



**Leader in AI-Driven
Storage Solutions**

January 25, 2021

Information Subject to Change

This presentation is provided for informational purposes only and has been prepared to assist interested parties in making their own evaluation with respect to the proposed business combination of Star Peak Energy Transition Corp. (“STPK”) and Stem, Inc. (“Stem” or the “Company”) and the related transactions (the “Business Combination”) and no other purpose. STPK has filed a registration statement on Form S-4 containing a preliminary proxy statement and preliminary prospectus of STPK and a preliminary consent solicitation statement of Stem with the Securities and Exchange Commission (the “SEC”) containing some of the information herein, which may change in response to the SEC review process. To the fullest extent permitted by law, in no circumstances will Stem or STPK or any of the respective subsidiaries, stockholders, affiliates, representatives, partners, directors, officers, employees, advisers or agents be responsible or liable for any direct, indirect or consequential loss or loss of profit arising from the use of this presentation, its contents, its omissions, reliance on the information contained within it or on opinions communicated in relation thereto or otherwise arising in connection therewith. Industry and market data used in this presentation have been obtained from third-party industry publications and sources as well as from research reports prepared for other purposes. Neither Stem nor STPK has independently verified the data obtained from these sources and cannot assure you of the data’s accuracy or completeness. This data is subject to change. In addition, this presentation does not purport to be all-inclusive or to contain all of the information that may be required to make a full analysis of Stem or the Business Combination, and none of STPK, the Company or their respective affiliates or representatives makes any representation or warranty, express or implied, as to the accuracy, completeness or reliability of the information contained in this presentation, and the recipient disclaims any such representation or warranty. Viewers of this presentation should each make their own evaluation of Stem and of the relevance and adequacy of the information and should make such other investigations as they deem necessary.

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Forward-Looking Statements

Certain statements in this presentation may be considered “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events of STPK or the Company’s future financial or operating performance. For example, projections of future revenue, Adjusted EBITDA and other metrics are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “expect,” “intend,” “will,” “estimate,” “anticipate,” “believe,” “predict,” “or” or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by STPK and its management, and the Company and its management, as the case may be, are inherently uncertain factors that may cause actual results to differ materially from current expectations include, but are not limited to: 1) the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive merger agreement with respect to the Business Combination; 2) the outcome of any legal proceedings that may be instituted against STPK, the combined company or others following the announcement of the Business Combination and any definitive agreements with respect thereto; 3) the inability to complete the Business Combination due to the failure to obtain approval of the stockholders of STPK, to obtain financing to complete the Business Combination or to satisfy other conditions to closing; 4) changes to the proposed structure of the Business Combination that may be required or appropriate as a result of applicable laws or regulations or as a condition to obtaining regulatory approval of the Business Combination; 5) the ability to meet the New York Stock Exchange’s listing standards following the consummation of the Business Combination; 6) the risk that the Business Combination disrupts current plans and operations of the Company as a result of the announcement and consummation of the Business Combination; 7) the ability to recognize the anticipated benefits of the Business Combination, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; 8) costs related to the Business Combination; 9) changes in applicable laws or regulations; 10) the possibility that the Company or the combined company may be adversely affected by other economic, business and/or competitive factors; 11) the Company’s estimates of its financial performance; 12) the impact of the novel coronavirus disease pandemic and its effect on business and financial conditions; and 13) other risks and uncertainties set forth in the section entitled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in STPK’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2020. Nothing in this presentation should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Neither STPK nor the Company undertakes any duty to update these forward-looking statements, except as otherwise required by law.

Financial Information; Non-GAAP Financial Measures

The financial information and data contained in this presentation is unaudited and does not conform to Regulation S-X. Accordingly, such information and data may not be included in, may be adjusted in or may be presented differently in, any proxy statement/written consent statement/prospectus or registration statement filed or to be filed by STPK with the SEC. The “Pro Forma” financial data included herein has not been prepared in accordance with Article 11 of the SEC’s Regulation S-X, is presented for informational purposes only and may differ materially from the Regulation S-X compliant unaudited pro forma financial statements of Stem included in STPK’s preliminary proxy statement/consent solicitation statement/prospectus in connection with the proposed Business Combination. Except as otherwise noted, all references herein to full-year periods refer to Stem’s fiscal year, which ends on December 31.

You should review Stem’s audited financial statements and unaudited pro forma financial statements included in the registration statement filed by STPK in connection with the proposed Business Combination, and not rely on any single financial measure to evaluate Stem’s business.

This presentation also includes references to financial measures that are calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles in the United States of America (“GAAP”). Any non-GAAP financial measures used in this presentation are in addition to, and should not be considered superior to, or a substitute for, financial statements prepared in accordance with GAAP. Non-GAAP financial measures should not be considered in isolation and are subject to significant inherent limitations. The non-GAAP measures presented herein may not be comparable to similar non-GAAP measures presented by other companies. Stem believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Stem’s financial condition and results of operations. Stem believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing Stem’s financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures.

Use of Projections

This presentation contains financial forecasts of the Company, namely, Stem’s Adjusted EBITDA. Neither the Company’s independent auditors, nor the independent registered public accounting firm of STPK, audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, neither of them expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this presentation. These projections should not be relied upon as being necessarily indicative of future results. The projected financial information contained in this presentation constitutes forward-looking information. The assumptions and estimates underlying such projected financial information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive and other risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. See “Forward-Looking Statements” above. Actual results may differ materially from the results contemplated by the projected financial information contained in this presentation, and the inclusion of such information in this presentation should not be regarded as a representation by any person that the results reflected in such projections will be achieved.

Industry and Market Data

In this presentation, STPK relies on and refers to certain information and statistics obtained from third-party sources which it believes to be reliable, including reports by market research firms. Neither STPK nor Stem has independently verified the accuracy or completeness of any such third-party information.

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Additional Information About the Proposed Business Combination and Where to Find It

The Business Combination will be submitted to stockholders of STPK for their consideration. STPK has filed a registration statement on Form S-4 with the SEC containing a preliminary proxy statement and a preliminary prospectus of STPK and a preliminary consent solicitation statement of the Company, and after the registration statement is declared effective, STPK will mail a definitive proxy statement/consent solicitation statement/prospectus relating to the proposed Business Combination to its shareholders. This presentation does not contain all the information that should be considered concerning the proposed Business Combination and is not intended to form the basis of any investment decision or any other decision in respect of the Business Combination. STPK’s shareholders and other interested persons are advised to read the preliminary proxy statement/consent solicitation statement/prospectus and, when available, the amendments thereto and the definitive proxy statement/consent solicitation statement/prospectus and other documents filed in connection with the proposed Business Combination, as these materials will contain important information about Stem, STPK and the Business Combination. When available, the definitive proxy statement/consent solicitation statement/prospectus and other relevant materials for the proposed Business Combination will be mailed to shareholders of STPK as of a record date to be established for voting on the proposed Business Combination. Shareholders will also be able to obtain copies of the preliminary proxy statement/consent solicitation statement/prospectus, and, when available, the definitive proxy statement/consent solicitation statement/prospectus and other documents filed with the SEC, without charge, at the SEC’s website at www.sec.gov. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U. S. Securities Act of 1933, as amended.

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Participants in the Solicitation

STPK and its directors and executive officers may be deemed participants in the solicitation of proxies from STPK’s shareholders with respect to the proposed Business Combination. Information regarding the interests of such participants is set forth in the preliminary proxy statement/consent solicitation statement/prospectus for the proposed Business Combination and, once available, the definitive proxy statement/consent solicitation statement/prospectus.

The Company and its directors and executive officers may also be deemed to be participants in the solicitation of proxies from the shareholders of STPK in connection with the proposed Business Combination. A list of the names of such directors and executive officers and information regarding their interests in the proposed Business Combination is set forth in the preliminary proxy statement/consent solicitation statement/prospectus for the proposed Business Combination and, once available, the definitive proxy statement/consent solicitation statement/prospectus.

Star Peak has identified Stem as a market leader in the clean energy ecosystem

Leader in AI-Driven Storage Solutions

The Business

- Founded in 2009, Stem is an industry leading AI-driven storage solutions business

Offering Size

- Star Peak Energy Transition Corp. (NYSE: STPK) is a special purpose acquisition company with over \$383MM of cash in trust
- PIPE size of \$225MM

Valuation

- Pro forma equity value of \$1.4B (at announcement)
- Attractively valued entry multiple

Capital Structure

- Stem shareholders rolling 100% of their equity
- ~\$525MM net cash (assuming no redemptions) retained to fully finance all forecasted growth

Stem's Investors



Leadership



John Carrington
CEO & Director



Larsh Johnson
CTO



Bill Bush
CFO



Eric Scheyer
CEO



Mike C. Morgan
Chairman



Adam Daley
Director

Star Peak overview

Magnetar Capital and Triangle Peak Partners Experienced Sponsor with Proven Track Record

Mike C. Morgan Chairman

- Co-founding partner, Chairman, and CEO of Triangle Peak Partners, LP
- Founding team member at Kinder Morgan, Inc. (NYSE: KMI), former President, current Lead Director of KMI
- Former Lead Director, current Director of Sunnova Energy International (NYSE: NOVA)
- Co-Chair, Stanford Precourt Institute Energy Advisory Council

Eric Scheyer CEO

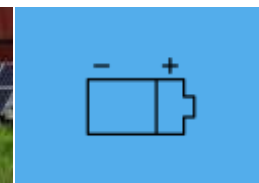
- Head of Magnetar Energy & Infrastructure Group since its inception in 2005
- Member of Magnetar Investment Committee & Management Committee
- Former Director, Arc Logistics (NYSE: ARCX)

Star Peak's Climate Focused Mission Backed by Compelling Economics

- Provide growth capital to a market-leading business focused on climate change initiatives, emissions reductions, and energy efficiency
- Capitalize on scarcity of high quality, public companies with attractive ESG characteristics



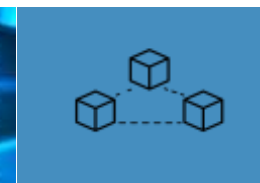
RENEWABLES



ENERGY STORAGE



TECHNOLOGY



SUPPLY CHAIN & LOGISTICS

Successful investment track record ⁽¹⁾

>12yrs

PARTNERSHIP HISTORY

>\$6B

EQUITY CAPITAL COMMITTED

64

PRIVATE INVESTMENTS

48

VENTURE CAPITAL DEALS



EV INFRASTRUCTURE



ELECTRIC VEHICLES



TRANSPORTATION TECHNOLOGY



FOOD TECHNOLOGY

(1) Star Peak Energy Transition Corp. as of 9/30/2020.

Climate Change is the problem

27%

Electricity production is the #2 polluter responsible for 27% of greenhouse gas emissions⁽¹⁾

60%

Fossil fuels still accounted for 60% of global electricity generation in 2019⁽⁴⁾

3x

Natural catastrophe-related loss events since 1980⁽²⁾

72%

Companies actively publicize their sourcing of renewable energy⁽⁵⁾

Risk

Investors recognize climate change is one of the biggest risks impacting businesses⁽³⁾

\$200bn

Over \$200bn cumulative inflows into ESG funds since the beginning of 2019 versus ~\$600bn cumulative outflows from non-ESG funds⁽⁶⁾

A revolutionized grid, with Stem, is the solution

Grid



Since 2019, 90% of new interconnection requests were renewables and/or storage, but renewable generation suffers from intermittency⁽¹⁾



Distributed, renewable generation is supplementing and replacing traditional generation

Storage



Battery production is becoming cheaper and more commercialized

STEM



Energy storage is key to the build out of renewable generation, and represents a \$1.2 trillion revenue opportunity through 2050⁽²⁾



Battery optimization is difficult. Energy intelligence amplifies performance by anticipating demand cycle, energy prices, generation profile and other factors in real time

(1) Wood Mackenzie Energy Storage Service. (2) Bloomberg New Energy Finance.

Stem is the first pure play smart energy storage company to go public in the US

Large Addressable Market + Strong Macro Tailwinds

- ~\$1.2 trillion in new revenue opportunities for integrated storage expected to be deployed by 2050⁽¹⁾
- Battery storage capacity expected to increase by 25x by 2030⁽²⁾

Market Leader with Best in Class Technology

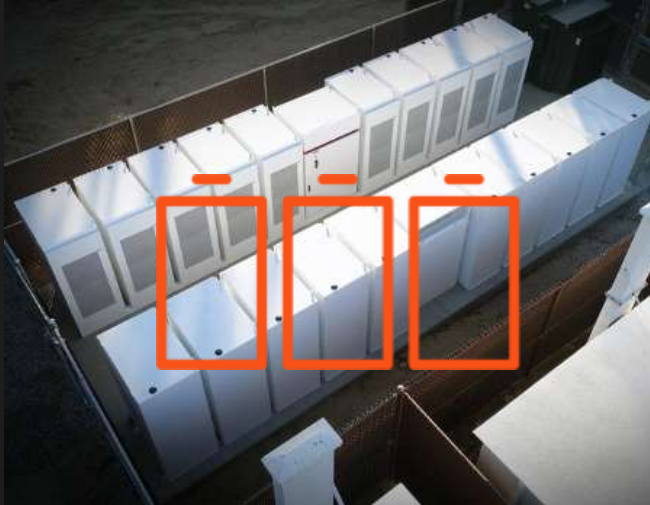
- 900+ systems operating or contracted with Stem's Athena software⁽³⁾
- 75% market share in CA BTM storage market, largest in the US⁽²⁾
- First mover AI platform that operates with 40+ utilities, 5 grid operators and over 16MM runtime hours

Balance Sheet Positioned to Capitalize on Growth

- Ready to deploy net cash balance of ~\$525m to target and fund high growth markets
- Transaction fully finances all forecasted growth

Highly Visible Growth

- Recurring revenue streams provide strong financial position to accelerate growth
- Revenues projected to grow at ~51% CAGR from 2021 to 2026



Hardware + Network Integration

- ✓ Tier 1 standard hardware solutions



Software

- ✓ Battery optimization via Athena AI



Market Participation

- ✓ Upside sharing through sales into energy markets

Smart Energy Storage Drives The Grid Transformation



Lowers Energy Costs



Stabilizes the Grid



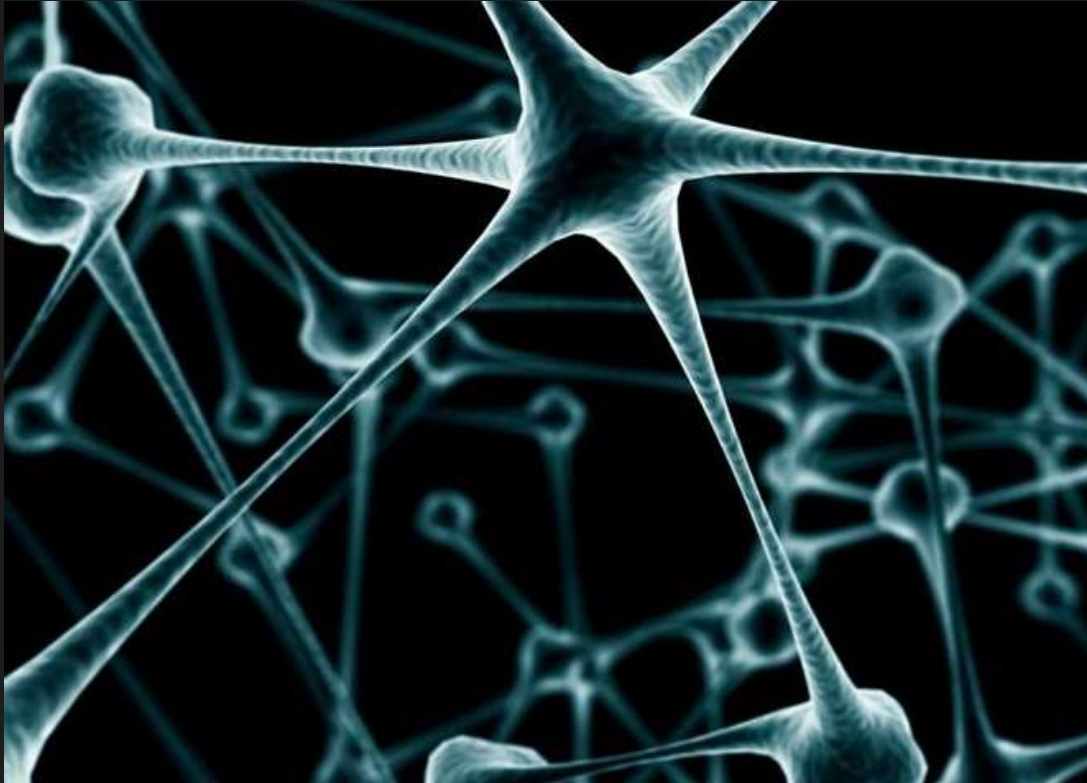
Reduces Carbon Emissions



Solves Intermittency



Creates VPPs and Storage Networks



Stem operates the world's largest network of energy storage systems

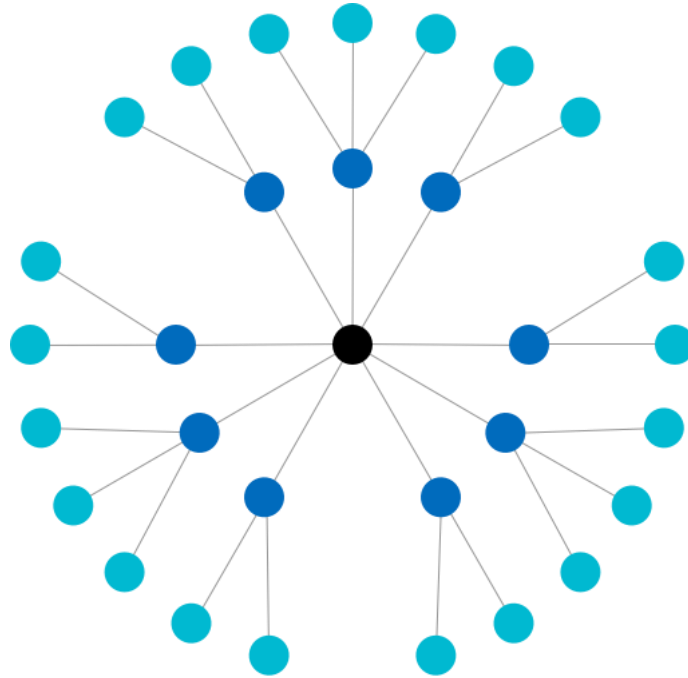


As cumulative installs grow, Athena becomes more intelligent, creating more value and a larger moat

With the world committed to decarbonization, Stem is well positioned to capture this tailwind.



Source: Company filings, EEI, S&P Global Market Intelligence.



Generation



Substation



End Consumers



Transmission

HISTORICAL POWER SECTOR

More distributed

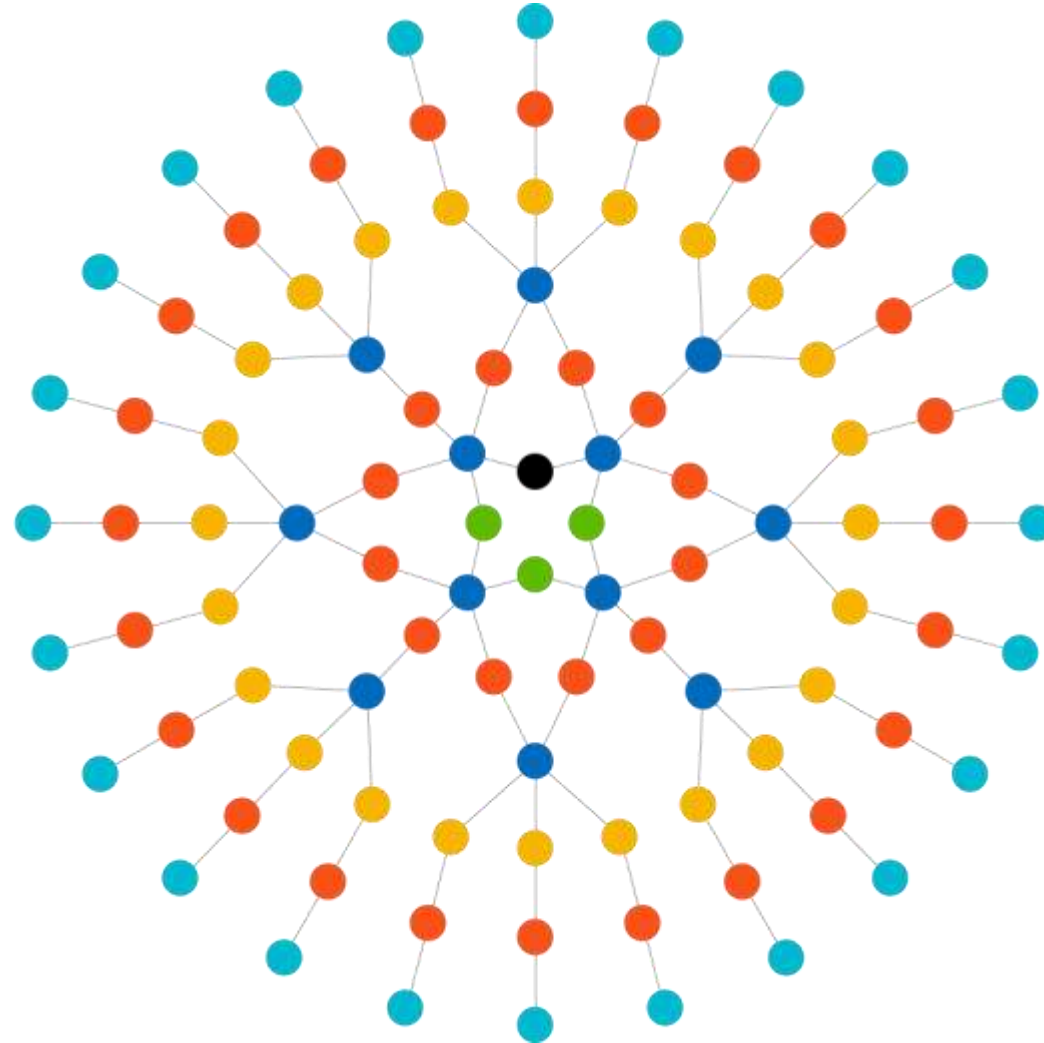
Power used to be all bulk centralized generation...now it is distributed and islanded to enhance reliability & resilience – requiring new solutions and business models

More complex

Power used to flow in one direction... now it flows bi-directionally – requiring new coordination and optimization systems

More dynamic

Power used to be predictable and controllable...now it is generated from a multitude of intermittent assets – requiring intelligent, adaptable 24/7 management



Intermittent Generation



Generation



Distributed Generation



Substation



STEM



End Consumers



Transmission

STEM AI POWER SECTOR

Renewables

Lowest Cost Generation



Battery Hardware

Rapid Cost Reductions

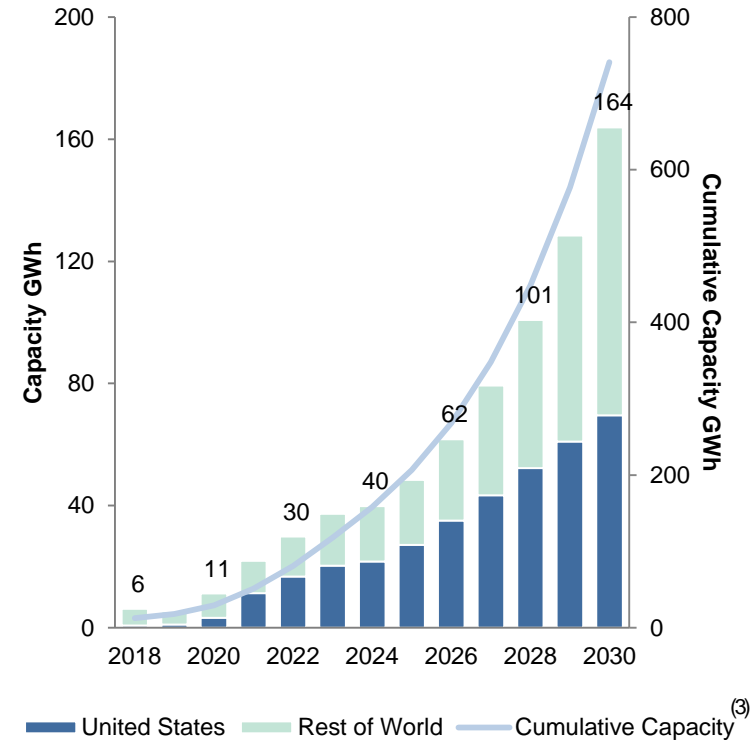
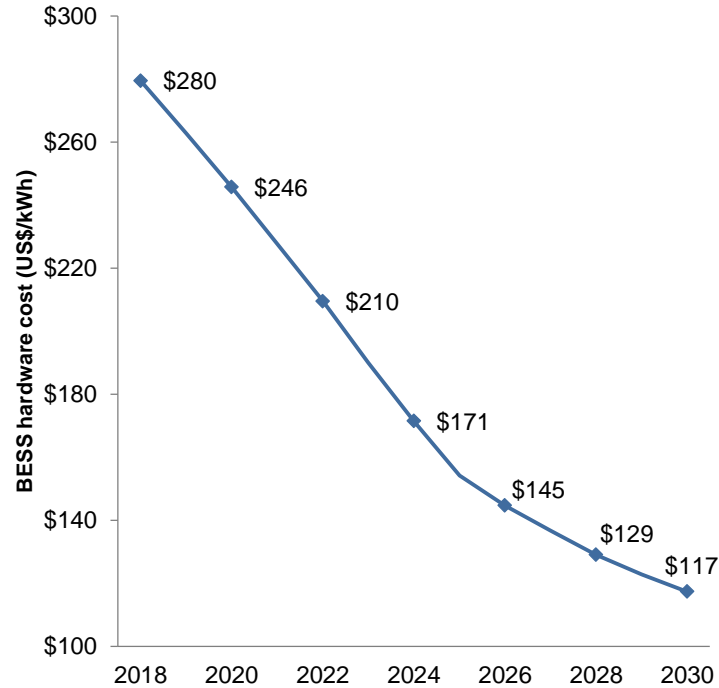
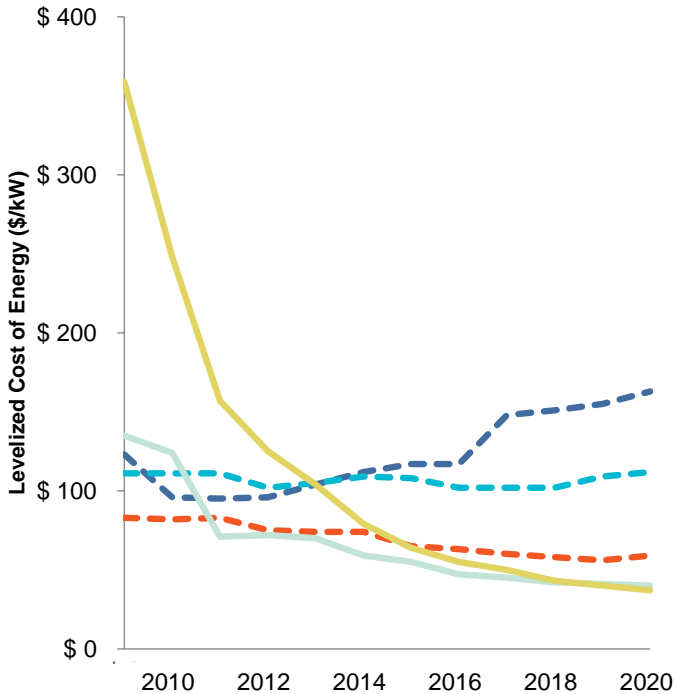


Storage Market

25x Growth⁽¹⁾

Market Opportunity

\$1.2 Trillion⁽²⁾



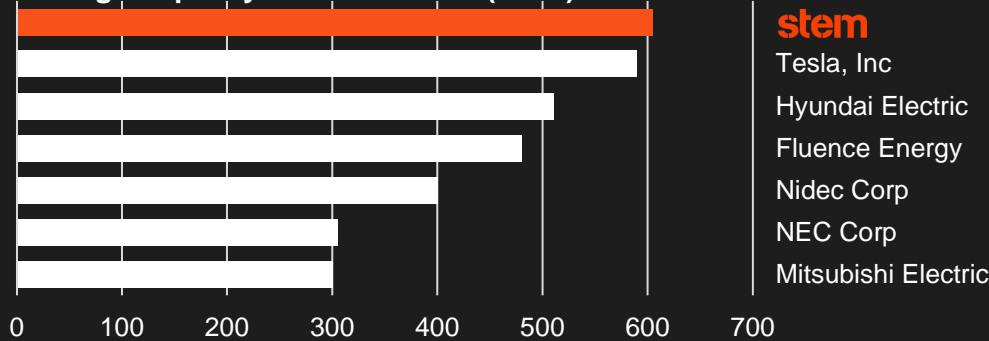
Source: Bloomberg New Energy Finance, Wood Mackenzie, Lazard LCOE.

Note: BESS includes battery rack, PCS, balance of system, energy management system and transformer costs. (1) Wood Mackenzie. (2) Bloomberg New Energy Finance. (3) Includes all FTM, non-residential and residential storage.

stem Stem is a Market Leader with Significant Scale and Visible Growth

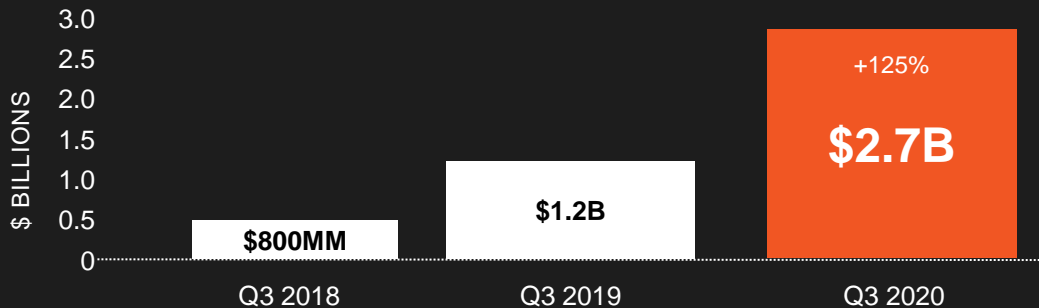
Stem is a Leader in Deployments Worldwide⁽¹⁾
 One of the Top Systems Integrators by
 Disclosed Commissioned Projects 2014-3Q20

Storage Capacity Commissioned (MWh)



Stem's Total Pipeline Growth

125% Pipeline Growth Since Q3 2019



Note: Includes only lithium ion providers.

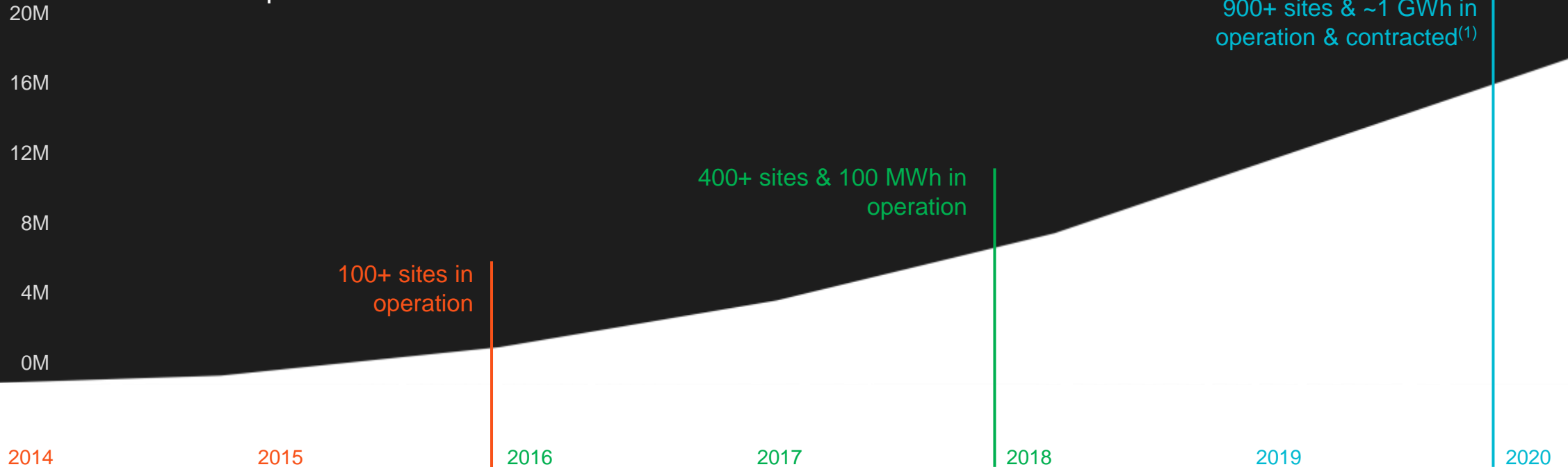
(1) Bloomberg New Energy Finance – Storage Assets Interactive Dataset; Reflects System Integrators by Capacity (MWh), filtered by Commissioning Date and Commissioned Status as of 11/04/2020; Stem data from Company.

(2) As of 31-Oct-2020. (3) Wood Mackenzie.



- **900+ systems** operating or contracted (~1 GWh)⁽²⁾
- **75% BTM market share** in California, largest storage market in the US⁽³⁾
- **\$200MM of contracted backlog** as of January 17, 2021
- **~4.5x revenue growth** in 2021E
- Systems operating in
 - **75 jurisdictions**
 - **200+ cities**

ATHENA CUMULATIVE RUNTIME HOURS



Gen 1

2009 – 2015 **5+ years inventing the market**

- **First** to market with C&I storage
- **First** Hawaii Electric VPP
- **First** California ISO wholesale market participation

Gen 2

2016 – 2018 **2+ years commercial growth**

- **First** storage VPP for California Resource Adequacy & distribution deferral
- **First** municipal storage VPP with Austin Energy
- **First** C&I storage in Arizona
- **First** storage VPP in Japan

Gen 3

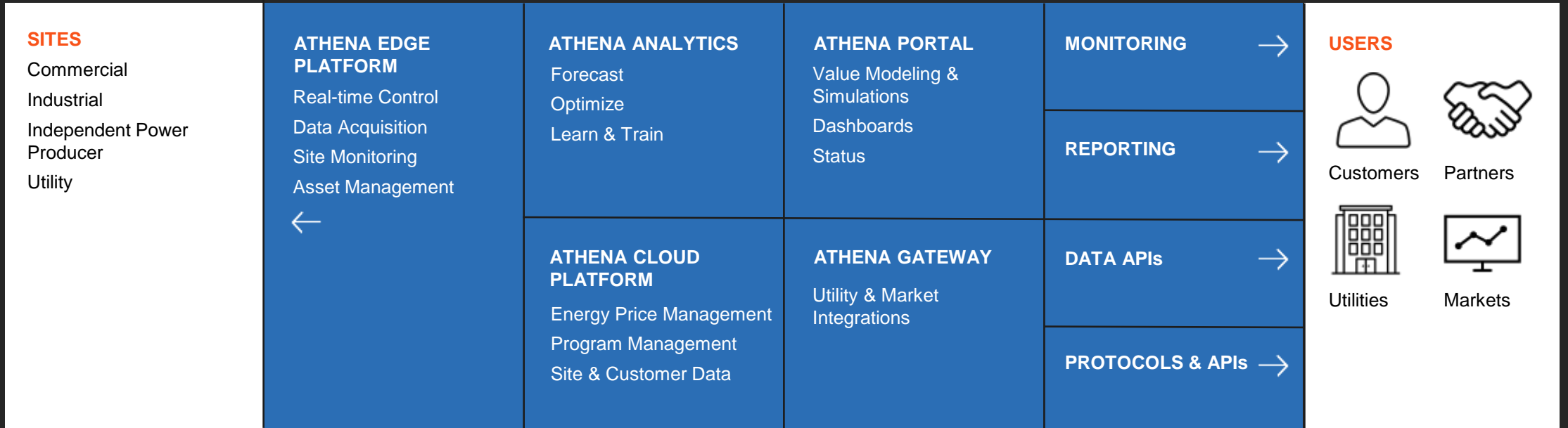
2019 – 2020 **2+ years accelerating growth**

- **First Stem as a service** contract via SK SUSI RFP award
- Serving **40 utilities & markets**
- Delivering multiple value streams in **Ontario** market
- **Partnering with solar IPP & energy market**
- Supplying **backup power**
- **>20,000** market dispatches/year

Source: Stem. (1) As of 31-Oct-2020.

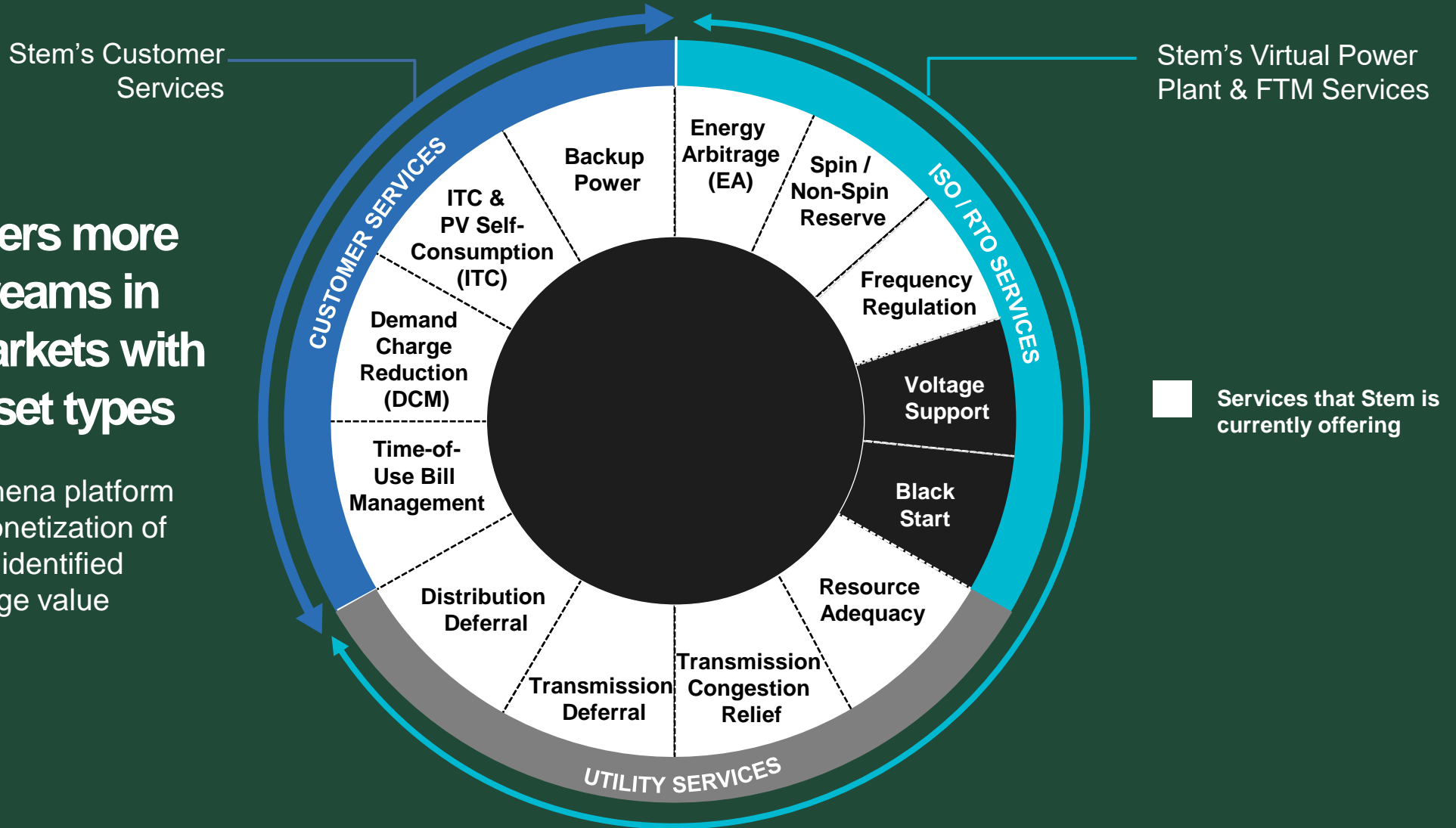
**24 PATENTS GRANTED
COVERING STEM'S SOFTWARE
AND STORAGE**

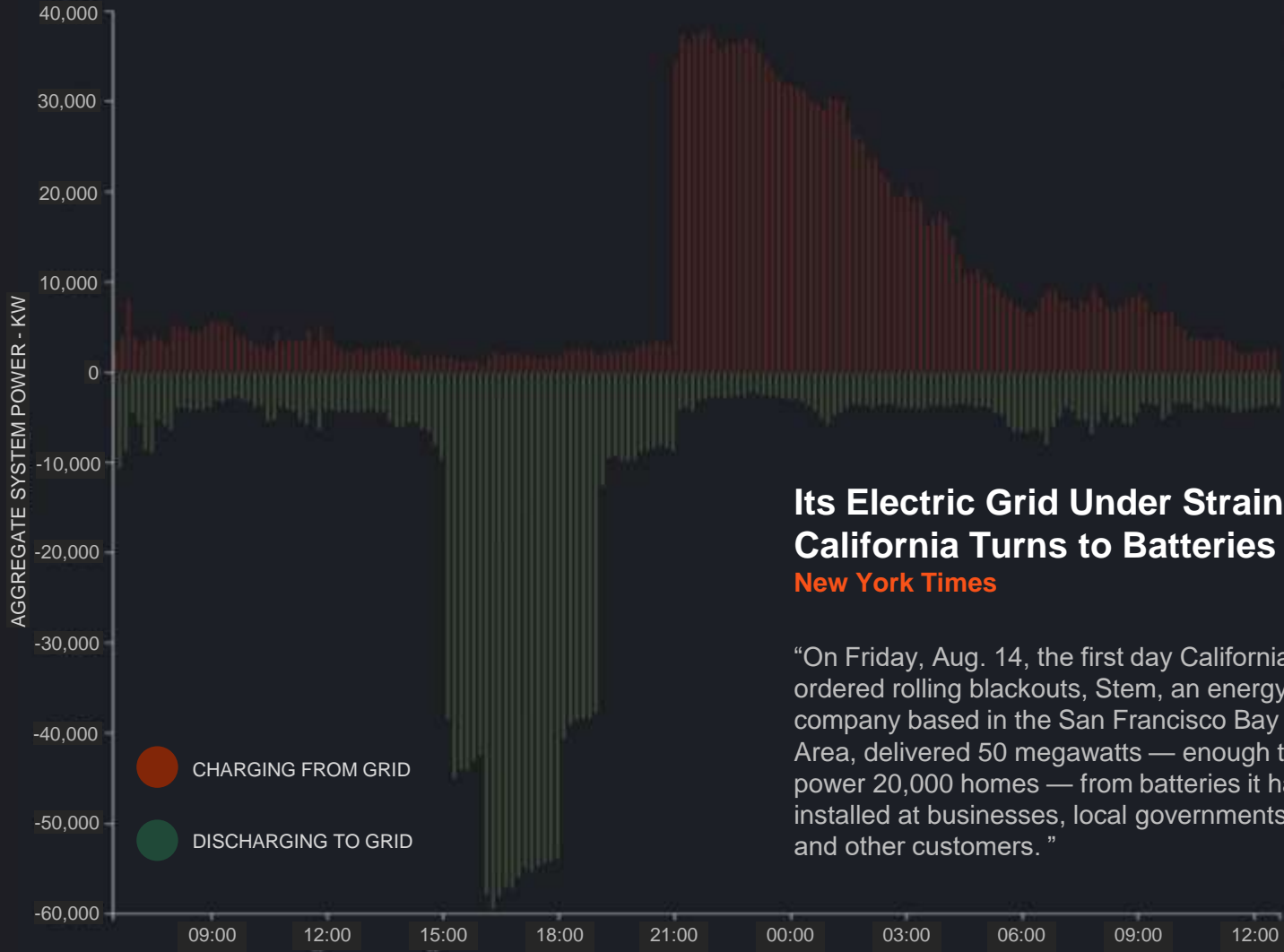
DATA INTEGRATION
Weather Prices Markets Grid



Stem offers more value streams in more markets with more asset types

AI-Driven Athena platform facilitates monetization of **11 out of 13** identified energy storage value streams





Its Electric Grid Under Strain, California Turns to Batteries

New York Times

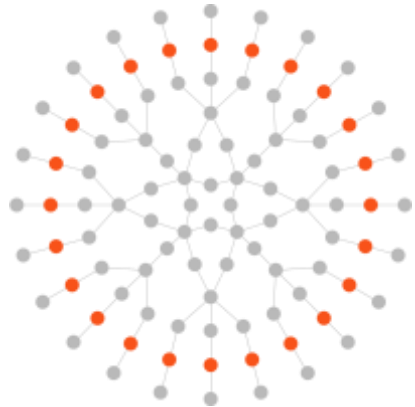
“On Friday, Aug. 14, the first day California ordered rolling blackouts, Stem, an energy company based in the San Francisco Bay Area, delivered 50 megawatts — enough to power 20,000 homes — from batteries it had installed at businesses, local governments and other customers.”

SK SUSI select Stem

- Competitive RFP in 2020 to select software provider for **345 MWh**
- **25 Tier 1 commercial and municipal customers** in Los Angeles and Southern California Edison service territory
- Stem beat **10 bidders**, including energy services firms, based on Athena’s advanced AI capability, demonstrated record of success and world-class management team as key differentiators



BEHIND THE METER “BTM”



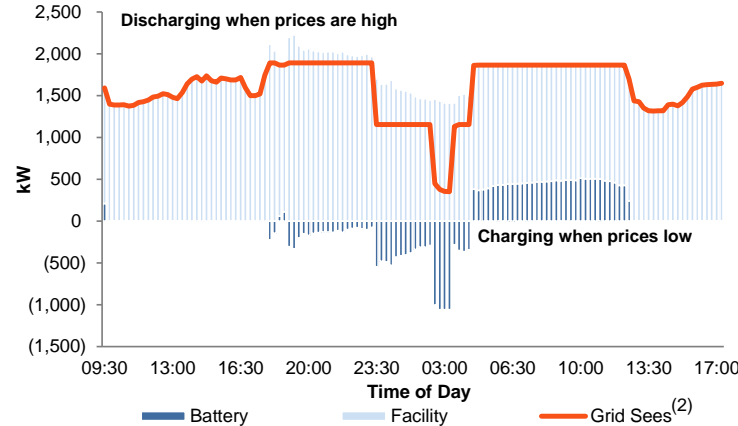
COMMERCIAL & INDUSTRIAL

Reducing Consumer Energy Bill

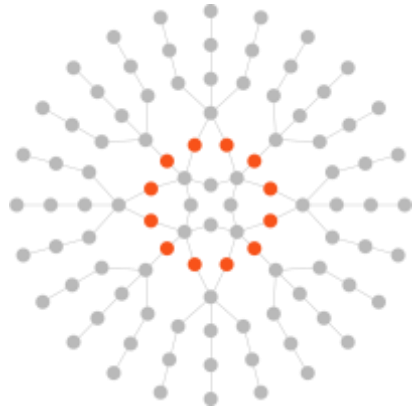
Athena AI optimizes time-of-use and demand charges, resulting in 10% - 30% monthly electricity bill reductions

Corporate ESG Objectives

35% of Fortune 500 have committed to carbon neutrality⁽¹⁾



FRONT OF THE METER “FTM”



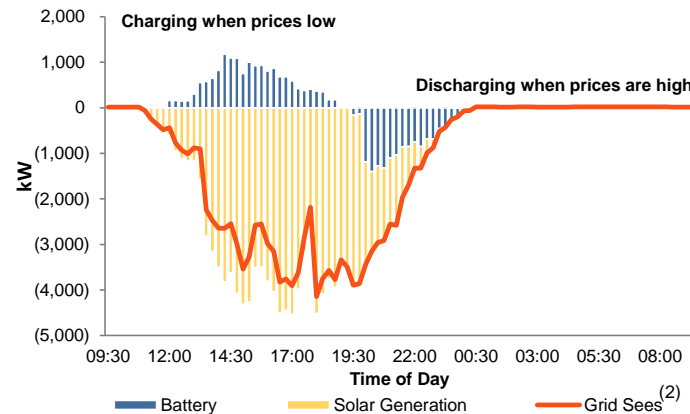
UTILITIES, IPPS, DEVELOPERS

Increasing Asset Returns

Athena AI enables solar generation time-shifting and participation in ancillary revenue streams, resulting in 10% - 30% unlevered IRRs

Supports Grid Stability

Athena AI reduces volatility and supports local grid capacity needs



Source: Stem

(1) Natural Capital Partners. (2) In the top chart, Grid Sees is the net power draw from the grid after the activity of the battery; In the bottom chart, Grid Sees is the net delivery to the grid including the activity of the battery.



Athena smart energy storage adapts to changing energy objectives



Solar Energy

- Shift solar energy to match demand
- Manage solar intermittency impact
- Maximize value of solar



Facility Load Management

- Co-optimize load management with storage
- Reduce business impact of load shedding
- Increase value of market participation



Generation & CHP

- Reduce GHG impact of backup generators
- Optimize operation of combined heat and power
- Cover temporary generation outages



Resiliency & Power Quality

- Manage power outages
- Protect sensitive equipment and loads
- Reduce business interruptions



EV Charging & Electrification

- Avoid peak charges
- Manage grid connection costs
- Monetize flexibility in markets



Commercial Customer Goals



Reduce costs



De-carbonize




Electrification



Resiliency

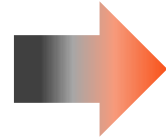
Athena smart storage increases returns

In the Past



Large-scale Solar-only Plants



- Build and monitor output
- Clean and repair as required



Today with Storage

Distributed Hybrid Resources

- ✓ Incentive programs for solar time-shifting
- ✓ Wholesale market participation opportunities
- ✓ Dispatching to capture system peak incentives
- ✓ Optimizing for dynamic locational value of energy including locational system peaks
- ✓ Numerous smaller plants w/ siting and interconnection benefits
- ✓ DC-coupled solar + storage with new controls/constraints
- ✓ Maximizing solar generating capacity



Asset Owner Goals



Project IRRs



Reduce Risk



Time to Value



Future-ready

Direct sales

Drives demand and “spec in” Stem solutions into enterprise procurement solicitations



Deep relationships across the Fortune 500

Sales channel partners

Sells into commercial customers



500+ sales executives across EPC / developer channels with Stem University

Distributors

Reach broad based solar, electrical, building automation, HVAC market



Distributor relationships cover entire US market

Large renewable project developers

Drive demand within project developer and financing ecosystem



Consistently delivering differentiated returns to renewable asset managers

**Net Cash Available
for Growth**

~\$525MM

Debt on Balance Sheet

\$0⁽¹⁾

Balance Sheet Strength

Supports credit requirements to convert large projects in pipeline

Supply Chain Savings

Capital to further reduce cost structure with OEMs

Geographic Expansion

Expansion into rapidly growing international markets with new and existing partners

Athena Expansion & Tech Acquisitions

Product development to further extend Athena AI leadership position and accelerate roadmap

Joint Venture Opportunities

Capture enhanced economics

(1) Pro forma for transaction.



John Carrington
CEO and Director



Larsh Johnson
Chief Technology Officer



Bill Bush
Chief Financial Officer



Mark Triplett
Chief Operating Officer



Alan Russo
Chief Revenue Officer



Sylvia Lan
Senior Director, HR



Prakesh Patel
Chief Strategy Officer

- Seasoned leadership team with 150+ years of experience in the software and energy space
- Leadership experience at technology, energy, and industrial companies
- 145 employees (at announcement)

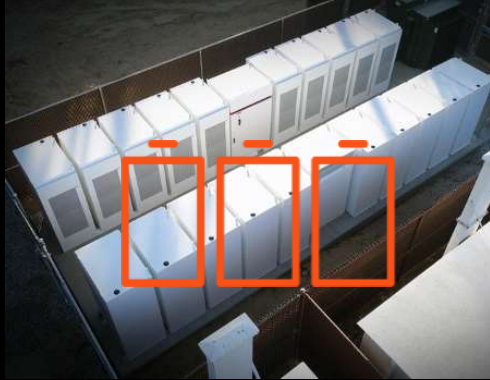


Majority Independent Board

- | | |
|----------------------------|---------------------------|
| 1. John Carrington (Stem) | 5. Adam Daley (Star Peak) |
| 2. Anil Tammineedi (Stem) | 6. TBD (Stem Designee) |
| 3. David Buzby (Stem) | 7. TBD (Stem Designee) |
| 4. Mike Morgan (Star Peak) | |

Section 2

Financial Forecast



Hardware + Network Integration

Total Deliveries (kWh)
(x) Project Hardware ASP (\$/kWh)
= Total Hardware Revenues

~10-30%

Hardware Gross Margin

- ✓ Upfront payment for initial purchase
- ✓ Hardware agnostic platform
- ✓ Turnkey approach with focus on customer value

Software

Total AUM (kWh)
(x) Software Subscription (\$/kWh/month)
= Total Software (Recurring) Revenues

~80%

Software Gross Margin

- ✓ Recurring SaaS model
- ✓ 100% attach rate secured by 10-20 year contracts with monthly recurring cash flow
- ✓ Revenue recognized ratably during life of the contract
- ✓ Additional upsell revenue from Athena applications

Market Participation

Total AUM (kWh)
(x) Stem's Market Participation Revenues (\$/kWh)
= Total Software (Variable) Revenues

~80%

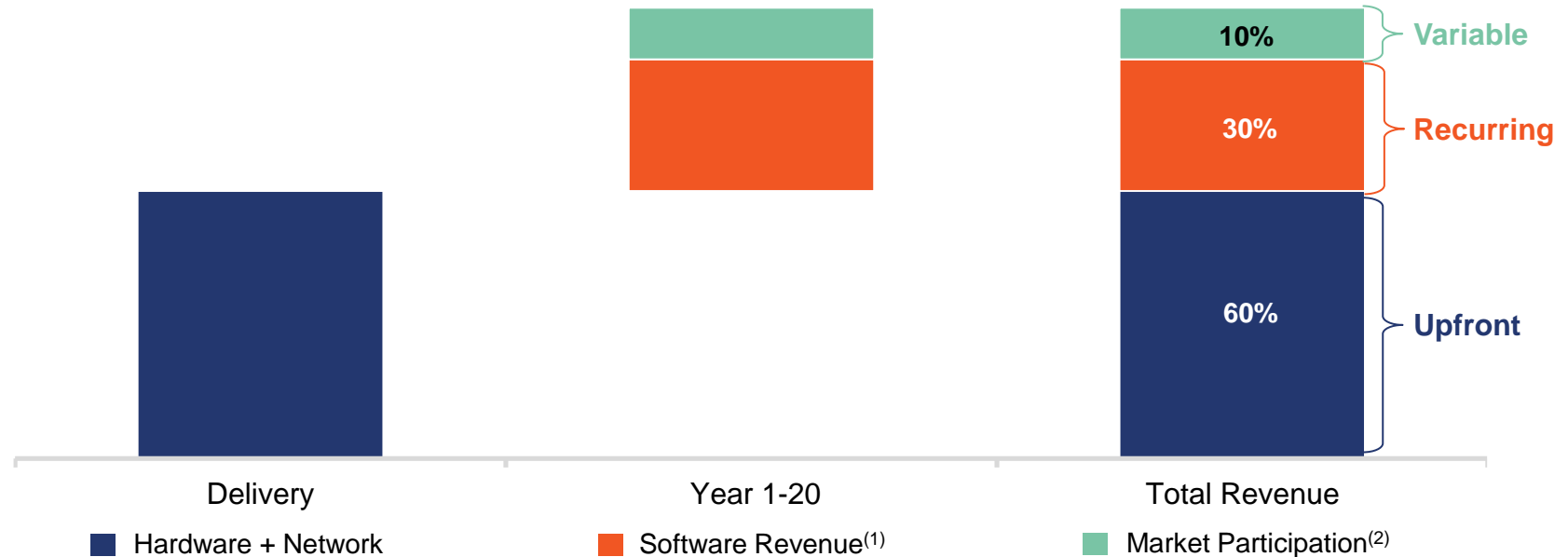
Market Participation Gross Margin

- ✓ Revenues from differentiated Athena capabilities and VPPs
- ✓ Secured by 3-20 year contracts
- ✓ Revenue recognized when realized
- ✓ Significant long term value

Illustrative project revenue contribution

Case Study

- Front of the Meter, New York Market
- Hardware + Software
- 5 MW / 20 MWh Standalone Storage Solution
- ~\$10MM customer lifetime value



Source: Stem.

Note: Values estimated based on historical experience and consultant forecasts. (1) Average of \$0.84 / kWh per month (Year 1-20) starting at \$0.39 / kWh per month with annual escalator. (2) Average of \$0.33 / kWh per month (Year 1-20).

Contracted backlog underpins strong 2021 visibility

Current Contracted Backlog

As of October 31, 2020

140

Projects in Process

88%

Of 2021 Revenue
in Contracted Backlog

2.5 MWh

Average System Size

As of January 17, 2021

182

Projects in Process

100%

Of 2021 Revenue
in Contracted Backlog

2.3 MWh

Average System Size

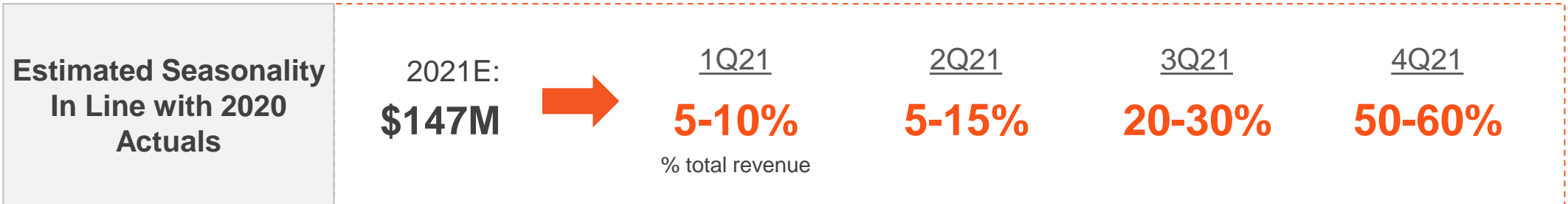
- **Continuing commercial momentum since prior financial update**
- **Forecasted 2021 revenue 100% covered by \$200MM in contracted backlog as of January 17, 2021**
- **Strong pipeline and bookings growth as focus now shifts to fulfilling 2022 revenue target**

Stem Key Metrics and Seasonality

Key Metrics

| Contracted AUM | 12 Month Pipeline | Contracted Backlog | Revenue | EBITDA |
|----------------|-------------------|------------------------|---------------|----------------|
| 1.04 GWh | \$1.6B | 182 projects / \$200MM | 2021E: \$147M | 2021E: (\$25M) |

Revenue Seasonality

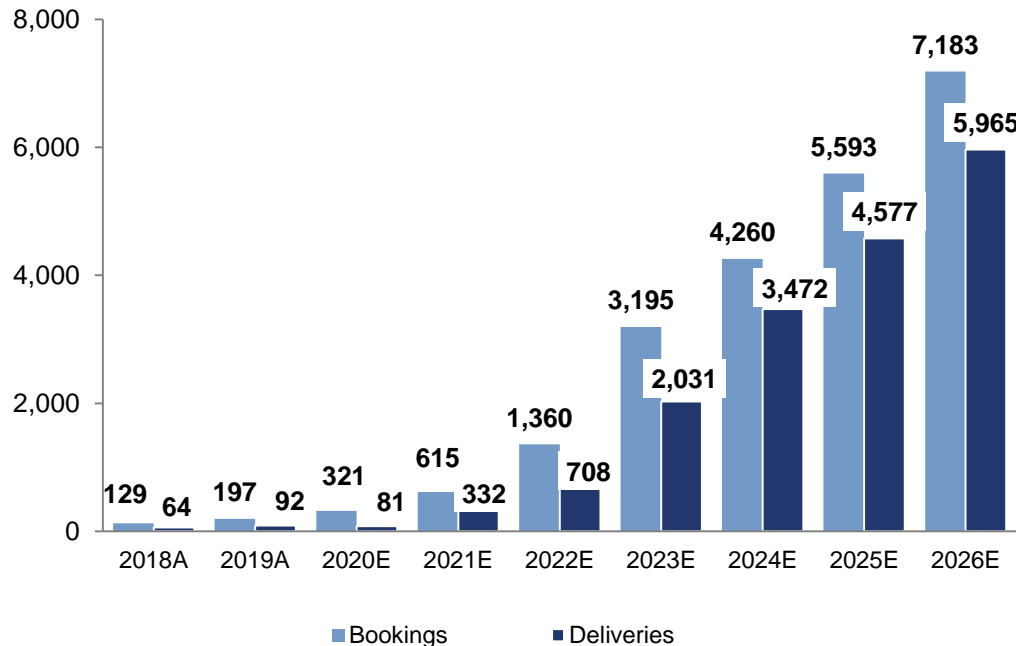


Note: Key metrics and seasonality estimates are as of January 17, 2021.

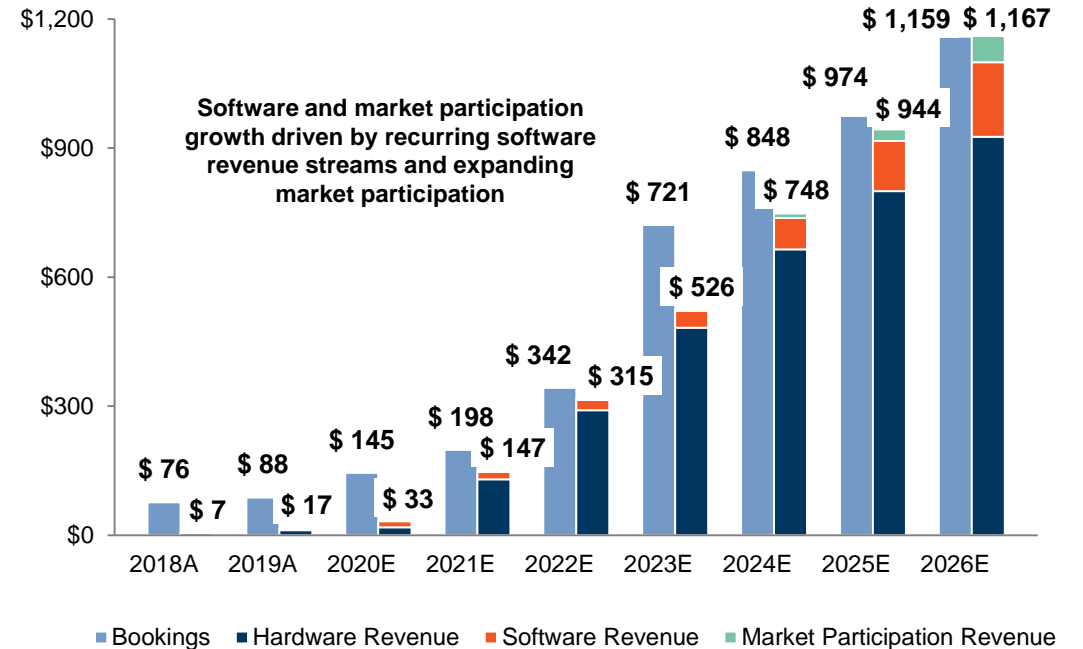
Business scales with accelerating storage adoption

Update 2020 total revenue is expected to be 7.5-10% above prior guidance

Bookings & Deliveries⁽¹⁾ (MWh)



Bookings & Revenues (\$MM)



Source: Stem.

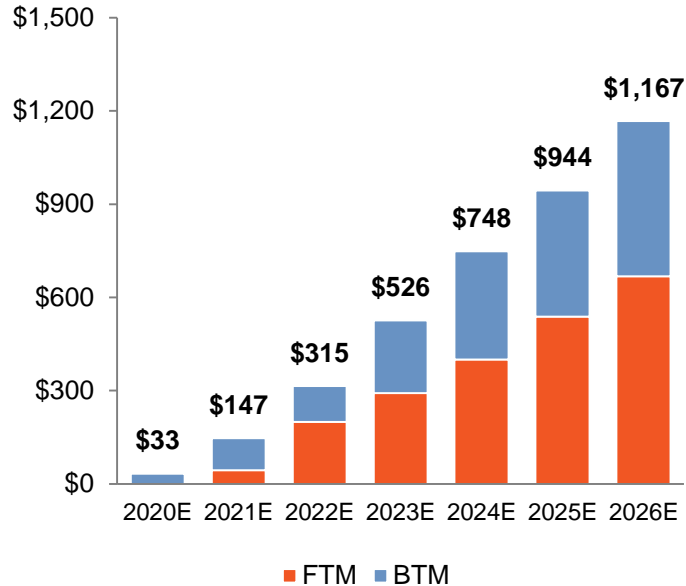
Note: Bookings represent value of executed customer contracts excluding Market Participation revenue. Stem total revenue calculation assumes recognition of all contracted backlog at system delivery and ratable recognition of software services over the contractual period; Hardware revenue assumes all contracted backlog recognized at system delivery; Software revenue includes SaaS Fees, revenue within the period from systems on balance sheet and O&M. (1) Excludes ~350MW of deliveries and bookings from Q32020 SK SUSI contract and excludes software bookings and deliveries.

Robust revenue growth by customer type and segment

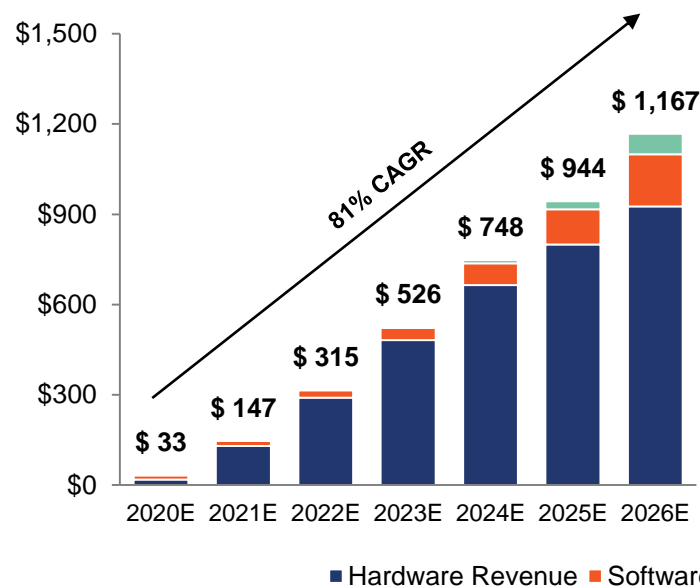
Update

2020 total revenue is expected to be 7.5-10% above prior guidance

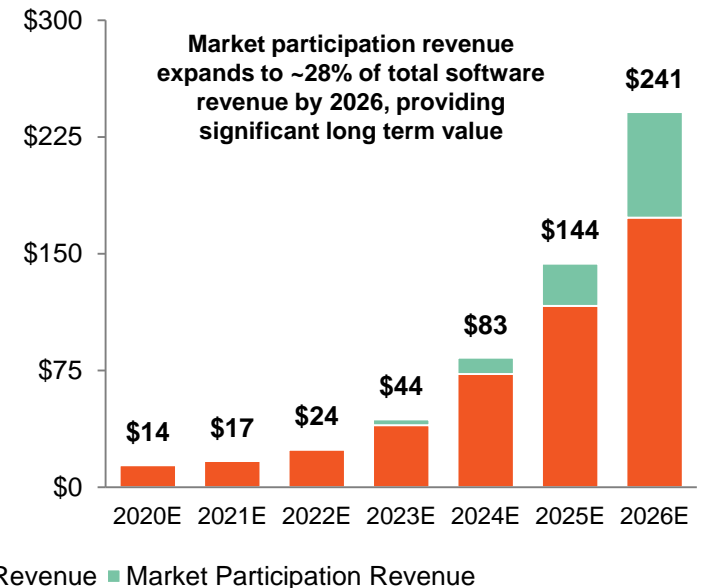
By Customer Type (\$MM)



By Segment (\$MM)



By Software Type (\$MM)

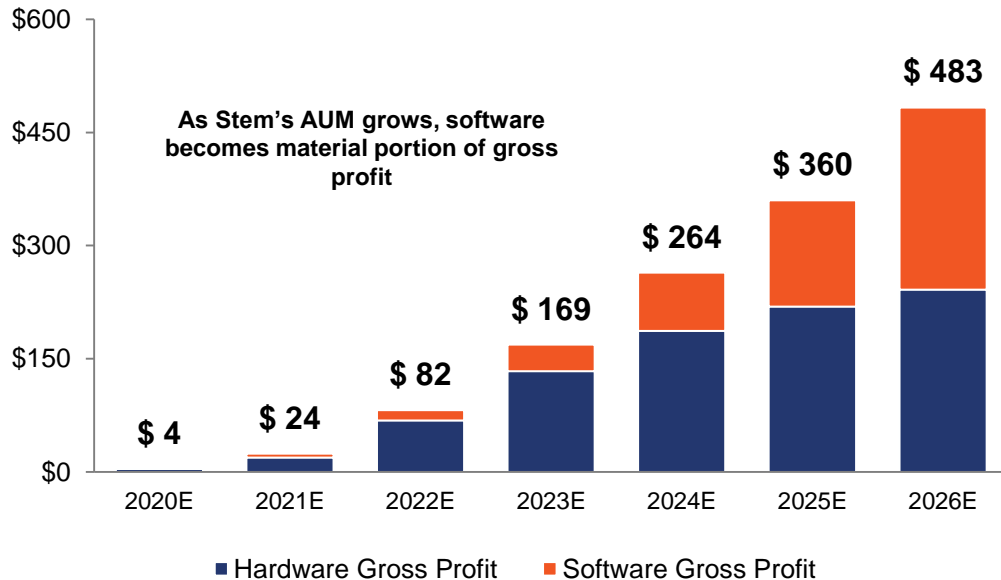


Source: Stem.
 Note: Stem total revenue calculation assumes recognition of all contracted backlog at system delivery and ratable recognition of software services over the contractual period; Hardware revenue assumes all contracted backlog recognized at system delivery; Software revenue includes SaaS Fees, revenue within the period from systems on balance sheet and O&M.

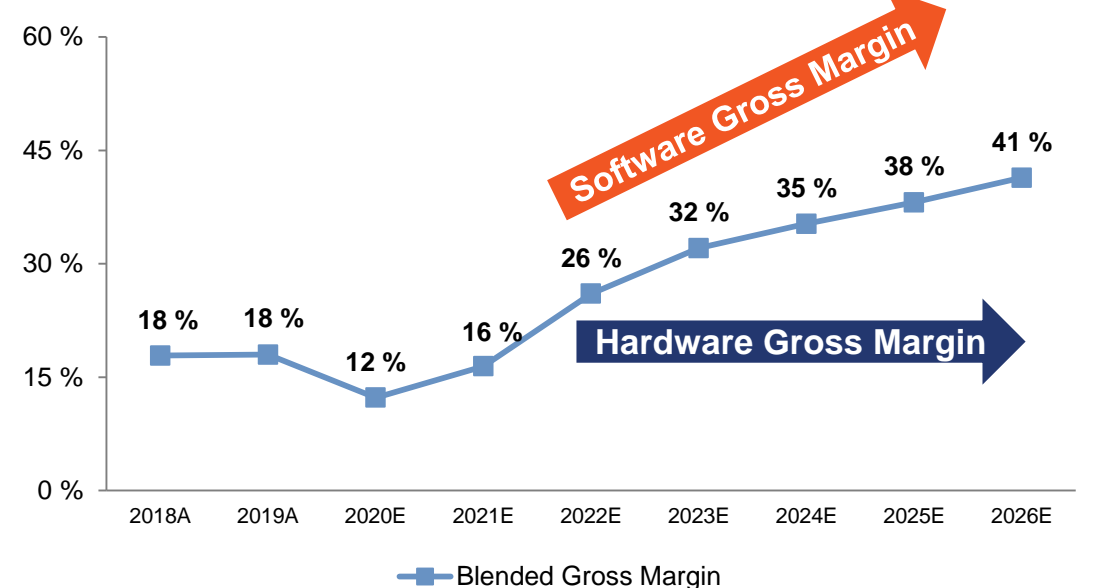
Gross margin expands with increasing scale and software growth

Update No change to forward guidance
Update of 2020 actuals pending release of audited financials

Pro Forma Gross Profit by Type (\$MM)⁽¹⁾



Gross Margins Driven by Increasing Software Margin⁽²⁾



Source: Stem.
 (1) Stem total gross profit calculation assumes recognition of all contracted backlog at system delivery and ratable recognition of software services over the contractual period; Hardware gross profit assumes all contracted backlog recognized at system delivery; Software gross profit includes SaaS Fees, gross profit within the period from systems on balance sheet, O&M and ongoing Market Participation gross profits. (2) Historical gross margin adjusted for non-recurring and non-system related items.

Stem delivers consistent growth and improving margins

Update

- **2020 Update:** Total revenue is expected to be 7.5-10% above prior guidance
- **2021 Guidance:** Forecasted revenue 100% covered by contracted backlog

| (\$MM) | FY20E | FY21E | FY22E | FY23E | FY24E | FY25E | FY26E |
|-------------------------------|---------------|---------------|--------------|--------------|--------------|--------------|----------------|
| Cumulative AUM (MWh) | 714 | 1,046 | 1,754 | 3,785 | 7,257 | 11,834 | 17,799 |
| YoY Growth | 153% | 46% | 68% | 116% | 92% | 63% | 50% |
| Bookings | \$145 | \$198 | \$342 | \$721 | \$848 | \$974 | \$1,159 |
| YoY Growth | 65% | 37% | 72% | 111% | 18% | 15% | 19% |
| Revenue | \$33 | \$147 | \$315 | \$526 | \$748 | \$944 | \$1,167 |
| YoY Growth | 94% | 348% | 115% | 67% | 42% | 26% | 24% |
| Pro Forma Gross Profit | \$4 | \$24 | \$82 | \$169 | \$264 | \$360 | \$483 |
| Gross Margin ⁽¹⁾ | 12% | 16% | 26% | 32% | 35% | 38% | 41% |
| Total Operating Expenses | 39 | 49 | 54 | 55 | 60 | 65 | 66 |
| Adjusted EBITDA | (\$35) | (\$25) | \$28 | \$113 | \$204 | \$295 | \$417 |
| EBITDA Margin % | NM | NM | 9% | 22% | 27% | 31% | 36% |
| CapEx | NM | (\$17) | (\$34) | (\$39) | (\$37) | (\$35) | (\$25) |
| Free Cash Flow | NM | (\$49) | (\$7) | \$70 | \$162 | \$253 | \$381 |

Source: Stem.

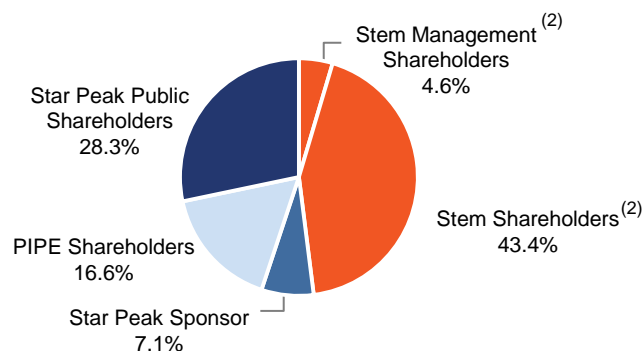
Note: Stem's fiscal year is 31-Dec. (1) Pro Forma Gross Profit adjusted for non-recurring, non-system related items and amortization related with product development (IDS) costs.

Detailed transaction overview

Transaction Highlights

| | |
|--------------------------|--|
| Cash Sources | <ul style="list-style-type: none"> Star Peak has ~\$383MM in cash held in the trust account PIPE size of \$225MM |
| Valuation | <ul style="list-style-type: none"> Attractive entry multiple relative to clean energy peer group |
| Capital Structure | <ul style="list-style-type: none"> ~\$525MM net cash to balance sheet (assuming no redemptions) to fund growth |

Pro Forma Ownership at \$10.00 / Share⁽¹⁾



Source: Stem, Star Peak.

(1) Pro forma ownership structure based on PIPE of \$225MM, assuming no redemptions. Excludes Star Peak warrants. (2) Stem shareholdings includes common and preferred equity as well as warrants and equity which may be net settled at the transaction date. (3) \$45MM debt pay down reflects repayment of all outstanding indebtedness at closing (inclusive of make whole). (4) Equity value to Stem's existing shareholders is calculated as \$650MM at \$10.00 share price.

Sources and Uses

| Sources | \$MM | % | Uses | \$MM | % |
|----------------------------------|-----------------|-------|--|-----------------|-------|
| Committed Equity PIPE | 225 | 17.9% | Stock to Stem Shareholders | 650 | 51.7% |
| Star Peak Trust | 383 | 30.4% | Estimated Fees and Expenses | 51 | 4.1% |
| Stem Shareholder Equity Rollover | 650 | 51.7% | Estimated Repayment of Debt ⁽³⁾ | 45 | 3.6% |
| | | | Cash to Stem Balance Sheet | 512 | 40.7% |
| Total Sources | \$ 1,258 | | Total Uses | \$ 1,258 | |






Pro Forma Valuation

| | |
|--------------------------------|---------|
| Pro Forma Shares Outstanding | 135.4 |
| Share Price | \$10.00 |
| Stem Equity Value | \$1,354 |
| Pro Forma 3Q20 Net Debt (Cash) | (525) |
| Stem Enterprise Value | \$829 |

Pro Forma Ownership

| Ownership Breakdown | Shares (MM) | % |
|----------------------------------|--------------|---------------|
| Stem Shareholders ⁽⁴⁾ | 65.0 | 48.0% |
| Star Peak Public Shareholders | 38.3 | 28.3% |
| Star Peak Sponsor | 9.6 | 7.1% |
| PIPE Shareholders | 22.5 | 16.6% |
| Equity Ownership | 135.4 | 100.0% |

Public comparable universe

| | Solar Technology Solutions | Distributed Solar | Sustainable Infrastructure | Diversified Energy Tech |
|--|--|--|---|---|
| Stem Peers |  |  |  |  |
| Relevance to Stem | <ul style="list-style-type: none"> • Robust upfront cash generation • Serves similar end markets | <ul style="list-style-type: none"> • Diversified long-term contracted cash flows • Increasing BTM storage attachment rates | <ul style="list-style-type: none"> • Upfront equipment margins augmented by recurring cash flows | <ul style="list-style-type: none"> • Emphasis on FTM and BTM energy storage business |
| <ul style="list-style-type: none"> • ESG-friendly • High growth supported by large TAM <ul style="list-style-type: none"> • Strong fundamental tailwinds • Scarcity premium | | | | |
|  | | | | |

Investment thesis

Stem is the first pure play smart energy storage company to go public in the US



Large Addressable Market and Strong Macro Tailwinds



Market Leader with Industry Leading Technology



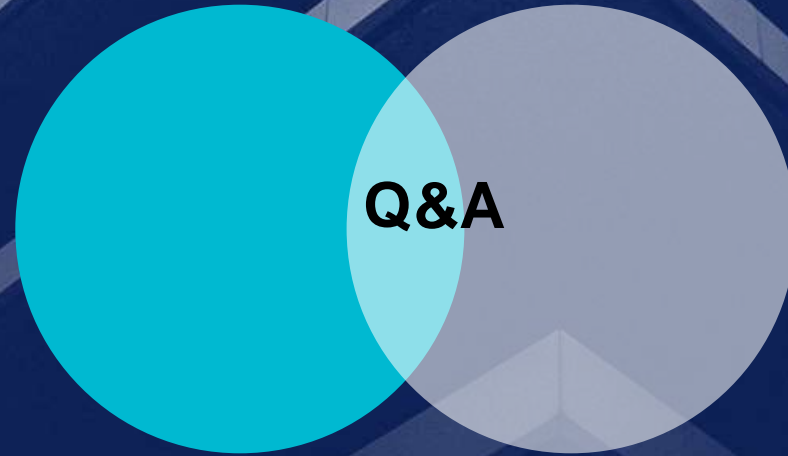
Balance Sheet Well Positioned to Capitalize on Significant Expected Growth



Highly Visible Growth



Unique Opportunity to Gain Exposure to Energy Transition and ESG



Appendix A
**Supplemental
Information**

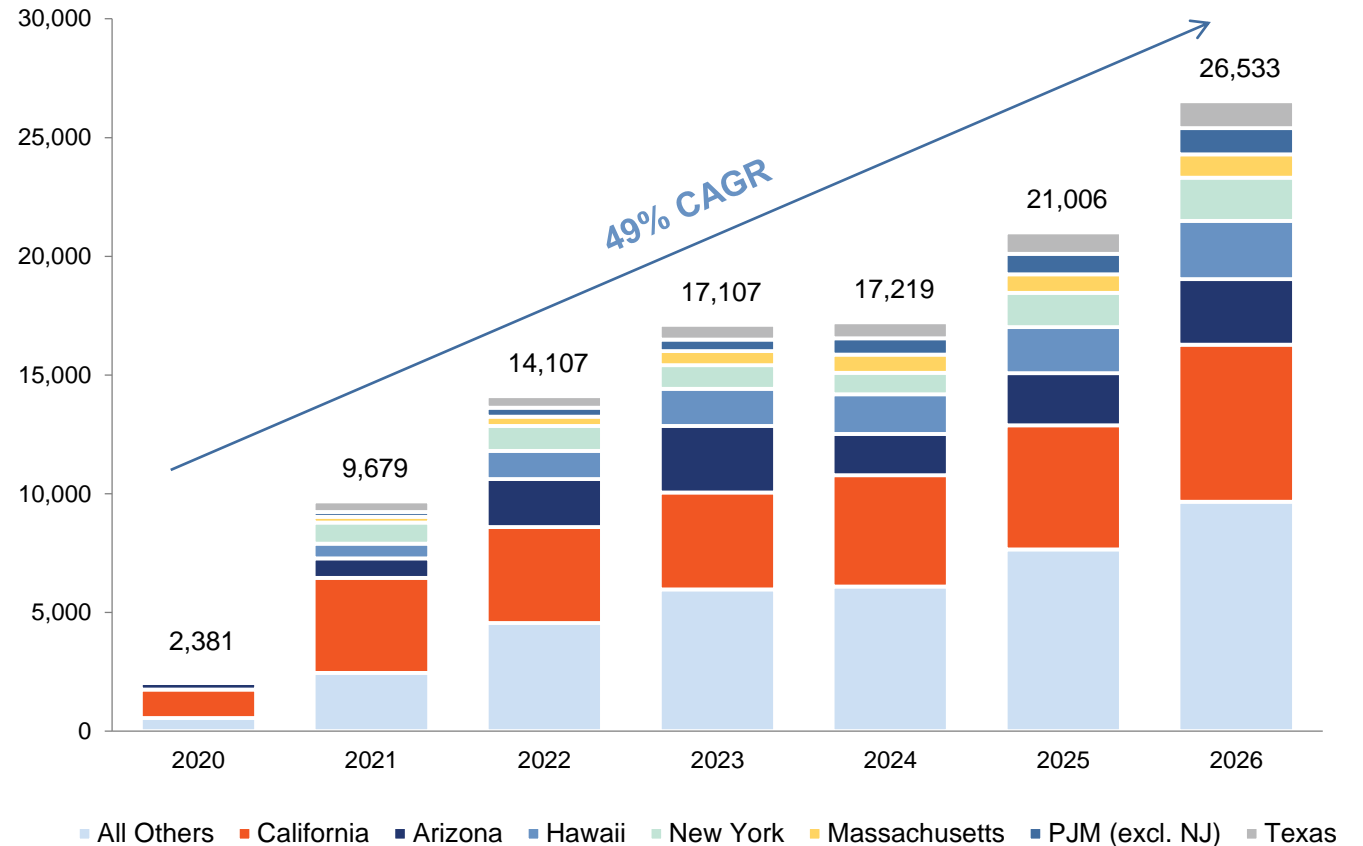
| Item | Definition |
|------------------------------|--|
| 12-Month Pipeline | <p>Total value of uncontracted, potential hardware and software revenue from opportunities currently in process by Stem direct salesforce and channel partners (see page 15), which have a reasonable likelihood of contract execution within 12 months</p> <ul style="list-style-type: none"> Market participation revenue is excluded from pipeline |
| Bookings | <p>Total value of executed customer agreements, as measured during a given period (e.g. quarterly booking or annual booking)</p> <ul style="list-style-type: none"> Customer contracts are typically executed 6-12 months ahead of installation Booking amount typically includes: <ol style="list-style-type: none"> Hardware revenue, which is typically recognized at delivery of system to customer, Software revenue, which represents total nominal software contract value recognized ratably over the contract period, Market participation revenue is excluded from booking value |
| Contracted Backlog | <p>Total value of bookings in dollars, as reflected on a specific date</p> <ul style="list-style-type: none"> Backlog increases as new contracts are executed (bookings) Backlog decreases as integrated storage systems are delivered and recognized as revenue |
| Contracted AUM | <p>Total MWh of systems in operation or under contract</p> |
| Hardware Revenue | <p>Payment for initial purchase of system, which is typically recognized at delivery of system to customer</p> <ul style="list-style-type: none"> Total Hardware Revenues = Total Deliveries (kWh) x Project Hardware ASP (\$/kWh) ASP / margin based on value added services including hardware selection, project design and interconnection / permitting advisory and warranty design and compliance |
| Software Revenue | <p>Recurring SaaS payment driven by storage assets under management (AUM)</p> <ul style="list-style-type: none"> Total Software (Recurring) Revenues = Total AUM (kWh) x Software subscription (\$/kWh/month) SaaS contracts range 10-20 years comprising recurring monthly payments |
| Market Participation Revenue | <p>Revenues from monetization of energy storage capacity into energy markets and VPPs secured by contracts ranging from 3-20 years</p> <ul style="list-style-type: none"> Total Software (Variable) Revenues = Total AUM (kWh) x Stem's Market Participation Revenues (\$/kWh) |

Stem has a proven track record of helping owners maximize the value of their assets, driving higher revenue and ROI

Overview of Front of the Meter Market

- ✓ Utilities, IPPs and other asset owners
- ✓ Typically 20 year software contracts
- ✓ System spec size of 27MWh and \$10MM
- ✓ Wholesale market participation

FTM US Energy Storage Outlook (MWh)

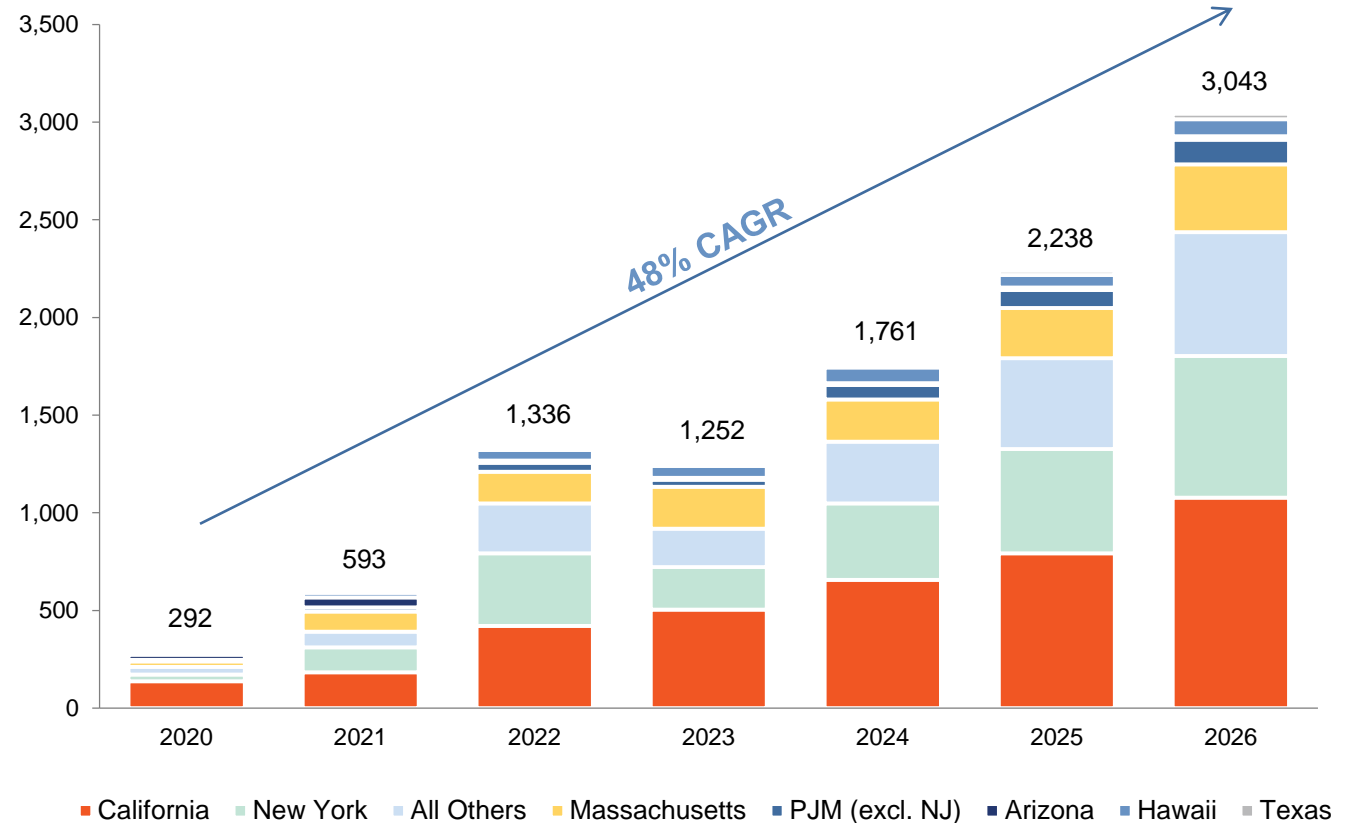


Stem delivers lower net bill and clean power to C&I customers

Overview of Behind the Meter Market

- ✓ Commercial, industrial and corporate customers
- ✓ Typically 10 year software contracts
- ✓ System spec size of 2.2MWh and \$1MM
- ✓ Wholesale market participation

BTM US Energy Storage Outlook (MWh)

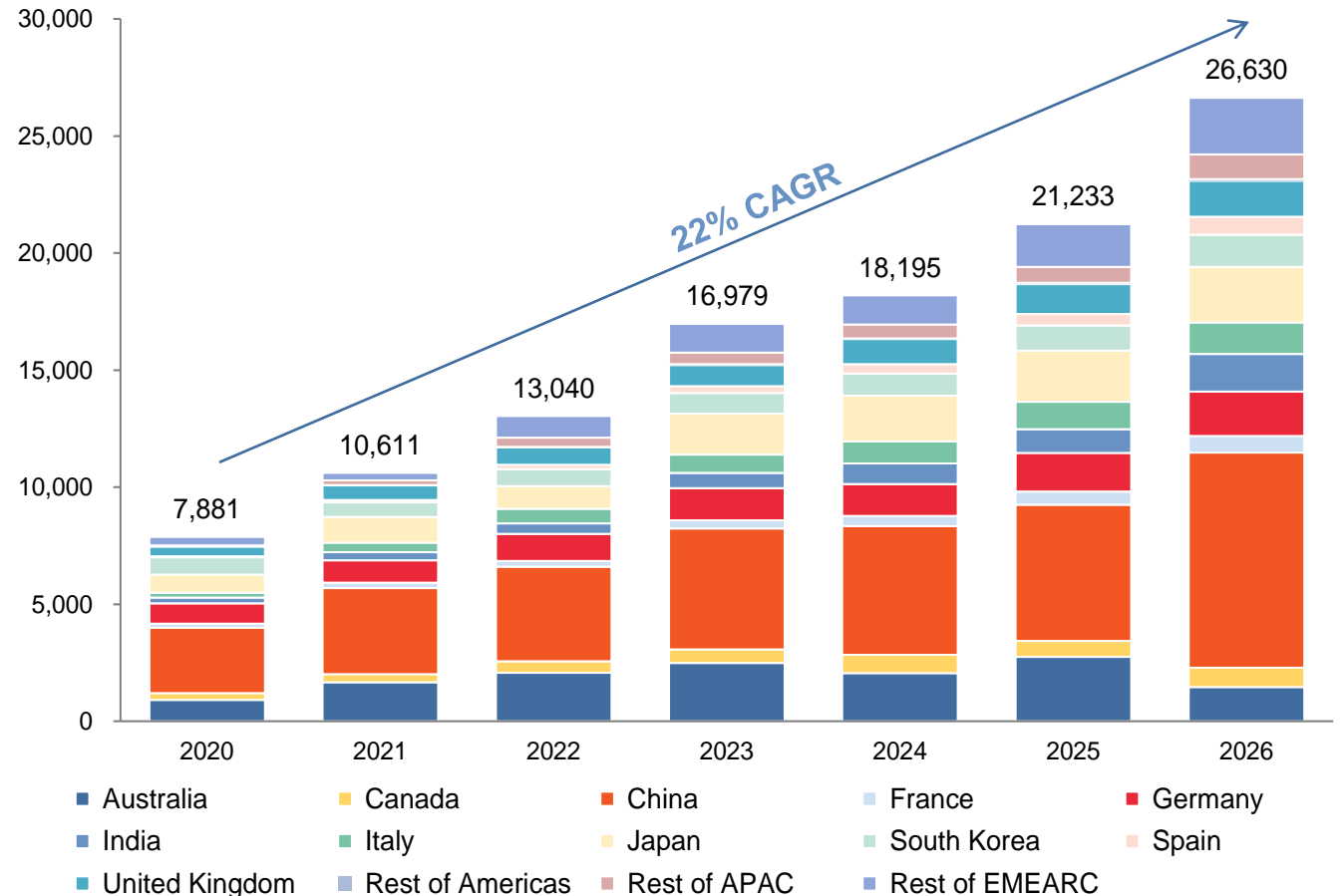


Transaction capital will fuel growth into international markets with expanding TAM

Overview of International TAM

- ✓ System cost declines and demand for renewable energy have led to increasing system durations and MWh capacities
- ✓ 254 GW of capacity expected to be deployed around the world over the next decade
- ✓ APAC expected to drive 70% of global demand growth through 2030
- ✓ Policy tailwinds spurs growth in EMEARC markets

Worldwide Energy Storage Outlook (Ex-US) (MWh)

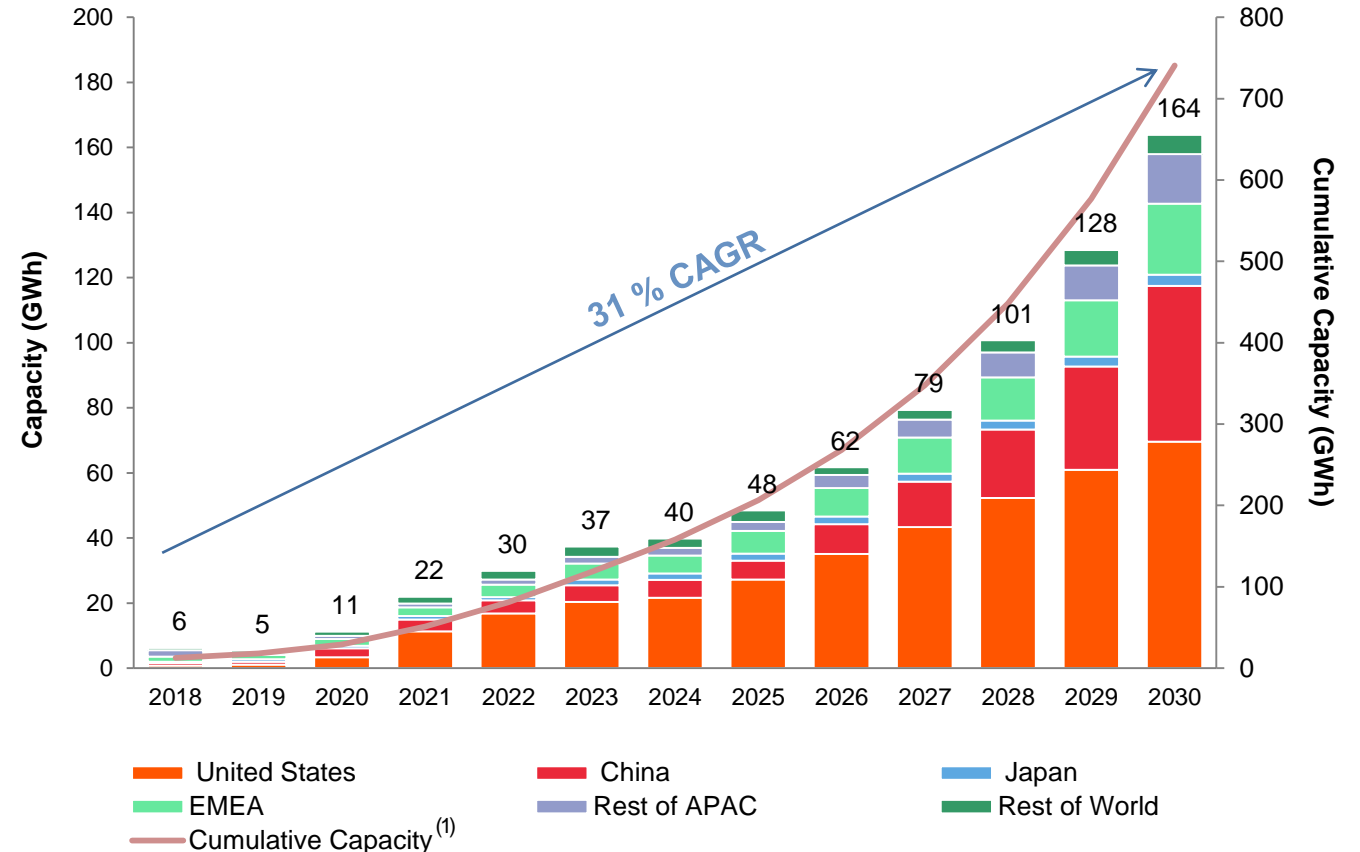


Global energy storage growth remains robust long-term

Overview of Global Growth Trends

- ✓ All major global markets forecasted at double digit storage growth rates over the decade
- ✓ US and China lead energy storage growth with respective CAGRs of ~45% and ~41% respectively through 2030
- ✓ Regulatory environment in Japan spur residential storage market with renewable growth spurring FTM storage to yield ~19% CAGR through 2030
- ✓ Lack of market rules, policies, and incentives for storage markets stifle growth in Latin America

Global Energy Storage Outlook (GWh)



Source: EEI, Wood Mackenzie.

(1) Includes all FTM, non-residential and residential storage.

Audited GAAP Income Statement

| | <u>Year Ended December 31, 2019</u> |
|---|-------------------------------------|
| Revenue | \$ 13,595,787 |
| Cost of Revenue | <u>15,705,449</u> |
| Gross Margin | <u>(2,109,662)</u> |
| Operating expenses | |
| Sales and marketing | 17,461,687 |
| Research and development | 14,702,562 |
| General and administrative | <u>10,896,516</u> |
| Total operating expenses | 43,060,765 |
| Operating loss | (45,170,427) |
| Interest expense, net | (12,485,970) |
| Change in fair value of warrants and embedded derivative | 1,351,872 |
| Loss before income taxes | \$ (58,507,128) |
| Income tax expense | (6,250) |
| Net Loss | \$ (58,513,378) |
| Other comprehensive income | |
| Foreign currency translation adjustment | 53,900 |
| Comprehensive Loss | \$ (58,459,478) |

Audited GAAP Balance Sheet

| Assets | Year Ended December 31, 2019 | |
|---------------------------------|-------------------------------------|--------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ | 12,888,863 |
| Accounts receivable, net | | 6,618,528 |
| Prepaid expenses | | 867,802 |
| Inventory | | 6,507,959 |
| Due from related parties | | 483,300 |
| Other current assets | | 6,894,256 |
| Total current assets | | 34,260,708 |
| Property and equipment, net | | 71,221 |
| Energy storage systems, net | | 131,863,572 |
| Contract origination costs, net | | 8,608,307 |
| Goodwill, net | | 1,511,642 |
| Intangible assets, net | | 10,694,457 |
| Right-of-use assets | | 947,293 |
| Other assets | | 5,664,346 |
| Total Assets | \$ | 193,621,546 |

Audited GAAP Balance Sheet (Cont'd)

| Liabilities and Total Equity | Year Ended December 31, 2019 |
|--|------------------------------|
| Current liabilities: | |
| Accounts payable | \$ 12,691,307 |
| Accrued liabilities | 7,307,231 |
| Accrued payroll | 5,573,434 |
| Notes payable - short term | 28,894,760 |
| Convertible promissory notes | 36,443,736 |
| Financing obligation - short term | 6,372,508 |
| Other current liabilities | 8,093,921 |
| Total current liabilities | <u>105,376,897</u> |
| Deferred revenue | 19,659,745 |
| Asset retirement obligation | 5,758,825 |
| Notes payable | 6,568,355 |
| Financing obligation | 74,639,904 |
| Warrant liabilities | 6,275,974 |
| Lease liability | 390,394 |
| Total liabilities | <u>\$ 218,670,094</u> |
| Total Equity: | |
| Preferred stock, \$0.00001 par value; 321,351,021 and 219,351,021 shares authorized as of December 31, 2019 and 2018, respectively; 191,142,894 and 186,469,586 shares issued and outstanding as of December 31, 2019 and 2018, respectively | 1,910 |
| Common stock, \$0.000001 par value, 386,728,323 and 278,728,323 shares authorized as of December 31, 2019 and 2018; 9,392,682 and 9,583,163 shares issued and outstanding as of December 31, 2019 and 2018, respectively | 10 |
| Additional paid-in capital | 250,411,596 |
| Accumulated other comprehensive income | 53,900 |
| Accumulated deficit | (275,515,964) |
| Total equity: | <u>(25,048,548)</u> |
| Total Liabilities and Total Equity | \$ 193,621,546 |

Audited GAAP Cash Flow Statement

Cash flows from operating activities:

| | Year Ended December 31, 2019 |
|---|-------------------------------------|
| Net loss | \$ (58,513,378) |
| Adjustments to reconcile net loss to net cash used in operating activities: | |
| Provision for doubtful accounts | 93,647 |
| Depreciation and amortization expense | 14,254,494 |
| Impairment of energy storage systems | 295,281 |
| Accretion expense | 302,916 |
| Noncash lease expense | 905,627 |
| Stock-based compensation | 1,531,408 |
| Non-cash interest expense, including interest expense associated with debt issuance costs | 7,217,465 |
| Change in fair value of warranty liability and embedded derivative | (1,351,872) |
| Earnings from equity method investments | (76,330) |
| Other | - |
| Net changes in operating assets and liabilities: | |
| Accounts receivable | (5,206,352) |
| Inventory | 5,075,369 |
| Prepaid expenses and other assets | (4,395,177) |
| Contract origination costs | (1,301,751) |
| Right-of-use assets | - |
| Accounts payable and accrued expenses | 10,562,306 |
| Deferred revenue | 12,963,889 |
| Lease liabilities | (229,612) |
| Other liabilities | 109,810 |
| Net cash used in operating activities | \$ (17,762,260) |

Cash flows from investing activities:

| | |
|---|------------------------|
| Purchase of property and equipment | (6,546) |
| Purchase of energy storage systems | (52,911,093) |
| Capital expenditures on internally-developed software | (5,356,213) |
| Net assets acquired in business combination | - |
| Acquisition of non-controlling interest | - |
| Distributions from equity method investments | - |
| Net cash used in investing activities | \$ (58,273,852) |

Audited GAAP Cash Flow Statement (Cont'd)

Cash flows from financing activities:

| | <u>Year Ended December 31, 2019</u> |
|--|-------------------------------------|
| Proceeds from issuance of Series D preferred and common stock | - |
| Equity issuance costs incurred with Series D preferred stock and common stock offering | - |
| Proceeds from exercise of warrants | - |
| Proceeds from exercise of stock options | 35,779 |
| Proceeds from financing obligations | 32,310,097 |
| Repayment of financing obligations | (7,308,435) |
| Proceeds from issuance of convertible notes | 65,556,630 |
| Payment of debt issuance costs - convertible notes | (2,307,473) |
| Proceeds from issuance of notes payable | 4,710,455 |
| Repayment of notes payable | (25,795,849) |
| Distributions to noncontrolling interests | - |
| Net cash provided by financing activities | \$ 67,201,204 |
| Effect of exchange rate changes on cash and cash equivalents | (170,301) |
| Net decrease in cash and cash equivalents | (9,005,209) |
| Cash and cash equivalents - Beginning of year | \$ 21,894,072 |
| Cash and cash equivalents - End of year | \$ 12,888,863 |

Supplemental disclosures of cash flow information:

| | |
|---|-------------|
| Interest paid | 8,936,958 |
| income taxes paid | 2,707 |
| Noncash investing and financing activities: | |
| Change in asset retirement costs and asset retirement obligation | (1,485,816) |
| Right-of-use assets obtained in exchange for lease liabilities | - |
| Net asset acquired in business combination in exchange of issuance of warrants | - |
| Settlement of convertible debt and accrued interest upon issuance of Series D preferred stock | - |
| Settlement of embedded derivative in exchange for issuance of Series D preferred stock | - |
| Issuance of common stock warrants | 1,216,061 |
| Conversion of convertible promissory notes into Series D' preferred stock | 28,144,121 |
| Exchange of preferred stock | 152 |