need to continue to reduce our costs. Increases in any of these costs, or our failure to achieve projected cost reductions, could adversely affect our business, financial condition and results of operations. If we are unable to reduce our cost structure in the future, our net profits may decrease, which could have a material adverse effect on our business and prospects. We may fail to capture customers in the new product and geographic markets that we are pursuing. We are pursuing opportunities in energy management and energy storage which are highly competitive markets. We have made investments in our infrastructure, increased our operating costs and forgone other business opportunities in order to seek opportunities in these areas and will continue to do so. Any new product is subject to certain risks, including component sourcing, strategic partner selection and execution, customer acceptance, competition, product differentiation, market timing, challenges relating to economies of scale in component sourcing and the ability to attract and retain qualified personnel. There can be no assurance that we will be able to develop and grow these or any other new concepts to a point where they will become profitable or generate positive cash flow. If we fail to execute on our plan with respect to new product introductions, these new potential business segments fail to translate into revenue in the quantities

or timeline projected, thus, having a materially adverse impact on our revenue, operating results and financial stability. Our new products are complex and require significant preparation, precautionary safety measures, time-consuming string calculations, extensive design expertise and specialized installation equipment, training and knowledge. Together, these factors significantly increase complexity and cost of installation and limit overall productivity for the installer. Our installers may not have sufficient resources or expertise necessary to sell our products at the prices, in the volumes and within the time frames that we expect, which could hinder our ability to expand our operations and harm our revenue and operating results.

Risks Related to Intellectual Property and Technology

Our patent applications may not result in issued patents, and our issued patents may not provide adequate protection, which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours. We cannot be certain that our pending patents will result in granted patents or that any of our granted patents will afford protection against a competitor. 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 patent applications that we file will result in patents being granted, or that our patents and any patents that may be granted to us in the future will afford protection against competitors with similar technology. In addition, patent applications filed in foreign countries are subject to laws, rules and procedures that differ from those of the U. S., and thus we cannot be certain that foreign patent applications related to granted U. S. patents will be granted in other regions. Furthermore, even if these patent applications are accepted and the associated patents issued, some foreign countries provide significantly less effective patent enforcement than in the U. S. We rely on third-party agents for the maintenance of certain foreign patent assets, and we cannot be certain that all necessary steps have been taken to maintain those assets in good standing. A failure to maintain key intellectual property assets could have a materially adverse effect on our business, prospects, and operating results. In addition, patents granted to us may be infringed upon or designed around by others and others may obtain patents that we need to license or design around, either of which would increase costs and may adversely affect our business, prospects, and operating results. Our failure to protect our intellectual property rights may undermine our competitive position, and litigation to protect our intellectual property rights may be costly. Although we have taken many protective measures to protect our intellectual property, including trade secrets, policing unauthorized use of proprietary technology can be difficult and expensive. For example, we have software developers that reside in California, and it is not legally permissible to prevent them from working for a competitor. Also, litigation may be necessary to enforce our intellectual property rights, protect our trade secrets, or determine the validity and scope of the proprietary rights of others. Such litigation may result in our intellectual property rights being challenged, limited in scope or declared invalid or unenforceable. We cannot be certain that the outcome of any litigation will be in our favor, and an adverse determination in any such litigation could impair our intellectual property rights and may adversely affect our business, prospects and reputation. We rely primarily on patent, trade secret and trademark laws, and non-disclosure, confidentiality, and other types of contractual restrictions to establish, maintain, and enforce our intellectual property and proprietary rights. However, our rights under these laws and agreements afford us only limited protection and the actions we take to establish, maintain, and enforce our intellectual property rights may not be adequate. For example, our trade secrets and other confidential information could be disclosed in an unauthorized manner to third parties, our owned or licensed intellectual property rights could be challenged, invalidated, circumvented, infringed, or misappropriated or our intellectual property rights may not be sufficient to provide us with a competitive advantage, any of which could have a material adverse effect on our business, financial condition and results of operations. In addition, the laws of some countries do not protect proprietary rights as fully as do the laws of the U. S. As a result, we may not be able to protect our proprietary rights adequately abroad. We may need to defend ourselves against claims that we infringe, have misappropriated, or otherwise violate the intellectual property rights of others, which may be time-consuming and would cause us to incur substantial costs. Companies, organizations or individuals, including our competitors, may hold or obtain patents, trademarks or other proprietary rights that they may in the future believe are infringed by our products. In the future, we may be subject to claims related to our intellectual property. Companies holding patents or other intellectual property rights relating to our technologies could, in the future, make claims or bring suits alleging infringement, misappropriation or other violations of such rights, or otherwise asserting their rights and seeking licenses or injunctions. If a claim is successfully brought in the future and we or our products are determined to have infringed, misappropriated, or otherwise violated a third-party's intellectual property rights, we may be required to do one or more of the following: • cease selling products that incorporate the challenged intellectual property; • pay substantial damages (including treble damages and attorneys' fees if our infringement is determined to be willful); • obtain a license from the holder of the intellectual property right, which license may not be available on reasonable terms or at all; or • redesign our products or services, which may not be possible or cost-effective. Any of the foregoing could adversely affect our business, financial condition and operating results. In addition, any litigation or claims, whether or not valid, could adversely affect our reputation, result in substantial costs, and divert resources and management attention. We also license technology from third parties, and incorporate components supplied by third parties into our hardware. We may face claims that our use of such technology or components infringes or otherwise violates the rights of others, which would subject us to the risks described above. We may seek indemnification from our licensors or suppliers under our contracts with them, but our rights to indemnification or our suppliers' resources may be unavailable or insufficient to cover our costs and losses. Our failure to obtain the right to use necessary third-party intellectual property rights on reasonable terms, or our failure to maintain, and comply with the terms and conditions applicable to these rights, could harm our business and prospects. We have licensed, and in the future we may choose or be required to license, technology or intellectual property from third parties in connection with the development and marketing of our products. We cannot provide assurance that such licenses will be available to us on commercially reasonable terms, or at all, and our inability to obtain such licenses could require us to substitute technology of lower quality or of greater cost. Further, such licenses may be non-exclusive, which could result in our competitors gaining access to the same intellectual property. The licensing or acquisition of third-party intellectual property rights is a competitive area, and other established companies may pursue

strategies to license or acquire third- party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital resources or greater development or commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We could encounter delays and incur significant costs, in product or service introductions while we attempt to develop alternative products or services, or redesign our products or services, to avoid infringing third party patents or proprietary rights. Failure to obtain any such licenses or to develop a workaround could prevent us from commercializing products or services, and the prohibition of sale or the threat of the prohibition of sale of any of our products or services could materially affect our business and our ability to gain market acceptance for our products or services. In addition, we incorporate open -source software code in our proprietary software. Use of open -source software can lead to greater risks than use of third-party commercial software, since open -source licensors generally do not provide warranties or controls with respect to origin, functionality or other features of the software. Further, companies that incorporate open -source software into their products have, from time to time, faced claims challenging their use of open -source software and compliance with open -source license terms. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open -source software or claiming noncompliance with open -source licensing terms. Some open -source software licenses require users who distribute open -source software as part of their products to publicly disclose all or part of the source code in their software and make any derivative works of the open -source code available for limited fees or at no cost. Although we monitor our use of open -source software, open -source license terms may be ambiguous, and many of the risks associated with the use of open -source software cannot be eliminated. If we were found to have inappropriately used open -source software, we may be required to release our proprietary source code, re- engineer our software, discontinue the sale of certain products in the event re- engineering cannot be accomplished on a timely basis, or take other remedial action. Furthermore, if we are unable to obtain or maintain licenses from third parties or fail to comply with open -source licenses, we may be subject to costly third party claims of intellectual property infringement or ownership of our proprietary source code. There is little legal precedent in this area and any actual or claimed requirement to disclose our proprietary source code or pay damages for breach of contract could harm our business and could help third parties, including our competitors, develop products and services that are similar to or better than ours. Any of the above could harm our business and put us at a competitive disadvantage. Patent terms may be inadequate to protect our competitive position on our products for an adequate amount of time. Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of utility and design patents are generally 20 years and 15 years, respectively, from its earliest U. S. non- provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our products are obtained, once the patent life has expired, we may be open to competition from competitive products. If one of our products requires extended development, testing and / or regulatory review, patents protecting such products might expire before or shortly after such products are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. We may become subject to claims for remuneration or royalties for assigned service invention rights by our employees, which could result in litigation and adversely affect our business. We enter into agreements with our employees pursuant to which they agree that any inventions created in the scope of their employment or engagement are assigned to us or owned exclusively by us, depending on the jurisdiction, without the employee retaining any rights. A significant portion of our intellectual property has been developed by our employees in the course of their employment for us. Although our employees have agreed that any rights related to their inventions are owned exclusively by us, we may face claims demanding remuneration in consideration for such acknowledgement. As a consequence of such claims, we could be required to pay additional remuneration or royalties to our current and / or former employees, or be forced to litigate such claims, which could negatively affect our business.

Emerging issues related to the development and use of artificial intelligence could give rise to legal or regulatory action, damage our reputation, or otherwise materially harm of our business. Our development and use of artificial intelligence (“ AI ”) technology in our products and operations remains in the early phases. While we aim to develop and use AI responsibly and attempt to mitigate ethical and legal issues presented by its use, we may ultimately be unsuccessful in identifying or resolving issues before they arise. AI technologies are complex and rapidly evolving, and the technologies that we develop or use may ultimately be flawed. Moreover, AI technology is subject to rapidly evolving domestic and international laws and regulations, which could impose significant costs and obligations on us. This includes actual and pending orders and laws by the U. S. federal government, the European Union and other jurisdictions in which we operate. Emerging regulations may also pertain to data privacy, data protection, and the ethical use of AI, as well as clarifying intellectual property considerations. Our use of AI could give rise to legal or regulatory action or increased scrutiny or liability, and may damage our reputation or otherwise materially harm our business.

Risks Related to Our Financial Condition and Liquidity We ~~may~~ **will likely** require additional capital, which additional financing may result in restrictions on our operations or substantial dilution to our stockholders, to support the ~~sustain and growth~~ **grow** of our business, and this capital might not be available on acceptable terms, if at all. We have funded our operations since inception primarily through financing transactions such as the issuance of bonds, convertible promissory notes and loans, and sales of convertible preferred stock. We cannot be certain when or if our operations will generate sufficient cash to fully fund our ongoing operations ~~, service or~~ **our indebtedness, including the Convertible Promissory Note, or invest in** the growth of our business. We intend to continue to make investments to support our business, which may require us to engage in equity or debt financings to secure additional funds. Additional financing may not be available on terms favorable to us, if at all. In particular, the current disruption in the global financial markets may reduce our ability to access capital and negatively affect our liquidity in the future. **The Company intends to secure additional funding from either public or private financing sources, however as the plans are outside of management’ s control, the Company cannot ensure they will be effectively implemented.** If adequate funds are not available on acceptable terms, **or at**

all, we may be unable to fully fund our ongoing operations, service our indebtedness, including the Convertible Promissory Note, or invest in future growth opportunities, which could harm our business, operating results, and financial condition. If we incur additional debt, the debt holders would have rights senior to holders of common stock to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends to holders of our common stock. If we undertake discretionary financing by issuing equity securities, our stockholders may experience substantial dilution. For example, in November 2024, we entered into an At- The- Market Offering Agreement (the “ATM Agreement”) with Craig- Hallum Capital Group LLC (the “Sales Agent”), pursuant to which we may offer and sell shares of our common stock having an aggregate gross sales price of up to \$ 14. 2 million, from time to time, through the Sales Agent in transactions deemed to be “at- the- market” offerings under federal securities laws (the “2024 ATM Program”). We may sell common stock, convertible securities or other equity securities in one or more transactions at a price per share that is less than the price per share paid by current stockholders, including through the 2024 ATM Program. If we sell common stock, convertible securities, or other equity securities in more than one transaction, stockholders may be further diluted by subsequent sales. Additionally, future equity financings may result in new investors receiving rights superior to our existing stockholders. Because our decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our common stock and diluting their interests. Our indebtedness We are under continuous pressure to reduce the prices of our products, which has adversely affected, and may continue liabilities could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations, restrict our ability to incur additional indebtedness and impair our ability to satisfy our obligations under the Convertible Note. Our indebtedness could have material adverse consequences for our security holders and our business, results of operations and financial condition by, among other things: • increasing our vulnerability to adverse economic and industry conditions; • limiting our ability to obtain additional financing; • limiting our flexibility to plan for, our or gross margins react to, changes in our business; • diluting the interests of our existing security holders as a result of issuing common stock upon conversion of the Convertible Note; and • placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital. The solar power industry has been characterized Convertible Note includes financially restrictive covenants that, among other things, limit our ability to incur additional debt. Without the consent of the holder of the Convertible Note, we may not create, incur, assume, guarantee, or be or remain liable with respect to any senior indebtedness exceeding the greater of (i) \$ 150,000,000 in the aggregate, (ii) an amount equal to 500 % of Adjusted EBITDA for the period of 12 consecutive months ending on the last day of the fiscal month ended most recently prior to the date of incurrence of such senior indebtedness or (iii) the amount of senior indebtedness incurred by declining product indebtedness incurred by the Company pursuant to one or more asset- based credit facilities, working capital facilities, or receivable facilities secured only by liens on our or our subsidiaries’ assets and property, plus interest accruing thereon and the termination value of interest rate hedges or currency swaps in respect thereof. The Convertible Note matures on January 9, 2026. At maturity, unless converted at the election of the holder or redeemed by us with the consent of the holder, we will need to repay the principal amount under the Convertible Note. As of December 31 Our business may not generate sufficient funds, 2024 and we may otherwise be unable to maintain sufficient cash reserves, the conversion prices- price over time. We of the Convertible Promissory Note is higher than the price at which our shares of common stock have traded on Nasdaq since August 2023 reduced the prices of our products in the past, and therefore we do not currently expect that to continue to experience pricing pressure for our products in the future, including from holder will elect to convert the Convertible Promissory Note into shares of our major customers- common stock. In addition As of December 31, 2024, we have reduced not generated sufficient funds, and we may not otherwise be able to generate sufficient funds our or maintain sufficient cash reserves, to pay amounts due under our indebtedness, including the Convertible Note, and our cash needs may increase in the future. As described under “ Part II – Item 7. Management’s Discussion and Analysis of Financial Condition — Liquidity and Capital Resources ” in this Annual Report on Form 10- K, based on their assessment, our management has concluded that there is substantial doubt about the Company’s ability to continue as a going concern for the reasons stated under Note 2. “ Significant Accounting Policies — Liquidity and Management’s Plan, ” in Part II, Item 8 of this Annual Report on Form 10- K. As of the date of this filing, management determined as a result of the evaluation that the Company does not have sufficient cash, cash equivalents and marketable securities to repay the \$ 50. 0 million in principal amount of the Convertible Promissory Note that is due at maturity on January 9, 2026. Management continues to explore options to refinance the Convertible Promissory Note prior to maturity and / or raise additional capital through equity financing, including through the use of the ATM, in order to supplement the Company’s liquidity and help satisfy its obligations over the next twelve months. However, the amount available to be raised under the ATM is limited by regulations pertaining to shelf registrations by non- accelerated filers and the maximum amount that may be raised thereunder would not be sufficient to repay the Convertible Promissory Note. The Company’s ability to raise capital is also constrained by the prices- price ahead of and demand for the Company’s common stock. Additional capital may not be available on favorable terms or at all and, to the extent it is obtained, it would likely have rights, preferences, and privileges senior to those of holders of our common stock and would further dilute our current stockholders. The inclusion of disclosures expressing substantial doubt about our ability to continue as a going concern could also materially adversely affect our stock price and our ability to raise new capital. There can be no assurance that the Company will be able to refinance the Convertible Promissory Note, raise sufficient additional capital or obtain financing that will provide it with sufficient liquidity to satisfy its obligations over the next twelve months and as of the date of this report, we believe that our existing cash resources and additional sources of liquidity are not sufficient to

support planned cost reductions operations for one year after the filing date of this Annual Report on Form 10-K. If adequate capital is not available to us in the amounts needed, we could be required to terminate our products, significantly curtail our operations in which case has adversely affected our gross margins. When seeking to maintain or increase investors could lose some or all of their investment market share, our competitors may also reduce the prices of their products. In addition, our customers may have the ability or seek to internally develop and manufacture competing products at a lower cost than we would otherwise charge, which would add additional pressure on us to lower our selling prices. If we are unable to offset any future reductions in our average selling prices by increasing our sales volume, reducing our costs and expenses or introducing new products, our gross margins would continue to be adversely affected. If we do not forecast demand for our products accurately, we may experience product shortages, delays in product shipment, excess product inventory, difficulties in planning expenses or disputes with suppliers, any of which will adversely affect our business and financial condition. We manufacture our products according to our estimates of customer demand. This process requires us to make multiple forecasts and assumptions relating to the demand of our distributors, their end customers and general market conditions. Because we sell most of our products to distributors, who in turn sell to their end customers, we have limited visibility as to end- customer demand. We depend significantly on our distributors to provide us visibility into their end- customer demand, and we use these forecasts to make our own forecasts and planning decisions. If the information from our distributors turns out to be incorrect, then our own forecasts may also be inaccurate. Furthermore, we do not have long- term purchase commitments from our distributors or end customers, and our sales are generally made by purchase orders that may be canceled, changed or deferred without notice to us or penalty. As a result, it is difficult to forecast future customer demand to plan our operations. If we overestimate demand for our products, or if purchase orders are canceled or shipments are delayed, we may have excess inventory that we cannot sell. We may have to make significant provisions for inventory write- downs based on events that are currently not known, and such provisions or any adjustments to such provisions could be material. **For example, our GO ESS line of energy storage solutions line of business has not participated in our business recovery as well as we had anticipated, and we incurred inventory charges for the fourth quarter and full year 2024.** We may also become involved in disputes with our suppliers who may claim that we failed to fulfill forecast or minimum purchase requirements. Conversely, if we underestimate demand, we may not have sufficient inventory to meet end- customer demand, and we may lose market share, damage relationships with our distributors and end customers and forgo potential revenue opportunities. Obtaining additional supply in the face of product shortages may be costly or impossible, particularly in light of our outsourced manufacturing processes, which could prevent us from fulfilling orders in a timely and cost- efficient manner or at all. In addition, if we overestimate our production requirements, our contract manufacturers may purchase excess components and build excess inventory. **For example, we incurred inventory charges for the fourth quarter and full year 2024 of \$ 19. 5 million and \$ 23. 5 million, respectively, primarily for excess and slow- moving inventory within our GO ESS line of energy storage solutions, reflecting the fact that this business line has not participated in our business recovery as well as we had anticipated.** If our contract manufacturers, at our request, purchase excess components that are unique to our products and are unable to recoup the costs of such excess through resale or return or build excess products, we could be required to pay for these excess parts or products and recognize related inventory write- downs. In addition, we plan our operating expenses, including research and development expenses, hiring needs and inventory investments, in part on our estimates of customer demand and future revenue. If customer demand or revenue for a particular period is lower than we expect, we may not be able to proportionately reduce our fixed operating expenses for that period, which would harm our operating results for that period. The issuance of ~~Common common Stock stock~~ upon conversion of the Convertible Note (as defined below) could substantially dilute your investment and could impede our ability to obtain additional financing. On January 9, 2023, we issued to L1 Energy the Convertible Note, an unsecured convertible promissory note in an aggregate principal amount of \$ 50. 0 million. The Convertible Note is convertible into ~~Common common Stock stock~~ at a number equal to the outstanding principal balance as of the date of conversion divided by an amount equal to the quotient of (x) \$ 550, 000, 000 divided by (y) the aggregate number of outstanding shares of Legacy Tigo' s common stock, in each case subject to adjustment in accordance with the terms of the Convertible Note. Conversion of the Convertible Note would result in dilution to the equity interests of our other stockholders. We have no control over whether or when the holder will exercise its right to convert the Convertible Note. The existence and potentially dilutive impact of the conversion of the Convertible Note may prevent us from obtaining additional financing in the future on acceptable terms, or at all. **Our indebtedness and liabilities could limit..... cash needs may increase in the future.** We may be unable to raise the funds necessary to repurchase the Convertible Note for cash following a change of control, or to pay any cash amounts due upon redemption or conversion, and our other indebtedness may limit our ability to repurchase the Convertible Note or pay cash upon its conversion. In the event of a change of control, the holder of the Convertible Note has the right to require us to convert all of the Convertible Note to common stock or redeem all of the outstanding principal amount of the Convertible Note plus unpaid interest (whether or not accrued) that would have otherwise accrued and been payable had the Convertible Note remaining outstanding through January 9, 2026. We may not have enough available cash or be able to obtain financing at the time we are required to redeem the Convertible Note or pay the cash amounts due upon conversion or redemption. In addition, applicable law, regulatory authorities and the agreements governing any future indebtedness may restrict our ability to repurchase the Convertible Note or pay the cash amounts due upon conversion or redemption. Our failure to repurchase the Convertible Note or to pay the cash amounts due upon conversion or redemption when required will constitute a default under the Convertible Note. A default under the Convertible Note could also lead to a default under agreements governing any future indebtedness, which may result in that other indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under such other indebtedness and the Convertible Note. Provisions in the Convertible Note could delay or prevent an otherwise beneficial takeover of us. Certain provisions in the Convertible Note could make a third- party attempt to acquire us more difficult or expensive. For example, if a takeover constitutes a change of

control, then the holder will have the right to convert all of the Convertible Note or redeem all of the outstanding principal amount of the Convertible Note. In this case, and in other cases, our obligations under the Convertible Note could increase the cost of acquiring us or otherwise discourage a third party from acquiring us, including in a transaction that holders of our common stock may view as favorable. Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements or insufficient disclosures due to error or fraud may occur and not be detected. We have incurred, and will continue to incur, increased costs as a result of being a public company, and the Company's management will be required to devote substantial time to compliance and investor relations initiatives. As a public company, the Company has incurred and will continue to incur significant legal, accounting and other expenses that Legacy Tigo did not incur as a private company. The Company is subject to the reporting requirements of the Exchange Act and the Sarbanes- Oxley Act. The Exchange Act requires the filing of annual, quarterly and current reports with respect to a public company's business and financial condition. The Sarbanes- Oxley Act, as well as rules subsequently adopted by the SEC and Nasdaq to implement provisions of the Sarbanes- Oxley Act, require, among other things, that a public company establish and maintain effective disclosure and financial controls. As a result, the Company has incurred and will continue to incur significant legal, accounting and other expenses that Legacy Tigo did not previously incur. The Company's entire management team and many of its other employees devote substantial time to these compliance initiatives. Further, pursuant to the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010, the SEC has adopted additional rules and regulations in these areas, such as mandatory "say on pay" voting requirements that will apply to the Company when the Company ceases to be an emerging growth company. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner the Company operates its business in ways it cannot currently anticipate. We expect to continue to incur significant legal and financial costs to comply with the rules and regulations applicable to public companies, which can make some activities more time-consuming and costly. If these requirements divert the attention of the Company's management and personnel from other business concerns, they could have a material adverse effect on the Company's business, financial condition and results of operations. The increased costs will decrease the Company's net income or increase the Company's net loss, and may require the Company to reduce costs in other areas of the Company's business or increase the prices of the Company's services. The Company cannot predict or estimate the amount or timing of additional costs it may incur to respond to these requirements. The impact of these requirements could also make it more difficult for the Company to attract and retain qualified persons to serve on its board of directors, board committees or as executive officers. Anti- takeover provisions in our governing documents and under Delaware law could make an acquisition of us more difficult. The Charter, the Bylaws and Delaware law contain or will contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by the Company's board of directors. Among other things, the Charter and / or the Bylaws include the following provisions: • limitations on convening special stockholder meetings, which could make it difficult for our stockholders to adopt desired governance changes; • a prohibition on stockholder action by written consent, which means that our stockholders will only be able to take action at a meeting of stockholders and will not be able to take action by written consent for any matter; • a forum selection clause, which means certain litigation against us can only be brought in Delaware; • the authorization of undesignated preferred stock, the terms of which may be established and shares of which may be issued without further action by our stockholders; • amendment of certain provisions of the organizational documents only by the affirmative vote of at least two- thirds of the voting power of the outstanding capital stock; and • advance notice procedures, which apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders. These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management. As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the DGCL, which prevents interested stockholders, such as certain stockholders holding more than 15 % of our outstanding common stock, from engaging in certain business combinations unless (i) prior to the time such stockholder became an interested stockholder, the board of directors approved the transaction that resulted in such stockholder becoming an interested stockholder, (ii) upon consummation of the transaction that resulted in such stockholder becoming an interested stockholder, the interested stockholder owned at least 85 % of the common stock, or (iii) following board approval, such business combination receives the approval of the holders of at least two- thirds of our outstanding common stock not held by such interested stockholder at an annual or special meeting of stockholders. Any provision of the Charter, the Bylaws or Delaware law that has the effect of delaying, preventing or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock.

Risks Related to the Ownership of Our Securities The price of our ~~Common common Stock stock~~ has been, and may continue to be, volatile, and the value of our ~~Common common Stock stock~~ may decline. Fluctuations in the price of the Company's securities could contribute to the loss of all or part of your investment. ~~The Following the Business Combination through December 31, 2023, the price of our Common Stock ranged from a low of \$ 1. 77 to a high of \$ 26. 26. Prior to the Business Combination, there was not a public market for the stock of Legacy Tigo. Accordingly, the valuation ascribed to the Company in the Business Combination may not be indicative of the price that will prevail in the trading market. As a result, the trading price of the Company's securities has been, and could continue to be, volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control.~~ **. During the year ended December 31, 2024, the price of**

our common stock ranged from a low of \$ 0. 79 to a high of \$ 2. 04. Any of the factors listed below could have a material adverse effect on your investment in our securities and the Company' s securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline. Factors affecting the trading price of the Company' s securities may include: • actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us; • changes in the market' s expectations about the Company' s operating results; • success of competitors; • operating results failing to meet the expectations of securities analysts or investors in a particular period; • changes in financial estimates and recommendations by securities analysts concerning the Company or the industry in which the Company operates in general; • operating and stock price performance of other companies that investors deem comparable to the Company; • ability to market new and enhanced products and services on a timely basis; • changes in laws and regulations affecting our business; • commencement of, or involvement in, litigation involving the Company; • changes in the Company' s capital structure, such as future issuances of securities or the incurrence of additional debt; • the volume of shares of the Company' s common stock available for public sale; • any major change in the Company' s board or management; • sales of substantial amounts of the Company' s common stock by our directors, executive officers or significant stockholders or the perception that such sales could occur; and • general economic and political conditions, such as recessions, changes in interest rates, changes in fuel prices, international currency fluctuations, **an escalation of sanctions, tariffs, or other trade tensions between the U. S. and China, Mexico, Canada and / or other countries** and acts of war or terrorism. Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general, and Nasdaq specifically, have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, you may not be able to sell your securities at or above the price at which it was acquired. A loss of investor confidence in the market for the stocks of other companies which investors perceive to be similar to the Company could depress our stock price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future. **Our failure to meet the continued listing requirements of Nasdaq could result in a delisting of our securities. If we fail to satisfy the continued listing requirements of Nasdaq, such as the corporate governance requirements, the minimum closing bid price requirement or the minimum stockholders' equity requirement, Nasdaq may take steps to delist our securities. Such a delisting would likely have a negative effect on the price of the securities and would impair your ability to sell or purchase the securities when you wish to do so. In the event of a delisting, we can provide no assurance that any action taken by us to restore compliance with listing requirements would allow our securities to become listed again, stabilize the market price or improve the liquidity of our securities, prevent our securities from dropping below the Nasdaq minimum bid price requirement or prevent future non- compliance with Nasdaq' s listing requirements. Additionally, if our securities are not listed on, or become delisted from, Nasdaq for any reason, and are quoted on the OTC Bulletin Board, an inter- dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities may be more limited than if we were quoted or listed on Nasdaq or another national securities exchange. You may be unable to sell your securities unless a market can be established or sustained.** We may be subject to securities litigation, which is expensive and could divert management' s attention. The share price of our ~~Common common Stock stock~~ has been and may continue to be volatile and, in the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Litigation of this type could result in substantial costs and diversion of management' s attention and resources, which could have a material adverse effect on our business, results of operations and financial condition. Any adverse determination in litigation could also subject us to significant liabilities. We have in the past, and we may in the future, fail to maintain proper and effective internal controls over financial reporting, which could impair our ability to produce accurate and timely financial statements, cause investors to lose confidence in our financial reporting and the trading price of the ~~Common common Stock stock~~ may decline. Effective internal controls over financial reporting are necessary for the Company to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause the Company to fail to meet its reporting obligations. In addition, any testing by the Company conducted in connection with Section 404 of the Sarbanes- Oxley Act (" Section 404 ") or any subsequent testing by the Company' s independent registered public accounting firm, may reveal deficiencies in the Company' s internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to the Company' s financial statements or identify other areas for further attention or improvement. Inferior internal controls could also cause investors to lose confidence in the Company' s reported financial information, which could have a negative effect on the trading price of the Company' s **common** stock. ~~For example, for the fiscal period ended September 30, 2021, we identified a material weakness in our internal control over financial reporting relating to the accounting for complex financial instruments, which we remediated during the fiscal period ended December 31, 2023. For more information, see " Part II, Item 9A. Controls and Procedures. " The design of the Company' s internal controls over financial reporting post- Business Combination has required and will continue to require significant time and resources from management and other personnel. As a result, management was unable, without incurring unreasonable effort or expense, to conduct an assessment of the Company' s internal control over financial reporting as of December 31, 2023. Accordingly, the Company is excluding management' s report on internal control over financial reporting in this Annual Report on Form 10- K pursuant to Section 215. 02 of the SEC Division of Corporation Finance' s Regulation S- K Compliance & Disclosure Interpretations.~~ In addition, for as long as the Company is an emerging growth company, its independent registered public accounting firm will not be required to attest to the effectiveness of its internal controls over financial reporting pursuant to Section 404. An independent assessment of the

effectiveness of the Company's internal controls over financial reporting could detect problems that the Company's management's assessment might not detect. Undetected material weaknesses in the Company's internal controls over financial reporting could lead to restatements of the Company's consolidated financial statements and require the Company to incur the expense of remediation. If the Company is not able to comply with the requirements of Section 404 in a timely manner or it is unable to maintain proper and effective internal controls over financial reporting, the Company may not be able to produce timely and accurate consolidated financial statements. As a result, the Company's investors could lose confidence in its reported financial information, the market price of the ~~Common common Stock stock~~ could decline, and the Company could be subject to sanctions or investigations by the SEC or other regulatory authorities. If securities analysts do not publish research or reports about us, or if they issue unfavorable commentary about us or our industry or downgrade our common stock, the price of our common stock could decline. The trading market for our common stock will depend in part on the research and reports that third-party securities analysts publish about us and the industries in which we operate. We may be unable or slow to attract research coverage and if one or more analysts cease coverage of us, the price and trading volume of our securities would likely be negatively impacted. If any of the analysts that may cover us change their recommendation regarding our securities adversely, or provide more favorable relative recommendations about our competitors, the price of our securities would likely decline. If any analyst that may cover us ceases covering us or fails to regularly publish reports on us, we could lose visibility in the financial markets, which could cause the price or trading volume of our securities to decline. Moreover, if one or more of the analysts who cover us downgrades our common stock, or if our reporting results do not meet their expectations, the market price of our common stock could decline. The Company is a holding company and our only significant asset is our ownership interest in our subsidiaries and such ownership may not be sufficient to pay dividends or make distributions or loans to enable us to pay any dividends on the ~~Common common Stock stock~~ or satisfy the Company's other financial obligations, including taxes. The Company is a holding company with no material assets other than its ownership of our subsidiaries. As a result, the Company has no independent means of generating revenue or cash flow. The Company's ability to pay taxes and pay dividends will depend on the financial results and cash flows of our subsidiaries and the distributions we receive from our subsidiaries. Deterioration in the financial condition, earnings or cash flow of our subsidiaries for any reason could limit or impair our subsidiaries' ability to pay such distributions. Additionally, to the extent that the Company needs funds and our subsidiaries are restricted from making such distributions under applicable law or regulation or under the terms of any financing arrangements, or our subsidiaries are otherwise unable to provide such funds, it could materially adversely affect the Company's liquidity and financial condition. Dividends on the ~~Common common Stock stock~~, if any, will be paid at the discretion of the Board, which will consider, among other things, the Company's business, operating results, financial condition, current and expected cash needs, plans for expansion and any legal or contractual limitations on its ability to pay such dividends. Financing arrangements may include restrictive covenants that restrict the Company's ability to pay dividends or make other distributions to its stockholders. In addition, the Company is generally prohibited under Delaware law from making a distribution to stockholders to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of the Company (with certain exceptions) exceed the fair value of its assets. If our subsidiaries do not have sufficient funds to make distributions, the Company's ability to declare and pay cash dividends may also be restricted or impaired. The Charter provides that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees. The Charter provides that unless we consent in writing to the selection of an alternative forum, the (a) Court of Chancery (the "Chancery Court") of the State of Delaware (or, in the event that the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action, suit or proceeding asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee, agent or stockholder of the Company to the Company or to the Company's stockholders, (iii) any action, suit or proceeding asserting a claim against the Company, its current or former directors, officers, or employees, agents or stockholders arising pursuant to any provision of the DGCL or our Charter or Bylaws, or (iv) any action, suit or proceeding asserting a claim against the Company, its current or former directors, officers, or employees, agents or stockholders governed by the internal affairs doctrine; and (b) subject to the foregoing, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Notwithstanding the foregoing, such forum selection provisions shall not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts of the United States have exclusive jurisdiction. The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers, and other employees. Alternatively, if a court were to find the choice of forum provision contained in the Charter to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition. Additionally, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. As noted above, the Charter will provide that the federal district courts of the United States of America shall have jurisdiction over any action arising under the Securities Act. Accordingly, there is uncertainty as to whether a court would enforce such provision. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. The Company's operating results and other operating metrics may fluctuate significantly from period to period, which could lead to a decline in the trading price of our ~~Common common Stock stock~~. The Company's operating results and other operating metrics have fluctuated in the past and may fluctuate in the future as a result of a number of factors, including variations in the Company's operating

performance or the performance of the Company's competitors, changes in accounting principles, fluctuations in the price and supply of raw materials, fluctuations in the selling prices of the Company's products, research analyst reports about the Company, the Company's competitors or the Company's industry, the Company's inability to meet analysts' projections or guidance, strategic decisions by Company or the Company's competitors, such as acquisitions, capital investments or changes in business strategy, adverse outcomes of litigation, changes in or uncertainty about economic conditions, industry trends, geographies, or customers, activism by any large stockholder or group of stockholders, speculation by the investment community regarding the Company's business, actual or anticipated growth rates relative to the Company's competitors, acts of terrorism, natural disasters (including as a result of climate change), changes in consumer preferences and market trends, seasonality, the Company's ability to retain and attract customers, the Company's ability to manage inventory and fulfillment operations, and other factors described elsewhere in this risk factors section. Fluctuations in the Company's operating results due to these factors or for any other reason could cause the market price of the ~~Common common Stock stock~~ to decline. In addition, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market price of equity securities issued by many companies. In the past, some companies that have had volatile market prices for their securities have been subject to class action or derivative lawsuits. The filing of a lawsuit against the Company, regardless of the outcome, could have a negative effect on the Company's business, financial condition and results of operations, as it could result in substantial legal costs and a diversion of management's attention and resources, and require the Company to make substantial payments to satisfy judgments or to settle litigation. The Company's board of directors and management have significant control over the Company's business. As of December 31, ~~2023~~ **2024**, the Company's directors and executive officers beneficially owned, directly or indirectly, in the aggregate, approximately ~~30-16, 238-845, 755-311~~ shares of ~~Common common Stock stock~~, representing an aggregate of approximately ~~51-27. 5-7~~ % of the combined voting power of the Company's outstanding capital stock (excluding any options or other securities exercisable for ~~Common common Stock stock~~). As a result, in addition to their day-to-day management roles, the Company's executive officers and directors are able to exercise significant influence on the Company's business as stockholders, including influence over election of members of the board of directors and the authorization of other corporate actions requiring stockholder approval. The Company's issuance of additional securities in connection with financings, acquisitions, investments, our equity incentive plans or otherwise would dilute all other stockholders. The Company may issue additional capital stock in the future. Any such issuance would result in dilution to all other stockholders. In the future, the Company may issue additional stock, including as a grant of equity awards to employees, directors and consultants under our equity incentive plans, to raise capital through equity financings or to acquire or make investments in companies, products or technologies for which we may issue equity securities to pay for such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of ~~Common common Stock stock~~ to decline. The Company's board of directors has the ability to issue blank check preferred stock, which may discourage or impede acquisition efforts or other transactions. The Company's board of directors has the power, subject to applicable law, to issue series of preferred stock that could, depending on the terms of the series, impede the completion of a merger, tender offer or other takeover attempt. For instance, subject to applicable law, a series of preferred stock may impede a business combination by including class voting rights, which would enable the holder or holders of such series to block a proposed transaction. The Company's board of directors will make any determination to issue shares of preferred stock based on its judgment as to our and our stockholders' best interests. The Company's board of directors, in so acting, could issue shares of preferred stock having terms which could discourage an acquisition attempt or other transaction that some, or a majority, of the stockholders may believe to be in their best interests or in which stockholders would have received a premium for their stock over the then-prevailing market price of the stock.