UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-39982

ENERGY VAULT HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**85-3230987**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4165 East Thousand Oaks Blvd., Suite 100 Westlake Village, California	**91362**
(Address of Principal Executive Offices)	(Zip Code)

(805) 852-0000

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	NRGV	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment on the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements . ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).Yes ☐ No ☒

The aggregate market value of voting stock held by non-affiliates of the registrant on June 28, 2024, based on the closing price of $0.95 for shares of the Registrant's

Class A common stock as reported by the New York Stock Exchange, was approximately $98.1 million. Shares of common stock beneficially owned by each executive officer, director, and holder of more than 5% of our common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The registrant had 154,242,940 shares of common stock, par value $0.0001 per share, outstanding as of March 28, 2025.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Annual Report on Form 10-K incorporates certain information by reference from the definitive proxy statement for the registrant's 2025 annual meeting of stockholders to be filed within 120 days of the registrant's fiscal year ended December 31, 2024, or the Proxy Statement. Except with respect to information specifically incorporated by reference in this Annual Report on Form 10-K, the Proxy Statement is not deemed to be filed as part of this Annual Report on Form 10-K.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical facts contained in this Annual Report on Form 10-K, including statements regarding our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. These statements involve known and unknown risks, uncertainties, and other important factors that are in some cases beyond our control and may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will" or "would" or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- changes in our strategy, expansion plans, customer opportunities, future operations, future financial position, estimated revenues and losses, projected costs, prospects and plans;
- the implementation, market acceptance and success of our business model and growth strategy;
- our ability to develop and maintain our brand and reputation;
- developments and projections relating to our business, our competitors, and industry;
- the impact of macroeconomic uncertainty, including with respect to uncertainty about the future relationship between the United States and other countries with respect to trade policies, taxes, government regulations, and tariffs;
- investment in development projects that may not achieve commercial operations in our predicted timeframe or at all;
- our expectations regarding our ability to obtain and maintain intellectual property protection and not infringe on the rights of others;
- expectations regarding the time during which we will be an emerging growth company under the JOBS Act;
- our future capital requirements and sources and uses of cash;
- the international nature of our operations and the impact of war or other hostilities on our business and global markets;
- our ability to obtain funding for our operations and future growth; and
- our business, expansion plans and opportunities, including our expectation that our first two-owned projects will begin generating revenue in 2025.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report on Form 10-K primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled "Risk Factors" and elsewhere in this Annual Report on Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Annual Report on Form 10-K. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements. Additionally, our discussions of environmental, social, and governance ("ESG") assessments, goals and relevant issues herein or in other locations, including our corporate website, are informed by various ESG standards and frameworks (including standards for the measurement of underlying data), and the interests of various stakeholders. References to "materiality" in the context of such discussions and any related assessment of ESG "materiality" may differ from the definition of "materiality" under the federal securities laws for SEC reporting purposes. Furthermore, much of this information is subject to assumptions, estimates or third-party information that is still evolving and subject to change. For example, we note that standards and expectations regarding greenhouse gas ("GHG") accounting and the process for measuring and counting GHG emissions and GHG emissions reductions are evolving, and it is possible that our approaches both to measuring our emissions and any reductions may be at some point, either currently or in the future, considered not in keeping with best practices. In addition, our disclosures based on any standards may change due to revisions in framework requirements, availability or quality of information, changes in our business or applicable government policies, or other factors, some of which may be beyond our control.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Annual Report on Form 10-K. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements. Any forward-looking statements only speak as of the date of this document, and we undertake no obligation to update any forward-looking information or statements, whether written or oral, to reflect any change, except as required by law. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

PART I

ITEM 1. BUSINESS

Organization

Energy Vault Holdings, Inc., (together with its subsidiaries "Energy Vault" or the "Company") was originally incorporated under the name Novus Capital Corporation II ("Novus") as a special purpose acquisition company in the state of Delaware in September 2020 with the purpose of effecting a merger with one or more operating businesses. On September 8, 2021, Novus announced that it had entered into a definitive agreement for a business combination (the "Merger Agreement") with Energy Vault, Inc. ("Legacy Energy Vault") that would result in Legacy Energy Vault becoming a wholly owned subsidiary of Novus (the "Merger"). Upon the closing of the Merger on February 11, 2022 (the "Closing"), Novus was immediately renamed to "Energy Vault Holdings, Inc."

Throughout this Annual Report, unless otherwise noted, the "Company," "we," "us," or "our" and similar terms refer to Legacy Energy Vault and its subsidiaries prior to the consummation of the Merger, and Energy Vault and its subsidiaries after the consummation of the Merger.

Mission

Our mission is to provide energy storage solutions to accelerate the global transition to renewable energy.

About Us

Energy Vault provides a diverse technology portfolio of turnkey energy storage platforms, including proprietary gravity, battery, and green hydrogen energy storage hardware technologies, supported by our technology-agnostic energy management system software and integration platform. In 2024, we began a multi-year transition from providing this technology portfolio solely to third parties through a build-and-transfer model or licensing model, to also taking an ownership interest in energy storage assets in select attractive markets. We believe that our experience in the build-and-transfer business, combined with our proprietary energy storage technologies and geographical footprint, uniquely positions us to build and operate storage projects with superior efficiency and reliability.

We incorporate a customer-centric, solutions-based approach toward helping utilities, independent power producers ("IPP"), and large industrial energy users reduce their energy costs while maintaining power reliability. As the global demand for electricity increases and the world transitions to an economy powered by increasingly intermittent renewable energy such as solar and wind, the ability to provide clean, reliable, and affordable electricity to a growing global population will depend heavily on the ability to store and distribute energy at appropriate times. We are striving to create a world powered by renewable resources so that everyone will have access to clean, reliable, sustainable, and affordable energy.

Build, Own, and Operate Projects

We expect that our first two owned projects will begin generating revenue in 2025.

Our Calistoga Resiliency Center is the world's first utility-scale hybrid hydrogen fuel cell and lithium-ion battery microgrid. We designed the Calistoga Resiliency Center in cooperation with the City of Calistoga and Pacific Gas & Electric ("PG&E") to provide zero-emission reliable power during public safety power shutoff ("PSPS") events caused by elevated wildfire risks. In the past, PG&E provided power to Calistoga during PSPS events through diesel generators that produced significant air emissions and noise pollution. The Calistoga Resiliency Center will provide 8.5MW of power at peak capacity with a 48-hour duration with the only byproduct being clean water. This unique hybrid model enables quick black-start capabilities and can be re-fueled while operational for longer duration service. Initially, revenue will be generated through a contract with PG&E to provide backup power to Calistoga for PSPS events or when requested. After the facility comes online, we intend to sell power into the CAISO energy and ancillary services market as an IPP for additional revenue. We are currently negotiating agreements and seeking regulatory approvals to provide these merchant power services.

In 2025, we also expect to begin commercial operations on our Cross Trails Battery Energy Storage System ("Cross Tails") in Scurry County, Texas. We began construction on Cross Trails in 2024 and also signed a 10-year offtake agreement with Gridmatic, a leading AI-enabled power marketer. The Cross Trails project will service the ERCOT region Day Ahead market with improved grid resiliency. When completed, Cross Trails is designed to provide 57MW of power with a 2-hour battery capacity for peak demand periods in ERCOT. Cross Trails utilizes our proprietary B-Vault PLTF-2 batteries and our Vault-OS software package. We believe that Cross Trails will maintain full operational capability at low operational costs while requiring low maintenance capital expenditures over its useful life.

We are actively discussing projects with public sector and private developers in many markets to expand our owned project portfolio, including those in the U.S., Australia, and Italy.

Sale of Energy Storage Products

Our diversified portfolio of storage solutions are designed to enhance grid stability and improve overall efficiency of the grid.

Once energy is stored in our solutions, it can be discharged to the grid in a controlled and reliable manner at any time, regardless of the then current ability of the generation assets to provide power. Our energy storage solutions are designed to accommodate a wide variety of power sources and to achieve an attractive levelized cost of energy relative to fossil fuels. Collectively, these abilities greatly broaden the use cases and time duration scenarios that can be addressed by certain sources of renewable power and provide backup capacity for fossil fuels.

Our solutions include:

- ***B-Vault:*** Our electrochemical battery energy storage solution ("BESS") that meets short-duration energy storage needs, typically, in the range of one to four hours. Our B-Vault solution is designed to utilize purpose-built battery and inverter systems with an innovative architecture that lowers costs, improves performance, and promotes project safety. Our B-Vault solution is a suite of fully integrated battery energy storage equipment designed for reliability, flexibility, and availability. We believe electrochemical battery energy storage (inclusive of lithium-ion, flow, metal air, and other battery chemistry technologies) is currently the most widely accepted and fastest growing technology for short-duration energy storage applications.
- ***B-Nest***: Our proprietary multi-story structure designed to house batteries for onsite energy storage serving space-constrained project sites. Our B-Nest solution is capable of storing up to 1.6 GWh of energy per acre, which represents an 8X increase in installed site energy density over a traditional ground-mounted battery energy storage system ("BESS"). As of December 31, 2024, the Company is in active discussions with a number of potential customers, along with fire departments and other permitting bodies about our B-Nest solutions to ensure market acceptance.
- ***G-Vault*** : Our proprietary gravity energy storage solutions ("GESS") are designed to meet long-duration energy storage needs, typically, in the range of four to twelve hours. G-Vault solutions leverage the core, proven energy storage technology of pumped hydroelectric storage, while not being constrained by the same geological factors of pumped hydroelectricity. Today, the Company offers a suite of gravity energy storage solutions utilizing multiple approaches, including moveable masses or modular pumped hydro. Heretofore, the Company has largely commercialized this technology and associated material science through the use of licenses, but the Company is also exploring the use of partnership models for co-development and technology deployment.
- ***H-Vault:*** Our hydrogen or hybrid energy storage solutions ("HESS"), including systems that integrate hydrogen, are designed to meet customer specific energy storage needs. For example, our H-Vault solutions when combined with B-Vault solutions, enable ultra-long-duration energy storage needs and provide black start and grid forming capabilities for communities supported by microgrids or other critical infrastructure. H-Vault supports community-scale microgrid generation that can be less carbon-intensive than using diesel-fueled generators for emergency backup power. For example, hydrogen is produced via electrolysis and powered by renewable energy, which does not directly emit carbon emissions when used to store energy for long periods of time.
- ***Software Solutions:*** Our proprietary software solutions offer technology-agnostic management systems designed to maximize the economic and environmental value of energy generation and storage assets. Our software incorporates artificial intelligence, predictive analytics, and software optimization algorithms to provide our customers with efficient and profitable operation of their power generation assets. Our software solutions include:
    - ***Vault-OS Energy Management System ("EMS")***: Our EMS manages one or more of our diverse energy storage mediums and the underlying generation assets to optimize the delivery of power to our customers for their varied and multiple use cases.
    - ***Vault-Bidder:*** Vault-Bidder utilizes machine learning algorithms to match node-specific data with real-time weather and asset performance information to generate tailored load, generation, dispatch, and price forecasting across all assets.
    - ***Vault-Manager:*** Vault-Manager incorporates a forward-looking design to safeguard asset management and to help blend developing technologies seamlessly into existing solutions.

Industry Overview

The utility-scale energy storage industry is increasing at a rapid pace, driven by increased demand for electricity, global transitions toward renewable energy, and increased focus on grid resilience.

According to a report from the U.S. Department of Energy in December 2024, electricity demand is forecasted to grow substantially in the United States over the next few decades. Electricity demand is expected to be driven primarily by new data centers, artificial intelligence, new manufacturing facilities, electric vehicles, and sector-wide electrification. Electricity demand for data centers alone is expected to grow at a 13% to 27% compound annual growth rate through 2028.

Over the past decade, deployment of renewable energy resources has accelerated and there has been an industry-wide push for decarbonization, which is increasing the demand for grid-scale energy storage. A major obstacle to transitioning to renewable sources of energy such as wind and solar is the intermittent availability of these types of energy sources. Energy storage solutions are needed to balance the production intermittency of variable renewable energy to support a clean-energy future and a balanced electrical grid infrastructure. Both government mandates and companies focused on reducing energy use, cost, and emissions are expected to propel the shift to renewable sources of power.

Additionally, software solutions play a vital role in assisting energy storage owners in managing the growing complexities of renewable energy and energy storage markets. As renewable and energy storage asset portfolios expand globally, these stakeholders will need software solutions that enhance asset performance and boost revenue while reducing total ownership costs.

Our expansion of revenue depends on the ongoing adoption of energy storage solutions by our customers and our ability to source, execute, and operate energy storage projects with attractive economics. The growth of the energy storage market that we address is primarily driven by the decreasing cost of energy storage technologies, government mandates, financial incentives to reduce GHG emissions, and efforts to enhance grid stability and efficiency. These dynamics are driving demand for increased energy storage capacity and duration.

Governments in countries throughout the world have announced and implemented various policies, regulations, and legislation to support the transition from fossil fuels to low-carbon form of energy, including through the use of energy storage solutions. For example, in August 2022, the United States Congress passed the Inflation Reduction Act ("IRA"). The IRA provides incentives for the domestic manufacturing of key components of energy storage solutions as well as the construction of standalone energy storage projects. The resulting improved economics are expected to reduce the cost to implement storage within the domestic market and may amplify and accelerate the adoption of energy storage systems for short, long, and extended duration use cases, like those offered by Energy Vault. Such government policies and programs are becoming increasingly instrumental in stimulating adoption of energy storage solutions across different markets through a variety of methods, including by providing financial support, facilitating grid integration, and supporting research and development. To the extent that any existing government incentives are reduced, eliminated, or are permitted to expire, there may be adverse effects on customer demand and our business, including as a result of the change in the U.S. presidential administration.

We believe we are well-positioned to capitalize on this opportunity through our competitive pricing and scalability, and the environmentally friendly attributes of our energy storage solutions that cover the spectrum from short durations to extended durations.

Strategy, Strengths, and Differentiation

We leverage our sustainable and differentiated technologies to provide economical solutions to meet short, long, and extended-duration energy storage needs through ownership of assets or through sales of our energy storage products. Our energy storage solutions are designed to accommodate a wide variety of power sources and to achieve an attractive levelized cost of energy relative to fossil fuels.

We anticipate that our market will be characterized by high growth and rapidly evolving use cases and requirements. We believe that the majority of our competitors are primarily focused on the development and marketing of vertically siloed solutions based on a singular energy storage technology. Alternatively, we have strategically chosen to design an agile and agnostic software platform that can orchestrate the management of not just one energy storage technology, but rather one or more of our diverse storage mediums and the underlying power generation assets to harmonize asset operation and drive competitive operational performance. We expect that this will broaden the use cases and time duration scenarios that can be addressed by certain sources of renewable power, and thereby drive a faster transition to more widespread utilization of renewable power, as well as provide reliable additional power during peak demand periods or generation outages.

Our range of energy storage solutions provides alternatives to our customers to have what they need today, as well as what they will need in the future, thereby protecting their investments in our products within this high-growth market and its

rapidly evolving use cases and requirements. For these reasons, we believe we are well positioned to compete successfully in the evolving market for energy storage solutions.

Own and Operate Asset Site Selection and Investment Criteria

We have developed well-defined investment criteria to quickly and efficiently deploy capital into attractive projects on a discretionary basis. We look at a variety of factors when evaluating projects to own, including market attributes, project attributes, development status, and project economics. Factors we look at include, jurisdiction-specific risks and government mandates, capacity and duration, permitting, interconnection, offtake and merchant opportunities, and the availability of government subsidies and tax credits. Our third-party energy storage sales also allow us to work with our customers to share in their project economics through a FlexIPP program, which entails minority ownership stakes in customer projects, in addition to providing traditional third-party project services and turnkey technology solutions.

Third-Party Project Delivery

We primarily rely on two models for third-party project delivery, which are (i) engineering, procurement, and construction ("EPC") delivery and (ii) engineered equipment ("EEQ") delivery. Under the EPC model, we generally rely on third-party EPC firms to construct our storage systems, under our supervision with dedicated teams tasked with project management. Under the EEQ model, we are responsible for the delivery of the equipment we provide, as well as resolving issues within our scope of supply.

Business Model

As a result of our flexibility to own assets or deliver energy storage products to third parties, our current business model options include:

- Selling energy storage products to third-parties, including constructing and delivering fully operational energy storage systems under an EPC model and delivering energy storage equipment under an EEQ model;
- Building, operating, and holding energy storage systems as equity (co-) sponsor that may provide recurring revenue in the future;
- Taking a minority stake in an energy storage project where we provide EPC, EEQ, or long-term services, allowing us to participate in the project's long-term economics while strengthening alignment with strategic customers;
- Recurring software revenue through licensing software for asset management and use case applications;
- Recurring service revenue through long term service agreements, and;
- Intellectual property licenses and royalties associated with our energy storage technologies that may provide recurring revenues in the future.

Manufacturing and Customer Support

Our manufacturing, assembly, and construction model is designed to support rapid growth, local jobs, and global execution.

The components of our B-Vault, B-Nest, and H-Vault solutions are primarily off-the-shelf in nature and can be procured from multiple sources worldwide. Some of the power components used in these solutions are common and we strive for economies of scale when appropriate. We typically procure batteries at either the cell, module, or rack level, and then use other contractors to integrate and assemble the batteries into outdoor enclosures that are then shipped to the project site.

The physical structure of our gravity energy storage solutions is based on our novel designs with many of the components manufactured by suppliers uniquely for us. Some of these components are made at the supplier's factories, while some are made closer to, or at, the project site itself. Most of the electrical system components are off-the-shelf in nature and can be procured from multiple sources worldwide.

In an EPC arrangement, construction at project sites typically involves establishing regional and country level infrastructure to support local deployments through a contracting model.

We provide our customers with limited assurance warranties to ensure our products are free of defects. We provide maintenance, customer support, and repair services for the entire storage system, including performance of regular preventative maintenance and software upgrades when appropriate if our customers enter into long-term service arrangements.

Supply Chain

We proactively maximize our beneficial involvement in key aspects of the global, domestic, regional, and local supply chains that support our solutions. Through our extensive supply chain procurement process, we aim to deliver our customers a thoroughly vetted and secure source of integrated components for their energy storage needs. Given our technology-agnostic approach, we can procure equipment from a variety of top-tier global suppliers without reliance on a single-source company or geography.

The market our suppliers serve is highly impacted by government legislation. As such, we continue to proactively monitor planned and/or enacted legislation in the countries and regions that we serve. When new legislation is enacted, we seek to find ways to utilize the legislation to reduce our cost to obtain energy storage components. This includes the IRA that was passed in the United States for manufacturing and project incentives, and the potential reactionary legislation to follow in response elsewhere in the world. There are also increasing government regulations regarding companies' supply chains, including certain import or other restrictions on the use of various suppliers or materials/products from certain regions. This exposes Energy Vault to changes in international trade regulations, taxes, tariffs, and/or quotas, and there is uncertainty about the future relationship between the United States and other countries with respect to trade policies, taxes, government regulations, and tariffs with the change in the U.S. presidential administration, including with respect to steel. For more information about our potential risks relating to our supply chain and exposure to international pressures, see Part I, Item 1A. "Risk Factors."

Marketing and Sales

We believe that our marketing strategy positions us as a leadership brand and a respected and sought-after long-term strategic partner that will contribute to our customers' growth and profitability. Our marketing strategy includes the following:

- *Brand Visibility, Awareness, and Education*: Through branding and web marketing, we communicate with a broad set of stakeholders and work to establish leadership expertise to lay the foundation for qualified customer and supplier interaction.
- *Drive Demand*: Our corporate outreach strategy is designed to drive demand for lead generation. We work to achieve this through web marketing and initiatives designed to accelerate the customer adoption process.

To achieve this, we employ the following:

- *Integrated Marketing*: We take a targeted approach to strategic integrated marketing campaigns that are designed to maximize available budget while elevating our voice within the marketplace, generate leads, and close deals.
- *Lead Generation Model*: Our campaigns are designed to drive "a call to action" on our website to capture leads. We also engage in a range of other traditional marketing activities such as tradeshows and events, internal / partner sources, and various digital marketing activities such as website, search engine optimization, social media integration, online events, and forums.
- *Sales Model*: Our sales model focuses on winning large and sophisticated energy storage projects where the customers and their use cases demand, and benefit from, the agility of our solutions and organization to provide them with the best-fit for their project requirements today and well into the future. Given this sales model, we focus on high growth geographical regions.

  While we have global coverage, our primary geographical focus for our B-Vault business is North America and Australia, with less emphasis today on Europe and Southeast Asia. Meanwhile, our current geographic focus for our G-Vault business is centered around those areas in which we have signed existing license and/or royalty agreements. We have established offices and presence in all of these regions. We have also reached out beyond these regions via a network of representatives and we intend to continue to grow and staff both direct and indirect channels in the future. We offer our customers a range of options on how we transact with them. We believe the flexibility we offer our customers further amplifies the value we bring to them.

Target Customers

Our target customers include independent power producers, government organizations, utilities, grid operators, as well as industrial and commercial organizations with sizeable electricity needs. Because of the unique advantages of our solutions-based approach that offer maximum optionality through its agnostic nature and agile architecture, we believe there is significant demand for our systems to help address the accelerating growth and needs of the global energy storage market.

Competition

We expect competition in energy storage technology to intensify due to a regulatory push for lower-carbon energy sources such as wind and solar, continuing globalization, and consolidation in the energy industry. We believe that the principal competitive factors in the energy storage market include:

- levelized cost of energy delivered;
- safety, reliability, and quality;
- product performance;
- historical track record and references for customer satisfaction;
- experience in utilizing the energy storage system for multiple stakeholders;
- innovation across a variety of technologies;
- comprehensive solution from a single provider;
- ease of integration; and
- seamless hardware and software-enabled service offerings.

Our key competitors within the shorter duration BESS market include Tesla, Inc., Fluence Energy, Inc., Powin Energy Corp., FlexGen Power Systems, Inc., and Sungrow Power Supply Co Ltd. Within the longer duration energy storage market there are system manufacturers with products in various states of viability utilizing various technologies including ESS Inc., Eos Energy Enterprises Inc., Hydrostor Inc., Primus Power, Form Energy, Inc., Gravitricity Ltd., and other solid-state battery manufactures.

Some of our current and potential competitors have longer operating histories and greater financial, technical, marketing and other resources than we do. These factors may allow our competitors to respond more quickly or efficiently than we can to new or emerging technologies.

These competitors may engage in more extensive research and development efforts, undertake more far-reaching marketing campaigns, and adopt more aggressive pricing policies, which may allow them to more effectively compete for new energy storage projects.

Intellectual Property ("IP")

We rely on a combination of patent, trademark, copyright, unfair competition, and trade secret laws, as well as confidentiality procedures and contractual restrictions with our employees, contractors and third parties, to establish, maintain, and protect our proprietary rights. Our success depends in part upon our ability to obtain, maintain, and enforce proprietary protection for those aspects of our technology that provide us with a competitive advantage, to operate without infringing the proprietary rights of others, and to prevent others from infringing our proprietary rights.

We have developed a patent portfolio to protect certain elements of our proprietary technology. As of December 31, 2024, we had 25 issued patents and 25 patent applications pending in the U.S. Outside the U.S., we have 21 issued patents and 171 patent applications pending in other countries throughout the world. We have nine Patent Cooperation Treaty ("PCT") patent applications pending. Our issued patents are expected to start expiring in 2039.

We primarily rely on copyright, trade secret laws, confidentiality procedures and contractual restrictions to protect our software. We also pursue the registration of our domain names and trademarks and service marks in the United States and internationally. As part of our overall strategy to protect our IP, we may take legal actions to prevent third parties from infringing or misappropriating our IP or from otherwise gaining access to our technology.

Government Regulation and Compliance

Federal, state, and local government statutes and regulations concerning electricity heavily influence the market for our product and services. These statutes and regulations directly affect our owned asset business and indirectly affect our third-party sales business. These statutes and regulations often relate to electricity pricing, net metering, incentives, taxation, competition with utilities and the interconnection of customer-owned electricity generation. In the United States, governments continuously modify these statutes and regulations. Governments, often acting through state utility or public service commissions, change and adopt different rates for commercial customers on a regular basis. These changes could affect our ability to deliver cost savings to our current and future customers for the purchase of electricity.

Each of our owned installations or our customer installations must be designed, constructed, and operated in compliance with applicable federal, state and local regulations, codes, standards, guidelines, policies, and laws. To install and operate

energy storage systems on its platform, we, our customers or our partners, as applicable, are required to obtain applicable permits and approvals from local authorities having jurisdiction to install energy storage systems and to interconnect the systems with the local electrical utility.

Energy storage systems typically require interconnection agreements from the applicable local electricity utilities in order to operate. In almost all cases, interconnection agreements are standard form agreements that have been pre-approved by the local public utility commission or other regulatory body with jurisdiction over interconnection agreements. As such, no additional regulatory approvals are typically required once interconnection agreements are signed.

Our operations are subject to stringent and complex federal, state and local laws, and regulations governing the occupational health and safety of our employees and wage regulations. For example, we are subject to the requirements of the federal Occupational Safety and Health Act, as amended, and comparable U.S. state laws that protect and regulate employee health and safety.

There are government regulations pertaining to the disposal of hazardous materials. We and our suppliers, as applicable, are required to comply with these regulations to operate our systems or to sell our systems into the market.

U.S. Energy Storage Regulation and Legislation

The U.S. Congress is continuously reviewing and passing various climate change proposals, incentives, regulations, and legislation that may support the energy storage industry, including in the form of tax credits and incentives. The implementation of these laws can vary greatly across administrations and take long periods of time before the full extent of regulations are adopted. We cannot guarantee we will realize any or all of the anticipated benefits or incentives under any such enacted regulations or legislation, including the IRA. Internal Revenue Service ("IRS") private letter ruling 201809003 clarified that energy storage is eligible for federal tax credits if charged primarily by qualifying renewable resources.

The IRA adopted in August 2022 contains a number of tax incentive provisions that directly support the adoption of energy storage solutions and services. Before the enactment of the IRA, the Section 48 Investment Tax Credit ("ITC") did not apply to standalone energy storage projects. The IRA added Section 48(a)(3)(A)(ix) to allow a taxpayer that placed in service a standalone energy storage technology with a minimum capacity of 5 kWh to claim the ITC, if certain requirements are met. Energy storage technology that is placed in service after December 31, 2022 and started construction for U.S. federal income tax purposes prior to January 1, 2025, may claim the ITC under Section 48(a). To qualify for the full ITC rate of 30%, an energy storage project will need to satisfy certain labor requirements relating to the payment of prevailing wages and use of apprentices, or have started construction for U.S. federal income tax purposes prior to January 29, 2023. If these requirements are not met, the project may be eligible only for a base rate of 6%. The existing energy ITC will be replaced by a Clean Electricity Investment Tax Credit (CEITC) or "tech neutral" regime, which is available for any investment in a qualified storage facility that is placed in service after calendar year 2024 (certain labor requirements will still apply). The IRA also included bonus credits associated with the ITC, which may be relevant to our business. There is a 10% bonus credit for projects located in certain areas designated as energy communities, an additional 10% bonus credit for projects utilizing products which collectively meet certain minimum domestic content requirements, and a 10% or 20% bonus credit for certain projects less than 5 MW located in a low-income community or that serve low-income community members. Finally, the IRA included a manufacturing production tax credit for specific renewable energy and battery storage related products and components manufactured in the U.S.

We believe we may be positioned to benefit from the bonus credits related to the energy storage systems we intend to own and operate and will stimulate demand for our customers to invest in more energy storage systems. To date, the IRA regulations, proposed regulations and/or guidance issued by the U.S. Department of Treasury and Internal Revenue Service associated with these various tax credits, including but not limited to the ITC, domestic content bonus credit, energy community bonus credit, and manufacturing production tax credit have provided some substantive clarity. However, we are continuing to seek additional clarity on certain aspects of IRA guidance and/or regulation via updated guidance and future proposed and/or final regulations. The potential impact from the change in the U.S. presidential administration to any existing regulations, including any potential ramifications for the IRA and the various tax incentive provisions as well as other government and tax incentives for clean energy and energy storage in the United States, is uncertain at this stage. Some of the guidance and rulemaking enacted under the Biden Administration could be changed or modified by the Trump Administration, creating uncertainty with respect to implementation of the IRA. It remains uncertain whether Congress will modify or repeal the IRA in connection with the budget reconciliation process or otherwise. Accordingly, no assurance can be given that our projects will be eligible for tax credits or other benefits under the IRA.

Finally, recent U.S. tariff policy changes may impact our business and results of operations. The Section 301 tariff rate on lithium-ion non-EV batteries imported from China has been amended several times since the beginning of 2025 and may continue to change. These changes specifically target "batteries" as defined by U.S. Customs and Border Protection,

encompassing the cubes, modules, and certain types of cells. The tariff rate on battery "parts"–including separators, electrolytes, cans, and electrodes is expected to remain at its current 25% level.

There is currently much uncertainty relating to potential changes to U.S. tariff policy. In particular, the U.S. government's recent imposition on tariffs on all imported steel may increase our costs. Changes to U.S. tariff policy may adversely impact our supply chain as well as our supply chain strategies detailed herein, both domestically and internationally, which may then have a adverse impact on our results of operations and business.

Environmental, Social, and Governance

Energy Vault is committed to sustainability as reflected in our core mission, our focus on sustainable business management practices, and our dedication to sustainable production design and supply chain management. Our sustainability directive is to enable a renewable world through the implementation of sustainable business practices that will ultimately yield a positive impact on the environment. We respect our business relationships and strive to be a responsible partner to our suppliers and customers around the world.

In 2024, the Company received a corporate sustainability assessment score of 68 (out of 100) as reported in the 2024 S&P Global Environmental, Social, and Governance (ESG) Ratings, ranking Energy Vault in the 98th percentile in the industry. The three key pillars of the Company's sustainability strategy are (i) Purpose, (ii) Products, and (iii) Partnerships.

Purpose

The Company aims to embed sustainable business management strategies across departments within the organization and to infuse our ESG philosophy throughout our business operations, product development, and accountability reporting. The Company's Sustainability Team works to develop sustainable business management strategies for the organization through an evaluation of Company operations and by implementing monitoring and reporting systems to track and improve all areas of impact. The Sustainability Team works with the Company's business units to implement an "environment first" approach to key operational processes, including reporting and disclosure frameworks, environmental policy compliance, professional education, and other key support processes for innovation and responsible development.

The Company has a Sustainability Task Force to help encourage interdepartmental collaboration and cross-functional support in an effort to embed sustainability into the nucleus of our employee's behavior. The Sustainability Task Force is responsible for setting and communicating sustainability metrics, goals, and performance in addition to coordinating internal and external sustainability-related communications such as the annual Sustainability Report.

Products

Offering high-quality products that provide environmental benefits is the key to delivering energy storage solutions of which we can be proud. The foundation for the successful delivery of our energy storage solutions starts with quality and environmental management systems that are globally recognized and accepted. As part of delivering quality products, Energy Vault is certified to Internal Organization for Standardization ("ISO") 9001, a quality management standard that promotes a commitment to customer satisfaction, purpose-driven leadership, and equitable involvement for all employees. In addition, our commitment to improving the environment is demonstrated by our certification of the ISO 14001 standard, which requires an organization to implement and demonstrate compliance with an effective environmental management system to identify and control the environmental impact of its activities, products, and services; continually improve environmental performance; and implement a systematic approach to setting environmental objectives and targets.

We demonstrate our commitment to resource preservation and environmental impacts by investing resources into the research and development of low carbon, innovative materials and construction practices. We have performed several material science projects to reduce the carbon content of materials, introduce the use of waste materials in our mobile masses for gravity energy storage, help understand end-of-life management for our energy storage solutions, and help contribute to a circular economy. To date, we have completed lifecycle assessments on G-Vault and B-Vault solutions based on ISO 14040 standards, and we plan to conduct life cycle assessments on other energy storage system technologies as they are developed.

Partnerships

The Company believes that strong partnerships are a key to our success. Our partnerships are aligned with a shared pursuit to accelerate the decarbonization of our planet, which includes incorporating considerations from standards and sustainability frameworks such as those from the ISO, Global Reporting Initiative ("GRI"), United Nations ("UN"), Science Based Targets initiative ("SBTi"), and Task Force on Climate-related Financial Disclosures ("TCFD"). We joined the UN Global Compact and participated in their accelerators to engage with like-minded global businesses to better align with the UN Sustainable Development Goals. We have announced emissions reduction goals and had our near-term emissions reduction targets for Scope 1 & 2 emissions validated by SBTi. We continue to complete the Corporate

Sustainability Assessment with S&P Global and we will work closely with our vendors and partners to evaluate and assess components and materials for a chain of custody that identifies responsible and ethical sourcing, environmental product declarations, and end-of-life solutions. For example, we have partnered with Cemex to reduce carbon content and test remediated waste in our G-Vault mobile masses and have created relationships with institutes of higher learning.

ESG Conclusion

Maintaining an environment of transparency and accountability allows us to share our passions and commitments with all of our stakeholders. Our strong dedication to transparency with respect to sustainability and ESG is reflected by our plan to publish annual Sustainability Reports, which can be accessed on our website, and which reports and other information on our website are explicitly not incorporated into this filing by reference.

Human Capital Management

At Energy Vault, we place immense value on our workforce, recognizing their critical role in our success. We are committed to fostering a positive, equitable, and secure work environment. In our pursuit of transparency, we look to engage in regular communication with our employees through various channels, including emails and all-hands meetings, to promote clear and open dialogue between the executive leadership team and the entire organization.

Employees

As of December 31, 2024, we employed 158 full-time employees and five part-time employees, distributed across six different countries. None of our employees are represented by a labor union or collective bargaining agreement. We have not encountered any employment-related work stoppages, and we believe we maintain strong relations with our employees.

Culture and Engagement

Energy Vault continued providing a comprehensive series of workshops in 2024, known as the Energy Vault Way Culture Series. These workshops focused on effectively communicating Energy Vault's purpose, vision, mission, and values, with a specific emphasis on nurturing a culture of recognition and continuous feedback. To enhance these initiatives, we also introduced the Culture Corner in 2024. providing employees with additional resources to support the topics covered in the Energy Vault Culture workshops.

Compensation and Benefits

We offer our employees comprehensive and competitive compensation and benefits, and we strive to support our employees in all aspects of their lives. Our compensation programs are designed to reinforce our growth agenda and our talent strategy, as well as to drive a strong connection between the contributions of our employees and their compensation.

We believe our compensation packages provide the appropriate incentives to attract, retain, and motivate our employees. We provide base pay that is competitive and that aligns with employee positions, skill levels, experience, and geographic location. In addition to base pay, we seek to reward employees with annual incentive awards and equity awards.

We also offer competitive employee benefits packages, which vary by country and region. These employee benefit packages may include: 401(k) plan, pension plan, core and supplemental life insurance, medical and dental insurance, vision insurance, health savings accounts, vacation pay, holiday pay, and parental leave.

Corporate Information

We file or furnish periodic reports and amendments thereto, including our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, proxy statements, and other information with the Securities and Exchange Commission ("SEC"). In addition, the SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically. Our website is located at *http://energyvault.com* and our reports, amendments thereto, proxy statements, and other information are also made available, free of charge, on our investor relations website at http://https://investors.energyvault.com as soon as reasonably practicable after we electronically file or furnish such information with the SEC. The information posted on our website is not incorporated by reference into this Annual Report or any of our other securities filings unless specifically incorporated herein by reference.

ITEM 1A. RISK FACTORS

Certain factors may have a material adverse effect on our business, financial condition, results of operations, and prospects. You should carefully consider the risks and uncertainties described below, as well as the other information in this Annual Report, including our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations." The occurrence of any of the events or developments described below, or of additional risks and uncertainties not presently known to us or that we currently deem immaterial, could materially and adversely affect our business, results of operations, financial condition, and prospects. In such an event, the market price of our securities could decline, and you could lose all or part of your investment.

Risk Factor Summary

Below is a summary of the principal factors that make an investment in our common stock speculative or subject to risk. This summary does not address all of the risks facing our business. You should consider the risks in this summary together with the detailed discussion of risks that immediately follows this summary in this section titled "*Risk Factors,"* as well as the other information in this Annual Report on Form 10-K.

- Our limited operating history and our rapidly evolving industry make it difficult to evaluate our business, the risks and challenges we may face, and future prospects.
- The engineering of our systems is in continuous refinement to improve system cost and efficiency. There is no guarantee that we will be successful in implementing all improvements under the expected schedule.
- Changes to United States tariff and import/export regulations.
- Our systems' performance may not meet our customers' expectations or needs.
- There is no assurance that non-binding letters of intent and other indications of interest, including awards, submitted proposals or short-lists, will result in binding orders or sales. Customers may cancel or delay the non-binding letters of intent and other indications of interest in our sales pipeline. As a result, our operating results and cash flows may be materially lower than our expected results of operations.
- The failure or inability of our suppliers to deliver necessary components or raw materials for construction of our energy storage systems and their failure or inability to deliver them in a timely manner or to the quality standards required, could cause installation delays, cancellations, penalty payments and damage to our reputation.
- Our business is subject to risks associated with construction, cost overruns and delays, including those related to obtaining government permits and approvals, electrical interconnection, and other contingencies that may arise in the course of completing installations.
- Our B-Vault, B-Nest, G-Vault and H-Vault products are based on established principles that are deployed in a novel way to create new technologies to store energy and potential customers may be hesitant to make a significant investment in our technology or abandon the technology they are currently using.
- Material weaknesses in our internal control over financial reporting could have a significant adverse effect on our business and the price of our common stock.
- We are an early-stage company with a history of losses, and expect to incur significant expenses and continuing losses for the foreseeable future, and we may not be able to achieve profitability in the future.
- Our total backlog, bookings, and developed pipeline may not be indicative of our future revenue, which could have a material adverse impact on our business, financial condition, and results of operations.
- Our developed pipeline of awarded or shortlisted third-party EPC, EEQ, and long-term service opportunities, and the long-term economics associated with potential projects identified for our own and operate portfolio, may be subject to change and be impacted by anticipated equipment and commodity costs, tariffs, as well as changes in foreign currency exchange rates in markets in which we source materials or conduct business.
- As we conduct business in a host of geographies and may engage in activity with those operating sensitive energy infrastructure, including markets subject to capital controls, our ability to collect payments or conduct business may be impacted or change without advance notice.
- Our energy storage products involve a lengthy sales and installation cycle, and if we fail to close sales on a regular and timely basis it could harm our business. Moreover, the long sales cycles for our energy storage products may cause us to incur significant expenses without offsetting revenues.

- Our owned projects are based on our estimates of construction costs, timelines, future revenues, and operating costs. If those estimates are inaccurate, our anticipated revenues and profits may be materially and adversely effected.
- Our systems include complex software and technology systems and do not have a meaningful history of operation, and there can be no assurance such systems and technology will perform as expected or that software, engineering or other technical defects will not be discovered until after a system is installed and operated by a customer or by us. If our energy storage systems contain manufacturing or construction defects, our business and financial results could be harmed. In addition, the development and updating of these systems will require us to incur potentially significant costs and expenses.
- If any of our products are or are alleged to be defective in design or manufacturing or experience other failures, we may be compelled to undertake corrective actions, which could adversely affect our business, prospects, operating results, reputation and financial condition.
- If we fail to protect, defend, maintain, or enforce IP rights on which our business depends, including against existing or future competitors, our growth and success may be adversely affected.
- Third parties may assert that we are infringing upon their IP rights, which could divert management's attention, cause us to incur significant costs, and prevent us from selling or using the technology to which such rights relate.

Risks Related to Our Business and Our Industry

Our limited operating history and our rapidly evolving industry make it difficult to evaluate our business, the risks and challenges we may face and future prospects.

Prior to the first half of 2022, we focused principally on developing and proving our fundamental gravity energy storage technology, marketed as our G-Vault products, which we are seeking to further refine and commercialize. Beginning in 2022, we expanded our offerings to include BESSs and HESSs. In 2024, we launched our B-Nest product. To date, we have only completed three BESSs and one GESS, which was the EV1 Tower in Lugano, Switzerland (the "EV1 CDU"), which served as a commercial demonstration unit until its decommissioning in September 2022. As a result, we have a limited history operating our business and constructing energy storage systems, and therefore a limited history upon which you can base an investment decision.

Our future growth in a nascent and rapidly-evolving industry is dependent on a number of factors, including rising demand for clean electric power solutions that can provide electric power with lower carbon emissions and replacement of conventional generation sources and the adoption speed of digital software applications to modernize the efficiency of power assets and the electric grid. Among other renewable energy market trends, we expect our business results to be driven by declines in the cost of generation of renewable power, decreases in the cost of manufacturing battery modules and cells, customer needs for services and digital applications, commercial, legal, regulatory, and political pressure for the reduced use of and reliance on fossil fuels and electric power generation that relies on fossil or other non-renewable fuels, and a rapidly growing energy storage market driven by increasing demand from utilities, independent power producers, and large energy users. However, predicting future revenues and appropriately forecasting and budgeting for our expenses is difficult, and we have limited operating history to predict trends that may emerge and take hold and materially affect our business. Our future operations and strategy is therefore subject to all of the risks inherent in light of the expenses, difficulties, complications and delays frequently encountered in connection with the growth of any new business in a nascent industry, as well as those that are specific to our business in particular.

Our projections are subject to significant risks, assumptions, estimates and uncertainties. As a result, our projected revenues, market share, expenses and profitability may differ materially from our expectations.

Our projections are subject to significant risks, assumptions, estimates and uncertainties. Such projections reflect our current views with respect to future events or our future financial performance, are based on assumptions, and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by our projections. We may not actually achieve the plans, expectations or objectives contained in our projections, and the underlying assumptions may prove incorrect. Such deviations may be due to factors outside our control or currently unknown to us. For example, our actual revenues, market share, timing for achieving business milestones, expenses and profitability may differ materially from our expectations. Therefore, undue reliance should not be placed on any of our projections.

As we develop and own more storage projects ourselves, we make projections about construction costs and timelines, and future revenues and operating costs. The profitability of our projects are highly sensitive to these projections and if our

actual results or performance differ materially from our projections, then the profitability of our owned projects could be materially less than our projections or result in losses to the Company.

Our business model depends on acceptance of our technology by our customers, retaining existing customers, and the success of our business model.

As a recent market entrant in a developing industry, our results of operations and financial condition are dependent upon our success in establishing or entering new markets, developing and commercializing our energy storage systems, and undertaking marketing activities. We face significant risks associated with our business strategy of targeting utilities, independent power producers, and large energy users and deploying our energy storage systems at a scale that leads to broad market acceptance and profitability. The relative success of our energy systems will be dependent upon a number of factors, including their ability to provide our customers with reliable and dependable energy storage for the durations that they require, while still being cost-effective, and our ability to effectively manage any customer concerns.

In addition to the development and acceptance of our core energy storage technologies, we anticipate further developing and marketing our digital platform for the management and optimization of energy storage systems. If this platform is not adopted by users of our energy storage products or on a standalone basis, we may not recoup our investment in its development and our results of operation may be negatively impacted.

We depend on a limited number of customers for the majority of our revenue, and the loss of any one of these customers could substantially reduce our revenue and impact our liquidity.

The loss of any significant customers or partners or reduction in our business activities could cause our revenues to decrease significantly and increase our losses from operations. If our products are not successful and we cannot broaden our customer base, we will continue to depend on a few customers for the majority of our revenues. Additionally, if we are unable to negotiate favorable business terms with these customers in the future, our revenues and gross profits may be insufficient to allow us to achieve and/or sustain profitability, continue operations, or remain a going concern.

The engineering of our systems is in continuous refinement to improve system cost and efficiency. There is no guarantee that we will be successful in implementing all improvements under the expected schedule.

Our business depends on our ability to succeed in implementing our energy storage systems and introduce innovative and competitive energy storage technologies. As our energy storage systems are highly complex, this process is costly and time-consuming.

Any future energy storage deployments may incur more costs than we expect. Our business, reputation, results of operations and financial condition may be materially adversely affected if we do not successfully implement our systems or to the extent that such implementation occurs later or costs more than we expect, or if innovations by our competitors achieve broader or earlier market acceptance. Examples of costs that we cannot control include the costs of electronics due to global allocation shortages or costs associated with construction delays.

If we are not able to reduce our cost structure in the future, our ability to become profitable may be impaired.

Over time, we must effectively manage the equipment and construction costs of our energy storage systems to expand our market. While we have sought, and will continue to seek, to manage our costs, the cost of components and raw materials, 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 may face increases in our other expenses, including increases in wages or other labor costs, as well as installation, marketing, sales or related costs. We may continue to make significant investments to drive growth in the future. To the extent that the price of electricity from the grid is low in certain markets, we will need to continue to reduce our costs to maintain our expected margins in those markets. Increases in any of these costs or our failure to achieve projected cost reductions could adversely affect our results of operations and financial condition and harm our business and prospects. If we are unable to reduce our cost structure sufficiently in the future, we may not be able to achieve profitability, which could have a material adverse effect on our business and prospects.

Operational costs can be difficult to predict and may include costs from requirements related to the decommissioning of our systems.

We rely heavily on complex machinery for our operations and our production involves a significant degree of uncertainty and risk in terms of operational performance and costs. When fully operational, our energy storage systems will consist of large-scale machinery comprised of many components assembled on-site for our customers or for our owned projects. The components of our energy storage systems are likely to suffer unexpected malfunctions from time to time and will depend on repairs and spare parts to resume operations, which may not be available when needed. Unexpected malfunctions of our energy storage systems or their constituent components may significantly affect the intended operational efficiency and performance. In addition, our energy storage systems may need to be decommissioned from time to time, and the related

costs could be significant given the size and complexity of our energy storage systems. Operational performance and costs, including those related to project stoppage, can be difficult to predict and are often influenced by factors outside of our control, such as, but not limited to, scarcity of natural resources, environmental hazards and remediation, costs associated with construction, commissioning, testing or decommissioning of machines, labor disputes and strikes, difficulty or delays in obtaining governmental permits, damages or defects in electronic systems, industrial accidents, fire, seismic activity and natural disasters. Should operational risks materialize, it may result in the personal injury to or death of workers, the loss of production equipment, damage to demonstration facilities, monetary losses, delays and unanticipated fluctuations in production, environmental damage, administrative fines, increased insurance costs and potential legal liabilities, all which could have a material adverse effect on our business, results of operations, cash flows, financial condition or prospects.

Furthermore, in recent periods, our internal operations have grown in complexity. We may in the future continue to grow our operations, both in terms of complexity and headcount. Any continued growth could increase our operational costs and failure to manage such growth could lead to additional costs in the future.

Our energy storage systems have significant upfront costs. We will need to obtain financing to fund our own projects and our customers may need to obtain financing to help finance purchases. If we or our customers are unable to procure third-party financing or if the cost of such financing exceeds our estimates, our business would be adversely affected.

Our energy storage systems have significant upfront costs, and certain customers may need, or may prefer to acquire, third-party financing to purchase our systems. We will need to obtain third-party financing to continue our transition to owning assets as well as selling energy storage products.

Therefore, our growth, including the deployment of our energy storage systems, may to an extent depend on our own and our customers' ability to attract third-party financing partners. The ability to obtain third-party financing depends on many factors that are outside of our control, including the ability of third parties to utilize tax credits and other government incentives, interest rate and/or currency exchange fluctuations, the borrower's perceived creditworthiness and the condition of credit markets generally. We expect that the financing of customer purchases of our energy storage systems or our own projects will be subject to customary conditions such as the borrower's credit quality, and if these conditions are not satisfied, such customers may be unable to finance purchases of our energy storage systems and we may not be able to fund our own projects, which would have an adverse effect on our revenue. To the extent neither our customers or us are able to arrange future financings for any of our current or potential projects, our business would be negatively impacted.

In attempting to attract new customers to support our growth, we intend to refine our customer agreements based on experience. Moreover, new types of product offerings may require our customers to find partners willing to finance these new projects, which may have different terms and financing conditions from prior transactions. If the terms of these transactions or the structure of these projects fails to attract financiers, we may not be able to proceed with growing our business and our potential for growth may be limited. Additionally, financing options are also limited by the borrower's willingness to commit to making fixed payments regardless of the performance of the energy storage systems or our performance of our obligations under the customer agreement.

Further, our sales process for transactions that require financing require that we and our customers make certain assumptions regarding the cost of financing capital. If the cost of financing ultimately exceeds our estimates, we may be unable to proceed with some or all of the impacted projects or our revenue from such projects may be less than our estimates. Actual financing costs for potential customers may vary from our estimates due to factors outside of our control, including changes in customer creditworthiness, macroeconomic factors, the returns offered by other investment opportunities available to our financing partners, and other factors.

If we or our customers are unable to procure financing partners willing to finance deployments of our products or if the cost of such financing exceeds our estimates, our business would be negatively impacted.

The economic benefit of our energy storage systems to us and to our customers depends on the cost of electricity available from alternative sources, including local electric utility companies, which cost structure is subject to change.

The electricity stored and released by our systems may not currently be cost-competitive in some geographic markets, and we may be unable to reduce our costs to a level at which our energy storage systems would be competitive in such markets. To the extent that either we as an owner or our customers anticipate selling power into markets as a merchant generator, our customers and the Company may not be able to achieve the anticipated level of revenues and profits. As such, unless the cost of electricity in these markets rises or we are able to generate demand for our energy storage systems based on benefits other than electricity cost savings, our potential for growth may be limited.

Our energy storage systems' performance may not meet our customers' expectations or needs.

Our energy storage systems will be subject to various operating risks that may cause them to generate less value for our customers than expected. These risks include a failure or wearing out of our equipment or the equipment that our equipment connects into, an inability to find suitable replacement equipment or parts, or disruption in our distribution systems. Any extended interruption or failure of our projects or our customer's projects, including systems we operate under long term service agreements, for any reason to generate the expected amount of output could adversely affect our business, financial condition and results of operations. In addition, our customers' willingness to acquire additional systems or services from us may be impacted in the future if any of our systems incur operational issues that indicate expected future cash flows from the system are less than the carrying value. Any such outcome could adversely affect our operating results or ability to attract new customers.

If our estimates of the useful life for our energy storage systems are inaccurate or we do not meet service and warranties and performance guarantees, our business and financial results could be adversely affected.

We provide limited warranties and performance guarantees for our energy systems. We make investment decisions for our owned projects based in part on an estimate of the useful life of our products. To date, we have deployed three operational BESSs and our estimates about product performance and life may prove to be incorrect. Failure to meet these warranties and performance guarantee levels for our customers may require the purchase price to be adjusted downward based on agreed-upon performance targets, or require us to make cash payments to the customer based on actual performance, as compared to expected performance. Failure to meet these expected performance levels on our owned projects could materially and adversely impact the expected performance of such projects.

We intend to explore alternative, co-active use case opportunities for our systems, but there is no assurance that such opportunities exist or that they would be as beneficial to us as we expect.

We intend to explore alternative, co-active use case opportunities for our energy storage systems. For example, we intend to explore opportunities in energy-intensive industries such as vertical farming, data centers, direct air carbon capture where our systems may be able to benefit from existing infrastructure, including physical enclosures and electrical systems, that are built into the designs for our energy storage systems. Even after we spend time and resources exploring such opportunities, there is no assurance that they exist on terms that are commercially acceptable to us. Moreover, even if we enter into agreements to make use of such opportunities, such opportunities may not be as beneficial to us as we expected at the time of entering into the underlying agreement. Any of the foregoing may adversely affect our business, financial condition, results or operations and prospects.

There is no assurance that non-binding letters of intent and other indications of interest, including awards, submitted proposals or short-lists, will result in binding orders or sales. Customers may cancel or delay the non-binding letters of intent and other indications of interest in our sales pipeline. As a result, our operating results and cash flows may be materially lower than our expected results of operations.

Our success depends on our ability to generate revenue and operate profitably, which depends in part on our ability to identify target customers and convert such contacts into meaningful orders or expand on current customer relationships. To date, we have only deployed three operational energy systems. While our contracts do provide that our customers will be obligated to pay us certain fees in the event of termination for their convenience, such fees may not be sufficient to cover our costs and we would not realize the expected revenue associated with such cancelled contracts. Potential and contracted customers may abandon their indications of interest, or fail to honor contractual obligations and non-binding letters of interest may be cancelled or delayed by a customer for any reason or its terms may be amended in a manner adverse to us in connection with negotiating a definitive sales agreement. For that reason, there can be no assurance that any current or future indications of interest (including awards, submitted proposals or short-lists) or non-binding letters of intent will result in binding orders or sales. Furthermore, in light of our limited operating history, it is difficult for us to predict the rates at which the non-binding letters of intent or other indications of interest in our pipeline will result in binding orders or sales. It is also difficult for us to predict how quickly we will be able to fill binding orders in the event that we obtain multiple orders. In addition, revenue is expected to be recognized in stages, and customers may in some cases delay actual cash payments regardless of progressive billings. Additionally, a customer's ability to make payments could decline during the sales process, even to the point of insolvency or bankruptcy. As a result, our operating results and cash flow may be materially lower than we expect.

Our future growth depends upon our ability to maintain relationships with third parties, and the terms and enforceability of many of these relationships are not certain.

We expect to rely on engineering, procurement, and construction, or EPC, firms as third-party general contractors to install energy storage systems at our own and our customers' sites. We are likely to work with a limited number of such EPC firms, which may impact our ability to facilitate installations as planned. Our work with contractors or their sub-contractors

may have the effect of our being required to comply with additional rules (including rules unique to our customers), working conditions, site remediation and other union requirements, which can add costs and complexity to an installation project. In the future, the timeliness, thoroughness and quality of installation-related services performed by our general contractors and their sub-contractors may not meet our expectations and standards and it may be difficult to find and train third-party general contractors that meet our standards at a competitive cost.

In addition, a key component of our growth strategy is to develop or expand our relationships with third parties. For example, we are investing resources in establishing strategic relationships with market players across a variety of industries, including, large renewable project developers, commercial agents, environmental organizations and unions, to generate new customers or to grow our business. These programs may not roll out as quickly as planned or produce the results we anticipated. A significant portion of our business depends on attracting new partners and retaining existing partners, and such relationships may not be predicated on enforceable agreements or any agreements at all.

We depend upon component and product manufacturing and logistical services provided by third parties, many of whom are located outside of the U.S.

A significant amount of our components, including batteries utilized in our BESS offerings, and products are manufactured in whole or in part by a few third-party manufactures. Many of these manufacturers are located outside of the U.S. If a catastrophic event occurs relative to these third-party manufacturers, or the political, social, or economic conditions shift within their respective geographies or between trade partners, we could experience business interruptions, delayed delivery of products, or other adverse impacts to our ongoing business. We have also outsourced much of our transportation and logistics management. While these arrangements may lower operating costs, they also reduce our direct control over production and distribution. Such diminished control could have an adverse effect on the quality or quantity of our products as well as our flexibility to respond to changing conditions. In addition, we rely on third-party manufacturers to adhere to the terms and conditions of the agreements in place with each party. For example, although arrangements with such manufacturers may contain provisions for warranty expense reimbursement, we may remain responsible to the customer for warranty service in the event of product defects. Any unanticipated product or warranty liability, whether pursuant to arrangements with contract manufacturers or otherwise, could adversely affect our reputation, financial condition, and operating results.

The failure or inability of our suppliers to deliver necessary components or raw materials for construction of our energy storage systems and their failure or inability to deliver them in a timely manner could cause installation delays, cancellations, penalty payments and damage to our reputation.

We rely on a limited number of third-party suppliers for some of the components and raw materials such as steel, cement, polymers and, in certain cases, coal ash waste and retired wind turbine blades, and other materials that may be of limited supply for our G-Vault products and batteries, inverters, enclosures, and transformers for our BESSs. If any of our suppliers fail or are unable to provide sufficient components or raw materials at the level of quality required, or if our suppliers fail or are unable to or unwilling to provide us with the contracted quantities (as we have limited or in some case no alternatives for supply), or if our suppliers cancel the contracted quantities without sufficient lead time to order the materials from another supplier, or if our suppliers fail or are unable to deliver the components or raw materials in a timely manner, then delays, cancellations, penalty payments, or damage to our reputation could occur, which could have a material adverse effect on our business and our results of operations. If we fail to develop or maintain our relationships with any of our suppliers, or if there is otherwise a shortage, lack of availability, or cancellation of the purchase of any required raw materials or components, we may be unable to manufacture our energy storage systems or such products may be available only at a higher cost or after a long delay.

Additionally, there are increasing expectations in various jurisdictions that companies monitor the environmental and social performance of their suppliers, including sourcing of materials and compliance with a variety of labor practices, as well as consider a wider range of potential environmental and social matters, including the end-of-life considerations for products. In addition, increasing concern and focus on limiting forced labor may result in additional regulations targeting the markets we operate in and from which we source products and materials. Certain existing laws impose prohibitions on the importation of goods made with forced labor or compulsory prison labor, including the Tariff Act of 1930, the Uyghur Forced Labor Prevention Act ("UFLPA"), and other global laws against forced labor. The UFLPA places restrictions on imports from Xinjiang, a key source of materials in global supply chains. Compliance can be costly, require us to establish or augment programs to diligence or monitor our suppliers, or to design supply chains to avoid certain regions altogether. Failure to comply with such regulations can result in fines, reputational damage, import ineligibility for our products or product components, or otherwise adversely impact our business. Current or future supply chain interruptions that could be exacerbated by global political tensions, such as the situation in Ukraine, conflict in the Middle East, and public health emergencies, could also negatively impact our ability to acquire necessary raw materials and components. Such delays could prevent us from delivering our energy storage systems to customers within required time frames and cause order

cancellations. Developing required raw materials and constructing required components for our products are time and capital intensive. Accordingly, the number of suppliers we have for some of our components and materials is limited and, in some cases, sole sourced. We may be unable to obtain comparable components from alternative suppliers without considerable delay, expense, or at all. If our suppliers face difficulties obtaining the credit or capital necessary to expand their operations when needed, they could be unable to supply necessary raw materials and components needed to support our planned sales and services operations, which would negatively impact our sales volumes and cash flows.

Our systems often 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.

A primary potential use case for our energy storage systems involves interconnection with electric distribution and transmission facilities owned and operated by regulated utilities, and independent system operators, necessary to deliver the electricity that our energy 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 electricity that our energy storage systems deliver or delay the completion of our construction projects. In addition, certain of our energy storage systems' 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 project's potential. Such a failure or curtailment at levels above our expectations could adversely affect our business.

Our business is subject to risks associated with construction, cost overruns and delays, including those related to obtaining government permits and approvals, electrical interconnection, and other contingencies that may arise in the course of completing installations.

Our business is subject to risks relating to construction, cost overruns and delays. The installation and operation of our energy storage systems at a particular site is generally subject to oversight and regulation in accordance with national, state, tribal, and local laws and ordinances relating to building codes, health and safety, environmental protection, Federal Energy Regulatory Commission ("FERC") and specific Independent System Operators regulation 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 energy storage systems to comply with these varying standards, which may change over time, and for us and our customers to obtain all applicable approvals and permits. We cannot predict whether or when all permits and approvals required for a given project will be granted or whether the conditions associated with the permits and approvals will be achievable. The denial of a permit or approval or utility connection that is essential to a project or the imposition of impractical conditions would impair our or our customer's ability to develop the project. In addition, we cannot predict whether the permitting and approvals process will be lengthened due to complexities and appeals. Delay in the review and permitting process for a project can impair or delay our or our customers' abilities to develop that project or increase the cost so substantially that the project is no longer attractive. Furthermore, unforeseen delays in the review and permitting process could delay the timing of the installation of our energy storage systems and could therefore adversely affect the timing of the recognition of revenue related to hardware acceptance by our customer, or our own ability to generate revenue from our owned projects which could adversely affect our operating results in a particular period. Delays relating to constructions may also bring about cost overruns, which could further adversely affect our business.

In addition, the successful installation of our energy storage systems is dependent upon the availability of and timely connection to the local electric grid. Before beginning construction on an energy storage system, we may be unable to obtain in a timely fashion or at all 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. FERC issued Order No. 2023 on July 28, 2023 in an attempt to address interconnection queue backlogs and related issues with the interconnection process, including with respect to energy storage facilities. Transmission owners and operators are in the process of developing proposed rules to implement Order No. 2023, the results of which remain uncertain at this time.

The size of our G-Vault products may negatively impact our ability to enter into contracts with customers or obtain government permits and approvals.

Our G-Vault products require a considerably larger space for their deployment than comparable systems based on certain technologies such as lithium-ion technology, and this can result in a significant delay in the permitting process. In addition, the size of our G-Vault products may represent an impediment for deployment in denser areas or areas with restrictions on

the height of buildings. And, in light of the size of our systems, we generally require hard soil or the ability to get to bedrock in order to deploy our systems. These factors may negatively impact our ability to enter into customer contracts or obtain government permits and approvals, each of which may materially affect our business.

Our G-Vault, H-Vault, and B-Nest products are based on established principles that are deployed in a novel way to create new technologies to store energy and potential customers may be hesitant to make a significant investment in our technology or abandon the technology they are currently using.

The design of our G-Vault, H-Vault, and B-Nest products are based on established principles that are deployed in a novel way; the products are intended to provide longer energy storage durations than are provided by other types of energy storage systems.

Potential customers who previously invested in alternatives to our innovative products may not deem a transition to our existing or future advanced energy storage solutions to be cost-effective. In particular, recently the costs of lithium-ion batteries has declined precipitously making our advanced products less cost efficient in comparison. Moreover, given the limited history of our advanced products, potential customers may be hesitant to make a significant investment in our products. Our business, results of operations, financial condition and prospects could be adversely affected to the extent that customers, for any reason, do not adopt our systems or migrate to our systems from another energy storage technology.

We face additional risks to the extent that customers choose to purchase energy storage and dispatch of electricity from systems we build and in which we retain an ownership interest rather than purchase an energy storage system.

In certain circumstances we enter into tolling arrangements in which customers purchase the energy storage and dispatch of electricity from us while we retain an ownership interest in the system. To date, we have entered into two such tolling arrangements, but we are actively looking at additional opportunities.

We could face additional risks when we own and operate energy storage systems, as compared to when the customer owns and operates energy storage systems that we build. For example, we may need to seek equity and/or debt financing to fund the construction and operation of any energy storage systems built in connection with a project for a customer who chooses to enter into a tolling arrangement. Such financing may not be available on terms acceptable to us, if at all. Moreover, we expect that any such indebtedness would be secured by a lien on the related energy storage system, and the governing debt agreement may contain covenants imposing operating and financial restrictions on our operations. In addition, until any such debt is repaid, we may not be able to generate meaningful cash flow from the project. Moreover, the failure of our customers to make payments could trigger an event of default under such governing debt agreements, which could result in the acceleration of repayment of our outstanding indebtedness or even entitle our lender to foreclose on the collateral securing our debt. In addition, to the extent equity financing is also used, our right to receive cash flows from the project could be subordinated to the other equity investors.

Additionally, there could be a material adverse effect on our operating results and our cash flows to the extent we own and operate our energy storage systems for the benefit of customers under tolling arrangements. For example, we would not expect to receive any payments from the customer until the system is completed and expenses relating to insurance premiums, personnel, and our interest payments under debt agreements would be increased, and such increases may be material. We could also be required to provide ongoing maintenance and repair services or could face liability for any damages or injuries if the system malfunctions. Additionally, we would be subject to the risks of termination of the agreement by the customer and the inability to replace the customer would result in the system failing to generate revenue. We may also incur liabilities as a result of a performance failure or other breach of our obligations in connection with the operation of the system.

We may also be subject to additional legal and regulatory restrictions to the extent we own and operate an energy storage system, including relating to the transmission of energy. Such legal and regulatory restrictions could increase the costs of compliance and potentially subject us to threatened or actual litigation or administrative proceedings, each of which could have a material adverse effect on our business, operating results and financial condition.

Increasing attention to, and scrutiny of, ESG matters could increase our costs, harm our reputation, impact our share price or access to or cost of capital, or otherwise adversely impact our business.

Companies across industries are facing increasing scrutiny from a variety of stakeholders related to their ESG and sustainability practices. Expectations regarding voluntary ESG initiatives and disclosures and consumer demand for alternative forms of energy may result in increased costs (including but not limited to increased costs related to compliance, stakeholder engagement, contracting and insurance), changes in demand for certain products, enhanced compliance or disclosure obligations, or other adverse impacts to our business, financial condition, or results of operations.

While we may at times engage in voluntary initiatives (such as voluntary disclosures, certifications, or goals, among others) to improve the ESG profile of our company or to respond to stakeholder expectations, such initiatives may be costly and

may not have the desired effect. Expectations around company's management of ESG matters continues to evolve rapidly, in many instances due to factors that are out of our control. For example, we may ultimately be unable to complete certain initiatives or targets, or execute on any opportunities we have identified, either on the timelines initially announced or at all, due to technological, cost, or other constraints, which may be within or outside of our control. Moreover, actions or statements that we may take based on based on expectations, assumptions, or third-party information that we currently believe to be reasonable may subsequently be determined to be erroneous or be subject to misinterpretation. If we fail to, or are perceived to fail to, comply with or advance certain ESG initiatives (including the timeline and manner in which we complete such initiatives), or to not keep pace with peers on ESG initiatives and/or disclosures, we may be subject to various adverse impacts, including reputational damage and potential stakeholder engagement and/or litigation, even if such initiatives are currently voluntary. For example, there have been increasing allegations of greenwashing against companies making significant ESG claims due to a variety of perceived deficiencies in performance or methodology, including as stakeholder perceptions of sustainability continue to evolve.

Certain market participants, including major institutional investors and capital providers, use third-party benchmarks and scores to assess companies' ESG profiles in making investment or voting decisions. Unfavorable ESG ratings could lead to increased negative investor sentiment towards us, which could negatively impact our share price as well as our access to and cost of capital. To the extent ESG matters negatively impact our reputation, it may also impede our ability to compete as effectively to attract and retain employees, customers, and/or business partners, which may adversely impact our operations. While many stakeholders expect companies to pursue ESG initiatives, others may seek to reduce companies' efforts on certain ESG-related matters. Both advocates and opponents to certain ESG matters are increasingly resorting to a range of activism forms, including media campaigns and litigation, to advance their perspectives. In addition, there are also increasing levels of regulation, disclosure-related and otherwise, with respect to ESG matters. We may ultimately be subject to regulations that are not uniform in nature or reflective of shared regulatory goals. Our efforts to respond to varying requirements may not be successful and/or may subject us to additional stakeholder engagement. This and other stakeholder expectations will also likely lead to increased costs as well as scrutiny that could heighten all of the risks identified in this risk factor. Additionally, many of our customers and suppliers may be subject to similar expectations, which may augment or create additional risks, including risks that may not be known to us.

Should we pursue acquisitions in the future, it would be subject to risks associated with acquisitions.

We may acquire additional assets, products, technologies, or businesses that are complementary to our existing business. In particular, we are actively seeking new opportunities for our Build-Own-Operate model. The process of identifying and consummating acquisitions and the subsequent integration of new assets and businesses into our own business would require attention from management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our operations. Acquired assets or businesses may not generate the expected financial results. Acquisitions could also result in the use of cash, potentially dilutive issuances of equity securities, the occurrence of goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business.

If we complete future acquisitions, we may not ultimately strengthen our competitive position or achieve our goals and business strategy. We may be subject to claims or liabilities assumed from an acquired company, product, or technology; acquisitions we complete could be viewed negatively by our customers, investors, and securities analysts; and we may incur costs and expenses necessary to address an acquired company's failure to comply with laws and governmental rules and regulations. Additionally, we may be subject to litigation or other claims in connection with the acquired company, including claims from terminated employees, former stockholders or other third parties, which may differ from or be more significant than the risks our business faces. If we are unsuccessful at integrating future acquisitions in a timely manner, or the technologies and operations associated with such acquisitions, our revenue and operating results could be adversely affected. Any integration process may require significant time and resources, which may disrupt our ongoing business and divert management's attention, and we may not be able to manage the integration process successfully or in a timely manner. We may not successfully evaluate or utilize the acquired technology or personnel, realize anticipated synergies from the acquisition, or accurately forecast the financial impact of an acquisition transaction and integration of such acquisition, including accounting charges and any potential impairment of goodwill and intangible assets recognized in connection with such acquisitions. We may have to pay cash, incur debt, or issue equity or equity-linked securities to pay for any future acquisitions, each of which could adversely affect our financial condition or the market price of our common stock. Furthermore, the sale of equity or issuance of equity-linked debt to finance any future acquisitions could result in dilution to our stockholders. The occurrence of any of these risks could harm our business, operating results, and financial condition.

Our operations are international, and expanding operations in some international markets could expose us to additional risks.

Our operations are international, and we continue to expand our business internationally as we seek to partner with customers, suppliers and other partners around the world. We currently have operations in Switzerland, Australia, United Kingdom, sales agents in other territories, and our signed purchase order and letters of intent are with counterparties around the world. Managing further international expansion will require additional resources and controls including additional support, manufacturing, and assembly facilities. Any expansion internationally could subject our business to risks associated with international operations, including:

- conformity with applicable business customs, including translation into foreign languages and associated expenses;
- lack of availability of government incentives and subsidies;
- challenges in arranging, and availability of, financing for our customers;
- potential changes to our established business model;
- cost of alternative power sources, which could be meaningfully lower outside the United States;
- availability and cost of raw materials, labor, equipment for manufacturing or assembling our energy storage systems;
- difficulties in staffing and managing foreign operations in an environment of diverse culture, laws, and customers, and the increased travel, infrastructure, finance, and legal and compliance costs associated with international operations;
- installation challenges which we have not encountered before which may require the development of a unique model for each country;
- compliance with multiple, potentially conflicting and changing governmental laws, regulations, and permitting processes including construction, environmental, banking, employment, tax, safety, security, grid minimum performances, and data privacy and protection laws and regulations;
- compliance with U.S. and foreign anti-bribery laws including the Foreign Corrupt Practices Act and the U.K. Anti-Bribery Act;
- greater difficulties in securing or enforcing our IP rights in certain jurisdictions, or greater chance of potential infringement of third-party IP rights in new jurisdictions;
- difficulties in funding our international operations;
- difficulties in collecting payments in foreign currencies and associated foreign currency exposure;
- restrictions on repatriation of earnings;
- compliance with potentially conflicting and changing laws of taxing jurisdictions where we conduct business and compliance with applicable U.S. tax laws as they relate to international operations, the complexity and adverse consequences of such tax laws, and potentially adverse tax consequences due to changes in such tax laws;
- increases or decreases in our expenses caused by fluctuation in foreign currency exchange rates;
- changes in tariffs and import/export regulations imposed by local governments;
- changes in regulations regarding the use of waste materials in our products;
- changes in regulations that would prevent us from doing business in specified countries;
- failure of the supply chain in local countries to provide us with materials of a sufficient quality and quantity delivered on timelines we expect;
- the impacts of government spending on infrastructure projects and more broadly, including any impacts of government debt defaults or budget crises (including in the United States);
- the outbreak of war or other hostilities; and
- regional economic and political conditions.

As a result of these risks, any potential future international expansion efforts that we may undertake may not be successful.

In addition, nearly all of our letters of intent are denominated in U.S. dollars, and certain of our definitive agreements could be denominated in currencies other than the U.S. dollar. A strengthening of the U.S. dollar could increase the cost of our solutions to our international customers, which could adversely affect our business and results of operations. In addition, if an increased portion of our operating expenses is incurred outside the United States and is denominated in foreign currencies, we would be subject to increased financial impacts resulting from fluctuations in foreign currency exchange rates. If we become more exposed to currency fluctuations and are not able to successfully hedge against the risks associated with currency fluctuations, our results of operations could be adversely affected.

Our future growth is dependent upon the pace and depth of energy storage technologies, which are emerging industries, as well as our competition. If the markets for energy storage do not develop as we expect, or if they develop more slowly than we expect, our business, prospects, financial condition and operating results could be adversely affected.

Our future growth depends upon factors in our industry, including with respect to our competition, the speed at which the market adopts energy storage for grid reliability, our ability to penetrate such market and the state of energy storage technologies. Because energy storage is an emerging industry, it is evolving and characterized by rapidly changing technologies, changing government regulation and industry standards, and changing consumer demands and behaviors. If this market does not develop as we expect, including if it develops more slowly than we expect, demand for our energy storage systems or any digital platform that we may develop, our business, prospects, financial condition and operating results could be adversely affected.

Additionally, the energy storage market is largely driven by installed capacity of renewable electricity generation and increasing demand for renewable sources of power. Since many of these renewable sources of power are intermittent, like wind and solar, the energy produced by them must be stored for use when there is demand. Should government requirements for these intermittent power sources be relaxed or social desires for lower-carbon sources of energy decline, there could be a detrimental impact on one of our primary markets.

Even if renewable energy and energy storage become more widely adopted, our energy storage technology may not achieve widespread market acceptance or may be less cost-effective as compared to competing technologies.

Our business depends on the acceptance of our products in the marketplace. Even if renewable energy and energy storage become more widely adopted than they have been to date, potential customers may choose energy storage products from our competitors that are based on their technologies. If they do so, it may be difficult to later transition such potential customers to products offered by us. Moreover, the marketplace for renewable energy storage products is rapidly evolving, and competing technologies of which we are currently unaware may emerge in the future. If the energy storage technology that supports our products does not achieve market acceptance, then our business and results of operations would be materially adversely affected.

The growth and profitability of our business is dependent upon our technology being more cost-effective than competing energy storage technologies. To the extent our offerings are not eligible for various regulatory incentives, while those of our competitors are, it may adversely impact our competitiveness or otherwise adversely impact our business.

We operate in highly competitive energy industries and there is increasing competition. Many of our competitors and future competitors may have significantly more financial and other resources than we do and if we do not compete effectively, our competitive positioning and our operating results will be harmed.

The energy markets in which we compete continue to evolve and are highly competitive. Many of our current and potential competitors are large entities at a more advanced stage in development and commercialization than we are and in some cases have significantly more financial and other resources, including larger numbers of managerial and technical personnel, to increase their market share. For example, several companies, such as ESS Inc., Eos Energy Enterprises Inc., Hydrostor Inc. and Primus Power, have each announced plans and demonstrated prototypes of products that would compete in the energy storage market, and battery vendors with whom we compete, such as Tesla, Inc., Fluence Energy, Inc., LG Chem, Ltd., Samsung Electronics Co., Ltd and Contemporary Amperex Technology Co. Limited, have already commercialized their respective energy storage solution products. Companies such as Tesla, Inc., Fluence Energy, Inc. and Wartsila Corporation have developed or are developing their own energy management software. If our competitors continue to penetrate the renewable energy, energy storage and energy management software markets, we may experience a reduction in potential and actual market share. Furthermore, certain industry participants against whom we do not currently compete (including, in some cases, our suppliers) may shift their strategic focus and begin competing directly with us. To date, we have focused our efforts on recruiting management and other employees, business planning, raising capital, selecting applicable third-party technologies, establishing and attempting to establish partnerships with potential suppliers, customers and ecosystem partners, developing our gravity, battery, and green hydrogen energy storage systems, a digital platform, and general corporate development.

We expect competition in energy storage technology to intensify due to a regulatory push for lower-carbon energy sources, including intermittent sources such as wind and solar, continuing globalization, and consolidation in the energy industry. Developments in alternative technologies or improvements in energy storage technology made by competitors may materially adversely affect the sales, pricing and gross margins of our future energy storage systems and any digital platform. If a competing process or technology is developed that has superior operational or price performance, our business would be harmed.

Furthermore, our energy storage technology also competes with other emerging or evolving technologies, such as thermal storage, chemical storage, and carbon capture storage and sequestration. If we are unable to keep up with competitive developments, including if such technologies achieve lower prices or enjoy greater policy support than our technology, our competitive position and growth prospects may be harmed, which would adversely affect our business, prospects and financial condition.

Some of our current and potential competitors have longer operating histories and greater financial, technical, marketing and other resources than we do. These factors may allow our competitors to respond more quickly or efficiently than we can to new or emerging technologies. These competitors may engage in more extensive research and development efforts, undertake more far-reaching marketing campaigns and adopt more aggressive pricing policies, which may allow them to more effectively compete for new energy storage projects and energy management software customers.

We intend to continue committing significant resources to establish a competitive position. There is no assurance we will successfully identify the right partners, or that products and technologies developed by others will not render our energy storage systems and any digital platform that we may develop obsolete or noncompetitive, any of which would adversely affect our business, prospects and operating results.

If we are unable to attract and retain key employees and hire qualified management, technical, engineering, and sales personnel, including a highly skilled and diverse management team with experience in the energy storage sectors, our ability to compete and successfully grow our business could be harmed.

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 products and services, including with respect to our prototype products, and negatively impact our business, prospects and operating results. In particular, we are highly dependent on the services of Robert Piconi, our Chief Executive Officer. None of our key employees is bound by an employment agreement for any specific term. We cannot assure you that we will be able to successfully attract and retain 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 renewable energy and energy storage industry in the U.S., Australia, and Switzerland, where our offices are located. Our failure to attract and retain our executive officers and other key technology, sales, marketing and support personnel, could adversely impact our business, prospects, financial condition, and operating results.

We believe that it is vital to our operating success that we recruit and retain key personnel, including a highly skilled and diverse management team with experience in the renewable energy and energy storage sectors. If we fail to maintain a highly skilled and diverse management team, we may not be able to achieve our strategic objectives, which would negatively impact our business and operating success. In addition, because our industry is still in a nascent stage, there is and will continue to be a scarcity of skilled personnel with experience in our industry. If we lose a member of our management team or key employee, it may prove difficult for us to replace such employee with a similarly qualified individual with experience in the renewable energy and energy storage industry, which could impact our business and operating success.

Labor disputes could disrupt our ability to serve our customers and/or lead to higher labor costs.

As of December 31, 2024, we employed 158 full-time employees and 5 part-time employees, none of whom are represented by unions or collective bargaining agreements. If a union sought to organize any of our other employees, such organizing efforts or collective bargaining negotiations could potentially lead to work stoppages and/or slowdowns or strikes by certain of our employees. Additionally, the EPC firms that we rely upon to install our energy storage systems may have employees represented by unions or collective bargaining agreements. Any work stoppages and/or slowdowns by certain of our employees or certain employees at the EPC firms we contract with, could adversely affect our ability to serve our customers.

Further, settlement of actual or threatened labor disputes or an increase in the number of our employees covered by collective bargaining agreements could lead to higher labor costs and could impair productivity and flexibility.

Changes in business, economic, or political conditions, including overall changes in demand, are beyond our control and could impact our business, resulting in lower revenues and other adverse effects to our results of operations.

Economic uncertainty and associated macroeconomic conditions, including heightened inflation, capital markets volatility, interest rate and currency rate fluctuations, and economic slowdown or recession, have resulted and may continue to result in unfavorable conditions that negatively affect demand for our products and exacerbate some of the other risks that affect our business, financial condition, and results of operations. Both domestic and international markets experienced inflationary pressures in 2022 and parts of 2023 and, while inflation has moderated recently, inflation rates in the U.S., as well as in other countries in which we operate, may increase again in the near-term. In addition, the Federal Reserve in the U.S. and other central banks in various countries have raised, and may again raise, interest rates in response to concerns about inflation, which, coupled with reduced government spending and volatility in financial markets, has had and may continue to have the effect of further increasing economic uncertainty and heightening these risks. Interest rate increases or other government actions taken to reduce inflation have resulted in recessionary pressures in many parts of the world. Furthermore, currency exchange rates have been especially volatile in the recent past, and these currency fluctuations have affected, and may continue to affect, the reported value of our assets and liabilities, as well as our cash flows.

A significant downturn in the domestic or global economy may cause our customers to pause, delay, or cancel spending on our offerings or seek to lower their costs by exploring alternatives. Reductions in energy demand due to economic downturns or increased interest rates can make projects in which we invest to be less profitable than our expectations, if at all. To the extent purchases of our offerings are perceived by customers and potential customers as discretionary, our revenue may be disproportionately affected by delays or reductions in energy storage spending. Also, competitors may respond to challenging market conditions by lowering prices and attempting to lure away our customers.

Similarly, our business depends on the overall business and global or regional political conditions, which are beyond our control.

We cannot predict the timing, strength, or duration of any economic slowdown or any subsequent recovery generally, or any industry in particular or how global business and political conditions may change. To the extent that general business, economic or political conditions, including overall changes in demand for our products, decline, our business, financial condition and results of operations, including revenues, could be materially adversely affected.

The productivity of our facilities or our customers' facilities, the operation of our supply chain, the demand, performance and availability of our products, our services, our systems and our business in general may be affected by factors outside of our control, which could result in harm to our business and financial results.

The productivity of our facilities or our customers' facilities, the operation of our supply chain, the demand, performance and availability of our products, our services, our systems and our business in general could be adversely affected by events outside of our control, such as natural catastrophic events, geographical instability, wars, and other calamities. We cannot assure you that, collectively, our process and procedures to recover from a disaster or catastrophe will be adequate to protect us from the effects of fire, floods, typhoons, earthquakes, power loss, telecommunications failures, cyberattacks and other information security incidents, break-ins, war, riots, terrorist attacks, pandemics, or similar events outside of our control, certain of which may become more frequent or intense as a result of climate change. The severity of such factors and frequency at which they occur are also outside our control. If such factors occur our business, financial condition and results of operations, including revenues, could be materially adversely affected.

We are subject to a series of risks related to climate change.

There are inherent climate-related risks wherever business is conducted. Certain of our facilities, as well as third-party infrastructure on which we rely, are located in areas that have experienced, and are projected to continue to experience, various meteorological phenomena (such as drought, heatwaves, wildfire, storms, flooding, freezes, and winter storms, among others) or other catastrophic events that may disrupt our or our suppliers' operations (as well as grid connections), require us to incur additional operating or capital expenditures, result in facility shutdowns, decrease productivity, result in operational risks and increased risks to employee safety, or otherwise adversely impact our business, financial condition, or results of operations. Climate change may increase the frequency and/or intensity of such events. For example, in certain areas, there has been an increase in power shutoffs associated with wildfire prevention. Climate change may also result in various chronic changes to the physical environment, such as changes to water levels, air quality, and/or ambient temperature and precipitation patterns. Physical risks may also compound and contribute to further or more intense impacts. While we may take various actions to mitigate our business risks associated with climate change, this may require us to incur substantial costs and may not be successful, due to, among other things, the uncertainty associated with the longer-term projections associated with managing climate risk. For example, to the extent such events become more frequent or intense, we may not be able to procure insurance to cover all potential losses on terms we deem acceptable.

We are subject to certain risks associated with the energy transition. We anticipate there will be costs associated with transitioning to lower emissions technologies, as well as risks associated with newer technologies, including risks that particular technologies we invest in may not ultimately prove successful or financially viable, as well as other risks that may not presently be known to us. Similarly, the price and availability of various inputs for the products we offer, including electricity and various metals, vary in response to market trends, which may result in higher costs and/or operational disruptions, or other adverse impacts. These impacts may also be exacerbated by various responses from policymakers, including in manners that may for national security or other factors that do not promote the availability or affordability of such materials.

Additionally, we expect to be subject to increased regulations, reporting requirements, standards, or expectations regarding the environmental impacts of our business. For example, policymakers in various jurisdictions, including the United States, United Kingdom, Australia, European Union, and the State of California, among others, have adopted or are considering adopting GHG pricing mechanisms, GHG emission limits, and/or requirements for the disclosure of certain climate-related information, which may require us to incur significant additional costs to comply and impose increased oversight obligations on our management and board of directors ("Board"). Such regulations may also impact our supply chain and the cost of various materials used in our offerings; while we are working to find alternatives to certain materials, we cannot guarantee that we will be able to find suitable alternatives at a cost, quality, or timeframe that is acceptable to us. Government efforts to promote climate resiliency may also result in increased regulatory obligations across a range of laws, not all of which may be primarily climate-related. The expectations of various stakeholders, including customers and employees, regarding such matters likewise continues to evolve. Changing market dynamics, global and domestic policy developments, and the increasing frequency and impact of meteorological phenomena have the potential to disrupt our business, the business of our suppliers and/or customers, or otherwise adversely impact our business, financial condition, or results of operations.

Fuel prices, including volatility in the cost of diesel or natural gas or a prolonged period of low gasoline and natural gas costs, could decrease incentives to transition to renewable energy.

A portion of the current and expected demand for renewable energy results from concerns about volatility in the cost of gasoline and other petroleum-based fuel, the dependency of the United States on oil from unstable or non-aligned countries, government regulations and economic incentives promoting fuel efficiency and alternative forms of energy, as well as concerns about climate change resulting in part from the burning of fossil fuels. We believe that our energy storage systems promote grid reliability, even when fossil fuels are used to generate electricity, but energy storage projects are particularly suited for intermittent alternative energy sources like wind and solar. If the cost of gasoline and other petroleum-based fuel decreases significantly, the outlook for the long-term supply of oil to the United States improves, the government eliminates or modifies its regulations or economic incentives related to fuel efficiency and alternative forms of energy or there is a change in the perception in the cost-benefit analysis regarding the effects of burning fossil fuels on the environment, the demand for renewable energy, including energy storage products such as ours, could be reduced, and our business and revenue may be harmed.

Our insurance coverage, customer indemnifications or other liability protections may be unavailable or inadequate to cover all of our significant risks, which could adversely affect our profitability and overall financial position.

We endeavor to obtain insurance to cover significant risks and liabilities (including, for example, natural disasters, cybersecurity, defective hardware and software and products liability). Not every risk or liability can be insured, and insurance coverage is not always reasonably available. The policy limits and terms of coverage reasonably obtainable may not be sufficient to cover actual losses or liabilities. Even if insurance coverage is available, we are not always able to obtain it at a price or on terms acceptable to us or without increasing exclusions. Disputes with insurance carriers over the availability of coverage, and the insolvency of one or more of our insurers may affect the availability or timing of recovery, as well as our ability to obtain insurance coverage at reasonable rates in the future. In some circumstances we may be entitled to certain legal protections or indemnifications from our suppliers through contractual provisions, laws or otherwise. However, these protections are not always available, are difficult to negotiate and obtain, are typically subject to certain terms or limitations, including the availability of funds, and may not be sufficient to cover our losses or liabilities. If insurance coverage, customer indemnifications and/or other legal protections are not available or are not sufficient to cover risks or losses, it could have a material adverse effect on our financial position, results of operations and/or cash flows.

Risks Related to Our Financial Condition and Liquidity

Material weaknesses in our internal control over financial reporting could have a significant adverse effect on our business and the price of our common stock.

As a public reporting company, we are subject to the rules and regulations established from time to time by the SEC and NYSE. These rules and regulations require, among other things, that we have, and periodically evaluate, procedures with

respect to our internal control over financial reporting. Reporting obligations as a public company are likely to continue to place a considerable strain on our financial and management systems, processes and controls, as well as on our personnel.

In addition, as a public company we are required to document and test our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act so that our management can certify as to the effectiveness of our internal control over financial reporting.

In connection with the preparation of our financial statements and the audit of our financial results for 2022, we had identified a material weakness in our internal controls relating to the recognition of revenue from certain licensing contracts. Although the material weakness has been remediated as of December 31, 2023, there can be no assurance that we will not identify additional material weaknesses in the future.

In future periods, if our senior management is unable to conclude that we have effective internal control over financial reporting, or to certify the effectiveness of such controls, or if additional material weaknesses in our internal control over financial reporting are identified, we may be required to restate our financial statements and could be subject to regulatory scrutiny, a loss of public and investor confidence, and to litigation from investors and stockholders, which could have a material adverse effect on our business and the price of our common stock.

In addition, if we do not maintain adequate financial and management personnel, processes and controls, we may not be able to manage our business effectively or accurately report our financial performance on a timely basis, which could cause a decline in our common stock price and adversely affect our results of operations and financial condition. Furthermore, our business has grown rapidly over the last several years and may continue to grow in the future. In the event of further growth, our internal controls over financial reporting may not be adequate to support our operations. Failure to comply with the Sarbanes-Oxley Act could potentially subject us to sanctions or investigations by the SEC, the NYSE or other regulatory authorities, which would require additional financial and management resources.

We are an early stage company with a history of losses, and expect to incur significant expenses and continuing losses for the foreseeable future, and we may not be able to achieve profitability in the future.

Since our inception in October 2017, we have incurred significant net losses and have used significant cash in our business. As of December 31, 2024 and 2023, we had accumulated deficits of $383.8 million and $248.1 million, respectively, and net losses of $135.8 million and $98.4 million, respectively, for the years ended December 31, 2024 and 2023. We expect to continue to expand our operations, including by investing in manufacturing, sales and marketing, research and development and infrastructure to support our growth. We anticipate that we will incur net losses for the foreseeable future and there is no guarantee that we will achieve or maintain profitability. Our ability to achieve and maintain profitability in the future will depend on a number of factors, including:

- successfully implementing our products on a commercial scale;
- achieving meaningful sales volume;
- the successful and timely development of our suite of software solutions;
- attracting customers;
- expanding into geographical markets;
- our ability or the ability of future customers to obtain financing in a timely basis and with attractive terms to enable them and us to develop energy storage technologies;
- the cost of producing our energy storage systems;
- successful continued development and deployment of our energy storage systems, including our B-Vault, B-Nest, G-Vault, and H-Vault products;
- ability to execute on our strategy to reduce costs, in the amount and on the timing projected;
- improving the efficiency and predictability of our construction processes;
- entering into agreements with suppliers and service providers for the maintenance of our systems and other strategic relationships;
- improving the effectiveness of our sales and marketing activities and any independent sales representatives that we may engage;
- attracting and retaining key talent in a competitive marketplace;
- the amount and timing of stock-based compensation expenses;

- identifying new opportunities for other business to integrate our product into their operations;
- fluctuations in the costs of steel and raw materials, including due to the enactment of tariffs under the new U.S. presidential administration and retaliatory tariffs in response thereto; and
- delays associated with obtaining construction permits and potential regulatory review.

The implementation of our business plan and strategy may require additional capital. If we are then unable to achieve sufficient sales to generate that capital or otherwise raise capital, it may create substantial doubt about our ability to pursue our business objectives and achieve profitability or to continue as a going concern. If adequate capital is not available to us, including due to the cost and availability of funding in the capital markets, our business, operating results and financial condition may be harmed.

The development, design, construction, and sale of our energy storage systems is a capital-intensive business. As a result, we can be expected to continue to incur substantial operating expenses without generating sufficient revenues to cover expenditures. As we transition to owning our own energy storage assets, our capital needs will continue to increase. Over time, we may need to raise additional funds, including through entry into new joint venture arrangements, through the issuance of equity, equity-linked or debt securities or through obtaining credit from financial institutions to fund, together with our principal sources of liquidity, ongoing costs such as capital expenditures on our owned projects, research and development relating to our products and technologies, the construction and tooling of prototypes, the implementation of our systems for our future customers, any significant unplanned or accelerated expenses, and new strategic investments. We cannot be certain that additional capital will be available on attractive terms, if at all, when needed, which could be dilutive to stockholders, and our financial condition, results of operations, business and prospects could be materially and adversely affected. Disruptions in the global capital markets and credit markets as a result of an economic downturn, economic uncertainty, changing interest rate yield curves, changing or increased regulations, or failures of significant financial institutions could adversely affect our cash resources or access to additional capital needed for business in the future.

The Company maintains the majority of its cash and cash equivalents in accounts with major U.S. and multi-national financial institutions, and our deposits are invested in money market funds holding U.S. Treasury bills, and similarly rated agency indebtedness.

If adequate capital is not available to us, it may create substantial doubt among third parties, including suppliers and potential customers, about our ability to pursue our objectives, to achieve profitability or to continue as a going concern. Such doubt could materially and adversely impact our business, reputation and prospects.

Our energy storage systems involve a lengthy sales and installation cycle, and if we fail to close sales on a regular and timely basis it could harm our business. Moreover, the long sales cycles for our energy storage systems and other factors may result in significant fluctuations in our results from period to period.

While our customers are increasingly familiar with our technology, the period between initial discussions with a potential customer and the sale of even a single product typically depends on a number of factors, including the potential customer's attitude towards innovative products, their budget and decision as to the type of financing it chooses to use, as well as the arrangement of such financing. While our customers are evaluating our products, we have incurred, and expect to continue to incur, substantial sales, marketing, and research and development expenses to customize our products to the customer's needs. As a result, these long sales cycles may cause us to incur significant expenses without ever receiving revenue to offset those expenses.

This lengthy decision making process is followed by substantial fulfillment periods. Currently, we believe the time between the entry into a sales contract with a customer and the installation of our BESSs could range from 9 to 18 months, subject to significant risks.

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.

In addition, we expect that long sales cycles and the expected limited number of customers for our energy storage systems will cause fluctuations in our operating results from period to period. As a result of how we recognize revenue and other factors beyond our control, small fluctuations in the timing of the completion of our sales transactions could also cause operating results, financial condition and results of operations to vary materially from period to period.

In addition to the other risks described herein, the following factors could also cause our financial condition and results of operations to fluctuate on a quarterly basis:

- the timing of customer installations of our energy storage systems, which may depend on many factors such as availability of inventory, product quality or performance issues, or local permitting requirements, utility

requirements, environmental, health and safety requirements, weather and customer facility construction schedules, customer interconnection timing, availability and schedule of our third-party general contractors;

- size of particular customer installations and number of sites involved in any particular quarter;
- delays or cancellations of purchases and installations;
- the timing of when control of uninstalled materials transfers to the customer;
- fluctuations in our service costs;
- weaker than anticipated demand for our energy storage systems due to changes in government regulation, incentives and policies;
- weaker than anticipated demand for our energy storage systems due to our customers' inability to finance their projects;
- interruptions in our supply chain;
- the timing and level of additional purchases by existing customers;
- unanticipated expenses incurred due to changes in governmental regulations, permitting requirements by local authorities at particular sites, utility requirements and environmental, health and safety requirements;
- disruptions in our sales, production, service or other business activities resulting from our inability to attract and retain qualified personnel;
- shortage of raw materials from our suppliers and associated price increases due to fluctuations in commodities prices; and
- availability of spare parts from our suppliers.

Finally, our revenue, key operating metrics, and other operating results in future quarters may fall short of the expectations of investors and financial analysts, which could have an adverse effect on the price of our common stock.

Our total backlog, bookings and developed pipeline may not be indicative of our future revenue, which could have a material adverse impact on our business, financial condition, and results of operations.

Our backlog represents contracted but unrecognized revenue from projects and services yet to be completed, unrecognized revenue or other income from IP licensing agreements, and unrecognized revenue from tolling arrangements. Backlog includes any potential future variable payments from tolling and offtake arrangements that the Company believes is probable of being realized. Probable future variable payments are forecasted by an independent third-party firm using simulation software that factors in current and projected energy market dynamics, historical and forecasted volatility, and location specific data. The Company considers the low-end simulation results to be probable. Potential future IP royalties are not included in backlog. As of December 31, 2024, backlog totaled $433.9 million. Backlog is a common measurement used in our industry. Our methodology for determining backlog may not, however, be comparable to the methodologies used by others. Effective in the second quarter of 2024, we updated our methodology for computing backlog. Under our previous methodology, our backlog was equivalent to our remaining performance obligations under U.S. Generally Accepted Accounting Principles ("GAAP"). We believe our new methodology for computing backlog allows us to better evaluate the growth of our Company and estimate future revenue.

Bookings represent the total aggregate contract value and total MWhs to be delivered from customer contracts signed during the period, net of the total aggregate value and total MWhs of contracts that were cancelled during the period and is calculated using the same methodologies as our backlog. For the year ended December 31, 2024 bookings totaled $223.9 million.

Developed pipeline represents uncontracted, potential revenue, from third-party projects where potential prospective customers have either awarded the Company a project or shortlisted the Company for consideration, but not, in either case, having awarded the Company a binder order. Developed pipeline also includes potential tolling revenue from projects where the Company is in advanced negotiations to build, own, and operate energy storage systems. Developed pipeline is an internal management metric that we construct using information from our global sales team and is monitored by management to understand the potential anticipated growth of our Company and to estimate potential future revenue. Developed pipeline is influenced by the prevailing foreign exchange rates and equipment prices and may vary from period to period if these inputs change. As of December 31, 2024, developed pipeline totaled $2.1 billion.

There can be no assurance that our backlog, bookings and developed pipeline will result in actual revenue in the future in any particular period, or at all. This is because the actual receipt, timing, and amount of revenue under contracts included

under backlog, bookings and developed contracts are subject to various contingencies, many of which are beyond our control. Our failure to realize revenue from contracts included in the total amounts estimated under backlog, bookings and developed pipeline could have a material adverse impact on our business, financial condition and results of operations.

In addition, our contracts with customers are subject to delays and cancellations. Generally, a customer can cancel an order prior to installation, and, notwithstanding the fact that a customer's termination for convenience may obligate the customer to pay us certain fees, we may be unable to recover some of our costs in connection with design, permitting, installation, and site preparations incurred prior to cancellation. Cancellation rates in our industry could increase in any given period, due to factors outside of our control including an inability to install an energy storage system 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 certain 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 could be materially and adversely affected.

Our ability to use net operating losses and other tax attributes to offset future taxable income may be subject to certain limitations.

As of December 31, 2024, we had $122.8 million, $35.8 million, and $9.8 million of federal, state and foreign net operating loss ("NOL") carryforwards, respectively, that will generally carry forward to offset future taxable income (if any), until such NOLs expire (if at all). The federal NOL carryforwards do not expire, but are subject to limitation on their use equal to 80% of the taxable income in the year of use. The state NOL carryforwards will begin to expire in 2038. $6.8 million of the foreign net operating loss carryforwards do not expire. The remaining foreign net loss carryforwards begin to expire in 2025. The remaining foreign net loss carryforwards begin to expire in 2025. Additionally, as of December 31, 2024, the Company had federal and state research tax credit carryforwards of and $2.3 million and $0.6 million, respectively. The federal research tax credit carryforwards will begin to expire in 2042 and the state tax research credits do not expire.

Our NOL carryforwards are subject to review and possible adjustment by the applicable tax authorities. In addition, in general, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the "Code"), if a corporation undergoes an "ownership change," generally defined as a cumulative change of more than 50 percentage points (by value) in its equity ownership by certain stockholders over a three-year period, the corporation's ability to use its pre-change NOL carryforwards and other pre-change tax attributes (such as research and development tax credits) to offset its post-change income or taxes may be limited. We may experience ownership changes in the future as a result of subsequent changes in our stock ownership, some of which are outside our control. Similar provisions of state and foreign tax law may apply and future regulatory changes could also limit our ability to utilize NOL carryforwards. Accordingly, we may not be able to utilize a material portion of our NOL carryforwards to offset future taxable income.

Changes in tax laws and regulations may have a material adverse effect on our business, financial condition, and result of operations.

New income, sales, use, or other tax laws, statutes, rules, regulations, or ordinances could be enacted at any time, which could affect the tax treatment of any of our future U.S. and non-U.S. earnings. Further, existing tax laws, statutes, rules, regulations, or ordinances could be interpreted, changed, modified, or applied adversely to us. Generally, future changes in applicable U.S. and non-U.S. tax laws and regulations, or their interpretation and application, potentially with retroactive effect, could have an adverse effect on our business, financial conditions, and results of operations. We are unable to predict whether such changes will occur and, if so, the ultimate impact on our business.

We may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and stock price, which could cause you to lose some or all of your investment.

Unexpected risks may arise that cause us to write down or write off assets, restructure our operations, or incur impairment or other charges that could result in losses. Even though these charges may be noncash items and not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about us or our securities. In addition, charges of this nature may cause us to violate net worth or other covenants to which we may be subject. Accordingly, our stockholders could suffer a reduction in the value of their shares.

For the year ended December 31, 2024, the Company recognized $11.7 million in impairment charges on our investment in KORE Power, Inc. due to a decline in their financial performance.

Incorrect estimates or assumptions by management in connection with the preparation of our consolidated financial statements could adversely affect our reported assets, liabilities, income, revenue or expenses.

The preparation of our consolidated financial statements requires management to make critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, income, revenues or expenses during the reporting periods. Incorrect estimates and assumptions by management could adversely affect our reported amounts of assets, liabilities, income, revenues and expenses during the reporting periods. If we make incorrect assumptions or estimates, our reported financial results may be over- or understated, which could materially and adversely affect our business, financial condition and results of operations.

Government control of currency conversion and expatriation of funds may affect our liquidity.

We have customers and subsidiaries located in jurisdictions that impose or may impose controls on the convertibility of the local currency into foreign currencies and, in certain cases, the remittance of currency out of the jurisdiction. Therefore, we may experience delays, restrictions or limitations in completing the administrative procedures necessary to obtain and remit foreign currency to the Company, which could have a material effect on our liquidity and our business. Shortages in the availability of foreign currency in countries in which we transact, or the impossibility or difficulties in complying with the requirements and approvals of local authorities may delay, restrict or limit the ability of our customer to covert the amount owed to us to U.S. dollars and remit such amount to us, thus materially affecting our liquidity and business.

Risks Related to Our IP and Technology

We may be unable to protect, defend, maintain or enforce IP rights on which our business depends, including as against existing or future competitors, which may adversely affect our growth and success.

We rely on a combination of patent, trademark, copyright, trade secret and unfair competition laws, as well as confidentiality and other contractual provisions with our customers, suppliers, employees, and others to establish, maintain, and enforce our IP 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 IP rights may not be adequate. For example, our owned or licensed IP rights could be challenged, invalidated, or circumvented, and we may be unable to detect when our IP rights are infringed or misappropriated. Additionally, we may be unable to effectively assert our IP rights or our IP 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 or operating results.

The laws of some countries do not protect IP rights as fully as do the laws of the United States. Therefore, our IP rights may not be as strong or as easily enforced outside of the United States and efforts to protect against the unauthorized use of our IP rights, technology and other proprietary rights may be more expensive and difficult outside of the United States. Further, we have not established our IP rights in all countries in the world, and competitors may copy our designs and technology and operate in countries in which we have not prosecuted out IP. Failure to adequately protect our IP rights could result in our competitors using our IP to offer products, and competitors' ability to design around our IP would enable competitors to offer similar or better energy storage products, in each case potentially resulting in the loss of some of our competitive advantage and a decrease in our revenue, which would adversely affect our business, prospects, financial condition and operating results.

Our patents and patent applications, if issued, may not provide adequate protection to create a barrier to entry. The provisional and non-provisional patent applications that we own may not issue as patents or provide adequate protection to create a barrier to entry, which may hinder our ability to prevent competitors from selling products similar to ours.

We cannot be certain that our pending patent applications will result in issued patents or that any of our issued 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 issued or that our patents and any patents that may be issued to us in the future will afford sufficient 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 United States, and thus we cannot be certain that foreign patent applications related to issued U.S. patents will be issued in other regions. Furthermore, even if these patent applications are accepted and the associated patents are issued, some foreign countries provide significantly less effective patent enforcement than in the United States.

We intend to continue to regularly assess opportunities for seeking patent and other IP protections for certain aspects of our technology, designs and methodologies that we believe provide a meaningful competitive advantage. However, our ability to do so may be limited until such time as we are able to generate sufficient cash flow from operations or otherwise raise sufficient capital to continue to invest in our IP. For example, maintaining patents in the United States and other countries requires the payment of maintenance fees, which may result in loss of our patent rights if we are unable to pay. If we are

unable to so invest in our IP, our ability to protect it or prevent others from infringing on our proprietary rights may be impaired.

In addition, patents issued to us may be infringed upon or designed around by others and others may obtain patents that we need to license or design around, either of which could increase our costs and may adversely affect our business, our prospects, and our operating results.

We may be subject to third-party claims of infringement, misappropriation or other violation of IP rights, or other claims challenging our agreements related to IP, which may be time-consuming and costly to defend, and could result in substantial liability.

Companies, organizations, or individuals, including our competitors, hold numerous patents or other IP rights related to technology used in our industry, some of which may prevent, limit, or interfere with our ability to make, use, develop, or sell our products or services, which could make it more difficult for us to operate our business. Those holding IP rights allegedly relating to our products or services could, in the future, make claims or bring suits alleging infringement, misappropriation, or other violations of such rights, or otherwise assert their rights by seeking royalties or injunctions, which may become more likely if we gain greater recognition in the market. If a claim is successfully brought in the future and we or our products or services are determined to have infringed, misappropriated, or otherwise violated a third party's IP rights, we may be required to do one or more of the following:

- cease selling or using our products or services that incorporate the challenged IP;
- 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 relevant IP rights, which may not be available on reasonable terms or at all; or
- redesign our products, services, or means of production, which may not be possible or cost-effective.

Any of the foregoing could adversely affect our business, prospects, operating results, and financial condition. In addition, any litigation or claims, whether or not valid, could harm 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 products. We may in the future 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 in some cases 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.

We may be subject to claims that our employees, consultants, or advisors have wrongfully used or disclosed proprietary information or know-how of their current or former employers or claims asserting ownership of what we regard as our own IP rights.

Many of our employees, consultants, and advisors are currently or were previously employed or engaged at other companies in our field, including our competitors or potential competitors. Although we try to ensure that our employees, consultants, and advisors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed IP rights, including trade secrets or other proprietary information, of any such individual's current or former employer. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable IP rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of IP rights to execute agreements assigning such IP rights to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops IP rights that we regard as our own. Additionally, the assignment of IP rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our IP rights. Any of the foregoing could harm our competitive position, business, financial condition, results of operations, and prospects.

We utilize open-source software, which may pose particular risks to our proprietary software and solutions.

We use open-source software in our solutions and will use open-source software in the future. Companies that incorporate open-source software into their solutions have, from time to time, faced claims challenging the use of open-source software

and compliance with open-source license terms. Some licenses governing the use of open-source software contain requirements that we make available source code for modifications or derivative works we create based upon the open-source software, and that we license such modifications or derivative works under the terms of a particular open-source license or other license granting third parties certain rights of further use. By the terms of certain open-source licenses, we could be required to release the source code of our proprietary software, and to make our proprietary software available to others under open-source licenses or other unfavorable license terms. Although we monitor our use of open-source software, we cannot assure you that all open-source software is reviewed prior to use in our solutions, that our developers have not incorporated open-source software into our solutions, or that they will not do so in the future. Additionally, the terms of many open-source licenses to which we are subject have not been interpreted by U.S. or foreign courts. There is a risk that open-source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market or provide our solutions as currently marketed or provided. Companies that incorporate open-source software into their products have, in the past, faced claims seeking enforcement of open-source license provisions and claims asserting ownership of open-source software incorporated into their product. If an author or other third party were to allege that we had not complied with the conditions of an open-source license, we could incur significant legal costs defending ourselves against such allegations. In the event such claims were successful, we could be subject to significant damages or be enjoined from the distribution of our software. As a result of our current or future use of open-source software, we may face claims or litigation, be required to release our proprietary source code, pay damages for breach of contract, re-engineer our solutions, discontinue making our solutions available in the event re-engineering cannot be accomplished on a timely basis, or take other remedial action. Any such re-engineering or other remedial efforts could require significant additional research and development resources, and we may not be able to successfully complete any such re-engineering or other remedial efforts. Further, in addition to risks related to license requirements, use of certain open-source software can lead to greater risks than use of third-party commercial software, as open-source licensors generally do not provide warranties or controls on the origin of software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a negative effect on our business, financial condition, and results of operations.

Cyberattacks and other security breaches affecting, or significant interruptions to, information technology systems on which we rely could have an adverse effect on our business, operations and financial condition, including through harm to our reputation and exposure to liability.

In the ordinary course of our business, we collect, store, and transmit confidential information, including IP, proprietary business information, and personal information of customers, our employees, and contractors (collectively, "Confidential Information"). We also rely on computer systems, hardware, software, technology infrastructure, and online sites and networks for both internal and external operations that are critical to our business and the operation of our energy storage systems (collectively, "IT Systems"). We own and manage some of these IT Systems but also rely on third parties for a range of IT Systems and related products and services. We face numerous and evolving cybersecurity risks that threaten the confidentiality, integrity, and availability of our IT Systems and Confidential Information, including computer malware and viruses (e.g., ransomware), malicious code, misconfigurations, bugs or other vulnerabilities, physical or electronic break-ins, cyberattacks, phishing attacks and other social engineering schemes, employee theft or misuse, human error, fraud, denial or degradation of service attacks and attacks by sophisticated nation-state and nation-state-supported actors, terrorism, war, infrastructure changes and capacity constraints, telecommunication and electrical failures, and similar attacks or disruptions. Any of these could lead to interruption and delays in our services and operations and the loss, misuse or theft of Confidential Information.

Such attacks against online networks have become more prevalent and there is an increased likelihood they may occur on our IT Systems or those of our third-party service providers in the future. Furthermore, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. Even if identified, we may be unable to adequately investigate or remediate incidents or breaches due to attackers increasingly using tools and techniques—including artificial intelligence—that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. Due to the political uncertainty involving Russia and Ukraine, there is an increased likelihood of an escalation of tensions that could result in cyberattacks or cybersecurity incidents that may either directly or indirectly impact our operations.

We and certain of our service providers are from time to time subject to cyberattacks and security incidents. While we do not believe that we have experienced any significant system failure, accident or security breach to date, any successful attempt by cyber-attackers or other disruption to our services or IT Systems, could harm our business, result in regulatory investigations and enforcement actions, expose us to legal liability, cause us to incur material costs, including to provide required notifications to third-parties including data subjects, result in the misappropriation of funds or other IP, be

expensive to investigate and remedy and damage our reputation or brand and ability to attract and retain customers. Insurance may not be sufficient to cover significant expenses and losses related to cyberattacks or other interruptions to our systems. Efforts to prevent cyber-attackers from entering IT Systems are expensive to implement, and there can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our IT Systems and Confidential Information, and we may not be able to ensure the implementation or enforcement of the same with respect to our third-party vendors.

We continue to implement processes and procedures designed to enable us to quickly recover from a disaster or catastrophe and continue business operations. We have tested this capability under controlled circumstances, however, there are several factors ranging from human error to data corruption that could materially impact the efficacy of such processes and procedures, including by lengthening the time services are partially or fully unavailable to customers and users. It may be difficult or impossible to perform some or all recovery steps and continue normal business operations due to the nature of a particular cyber incident, disaster or catastrophe, especially during peak periods, which could cause additional reputational damage, or loss of revenues, any of which could adversely affect our business, results of operations, and financial results. In addition, we have experienced rapid growth and may continue to grow in the future. In the event of such growth, our IT Systems may not be adequate, as currently designed, to protect us from data security breaches and other disruptions. In the future our energy storage systems and any digital platform that we develop may experience outages and other performance problems due to a variety of factors, including infrastructure changes, third-party service providers, human or software errors and capacity constraints. We may also face changes in our energy storage systems, which could lead to damages, accidents and or system disruptions. We may in the future experience blackmail for our proprietary software or any software underpinning any digital platform that we may develop, which could shut down operation of our IT Systems, those of our potential customers, or cause other damage to such systems.

We have service agreements with data center providers and other third-party service providers, and interruptions to their services, their network providers or with the systems allocating capacity among their users, including us, could adversely affect our ability to serve our customers or perform our administrative work. Our third-party service providers could decide to close their facilities without adequate notice. Any financial difficulties, such as bankruptcy or reorganization, faced by our third-party service providers or any of the service providers with whom they contract may have negative effects on our business, the nature and extent of which are difficult to predict. If our third-party service providers are unable to keep up with our needs for capacity, this could have an adverse effect on our business. In the event that our agreements with any of our third-party service providers are terminated, or we add additional cloud infrastructure service providers, we may experience significant costs or downtime in connection with the transfer to, or the addition of, new cloud infrastructure service providers. Any of the above circumstances or events may harm our reputation and brand or increase our costs, and adversely affect our business, financial condition, and results of operations.

Our systems include complex software and technology systems and do not have a meaningful history of operation, and there can be no assurance such systems and technology will perform as expected or that software, engineering or other technical defects will not be discovered until after a system is installed and operated by a customer. If our energy storage systems contain engineering or construction defects, our business and financial results could be harmed. In addition, the development and updating of these systems will require us to incur potentially significant costs and expenses.

To date, we have deployed three fully operational BESSs. Our products may contain defects in design, engineering, or construction that may cause them not to perform as expected or may require repair. Additionally, our energy storage systems use a substantial amount of software to operate which may require modification and updates over the life of such systems. Software products are inherently complex and often contain defects and errors when first introduced. These defects and errors can manifest in any number of ways in our products, including through diminished performance, security vulnerabilities, malfunctions, or even permanently disabled products. Additionally, it is difficult for us to evaluate the manufacturing and construction of our energy storage systems until there are working examples that have been manufactured, constructed, and used by us and/or our customers.

There can be no assurance that we will be able to detect and fix any defects in the hardware or software of our energy storage systems, and such defects may not become apparent until a system is installed and operated by a customer. Our energy storage systems may not perform consistent with customers' expectations or consistent with other energy storage systems which may become available. Any product defects or any other failure of our energy storage systems to perform as expected could harm our reputation and result in negative publicity, lost revenue, delivery delays, product liability claims and significant warranty and other expenses, and could have a material adverse impact on our business, financial condition, operating results and prospects. Any defects, errors, or other vulnerabilities discovered in our software after release could allow third parties to manipulate or exploit our software, lower revenue, and expose us to claims for damages, any of which could seriously harm our business. We also could face claims for product liability, tort, or breach of warranty. Defending a lawsuit, regardless of its merit, is costly and may divert management's attention and seriously harm our reputation and our business.

In addition, further development and updating of our energy storage systems will require us to incur potentially significant costs and expenses.

Any failure to offer high-quality technical support services may adversely affect our relationships with our customers and adversely affect our financial results.

We anticipate that our customers will depend on our support organization to resolve any technical issues relating to the hardware and software included in our systems. In addition, our sales process is likely to depend highly 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 intend to offer technical support services alongside our systems. While we have a designated team of engineers to support our customers, they 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. At our current stage, it is difficult to predict demand for technical support services and if demand were to increase significantly beyond our expectations, 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.

If any of our products are or are alleged to be defective in design or manufacturing or experience other failures, we may be compelled to undertake corrective actions, which could adversely affect our business, prospects, operating results, reputation and financial condition.

Our energy storage systems are complex and incorporate technology and components that may contain design and manufacturing-related defects and errors and may in the future contain undetected defects or errors. Additionally, we have limited experience from which to evaluate the long-term performance of our energy storage systems. There can be no assurance that we will be able to detect and fix any defects in any of our energy storage system systems prior to the sale to potential consumers.

Generally, we do not manufacture the components of our energy storage systems and we rely on suppliers and subcontractors to manufacture such components. We provide installation, construction, and commissioning services for our customers that purchase our products. Although we have implemented quality control initiatives to help prevent defects and issues, defects and issues may still occur in the future that may result in significant expenses or disruptions of our operations.

Since we do not manufacture certain components of our energy storage systems, our ability to seek recourse for liabilities and recover costs from our suppliers and subcontractors depends on our contractual rights as well as the financial condition and integrity of such suppliers and subcontractors. Furthermore, our suppliers and subcontractors may be unable or not required to correct manufacturing defects or other failures of such components of our energy storage systems in a manner satisfactory to our customers, which could adversely affect customer satisfaction, market acceptance, and our business reputation.

For BESSs, on rare occasions, lithium-ion batteries can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion batteries. Any defective performance could subject us to lawsuits, product recalls, or redesign efforts, all of which would be time consuming and expensive. Additionally, negative public perception regarding the suitability of the components in our energy applications could adversely affect our business and reputation.

Any defects or errors in product or services offerings, or the perception of such defects or errors, or other performance problems could result in any of the following, each of which could adversely affect our business, financial condition, and results of operations:

- expenditure of significant financial and product development resources, including recalls, in efforts to analyze, correct, eliminate, or work around errors or defects;
- significant re-engineering work;
- loss of existing or potential customers or partners;
- interruptions or delays in sales;
- delayed or lost revenue;

- delay or failure to attain market acceptance;
- delay in the development or release of new functionality or improvements;
- negative publicity and reputational harm;
- sales credits or refunds;
- security vulnerabilities, data breaches, and exposure of confidential or proprietary information;
- diversion of development and customer service resources;
- breach of warranty claims;
- legal claims and regulatory actions under applicable laws, rules, and regulations; and
- the expense and risk of litigation.

Risks Related to Government Regulation

Changes to U.S. tariff and import/export regulations may have a negative effect on our business, financial condition and results of operations.

The United States has recently enacted and proposed to enact significant new tariffs, as well as changes to existent tariffs. In particular, the Section 301 tariff rate on lithium-ion non-EV batteries imported from China has been amended several times since the beginning of 2025 and may continue to change.

Additionally, President Trump has directed various federal agencies to further evaluate key aspects of U.S. trade policy and there has been ongoing discussion, commentary, and action regarding potential significant changes to U.S. trade policies, treaties, and tariffs. Effective March 4, 2025, the U.S. implemented a 25% additional tariff on imports from Canada (subject to certain exceptions for energy or energy resources) and Mexico, and a 20% additional tariff on imports from China. In response to these tariffs, Canada has proposed retaliatory tariffs. On March 6, 2025, the Trump Administration announced that Canadian and Mexican goods covered by the U.S.-Mexico-Canada Agreement would not be subject to the additional 25% tariff until April 2, 2025.

As of the date of this Annual Report, discussions remain ongoing in respect of certain trade restrictions and tariffs on imports from Canada, China, and Mexico, as well as retaliatory tariffs enacted in response to such actions. In light of these events, there continues to exist significant uncertainty about the future relationship between the U.S. and other countries with respect to such trade policies, treaties, and tariffs. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the United States. Any of these factors could depress economic activity and restrict our access to suppliers or customers and have a material adverse effect on their business, financial condition and results of operations, which in turn would negatively impact us. We have operations, customers and suppliers in the U.S., China and other countries.

Our future financial performance may depend on the continued availability of rebates, tax credits and other financial incentives. The reduction, modification, or elimination of government economic incentives could cause our revenue to decline and harm our financial results.

U.S. federal, state, local and foreign governments provide incentives to end users in the form of rebates, tax credits, and other financial incentives, such as system performance payments and payments for renewable energy credits associated with renewable energy generation. The range and duration of these incentives varies widely by jurisdiction. Our business may rely on these governmental rebates, tax credits, and other financial incentives to significantly lower the effective price of our energy storage systems. However, these incentives may expire on a particular date, end when the allocated funding is exhausted, or be reduced or terminated as a matter of regulatory or legislative policy. These reductions or terminations may occur without warning. The reduction, elimination, or expiration of such incentives therefore could harm our business and cash flows.

In August 2022, the United States passed the IRA, which includes a number of government incentives that support the adoption of energy storage products and services and are anticipated to benefit the Company and its operations. Forthcoming additional guidance to implement the IRA from the U.S. Department of Treasury and other federal administrative agencies could be drafted in such manner that would not be as anticipated and may be adverse to the Company's interests and the current U.S. administration has indicated that they will be reducing or eliminating many of these incentives.

We could be liable for environmental, health, and safety ("EHS") issues resulting from our operations, which could impact our reputation, our business, and our operating results.

We are subject to EHS laws and regulations in jurisdictions in which we operate, including those governing worker safety and the disposal of hazardous materials and wastes. EHS laws also cover other topics, such as emissions to air, water (including groundwater), and soil, noise, and impacts to natural resources, including various wildlife species, or areas, any of which we may be or become subject to in connection with our operations and projects. EHS laws and regulations can be complex and often change. These laws can give rise to strict, joint and several liability for administrative oversight costs, cleanup costs, property damage, bodily injury, fines, and penalties. Capital and operating expenses needed to comply with EHS laws and regulations can be significant, and violations may result in substantial fines and penalties or third-party damages.

Our operations involve the use of hazardous, flammable, and explosive materials in our battery and green hydrogen storage solutions. Our operations also produce hazardous wastes. We cannot eliminate the risk of contamination or injury from the generation, transportation, or disposal of such materials. In the event of contamination or injury resulting from our or our third-party manufacturers' use of, or associated with the transportation or disposal of, hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties. We maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from exposure to hazardous materials with a policy limit that we believe is customary for similarly situated companies and adequate to provide us with insurance coverage for foreseeable risks; however, this insurance may not provide adequate coverage against potential liabilities and not all workers have or may agree to our workers' compensation policy.

In addition, maintaining compliance with applicable EHS laws requires significant time and management resources and could cause delays in our ability to build out, equip and operate our facilities as well as service our installed energy storage systems, which would adversely impact our business, our prospects, our financial condition, and our operating results. In addition, EHS laws and regulations such as the Comprehensive Environmental Response, Compensation and Liability Act in the United States impose liability on several grounds including for the investigation and cleanup of contaminated soil and ground water, for building contamination, for impacts to human health and for damages to natural resources. We could incur liability under EHS laws and regulations if contamination is discovered in the future at properties formerly or currently owned, leased or operated by us, or properties to which hazardous substances were sent by us. Such liability can be strict, joint and several. We are subject to various occupational health and safety laws which may require us to incur additional costs, disrupt operations, or otherwise adversely impact our business.

Many of our customers who have agreed to purchase our energy storage systems have high standards, and any EHS noncompliance by us could harm our reputation and impact a current or potential customer's buying decision. Additionally, in many cases we contractually commit to performing all necessary installation work on a fixed-price basis, and unanticipated costs associated with environmental remediation, worker safety, and/or EHS compliance expenses may cause the cost of performing such work to exceed our revenue. The costs of complying with EHS laws, regulations, and customer requirements, and any claims concerning noncompliance or liability with respect to contamination in the future, could have a material adverse effect on our financial condition or our operating results.

Action by governmental authorities and local residents to restrict construction or use of our systems or the projects/facilities that rely on our systems in their localities could substantially harm our business and financial results.

In the United States and elsewhere, the construction and implementation of our systems is subject to local laws, regulations, rules and agreements regarding zoning, permitting and land use. From time to time, various interest groups lobby for or against amendments to such rules that would allow potential customers to implement our systems in locations desirable to them. In certain cases, potential customers may need to petition for changes or waivers to such rules in order to be allowed to implement our systems. In all cases, governmental authorities and local residents may oppose the implementation of our systems by our potential customers, which could cause delays, potential damage to our relationships with customers and increased costs to us and our customers. If laws, regulations, rules, or agreements significantly restrict or discourage our potential customers in certain jurisdictions from purchasing and implementing our systems, or such customers from constructing the projects/facilities that will utilize our systems, it would have a material adverse effect on our business, results of operations, and financial condition. In addition, future macroeconomic pressures and public policy concerns could continue to lead to new laws and regulations, or interpretations of existing laws and regulations, that could limit our future customers' use of our systems.

Any actual or perceived failure to comply with laws, regulations and rules relating to privacy, information security, and data protection could subject us to liability, damage our reputation, increase our costs and otherwise adversely affect

our business opportunities, results of operations and financial condition. In addition, the ongoing costs of complying with such laws, regulations and rules could be significant.

We are and may become subject to various state, federal and foreign laws regarding privacy, information security and data protection. In particular, our handling of data relating to individuals is subject to a variety of laws and regulations relating to privacy, data protection, and information security, and we may become subject to additional obligations, including contractual obligations, relating to our maintenance and other processing of this data. For example, the European Union's General Data Protection Regulation, imposes stringent requirements for processing the personal data of individuals within the European Economic Area ("EEA") or in the context of our activities within the EEA and provides for significant penalties, among other things, for noncompliance.

In the U.S., certain states have adopted privacy and security laws and regulations, which govern the privacy, processing and protection of personal information. For example, the California Consumer Privacy Act, as amended by the California Privacy Rights Act, creates individual privacy rights for California individuals (including employees), increases the privacy and security obligations of entities handling certain personal information, and creates a new California data protection agency authorized to issue substantive regulations which could result in increased privacy and information security enforcement.

Laws, regulations, and other actual and potential obligations relating to privacy, data protection, and data security are evolving rapidly, and the regulatory landscape regarding privacy, data protection, and data security is likely to remain uncertain for the foreseeable future. We expect to be subject to new laws and regulations, or new interpretations of laws and regulations, in the future in various jurisdictions. These laws, regulations, and other obligations, and changes in their interpretation, could require us to modify our operations and practices, restrict our activities, and increase our costs in the future, and it is possible that these laws, regulations, and other obligations may be inconsistent with one another or be interpreted or asserted to be inconsistent with our business or practices. Any actual or perceived inability to adequately address privacy and security concerns or comply with applicable privacy and information security laws, rules and regulations, our internal policies and procedures, or our contracts governing our processing of personal information, could result in negative publicity, government investigations and enforcement actions, claims by third parties and damage to our reputation, any of which could have an adverse effect on our business, prospects, results of operations, financial position and reputation.

We are subject to anti-bribery, anti-corruption, including the U.S. Foreign Corrupt Practices Act, as well as export control laws, customs laws, sanctions laws and other laws governing our operations. If we fail to comply with these laws, we could be subject to civil or criminal penalties, other remedial measures and legal expenses, any of which would adversely affect our business, financial condition and results of operations.

We are subject to anti-corruption, anti-bribery, and other similar laws and regulations in various jurisdictions in which we operate, including the U.S. Foreign Corrupt Practices Act ("FCPA"), and other anti-corruption laws and regulations. These laws generally prohibit us and our officers, directors, employees and business partners acting on our behalf, including agents, from corruptly offering, promising, authorizing or providing anything of value to obtain or retain business or otherwise obtain favorable treatment and require companies to maintain accurate books and records and a system of internal controls or adequate procedures to prevent bribery.

We are also subject to economic sanctions laws, export control laws and regulations, as well as customs regulations, in the various jurisdictions in which we operate, including those administered and enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, His Majesty's Treasury of the United Kingdom, the United Nations Security Council, the European Union (and its member states) and other relevant sanctions authorities.

We have implemented and maintain policies and procedures designed to promote compliance by us and our directors, officers, employees, representatives, consultants and agents with the FCPA, the Bribery Act and other anti-corruption laws, as well as economic sanctions and export controls. We cannot assure you, however, that any such policies and procedures will be sufficient or that directors, officers, employees, representatives, consultants and agents have not engaged, and will not engage, in conduct for which we may be held responsible, nor can we assure you that our business partners have not engaged, and will not engage, in conduct that could materially affect their ability to perform their contractual obligations to us or result in our being held liable for such conduct. Violations of the FCPA, Bribery Act, other anti-corruption laws, economic sanctions, export control laws and/or anti-money laundering and anti-terrorism laws or regulations may result in severe criminal or civil sanctions, and we may be subject to other liabilities, as well as damage to our business continuity or brand, which could have a material adverse effect on our business, financial condition and results of operations.

Litigation, regulatory actions and compliance issues could subject us to significant fines, penalties, judgments, remediation costs, negative publicity and requirements resulting in increased expenses.

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 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. To the extent such proceedings also generate negative publicity, our reputation and business could also be adversely affected. In addition, handling compliance issues and the settlement of claims could adversely affect our financial condition and results of operations.

Government reviews, inquiries, investigations, and actions could harm our business or reputation.

As we operate in various locations around the world, our operations in certain countries are subject to significant governmental scrutiny and may be adversely impacted by the results of such scrutiny. The regulatory environment with regard to our business is evolving, and officials often exercise broad discretion in deciding how to interpret and apply applicable regulations. From time to time, we receive formal and informal inquiries from various government regulatory authorities, as well as self-regulatory organizations, about our business and compliance with laws, regulations or standards.

Any determination that our operations or activities, or the activities of our employees, are not in compliance with existing laws, regulations or standards could result in the imposition of substantial fines; civil or criminal liability; interruptions of business; loss of supplier, vendor, customer or other third-party relationships; termination of necessary licenses and permits; or similar results; all of which could potentially harm our business and/or reputation. Even if an inquiry does not result in these types of determinations, regulatory authorities could cause us to incur substantial costs or require us to change our business practices in a manner materially adverse to our business and could create negative publicity, which could harm our business and/or reputation.

Risks Related to Ownership of Energy Vault's Securities

Concentration of ownership among our executive officers, directors, and their affiliates may prevent new investors from influencing significant corporate decisions.

As of December 31, 2024, our executive officers, directors and their affiliates as a group beneficially own approximately 29.7% of our outstanding common stock. As a result, these stockholders are able to exercise a significant level of control over all matters requiring stockholder approval, including the election of directors, appointment and removal of officers, any amendment of the amended and restated certificate of incorporation and approval of mergers and other business combination transactions requiring stockholder approval. This control could have the effect of delaying or preventing a change of control or changes in management and will make the approval of certain transactions difficult or impossible without the support of these stockholders.

The Company qualifies as an "emerging growth company" within the meaning of the Securities Act, and in reliance on SEC guidance, takes advantage of certain exemptions from disclosure requirements available to emerging growth companies, as well as "smaller reporting companies," which could make our securities less attractive to investors and may make it more difficult to compare our performance to the performance of other public companies.

We qualify as an "emerging growth company" as defined in Section 2(a)(19) of the Securities Act, as modified by the JOBS Act. As such, the Company is eligible for and intends to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies for as long as it continues to be an emerging growth company, including (a) the exemption from the auditor attestation requirements with respect to internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act, (b) the exemptions from say-on-pay, say-on-frequency and say-on-golden parachute voting requirements and (c) reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements. The Company will remain an emerging growth company until the earliest of (i) the last day of the fiscal year in which the market value of our common stock that is held by non-affiliates exceeds $700 million as of June 30 of that fiscal year, (ii) the last day of the fiscal year in which we have total annual gross revenue of $1.235 billion or more during such fiscal year (as indexed for inflation), (iii) the date on which we have issued more than $1 billion in non-convertible debt in the prior three-year period or (iv) December 31, 2026. In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the exemption from complying with new or revised accounting standards provided in Section 7(a)(2)(B) of the Securities Act as long as the Company is an emerging growth company. An emerging growth company can therefore delay the adoption

of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to opt out of such extended transition period and, therefore, the Company may not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Even after the Company no longer qualifies as an emerging growth company, we may in the future qualify as a "smaller reporting company," which would allow it to continue to take advantage of many of the same exemptions from disclosure requirements, including not being required to comply with the auditor attestation requirements, Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements. Moreover, smaller reporting companies may choose to present only the two most recent fiscal years of audited financial statements in their Annual Reports on Form 10-K.

Investors may find the Company's common stock less attractive because the Company will rely on these exemptions, which may result in a less active trading market for our common stock and its price may be more volatile.

There can be no assurance that our common stock will be able to continue to comply with the continued listing standards of the NYSE.

The shares of our common stock and warrants are listed on the NYSE. If the NYSE delists the common stock from trading on its exchange for failure to meet the listing standards, we and our stockholders could face significant material adverse consequences including:

- a limited availability of market quotations for our securities;
- a determination that our common stock is a "penny stock," which will require brokers trading in our common stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for our common stock;
- a limited amount of analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

We expect to continue incurring significant increased expenses and administrative burdens as a public company, which could negatively impact our business, financial condition and results of operations.

We incur increased legal, accounting, administrative and other costs and expenses as a public company. We expect such costs and increases to be increased further after we are no longer an emerging growth company. The Sarbanes-Oxley Act, including the requirements of Section 404, as well as rules and regulations subsequently implemented by the SEC, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations promulgated and to be promulgated thereunder, the Public Company Accounting Oversight Board and the securities exchanges, impose additional reporting and other obligations on public companies. Compliance with public company requirements will increase costs and make certain activities more time-consuming. A number of those requirements require us to carry out activities we have not done previously. Furthermore, if any issues in complying with those requirements are identified (for example, if the auditors identify a significant deficiency or material weaknesses in the internal control over financial reporting), we could incur additional costs to rectify those issues, and the existence of those issues could adversely affect our reputation or investor perceptions.

If, securities or industry analysts cease publishing research or reports about the Company, its business, or its market, or if they change their recommendations regarding the Company's securities adversely, the price and trading volume of the Company's securities could decline.

Research and reports that industry or securities analysts publish about the Company, its business, market or competitors may influence the public market for our securities. If securities or industry analysts cease coverage of the Company, the price and trading volume of our publicly traded securities would likely be negatively impacted. If any of the analysts who may cover the Company adversely change their recommendation regarding our securities, or provide more favorable relative recommendations about our competitors, the price of our publicly traded securities would likely decline. If any analyst who may cover the Company were to cease coverage of the Company or fail to regularly publish reports on us, the Company could lose visibility in the financial markets, which in turn could cause the price or trading volume of our publicly traded securities to decline.

Because we have no current plans to pay cash dividends on the Company's common stock for the foreseeable future, you may not receive any return on investment unless you sell the Company's common stock for a price greater than that which you paid for it.

The Company may retain future earnings, if any, for future operations and expansion and has no current plans to pay any cash dividends for the foreseeable future. Any decision to declare and pay dividends will be made at the discretion of the

Company's Board and will depend on, among other things, the Company's results of operations, financial condition, cash requirements, contractual restrictions and other factors that the Company's Board may deem relevant. In addition, the Company's ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness it or its subsidiaries incur. As a result, you may not receive any return on an investment in the Company's common stock unless you sell your shares of common stock for a price greater than that which you paid for it.

The Company may issue additional shares of common stock or other equity securities without your approval, which would dilute your ownership interests and may depress the market price of the Company's common stock.

As of December 31, 2024, the Company had warrants outstanding to purchase an aggregate 5,166,666 of private warrants. In addition, as of December 31, 2024, the Company was able to issue an aggregate of up to 40,579,962 shares of common stock pursuant to our 2022 Equity Incentive Plan and 8,000,000 shares of common stock pursuant to our 2022 Employment Inducement Plan, which amounts are inclusive of previously granted awards and which may be subject to increase from time to time. The Company may also issue additional shares of common stock or other equity securities of equal or senior rank in the future in connection with, among other things, future acquisitions or repayment of outstanding indebtedness, without stockholder approval, in a number of circumstances.

The issuance of additional shares or other equity securities of equal or senior rank would have the following effects:

- existing stockholders' proportionate ownership interest in the Company will decrease;
- the amount of cash available per share, including for payment of dividends in the future, may decrease;
- the relative voting strength of each previously outstanding share of common stock may be diminished; and
- the market price of the Company's common stock may decline.

Our stock price may be volatile or may decline regardless of our operating performance. You may lose some or all of your investment.

The trading price of our common stock is likely to be volatile. The stock market recently has experienced extreme volatility. This volatility often has been unrelated or disproportionate to the operating performance of particular companies. You may not be able to resell your shares at an attractive price due to a number of factors such as the following:

- our operating and financial performance and prospects;
- our quarterly or annual earnings or those of other companies in our industry compared to market expectations;
- conditions that impact demand for our services;
- future announcements concerning our business, our customers' businesses, or our competitors' businesses;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- the market's reaction to our reduced disclosure and other requirements as a result of being an "emerging growth company" under the JOBS Act or relying on "smaller reporting company" exemptions;
- the size of our public float;
- coverage by or changes in financial estimates by securities analysts or failure to meet their expectations;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- changes in laws or regulations which adversely affect the energy storage industry generally or Energy Vault specifically;
- changes in accounting standards, policies, guidance, interpretations, or principles;
- impacts from bank failures, reducing the financing options for the Company and its customers and suppliers;
- changes in senior management or key personnel;
- issuances, exchanges or sales, or expected issuances, exchanges, or sales of our capital stock;
- changes in our dividend policy;
- sales of shares of our common stock by significant stockholders;
- adverse resolution of new or pending litigation against us; and

- changes in general market, economic, and political conditions in the United States and global economies or financial markets, including those resulting from inflation including the effects of upward changes to the interest rate curves, natural disasters, terrorist attacks, acts of war, and responses to such events.

These broad market and industry factors may materially reduce the market price of our securities, regardless of our operating performance. In addition, price volatility may be greater if the public float and trading volume of the common stock is low. As a result, you may suffer a loss on your investment.

Activist stockholders may attempt to effect changes to our company, which could adversely affect our corporate governance, results of operations, and financial condition.

Campaigns by stockholders to effect changes at publicly traded companies are sometimes led by investors through various corporate actions, including Board nominations and proxy contests. We may become subject to one or more campaigns by stockholders who desire to increase stockholder value in the short term. If we become engaged in a proxy contest with an activist stockholder in the future, our business and operations could be adversely affected as responding to such contests or other activist stockholder actions would be costly and time-consuming, and we would expect that such actions would disrupt our operations and divert the attention of management and our employees from executing our strategic plans and product launch. In addition, if individuals are elected to our Board with a specific agenda or without relevant experience or expertise, it may adversely affect the ability of the Board to function effectively, as well as our ability to effectively and timely implement our strategic plans, which are focused on building stockholder value. Any perceived uncertainties as to our future direction as a result of stockholder activism or changes to the composition of our Board may lead to the perception of a change in the direction of our business and instability or lack of continuity with respect to our products which may cause concerns for our customers or be exploited by our competitors. As a result, we could experience significant volatility and a decline of our stock price, the loss of potential business opportunities and difficulties in attracting and retaining qualified personnel and customers.

Anti-takeover provisions in our certificate of incorporation, our bylaws and under Delaware law could make an acquisition of the Company, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove the Company's current management.

Our certificate of incorporation and our bylaws contain provisions that may delay or prevent an acquisition of the Company or a change in its management. These provisions may make it more difficult for stockholders to replace or remove members of its Board. Because the Board is responsible for appointing the members of the management team, these provisions could in turn frustrate or prevent any attempt by its stockholders to replace or remove its current management. In addition, these provisions could limit the price that investors might be willing to pay in the future for shares of Company common stock. Among other things, these provisions include:

- the limitation of the liability of, and the indemnification of, its directors and officers;
- a prohibition on actions by its stockholders except at an annual or special meeting of stockholders;
- a prohibition on actions by its stockholders by written consent; and
- the ability of the Board to issue preferred stock without stockholder approval, which could be used to institute a "poison pill" that would work to dilute the stock ownership of a potential hostile acquirer, effectively preventing acquisitions that have not been approved by the Board.

Moreover, because the Company is incorporated in Delaware, it is governed by the provisions of Section 203 of the DGCL, which prohibits a person who owns 15% or more of its outstanding voting stock from merging or combining with the Company for a period of three years after the date of the transaction in which the person acquired 15% or more of the Company's outstanding voting stock, unless the merger or combination is approved in a prescribed manner. This could discourage, delay or prevent a third party from acquiring or merging with the Company, whether or not it is desired by, or beneficial to, its stockholders. This could also have the effect of discouraging others from making tender offers for the Company's common stock, including transactions that may be in its stockholders' best interests. Finally, these provisions establish advance notice requirements for nominations for election to the Board or for proposing matters that can be acted upon at stockholder meetings. These provisions would apply even if the offer may be considered beneficial by some stockholders.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program includes a cybersecurity incident response plan.

We design and assess our program based on the National Institute of Standards and Technology Cybersecurity Framework ("NIST CSF"). This does not imply that we meet any particular technical standards, specifications, or requirements, only that we use the NIST CSF as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

Our cybersecurity risk management program is integrated into our overall enterprise risk management program, and shares common methodologies, reporting channels, and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational, and financial risk areas.

Our cybersecurity risk management program includes:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise IT environment;
- a security team principally responsible for managing our (i) cybersecurity risk assessment processes, (ii) security controls, and (iii) response to cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security controls;
- cybersecurity awareness training of our employees, incident response personnel, and senior management;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents; and
- a third-party risk management process for service providers, suppliers, and vendors who have access to our critical systems and information.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition. For more information, see our risk factor titled "Cyberattacks and other security breaches could have an adverse effect on our business and operations, harm our reputation, and expose us to liability."

Cybersecurity Governance

Our Board considers cybersecurity risk as part of its risk oversight function and has delegated to the Audit Committee oversight of cybersecurity and other information technology risks. The Audit Committee oversees management's implementation of our cybersecurity risk management program.

The Audit Committee receives regular reports from the Chief Information Officer ("CIO") on our cybersecurity risks. In addition, the CIO updates the Audit Committee, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential.

The Audit Committee reports to the full Board regarding its activities, including those related to cybersecurity. The full Board also receives briefings from the CIO on our cyber risk management program. Board members receive presentations on cybersecurity topics from our CIO, internal security staff, or external experts as part of the Board's continuing education on topics that impact public companies.

Our management team, including the Chief Executive Officer ("CEO"), CIO, Chief Marketing Officer, and Chief Legal Officer, is responsible for assessing and managing our material risks from cybersecurity threats. The CIO, in collaboration with the Audit Committee, has primary responsibility for our overall cybersecurity risk management program and supervises both our internal cybersecurity personnel and our retained external cybersecurity consultants.

Energy Vault's CIO has more than 25 years of cybersecurity and risk management experience across multiple market verticals, including extensive experience overseeing critical and complex cybersecurity teams spanning multiple federal agencies and private industry. Further, the Audit Committee has a combined twelve years of experience in organizational cybersecurity and risk management.

Our management team supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; threat intelligence and other

information obtained from governmental, public, or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in the information environment.

ITEM 2. PROPERTIES

Our principal offices are located in Westlake Village, California, Vienna, Virginia, and Lugano, Switzerland. The Westlake Village office serves as our U.S. headquarters and the Lugano office serves as our international headquarters. The Westlake Village facility consists of 10,042 square feet and is under a lease that expires in December 2029. The Lugano facility is under a lease that expires in July 2027. The Vienna facility is under a lease that expires in January 2026.

ITEM 3. LEGAL PROCEEDINGS

Energy Vault has been and continues to be involved in legal proceedings that arise in the ordinary course of business, the outcome of which, if determined adversely to Energy Vault, would not individually or in the aggregate have a material adverse effect on Energy Vault's business, financial condition, and results of operations. From time to time, Energy Vault may become involved in additional legal proceedings arising in the ordinary course of its business.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information for Common Stock

Our common stock is listed on the New York Stock Exchange under the ticker symbol "NRGV."

Holders of Record

At March 28, 2025, there were 119 holders of record of our common stock.

Dividend Policy

We have not paid any cash dividends on our common stock to date. The payment of cash dividends in the future is dependent upon our revenues and earnings, if any, capital requirements, the terms of any indebtedness, and general financial condition. The payment of any cash dividends will be within the discretion of the Board at such time. In addition, the Board is not currently contemplating and does not anticipate declaring any stock dividends in the foreseeable future.

Unregistered Sales of Equity Securities and Use of Proceeds

There were no unregistered sales of the Company's equity securities during 2024.

Repurchase of Equity Securities

There were no repurchases of the Company's equity securities during 2024.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provide information which Energy Vault's management believes is relevant to an assessment and understanding of Energy Vault's consolidated results of operations and financial condition as of December 31, 2024 and for the fiscal year ended December 31, 2024. The discussion and analysis should be read together with our audited consolidated financial statements and related notes that are included elsewhere in this Annual report on Form 10-K. This discussion may contain forward-looking statements based upon Energy Vault's current expectations that involve risks, uncertainties, and assumptions. Energy Vault's actual results may differ materially from those anticipated in these forward-looking statements. You should review the section titled "Cautionary Note Regarding Forward-Looking Statements" for a discussion of forward-looking statements and the section titled "Risk Factors," for a discussion of factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis and elsewhere in this Annual Report. Energy Vault's historical results are not necessarily indicative of the results that may be expected for any period in the future. Unless the context otherwise requires, all references in this Annual Report to "we," "our," "us," "the Company," or "Energy Vault" refer to Energy Vault Holdings, Inc., a Delaware corporation, and its subsidiaries both prior to the consummation of and following the Merger (as defined below).

Our Business

Energy Vault provides a diverse technology portfolio of turnkey energy storage platforms, including proprietary gravity, battery, and green hydrogen energy storage hardware technologies, supported by our technology-agnostic energy management system software and integration platform. In 2024, we began a multi-year transition from providing this technology portfolio solely to third parties through a build-and-transfer model or licensing model, to also taking an ownership interest in energy storage assets in select attractive markets. We believe that our experience in the build-and-transfer business, combined with our proprietary energy storage technologies and geographical footprint, uniquely positions us to build and operate storage projects with superior efficiency and reliability.

We incorporate a customer-centric, solutions-based approach toward helping utilities, independent power producers ("IPP"), and large industrial energy users reduce their energy costs while maintaining power reliability. As the global demand for electricity increases and the world transitions to an economy powered by increasingly intermittent renewable energy such as solar and wind, the ability to provide clean, reliable, and affordable electricity to a growing global population will depend heavily on the ability to store and distribute energy at appropriate times. We are striving to create a world powered by renewable resources so that everyone will have access to clean, reliable, sustainable, and affordable energy.

Key Factors and Trends Affecting our Business

We believe that our performance and future success depend upon several factors that present significant opportunities for us, but also pose risks and challenges including those discussed below and in Part I, Item 1A. "Risk Factors."

Development and Deployment Plan for Third-Party Sales of Energy Storage Products

We primarily rely on two models for project delivery, which are (i) EPC delivery and (ii) EEQ delivery. Under the EPC model, we generally rely on third-party EPC firms to construct our storage systems, under our supervision with dedicated teams tasked with project management. Under the EEQ model, we are responsible for the delivery of the equipment we provide, as well as resolving issues within our scope of supply.

Our cost projections are heavily dependent upon raw materials (such as steel), equipment (such as motors, batteries, inverters, and power electronic devices), and technical and construction service providers (such as engineering, procurement, construction firms).

Energy Storage Industry

The utility-scale energy storage industry is increasing at a rapid pace, driven by increased demand for electricity, global transitions toward renewable energy, and increased focus on grid resilience.

According to a report from the U.S. Department of Energy in December 2024, electricity demand is forecasted to grow substantially in the United States over the next few decades. Electricity demand is expected to be driven primarily by new data centers, artificial intelligence, new manufacturing facilities, electric vehicles, and sector-wide electrification. Electricity demand for data centers alone is expected to grow at a 13% to 27% compound annual growth rate through 2028.

Over the past decade, deployment of renewable energy resources has accelerated and there has been an industry-wide push for decarbonization, which is increasing the demand for grid-scale energy storage. A major obstacle to transitioning to renewable sources of energy such as wind and solar is the intermittent availability of these types of energy sources. Energy storage solutions are needed to balance the production intermittency of variable renewable energy to support a clean-energy future and a balanced electrical grid infrastructure. Both government mandates and companies focused on reducing energy use, cost, and emissions are expected to propel the shift to renewable sources of power.

Additionally, software solutions play a vital role in assisting energy storage owners in managing the growing complexities of renewable energy and energy storage markets. As renewable and energy storage asset portfolios expand globally, these stakeholders will need software solutions that enhance asset performance and boost revenue while reducing total ownership costs.

Our expansion of revenue depends on the ongoing adoption of energy storage solutions by our customers and our ability to source, execute, and operate energy storage projects with attractive economics. The growth of the energy storage market that we address is primarily driven by the decreasing cost of energy storage technologies, government mandates, financial incentives to reduce GHG emissions, and efforts to enhance grid stability and efficiency. These dynamics are driving demand for increased energy storage capacity and duration.

Increasing Deployment of Renewable Energy

Deployment of renewable energy resources has accelerated over the last decade, and solar and wind have become a low cost energy source. Energy storage is critical to reducing the intermittency and volatility of renewable energy generation. However, there is no guarantee that the deployment of renewable energy will occur at the rate that is expected. Inflationary pressures, supply chain disruptions, geopolitical conflicts, government regulations, and other factors could result in fluctuations in demand for and deployment of renewable energy resources, adversely affecting our revenue and ability to generate profits in the future.

Competition

The market for our products is competitive, and we may face increased competition as new and existing competitors introduce energy storage solutions and components. Furthermore, as we expand our services and digital applications in the future, we may face other competitors including software providers and hardware manufacturers that offer software solutions. If our market share declines due to increased competition or if we are not able to compete as we expect, our revenue and ability to generate profits in the future may be adversely affected.

Inflation

In the markets in which we operate, there have been higher rates of inflation in recent years. If inflation continues to increase in our markets, it may increase our expenses that we may not be able to pass through to customers. It may also increase the costs of our products that could negatively impact their competitiveness.

Government Regulation and Compliance

Federal, state, and local government statutes and regulations concerning electricity heavily influence the market for our product and services. These statutes and regulations directly affect our owned asset business and indirectly affect our third-party sales business. These statutes and regulations often relate to electricity pricing, net metering, incentives, taxation, competition with utilities and the interconnection of customer-owned electricity generation. In the United States, governments continuously modify these statutes and regulations. Governments, often acting through state utility or public service commissions, change and adopt different rates for commercial customers on a regular basis. These changes could affect our ability to deliver cost savings to our current and future customers for the purchase of electricity.

Each of our owned installations or our customer installations must be designed, constructed, and operated in compliance with applicable federal, state and local regulations, codes, standards, guidelines, policies, and laws. To install and operate energy storage systems on its platform, we, our customers or our partners, as applicable, are required to obtain applicable permits and approvals from local authorities having jurisdiction to install energy storage systems and to interconnect the systems with the local electrical utility.

U.S. Energy Storage Regulation and Legislation

The U.S. Congress is continuously reviewing and passing various climate change proposals, incentives, regulations, and legislation that may support the energy storage industry, including in the form of tax credits and incentives. The implementation of these laws can vary greatly across administrations and take long periods of time before the full extent of regulations are adopted. We cannot guarantee we will realize any or all of the anticipated benefits or incentives under any such enacted regulations or legislation, including the IRA. IRS private letter ruling 201809003 clarified that energy storage is eligible for federal tax credits if charged primarily by qualifying renewable resources.

The IRA adopted in August 2022 contains a number of tax incentive provisions that directly support the adoption of energy storage solutions and services. Before the enactment of the IRA, the Section 48 ITC did not apply to standalone energy storage projects. The IRA added Section 48(a)(3)(A)(ix) to allow a taxpayer that placed in service a standalone energy storage technology with a minimum capacity of 5 kWh to claim the ITC, if certain requirements are met. Energy storage technology that is placed in service after December 31, 2022 and started construction for U.S. federal income tax purposes prior to January 1, 2025, may claim the ITC under Section 48(a). To qualify for the full ITC rate of 30%, an energy storage project will need to satisfy certain labor requirements relating to the payment of prevailing wages and use of apprentices, or have started construction for U.S. federal income tax purposes prior to January 29, 2023. If these requirements are not met, the project may be eligible only for a base rate of 6%. The existing energy ITC will be replaced by a CEITC or “tech neutral” regime, which is available for any investment in a qualified storage facility that is placed in service after calendar year 2024 (certain labor requirements will still apply). The IRA also included bonus credits associated with the ITC, which may be relevant to our business. There is a 10% bonus credit for projects located in certain areas designated as energy communities, an additional 10% bonus credit for projects utilizing products which collectively meet certain minimum domestic content requirements, and a 10% or 20% bonus credit for certain projects less than 5 MW located in a low-income community or that serve low-income community members. Finally, the IRA included a manufacturing production tax credit for specific renewable energy and battery storage related products and components manufactured in the U.S.

We believe we may be positioned to benefit from the bonus credits related to the energy storage systems we intend to own and operate and will stimulate demand for our customers to invest in more energy storage systems. To date, the IRA regulations, proposed regulations and/or guidance issued by the U.S. Department of Treasury and Internal Revenue Service associated with these various tax credits, including but not limited to the ITC, domestic content bonus credit, energy community bonus credit, and manufacturing production tax credit have provided some substantive clarity. However, we are continuing to seek additional clarity on certain aspects of IRA guidance and/or regulation via updated guidance and future proposed and/or final regulations. The potential impact from the change in the U.S. presidential administration to any existing regulations, including any potential ramifications for the IRA and the various tax incentive provisions as well as other government and tax incentives for clean energy and energy storage in the United States, is uncertain at this stage. Some of the guidance and rulemaking enacted under the Biden Administration could be changed or modified by the Trump Administration, creating uncertainty with respect to implementation of the IRA. It remains uncertain whether Congress will modify or repeal the IRA in connection with the budget reconciliation process or otherwise. Accordingly, no assurance can be given that our projects will be eligible for tax credits or other benefits under the IRA.

Finally, recent U.S. tariff policy changes may impact our business and results of operations. The Section 301 tariff rate on lithium-ion non-EV batteries imported from China has been amended several times since the beginning of 2025 and may continue to change. These changes specifically target "batteries" as defined by U.S. Customs and Border Protection, encompassing the cubes, modules, and certain types of cells. The tariff rate on battery "parts"–including separators, electrolytes, cans, and electrodes is expected to remain at its current 25% level.

There is currently much uncertainty relating to potential changes to U.S. tariff policy. In particular, the U.S. government's recent imposition on tariffs on all imported steel may increase our costs. Changes to U.S. tariff policy may adversely impact our supply chain as well as our supply chain strategies detailed herein, both domestically and internationally, which may then have an adverse impact on our results of operations and business.

Recent Developments

In June 2024, the Company executed an engineer, procure, and construct contract with a customer to build a 200 MW/400 MWh BESS in Australia. Additionally, the Company signed a maintenance agreement with this customer to provide long-term maintenance services on the BESS after construction is completed for a 20-year period.

In June 2024, the Company implemented a series of cost savings measures, expected to result in realized cost savings of $6.0 million to $8.0 million annually. During the year ended December 31, 2024, the Company recognized reorganization costs of $1.6 million, consisting of personnel reduction costs related to these cost saving measures.

On September 13, 2024, the Company was notified by the NYSE that it was not in compliance with Section 802.01C of the NYSE Listed Company Manual because the average closing price of the Company's Common Stock was less than $1.00 over a consecutive 30 trading-day period. The notice did not result in the immediate delisting of the Company's Common Stock from the NYSE. On November 1, 2024, the Company received written notice from the NYSE informing the Company that it had regained compliance with the bid price rule as of October 31, 2024.

In October 2024 the Company executed a 10-year offtake agreement with a customer for the Cross Trails BESS that is expected to commence in June 2025. The offtake agreement includes both fixed and variable price components. The aggregate expected remaining future revenue from this contract, including variable fees that the Company believes is probable, is $57.0 million. The variable revenues are forecasted by an independent third-party firm using simulation software that factors in current and projected energy market dynamics, historical and forecasted volatility, and location specific data. The Company considers the low-end simulation results to be probable.

Between October 2024 and March 2025, the Company agreed to loan Stoney Creek BESS Pty Ltd ("Stoney Creek") up to AUD 8.8 million (or $5.5 million) to assist them in paying for BESS project development related costs. The Company also agreed to provide Stoney Creek a bank guarantee of up to AUD 2.5 million (or $1.6 million) as security for a performance bond. On March 17, 2025, the Company entered into a share purchase agreement to acquire Stoney Creek for a nominal purchase price of one hundred Australian dollars. The closing of the acquisition is subject to regulatory review and approval in Australia. Upon closing of the acquisition, the carrying value of the note receivable is expected to be incorporated as part of the total consideration. As of the filing date of this Annual Report, the Company has loaned Stoney Creek AUD 1.4 million (or $0.9 million).

In October, the Company executed a 100 MW/200 MWh EEQ contract to supply B-Vaults to a customer in Texas. The B-Vaults in this contract were delivered to the customer in December 2024. In December 2024, the Company executed an engineer, procure, and construct contract with a customer to build a 100 MW/200 MWh BESS in Australia. Also in December 2024, the Company executed two EEQ contracts for a combined 366.5 MWhs with a large northeastern public utility in the U.S to supply them with B-Vaults.

Key Operating Metrics

The following tables present our key operating metrics for the periods presented (amounts in thousands unless otherwise noted):

	Year Ended December 31,	
	2024	2023
New bookings	$ 406,183	$ 334,595
Cancellations	(182,238)	(128,819)
Net bookings	$ 223,945	$ 205,776
New bookings (in MWh)	1,281	800
Cancellations (in MWh)	(400)	(400)
Net bookings (in MWh)	881	400

	December 31,	
	2024	2023
Developed Pipeline [1]	$ 2,085,908	
Developed Pipeline (in MWh) [1]	9,194	
Backlog [2][3]	$ 433,886	$ 275,376
Backlog (in MWh) [2][3]	1,574	713

[1] Developed pipeline is a new key operating metric that the Company began tracking during the second quarter of 2024, therefore prior period comparable figures have not been included.
[2] The Company changed its definition of backlog during the second quarter of 2024, therefore the Company has presented the comparable amounts as of December 31, 2023 per the new definition.
[3] As of March 17, 2025, the Company maintains a backlog of $660.0 million and a developed pipeline of $2.1 billion associated with additional business booked subsequent to December 31, 2024, net of any adverse impact associated with prevailing equipment costs (namely from lithium-ion battery prices and changes in foreign currency exchange rates for non-U.S. dollar denominated business).

Bookings

Net bookings represent the total aggregate contract value and total MWhs to be delivered from customer contracts signed during the period (i.e., gross bookings), net of the total aggregate value and total MWhs of contracts that were cancelled during the period. The aggregate contract value includes any potential future variable payments from tolling and offtake arrangements that the Company believes are probable of being realized. Probable future variable payments are forecasted by an independent third-party firm using simulation software that factors in current and projected energy market dynamics, historical and forecasted volatility, and location specific data. The Company considers the low-end simulation results to be probable. Potential future IP royalties are not included in bookings. Due to the long-term nature of our contracts, bookings are a key metric that allows us to understand and evaluate the growth of our Company and our estimated future revenue related to our customer contracts.

Developed Pipeline

Developed pipeline represents uncontracted potential revenue from third-party projects where potential prospective customers have either awarded the Company a project or shortlisted the Company for consideration. It also includes potential tolling revenue from projects where the Company is in advanced negotiations to build, own, and operate energy storage systems. Developed pipeline is an internal management metric that we construct using information from our global sales team and is monitored by management to understand the potential anticipated growth of our Company and to estimate potential future revenue. Developed pipeline is influenced by the prevailing foreign exchange rates and equipment prices and may vary from period to period if these inputs change.

Developed pipeline may not generate margins equal to our historical operating results. We have only recently begun to track our developed pipeline on a consistent basis as a performance measure, and as a result, we do not have significant experience in determining the level of realization that we may achieve on these potential contracts. Our customers may experience project delays or cancel orders as a result of external market factors and economic or other factors beyond our control.

Backlog

Backlog represents contracted but unrecognized revenue from projects and services yet to be completed, unrecognized revenue or other income from IP licensing agreements, and unrecognized revenue from tolling arrangements for projects operated by Energy Vault or affiliates. Backlog includes any potential future variable payments from tolling and offtake arrangements that the Company believes is probable of being realized. Probable future variable payments are forecasted by an independent third-party firm using simulation software that factors in current and projected energy market dynamics, historical and forecasted volatility, and location specific data. The Company considers the low-end simulation results to be probable. Potential future IP royalties are not included in backlog. Backlog is a common measurement used in our industry. Our methodology for determining backlog may not, however, be comparable to the methodologies used by others. Effective in the second quarter of 2024, we updated our methodology for computing backlog. Under our previous methodology, our backlog was equivalent to our remaining performance obligations under GAAP. We believe our new methodology for computing backlog allows us to better evaluate the growth of our Company and estimate future revenue.

We cannot guarantee that our backlog will result in actual revenue in the originally anticipated period, or at all. Our customers may experience project delays or cancel orders as a result of external market factors and economic or other factors beyond our control. If our backlog fails to result in revenue as anticipated or in a timely manner, we could experience a reduction in revenue, profitability, and liquidity.

Key Components of Results of Operations

Revenue

The Company generates revenue from the sale of our energy storage products, the licensing of the Company's software solutions and IP, and from long-term service agreements to operate and maintain customer owned energy systems. To date, the Company has primarily generated revenue from the sale of our BESSs and from licensing our EVx technology. In addition to these sources of revenue, in the future we expect to generate revenue from tolling arrangements in connection with energy storage systems that we intend to own and operate.

The Company sells its BESSs under (i) an EPC model and (ii) an EEQ model. When the Company sells a BESS under the EPC model, the Company recognizes revenue over time as we transfer control of our product to the customer. Under an EEQ model, the Company recognizes revenue related to equipment sales upon delivery to the customer and service revenue over time as we provide specialized technical services to the customer.

When the Company licenses its IP, revenue is recognized at the point in time at which the customer obtains control of the licensed technology. When the Company licenses its software solutions or provides operation and maintenance services, the transaction price for each contract is recognized as revenue on a straight-line basis over the term of the contract.

Our revenue is affected by changes in the price, volume, and mix of products and services purchased by our customers, which is driven by the demand of our products, geographic mix of our customers, strength of competitor's product offerings, and the availability of government incentives to the end-users of our products.

Our revenue growth is dependent on continued growth in the number of energy storage systems constructed each year and our ability to increase our share of demand in the geographic regions where we currently compete and plan to compete in the future. Additionally, our revenue growth is dependent on our ability to find attractive projects to build, own, and operate.

Cost of Revenue

Cost of revenue primarily consists of product costs, including purchased equipment, materials and supplies, as well as costs related to subcontractors, direct labor, and product warranties.

Our cost of revenue is affected by underlying costs of equipment and materials such as batteries, inverters, enclosures, transformers, and cables, as well as the cost of subcontractors to provide construction services. We do not currently hedge against changes in the price of raw materials as we do not purchase raw materials. We purchase energy storage system components from our suppliers.

Gross Profit and Gross Profit Margin

Gross profit and gross profit margin may vary from period to period due to the timing of transferring control of significant uninstalled equipment to customers under contracts to sell energy storage systems. When control of significant uninstalled equipment is transferred to customers in a EPC project, the Company recognizes revenue in an amount equal to the cost of that equipment. The profit margin inherent in these materials is deferred until the Company fulfills its obligation to install the materials during construction of the energy storage systems. Generally, margins in an EPC project are lower in the beginning and middle stages as the equipment is delivered, and margins are higher in the later stages as the Company

performs the construction, installation, and commissioning services. As a result, gross profit and gross profit margin will vary from period to period.

Additionally, gross profit and gross profit margin may vary from period to period due to our sales volume, product prices, product costs, product mix, geographical mix, and change in estimates for warranty liabilities.

Sales and Marketing ("S&M") Expenses

S&M expenses consist primarily of internal personnel-related costs for marketing, sales, and related support teams, as well as external costs such as professional service fees, trade shows, marketing and sales-related promotional materials, public relations expenses, website operating and maintenance costs. Personnel-related expenses include salaries, benefits, and stock-based compensation expenses.

Research and Development ("R&D") Expenses

R&D expenses consist primarily of internal and external expenses incurred in connection with our research activities and development programs that include materials costs directly related to product development, testing and evaluation costs, construction costs including labor and transportation of material, overhead related costs and other direct expenses consisting of personnel-related expenses and consulting expenses relating to study of product safety, reliability and development. Personnel-related expenses consist of salaries, benefits, and stock-based compensation expense.

General and Administrative ("G&A") Expenses

G&A expenses consist of information technology expenses, legal and professional fees, travel costs, and personnel-related expenses for our corporate, executive, finance, and other administrative functions, including expenses for professional and contract services. Personnel-related expenses consist of salaries, benefits, and stock-based compensation expense. To a lesser extent, general and administrative expenses include investor relations costs, insurance costs, rent, office expenses, and maintenance costs.

Provision for Credit Losses

Provision for credit losses represents the expense recognized to account for potential losses on accounts receivable, contract assets, and customer financing receivable due to customer defaults or credit deterioration. This provision reflects management's estimate of expected credit losses based on historical trends and forward-looking assessments.

Depreciation and Amortization Expense

Depreciation and amortization expense consists of costs associated with property and equipment, and amortization of intangibles. We expect to invest in additional property, equipment, and other assets as we construct and own energy storage systems, which will result in additional depreciation expense in the future.

Loss on Impairment and Sale of Long-Lived Assets

Asset impairment and loss on sale of assets consists of losses associated with the write-down or sale of property and equipment.

Interest Income

Interest income consists of interest income from our money market funds, interest-bearing savings accounts, customer financing receivable, and convertible note receivable.

Impairment of Equity Securities

Impairment of equity securities relates to impairment of the Company's investment in KORE Power, Inc. ("KORE").

Results of Operations

Consolidated Comparison of Year Ended December 31, 2024 to Year Ended December 31, 2023

The following table sets forth our results of operations for the periods indicated (amounts in thousands):

	Year Ended December 31,		
	2024	2023	$ Change
Revenue	$ 46,199	$ 341,543	$ (295,344)
Cost of revenue	40,012	324,012	(284,000)
Gross profit	6,187	17,531	(11,344)
Operating expenses:			
Sales and marketing	15,839	18,210	(2,371)
Research and development	25,999	37,104	(11,105)
General and administrative	62,971	67,910	(4,939)
Provision for credit losses	29,980	150	29,830
Depreciation and amortization	1,058	893	165
Loss on impairment and sale of long-lived assets	336	—	336
Total operating expenses	136,183	124,267	11,916
Loss from operations	(129,996)	(106,736)	(23,260)
Other income (expense):			
Interest expense	(123)	(35)	(88)
Interest income	5,537	8,152	(2,615)
Impairment of equity securities	(11,730)	—	(11,730)
Other income (expense), net	566	(173)	739
Loss before income taxes	$ (135,746)	$ (98,792)	$ (36,954)

Revenue

The Company recognized revenue for the product and service categories as follows for the years ended December 31, 2024 and 2023 (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Sale of energy storage products [1]	$ 44,592	$ 340,292
Operation and maintenance services	1,090	—
Software licensing	402	—
IP licensing	115	735
Other	—	516
Total revenue	$ 46,199	$ 341,543

[1] For the year ended December 31, 2023, $0.4 million in revenue from the sale of spare energy system parts has been reclassified from "other" to "sale of energy storage products."

Revenue for the year ended December 31, 2024 decreased by $295.3 million to $46.2 million compared to $341.5 million for the year ended December 31, 2023.

The decrease in revenue was primarily driven by a decrease in sales of energy storage products, resulting from a reduction in active BESS projects. In 2023, the Company had three active BESS EPC projects that made substantial progress throughout the year. However, in 2024, no BESS EPC projects experienced significant progress. During 2024, the Company completed the delivery of equipment for a single BESS EEQ project.

In 2024, revenue from operation and maintenance services, as well as software licensing, were new revenue streams for the Company. Revenue from two customers accounted for 75% and 19%, respectively, of the Company's total revenue for the year ended December 31, 2024.

Cost of Revenue

Cost of revenue for the year ended December 31, 2024 decreased by $284.0 million to $40.0 million compared to $324.0 million for the year ended December 31, 2023.

Cost of revenue decreased due to the reduction in active BESS projects.

Gross Profit and Gross Profit Margin

Gross profit was $6.2 million and gross profit margin was 13.4% for the year ended December 31, 2024, compared to gross profit of $17.5 million and gross profit margin of 5.1% for the year ended December 31, 2023.

Gross profit decreased for the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to a decrease in revenue. However, gross profit margin increased over the same period, driven by higher margins on energy storage product sales and the introduction of higher-margin operation and maintenance services and software licensing. The improvements in margins on energy storage product sales was attributable to the Company's active BESS EPC projects reaching their final stages in 2024, as opposed to earlier stages in 2023, as well as the Company achieving a higher margin on the EEQ contract in 2024 compared to the margins realized on EPC contracts in the prior year.

Selling and Marketing Expenses

S&M expenses decreased by $2.4 million to $15.8 million for the year ended December 31, 2024, compared to $18.2 million for the year ended December 31, 2023. The decrease was primarily attributable to a decrease in personnel-related expenses of $2.1 million and a decrease in marketing and public relation costs of $0.4 million. The decrease in personnel-related expenses was primarily due to a reduction in headcount.

Research and Development Expenses

R&D expenses decreased by $11.1 million to $26.0 million for the year ended December 31, 2024, compared to $37.1 million for the year ended December 31, 2023. The decrease was primarily attributable to a $5.0 million decrease in personnel-related expenses, a $3.9 million decrease in engineering and development costs, and a $2.5 million decrease in software expenses. These decreases in costs were primarily attributable to a decrease in headcount and a focus on cost control measures.

General and Administrative Expenses

G&A expenses decreased by $4.9 million to $63.0 million for the year ended December 31, 2024, compared to $67.9 million for the year ended December 31, 2023. The decrease was primarily attributable to a $4.6 million decrease in personnel-related expenses, a $1.2 million decrease in software expenses, and a $0.7 million decrease in consulting costs. These cost decreases were primarily attributable to a focus on cost control measures and a reduction in headcount. Partially offsetting these cost reductions was a $1.0 million increase in legal and professional fees.

Provision for Credit Losses

Provision for credit losses increased by $29.8 million to $30.0 million for the year ended December 31, 2024, compared to $0.2 million for the year ended December 31, 2023. The increase in provision for credit losses primarily relates the Company's refundable contribution contract asset and its customer financing receivable. The refundable contribution for $25.0 million was expected to be collected from the customer by the end of 2024, however the customer did not remit the payment. As a result, the Company increased its allowance for credit losses by $24.0 million in 2024 due to the increased risk of non-collection.

The Company also increased its allowance for credit losses by $4.7 million in 2024 related to its customer financing receivable. The customer did not make the first two scheduled installment payments for $1.5 million each that were due in 2024, therefore the Company increased its allowance for credit losses due to the increased risk of non-collection.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by $0.2 million to $1.1 million for the year ended December 31, 2024, compared to $0.9 million for the year ended December 31, 2023. The increase is primarily attributable to capitalized software that was placed into service during 2024.

Loss on Impairment and Sale of Long-Lived Assets

For the year ended December 31, 2024, the Company recognized a loss on impairment and sale of long-lived assets of $0.3 million, comprised of $0.4 million in asset impairments and a $0.1 million gain on the sale of operating equipment. The impairment relates to the write-off of leasehold improvements in the Company's Westlake Village office due to the

Company relocating its corporate office. The Company did not recognize any gains or losses from impairments or sales of equipment during the year ended December 31, 2023.

Interest Income

Interest income decreased by $2.6 million to $5.5 million for the year ended December 31, 2024, compared to $8.2 million for the year ended December 31, 2023. The decrease in interest income is primarily due to a decrease in interest income from our money market funds.

Impairment of Equity Securities

For the year ended December 31, 2024, the Company recognized $11.7 million in impairment charges on its investment in KORE due to a decline in KORE's financial performance. There was no such impairment charge in 2023.

Other Income (Expense), Net

Other income (expense), net improved by $0.7 million to other income, net of $0.6 million for the year ended December 31, 2024 compared to other expense, net of $0.2 million for the year ended December 31, 2023. The improvement in other income (expense), net is primarily due to a $1.5 million gain that resulted from the derecognition of a contract liability with a related party. In 2019, the Company received a $1.5 million deposit for a gravity-based energy storage system from a customer that was owned by one of the Company's primary stockholders. During 2024, the Company concluded it was no longer obligated to provide the customer with the energy system and that the deposit was not refundable. As a result, the Company derecognized the liability and recognized a corresponding gain. There was no such comparable gain in 2023. Partially offsetting this gain was a $1.0 million loss due to the change in the fair value of the Company's derivative asset - conversion option due to a decrease in the probability of the Company exercising its conversion option in DG Fuels.

Liquidity and Capital Resources

Sources of Liquidity

Since inception, we have financed our net cash used in operating and investing activities primarily through the issuance and sale of equity, and with the proceeds from the reverse recapitalization and private investment in public equity that occurred in 2022.

Furthermore, through Energy Vault's normal course of business operations, the Company has generated a sales backlog of $660.0 million as of March 17, 2025. We expect our backlog will contribute to the funding of our business in the future, aided by a robust developed pipeline of additional business activity, which we expect to further increase contracted backlog as new agreements are signed. In addition, in order to secure non-cash backed performance bonding and surety as may be required for customers as part of our project EPC agreements, the Company works with Marsh on a global basis to use non-cash backed bonding and surety instruments with top rated insurance firms, with a capability that today stands above $1 billion in capacity toward new projects.

Energy Vault has incurred negative operating cash flows and operating losses in the past and we may incur operating losses in the future. Energy Vault may seek additional capital through combinations of equity and/or debt financings depending on market conditions. If we are required to raise additional funds by issuing equity securities, dilution to stockholders would result. Any equity securities issued may also provide for rights, preferences or privileges senior to those of holders of our common stock. The Company has previously announced its intention to raise preferred equity for project-specific financing vehicles that would not be dilutive to common shareholders and is directly tied to the projects themselves. If the Company raises funds by issuing debt securities, these debt securities would have rights, preferences and privileges senior to those of holders of common stock. The terms of debt securities or borrowings could impose significant restrictions on our operations. The credit market and financial services industry have in the past, and may in the future, experience periods of uncertainty that could impact the availability and cost of equity and debt financing.

Management believes that its cash, cash equivalents, and restricted cash on hand as of the filing date of this Annual Report will be sufficient to fund our operating activities for at least the next twelve months without regard to any cash proceeds we may receive in the future upon the exercise of our private warrants.

The exercise price for our private warrants is $11.50 per warrant, subject to certain specified adjustments. To the extent that the price of our common stock exceeds $11.50 per share, it is more likely that our private warrant holders will exercise their warrants. To the extent that the price of our common stock declines, including a decline below $11.50 per share, it is less likely that our private warrant holders will exercise their warrants.

Tax Credit Transfer Commitment

On March 28, 2025, the Company entered into a Tax Credit Transfer Commitment, on behalf of its wholly owned subsidiary companies, with a third-party purchaser pursuant to which the Company agreed to sell certain ITCs generated by the Calistoga Resiliency Center hybrid energy storage system, the BESS in Snyder, Texas ("Cross Trails BESS"), and the microgrid and customer demonstration unit in Snyder, Texas ("Snyder CDU") that are anticipated to be placed in service in 2025. The Tax Credit Transfer commitment is subject to certain conditions set forth therein, and requires the Company to incur the remaining associated capital expenditures to complete the projects (via internal sources or external sources such as project financing). The third-party purchaser has agreed to purchase on or before December 15, 2025, all the eligible ITCs generated by these projects, in an amount to be finalized subject to final cost segregation reports, which management believes will be approximately $39.9 million, net of fees, across all three projects.

ATM Facility and Equity Purchase Agreement

On November 12, 2024, we entered into a open market sales agreement with Jefferies LLC, as sales agent (the "sales agent"), pursuant to which we may, from time to time, sell shares of our common stock, having an aggregate offering price of up to $50.0 million through the sales agent under an "at-the-market" equity offering program. We may seek, from time to time, to raise additional capital either under the Sales Agreement or otherwise.

On March 31, 2025, we entered into an equity purchase agreement (the "Equity Purchase Agreement") with an investor (the "Equity Investor"). Pursuant to the Equity Purchase Agreement, the Company has the right at its sole discretion, but not the obligation, to sell to the Equity Investor, and the Equity Investor is obligated to purchase, up to $25.0 million of newly issued shares of the Company's common stock, from time to time during the term of the Equity Purchase Agreement, subject to certain limitations and conditions. If we don't terminate the Equity Purchase Agreement on or before May 15, 2025, we will issue the Equity Investor shares of our common stock equivalent to 0.3% of our outstanding common stock as of March 28, 2025 and then have the right to sell shares to the Equity Investor at a market discount. Refer to Note 21 - *Subsequent Events* for additional details on this agreement.

Short-Term Loan

On March 31, 2025, the Calistoga Resiliency Center, LLC, a wholly-owned indirect subsidiary of the Company (the "Borrower"), entered into a credit agreement with Jefferies Finance LLC, as administrative agent, collateral agent and lender, in an aggregate principal amount of $27.8 million ("Short-Term Loan"), which provides short-term financing while the Borrower pursues a long-term debt financing. The Short-Term Loan matures on April 23, 2025 and bears interest at an annual rate of 9.5% until April 4, 2025 and at an annual rate of 15.5% after April 5, 2025. Interest is payable at maturity. The Borrower has the option to prepay the Short-Term Loan at any time. The Short-Term Loan is secured by an escrow account that will hold the loan proceeds, subject to disbursement upon meeting certain conditions subsequent (the "Escrow Release"). Upon the Escrow Release, the Short-Term Loan would be secured by a pledge of substantially all assets of the Borrower, and an equity pledge in the Borrower. It is currently expected that Eagle Point Credit (the "Investor") will be funding the final project financing on or about April 4, 2025.

The Short-Term Loan contains affirmative and negative covenants, certain of which become effective upon Escrow Release, including covenants restricting the Borrower's ability to incur certain liens and indebtedness, enter into certain transactions and merge or consolidate with any other entity or the Company ceasing to own the Borrower, which, in each case, will be subject to certain limitations and exceptions. The Short-Term Loan contains mandatory repayments, representations and warranties and events of default customary for a financing of this nature.

Senior Secured Notes

Subsequent to December 31, 2024, the Calistoga Resiliency Center, LLC, entered into a financing arrangement consisting of the issuance of Senior Secured Notes due April 4, 2032 (the "Senior Notes"). The aggregate principal amount of the Senior Notes to be issued is $27.8 million, with a purchase price of 99.25% of par value. The Senior Notes will be purchased by Eagle Point Credit (the "Investor"), and Jeffries Finance, LLC served as agent for the transaction. The Company expects that the Investor will fund the purchase of the Senior Notes on or about April 4, 2025, by purchasing the Short-Term Loan from Jefferies and converting the Short-Term Loan principal into Senior Notes.

The Senior Notes will bear interest at a rate of 12.5% per annum, until the earlier of (i) the Company's receipt of any tax credit transfer proceeds and (ii) December 31, 2025, and thereafter at a rate of 9.50% per annum. The Senior Notes will be senior secured obligations of Calistoga Resiliency Center, LLC, and will be secured by a first-priority pledge of all assets and equity interests in the Borrower. The Senior Notes contain affirmative and negative covenants, including minimum cash reserves and a minimum debt service coverage ratio.

The Senior Notes will amortize over their term, with scheduled principal and interest payments occurring on February 28 and August 31 of each year. The amortization schedule includes an initial principal payment of $12.9 million on August

31, 2025, followed by periodic payments as detailed in the financing agreement. A final balloon payment of $7.0 million is due on April 4, 2032.

The Company may, at its option, redeem the Senior Notes in whole or in part prior to maturity, subject to specified call protection provisions and prepayment premiums as outlined in the agreement. In the event of a change of control, the Company may be required to offer to repurchase the Senior Notes at a specified price.

Cash, Cash Equivalents, and Restricted Cash

The following tables summarizes our cash, cash equivalents, and restricted cash balances as of December 31, 2024 and 2023 (amounts in thousands):

	December 31,	
	2024	2023
Cash and cash equivalents	$ 27,091	$ 109,923
Restricted cash	2,982	35,632
Total cash, cash equivalents, and restricted cash	$ 30,073	$ 145,555

Contractual Obligations

Our principal commitments as of December 31, 2024 consisted primarily of obligations under operating leases, finance leases, warranty liabilities, a deferred pension, and issued purchase orders. Our non-cancellable purchase obligations as of December 31, 2024 totaled $1.9 million.

Cash Flows

The following table summarizes cash flows from operating, investing, and financing activities for the periods indicated (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Net cash used in operating activities	$ (55,860)	$ (92,655)
Net cash used in investing activities	(58,736)	(42,542)
Net cash used in financing activities	(252)	(5,482)
Effects of exchange rate changes on cash	(634)	52
Net decrease in cash, cash equivalents, and restricted cash	$ (115,482)	$ (140,627)

Operating Activities

For the years ended December 31, 2024 and 2023, cash used in operating activities totaled $55.9 million and $92.7 million, respectively.

Cash used in operating activities during 2024 primarily consisted of a $135.8 million net loss, adjusted for non-cash items of $81.7 million. Significant non-cash items include $38.7 million in stock-based compensation expense, $11.7 million in impairment of equity securities, $30.0 million in bad debt expense, $1.4 million in non-cash interest income, $1.1 million in depreciation and amortization expense, and a $1.0 million loss due to the change in fair value of a derivative asset. Net cash used in operating activities declined during 2024 compared to 2023 primarily due to the timing of customer collections and vendor payments.

Investing Activities

For the years ended December 31, 2024 and 2023, cash used in investing activities totaled $58.7 million and $42.5 million, respectively.

Cash used in investing activities for the year ended December 31, 2024 primarily consisted of $58.9 million for the purchase of property and equipment, primarily related to the construction of a hybrid energy storage system in Calistoga, California, Cross Trails BESS, and the Snyder CDU. The increase in cash used in investing activities during 2024 compared to 2023 was due to an increase in the purchase of property and equipment.

Financing Activities

During the years ended December 31, 2024 and 2023, cash used in financing activities totaled $0.3 million and $5.5 million, respectively.

For the year ended December 31, 2024, cash used in financing activities was primarily attributable to $2.4 million in repayments on insurance premium financings, $0.4 million in tax payments related to the net settlement of equity awards, and $0.2 million in finance lease payments, partially offset by $2.7 million in proceeds from insurance premium financings. The decrease in net cash used in financing activities during 2024 compared to 2022 was primarily due to a decrease in tax payments related to the net settlement of equity awards.

Non-GAAP Financial Measures

To complement our consolidated statements of operations and comprehensive loss, we use non-GAAP financial measures of adjusted S&M expenses, adjusted R&D expenses, adjusted G&A expenses, adjusted operating expenses, and adjusted EBITDA. Management believes that these non-GAAP financial measures complement our GAAP amounts and such measures are useful to securities analysts and investors to evaluate our ongoing results of operations when considered alongside our GAAP measures. The presentation of these non-GAAP measures is not meant to be considered in isolation or as an alternative to other measures of financial performance calculated in accordance with GAAP. These non-GAAP measures and their reconciliation to GAAP financial measures are shown below.

Beginning September 30, 2024, provision for credit losses has been treated as a non-GAAP adjustment. This change reflects management's view that this item does not accurately reflect ongoing operational performance. Prior periods have been adjusted to conform to this new presentation.

The following table provides a reconciliation from GAAP S&M expenses to non-GAAP adjusted S&M expenses (amounts in thousands):

	Year Ended December 31,	
	2024	2023
S&M expenses (GAAP)	$ 15,839	$ 18,210
Non-GAAP adjustments:		
Stock-based compensation expense	6,162	7,143
Reorganization expenses	288	84
Adjusted S&M expenses (non-GAAP)	$ 9,389	$ 10,983

The following table provides a reconciliation from GAAP R&D expenses to non-GAAP adjusted R&D expenses (amounts in thousands):

	Year Ended December 31,	
	2024	2023
R&D expenses (GAAP)	$ 25,999	$ 37,104
Non-GAAP adjustments:		
Stock-based compensation expense	8,693	10,057
Reorganization expenses	523	182
Adjusted R&D expenses (non-GAAP)	$ 16,783	$ 26,865

The following table provides a reconciliation from GAAP G&A expenses to non-GAAP adjusted G&A expenses (amounts in thousands):

	Year Ended December 31,	
	2024	2023
G&A expenses (GAAP)	$ 62,971	$ 67,910
Non-GAAP adjustments:		
Stock-based compensation expense	23,854	25,897
Reorganization expenses	748	318
Adjusted G&A expenses (non-GAAP)	$ 38,369	$ 41,695

The following table provides a reconciliation from GAAP operating expenses to non-GAAP operating expenses (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Operating expenses (GAAP)	$ 136,183	$ 124,267
Non-GAAP adjustments:		
Depreciation and amortization	1,058	893
Stock-based compensation expense	38,709	43,097
Provision for credit losses	29,980	150
Reorganization expenses	1,559	584
Loss on impairment and sale of long-lived assets	336	—
Adjusted operating expenses (non-GAAP)	$ 64,541	$ 79,543

The following table provides a reconciliation from GAAP net loss to non-GAAP adjusted EBITDA, with net loss being the most directly comparable GAAP measure (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Net loss attributable to Energy Vault Holdings, Inc. (GAAP)	$ (135,750)	$ (98,443)
Non-GAAP adjustments:		
Interest income, net	(5,413)	(8,117)
Provision for income taxes	67	(349)
Depreciation and amortization	1,058	893
Stock-based compensation expense	38,709	43,097
Impairment of equity securities	11,730	—
Provision for credit losses	29,980	150
Reorganization expenses	1,559	584
Gain on derecognition of contract liability	(1,500)	—
Loss on impairment and sale of long-lived assets	336	—
Change in fair value of derivative asset — conversion option	1,025	—
Foreign exchange losses	300	222
Adjusted EBITDA (non-GAAP)	$ (57,899)	$ (61,963)

We present adjusted EBITDA, which is net loss excluding adjustments that are outlined in the quantitative reconciliation provided above, as a supplemental measure of our performance and because we believe this measure is frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. The items excluded from adjusted EBITDA are excluded in order to better reflect our continuing operations.

In evaluating adjusted EBITDA, one should be aware that in the future we may incur expenses similar to the adjustments noted above. Our presentation of adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these types of adjustments. Adjusted EBITDA is not a measurement of our financial performance under GAAP and should not be considered as an alternative to net loss, operating loss, or any other performance measures derived in accordance with GAAP or as an alternative to cash flow from operating activities as a measure of our liquidity.

Our adjusted EBITDA measure has limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- it does not reflect our cash expenditures, future requirements for capital expenditures, or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect stock-based compensation, which is an ongoing expense;

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and our adjusted EBITDA measure does not reflect any cash requirements for such replacements;
- it is not adjusted for all non-cash income or expense items that are reflected in our consolidated statements of cash flows;
- it does not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations;
- it does not reflect limitations on or costs related to transferring earnings from our subsidiaries to us; and
- other companies in our industry may calculate this measure differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to use to meet our obligations. You should compensate for these limitations by relying primarily on our GAAP results and using adjusted EBITDA only supplementally.

Critical Accounting Estimates

Our consolidated financial statements are prepared in conformity with GAAP. In preparing our financial statements, we make assumptions, judgments, and estimates based on historical experience and various other factors that we believe to be reasonable under the circumstances. Actual results could differ materially from these estimates under different assumptions and conditions.

For a summary of significant accounting policies, refer to Note 2 - *Summary of Significant Accounting Policies* of our audited consolidated financial statements included in this Annual Report on Form 10-K.

Revenue

The Company recognizes revenue over time for EPC contracts and technical services in EEQ contracts as a result of the continuous transfer of control of the products and services to the customer. The Company utilizes the percentage of completion method when recognizing revenue over time and percentage of completion is based on costs incurred as a percentage of total estimated contract costs. Since revenue recognition for these performance obligations depends on estimates, which are assessed continually during the term of the contract, recognized revenues and profits are subject to revisions as the performance obligations progresses to completion. The cumulative effects of revisions of estimated total contract costs and revenues, together with any contract reserves which may be deemed appropriate, are recorded in the period in which the facts and changes in circumstances become known. Due to uncertainties inherent in the estimation process, it is reasonably possible that these estimates will be revised in a different period.

The Company's contracts generally provide customers with a right to liquidated damages ("LDs") against Energy Vault in the event specified milestones are not met on time, or certain performance metrics are not met upon or after the substantial completion date. LDs are accounted for as variable consideration, and the contract price is reduced by the expected penalty or LD amount when recognizing revenue. Variable consideration is included in the transaction price only to the extent that it is improbable that a significant reversal in the amount of cumulative revenue recognized will occur when the uncertainty is resolved. Estimating variable consideration requires certain estimates and assumptions, including whether and by how much a project will be delayed and how a project will perform during the performance guarantee period. The existence and measurement of liquidated damages may also be impacted by the Company's judgment about the probability of favorable outcomes of customer disputes involving whether certain events qualify as force majeure or the reason for the events that caused project delays. Variable consideration for LDs is estimated using the expected value of the consideration to be received.

Allowance for Credit Losses

The Company encounters credit loss risks associated with the collection of accounts receivable, contract assets, and customer financing receivable. The accounting estimates related to the Company's allowance for credit losses is a critical accounting estimate because the underlying assumptions used for the allowance can change from time to time and credit losses could potentially have a material impact on our results of operations.

Warranty Liabilities

The accounting for warranty liabilities requires us to make assumptions and judgments, and to the extent actual results differ from original estimates, adjustments to recorded liabilities may be required. The key inputs and assumptions used in calculating estimated warranty liabilities are reviewed by management each reporting period. The Company may make additional adjustments to the estimated warranty liability based on a comparison of actual warranty results to expected results for significant differences or based on performance trends or other qualitative factors. If actual failure rates or replacement costs differ from our estimates in future periods, changes to these estimates may be required, resulting in increases or decreases in the estimated warranty liability, which may be material.

Stock-Based Compensation

Stock-based compensation for RSUs that vest based on market conditions is estimated on the date of the grant using a Monte Carlo simulation model. The Monte Carlo simulation model requires the input of highly subjective assumptions, including the expected term of the award, the expected volatility of the Company's common stock, risk-free interest rates, and the expected dividend yield of the Company.

Emerging Growth Company Accounting Election

We are an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended, and have irrevocably elected to take advantage of the benefits of this extended transition period for new or revised standards. We are expected to remain an emerging growth company through the end of 2026 and expect to continue to take advantage of the benefits of the extended transition period. This may make it difficult or impossible to compare our financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions for emerging growth companies because of the potential differences in accounting standards used.

Recently Adopted and Issued Accounting Pronouncements

Recently issued and adopted/unadopted accounting pronouncements are described in Note 2 of the consolidated financial statements included elsewhere in this Annual Report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of loss that may impact our financial position because of adverse changes in financial market prices and rates.

Foreign Currency Risk

The majority of our contracts with customers are denominated in U.S. dollars or the Australian dollar, and certain of our definitive agreements could be denominated in other currencies, including the Euro, the Swiss franc, the South African rand, the Brazilian real, and the Saudi riyal. A strengthening of the U.S. dollar could increase the cost of our solutions to our international customers, which could adversely affect our business and results of operations.

In addition, a portion of our operating expenses are incurred outside the United States and are denominated in foreign currencies, such as the euro, the Swiss franc, and the Australian dollar, and are subject to fluctuations due to changes in foreign currency exchange rates. If we increase our exposure to foreign currencies and are not able to successfully hedge against the risks associated with currency fluctuations, our results of operations could be adversely affected.

Inflation Risk

Our operations could be adversely impacted by inflation, primarily from higher material, labor, and construction costs. While it is difficult to measure the impact of inflation for such estimates accurately, we believe, if our costs are affected due to significant inflationary pressures, we may not be able to fully offset higher costs through price increases or other corrective measures, which may adversely affect our business, financial condition, and results of operations.

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a loss to us. Our customers include the counterparties for the sale of our energy storage products and solutions and the licensees of our IP. A loss of one or more of our significant customers, their inability to perform under their contracts, or their default in payment could harm our business and negatively impact revenue, results of operations, and cash flows. Credit policies have been approved and implemented to assess our existing and potential customers with the objective of mitigating credit losses. These policies establish guidelines, controls, and credit limits to manage credit risk within approved tolerances by mandating an appropriate evaluation of the financial condition of existing and potential customers, monitoring agency

credit ratings, and by implementing credit practices that limit exposure according to the risk profiles of the counterparties. In addition, customers are required to make milestone payments based on their project's progress. We may also, at times, require letters of credit, parent guarantees, or cash collateral when deemed necessary.

Our overall exposure may be affected positively or negatively by macroeconomic or regulatory changes that may impact our counterparties. We continuously monitor the creditworthiness of all our customers.

Commodity Price Risk

We are subject to risk from fluctuating market prices of certain commodity raw materials, including cement, steel, aluminum, and lithium, that are used in the components that we purchase from our suppliers and then as inputs to our products. Prices of these raw materials may be affected by supply restrictions or other logistic costs market factors from time to time. We do not enter into hedging arrangements to mitigate commodity risk. Significant price changes for these raw materials could reduce our operating margins if suppliers increase component prices and we are unable to recover such increases from our customers and could harm our business, financial condition, and results of operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index of Consolidated Financial Statements for the fiscal years ended December 31, 2024 and 2023.

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Report of Independent Registered Public Accounting Firm

Stockholders and Board of Directors
Energy Vault Holdings, Inc.
Westlake Village, California

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Energy Vault Holdings, Inc. (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows for each of the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ BDO USA, P.C.

We have served as the Company's auditor since 2020.

New York, New York

March 31, 2025

ENERGY VAULT HOLDINGS, INC.

Consolidated Balance Sheets
(In thousands, except par value)

	December 31,	
	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	$ 27,091	$ 109,923
Restricted cash, current portion	990	35,632
Accounts receivable, net of allowance for credit losses of $1,211 and $69 as of December 31, 2024 and 2023, respectively.	14,565	27,189
Contract assets, net of allowance for credit losses of $25,030 and $1,113 as of December 31, 2024 and 2023, respectively.	6,798	84,873
Inventory	107	415
Customer financing receivable, current portion, net of allowance for credit losses of $2,352 and $375 as of December 31, 2024 and 2023, respectively.	2,148	2,625
Advances to suppliers	10,678	8,294
Investments, current portion	2,933	—
Prepaid expenses and other current assets	3,595	4,520
Assets held for sale	—	6,111
Total current assets	68,905	279,582
Property and equipment, net	99,493	31,043
Intangible assets, net	4,538	1,786
Operating lease right-of-use assets, net	1,206	1,700
Customer financing receivable, long-term portion, net of allowance for credit losses of $3,645 and $957 as of December 31, 2024 and 2023, respectively.	3,329	6,698
Investments, long-term portion	3,270	17,295
Restricted cash, long-term portion	1,992	—
Other assets	1,156	2,649
Total Assets	**$ 183,889**	**$ 340,753**
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 20,250	$ 21,165
Accrued expenses	24,968	85,042
Contract liabilities, current portion	8,938	4,923
Lease liabilities, current portion	499	724
Total current liabilities	54,655	111,854
Deferred pension obligation	2,044	1,491
Contract liabilities, long-term portion	—	1,500
Other long-term liabilities	934	2,115
Total liabilities	57,633	116,960
Commitments and contingencies (Note 20)		
Stockholders' Equity		
Preferred stock, $0.0001 par value; 5,000 shares authorized, none issued	—	—
Common stock, $0.0001 par value; 500,000 shares authorized, 153,206 issued and outstanding at December 31, 2024 and 146,577 at December 31, 2023	15	15
Additional paid-in capital	512,022	473,271
Accumulated deficit	(383,822)	(248,072)
Accumulated other comprehensive loss	(1,896)	(1,421)
Non-controlling interest	(63)	—
Total stockholders' equity	126,256	223,793
Total Liabilities and Stockholders' Equity	**$ 183,889**	**$ 340,753**

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY VAULT HOLDINGS, INC.

Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except per share data)

	Year Ended December 31,	
	2024	2023
Revenue	$ 46,199	$ 341,543
Cost of revenue	40,012	324,012
Gross profit	6,187	17,531
Operating expenses:		
Sales and marketing	15,839	18,210
Research and development	25,999	37,104
General and administrative	62,971	67,910
Provision for credit losses	29,980	150
Depreciation and amortization	1,058	893
Loss on impairment and sale of long-lived assets	336	—
Total operating expenses	136,183	124,267
Loss from operations	(129,996)	(106,736)
Other income (expense):		
Interest expense	(123)	(35)
Interest income	5,537	8,152
Impairment of equity securities	(11,730)	—
Other income (expense), net	566	(173)
Loss before income taxes	(135,746)	(98,792)
Provision (benefit) for income taxes	67	(349)
Net loss	(135,813)	(98,443)
Net loss attributable to non-controlling interest	(63)	—
Net loss attributable to Energy Vault Holdings, Inc.	$ (135,750)	$ (98,443)
Net loss per share — basic and diluted	$ (0.91)	$ (0.69)
Weighted average shares outstanding — basic and diluted	149,846	142,851
Other comprehensive loss — net of tax		
Actuarial loss on pension	$ (640)	$ (519)
Foreign currency translation gain (loss)	165	(14)
Total other comprehensive loss attributable to Energy Vault Holdings, Inc.	(475)	(533)
Total comprehensive loss attributable to Energy Vault Holdings, Inc.	$ (136,225)	$ (98,976)

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY VAULT HOLDINGS, INC.

Consolidated Statements of Stockholders' Equity
(In thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non-controlling Interest	Total Stockholders' Equity
	Shares	Amount					
Balance at December 31, 2022	**138,530**	**$ 14**	**$ 435,852**	**$ (147,265)**	**$ (888)**	**$ —**	**$ 287,713**
Adoption of ASU 2016-13	—	—	—	(2,364)	—	—	(2,364)
Exercise of stock options	278	—	224	—		—	224
Stock-based compensation	—	—	43,097	—	—	—	43,097
Vesting of restricted stock units ("RSUs"), net of shares withheld for payroll taxes	7,769	1	(5,902)	—	—	—	(5,901)
Net loss	—	—	—	(98,443)	—	—	(98,443)
Actuarial loss on pension	—	—	—	—	(519)	—	(519)
Foreign currency translation loss	—	—	—	—	(14)	—	(14)
Balance at December 31, 2023	**146,577**	**$ 15**	**$ 473,271**	**$ (248,072)**	**$ (1,421)**	**$ —**	**$ 223,793**
Exercise of stock options	52	—	42	—	—	—	42
Stock-based compensation	—	—	38,709	—	—	—	38,709
Vesting of RSUs, net of shares withheld for payroll taxes	6,577	—	—	—	—	—	—
Net loss	—	—	—	(135,750)	—	(63)	(135,813)
Actuarial loss on pension	—	—	—	—	(640)	—	(640)
Foreign currency translation gain	—	—	—	—	165	—	165
Balance at December 31, 2024	**153,206**	**$ 15**	**$ 512,022**	**$ (383,822)**	**$ (1,896)**	**$ (63)**	**$ 126,256**

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY VAULT HOLDINGS, INC.

Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,	
	2024	2023
Cash Flows From Operating Activities		
Net loss	$ (135,813)	$ (98,443)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	1,058	893
Non-cash interest income	(1,447)	(1,410)
Stock-based compensation expense	38,709	43,097
Loss on impairment and sale of long-lived assets	336	—
Impairment of equity securities	11,730	—
Change in fair value of derivative asset	1,025	—
Provision for credit losses	29,980	150
Foreign exchange losses	300	222
Changes in operating assets and liabilities:		
Accounts receivable	11,482	10,202
Contract assets	53,902	(57,008)
Prepaid expenses and other current assets	7,953	2,851
Advances to suppliers	(8,590)	22,797
Inventory	308	3,963
Other assets	(1,747)	(496)
Accounts payable and accrued expenses	(66,770)	25,508
Contract liabilities	3,073	(44,537)
Other long-term liabilities	(1,349)	(444)
Net cash used in operating activities	(55,860)	(92,655)
Cash Flows From Investing Activities		
Proceeds from sale of property and equipment	447	—
Purchase of property and equipment	(58,853)	(30,431)
Purchase of note receivable	(330)	—
Purchase of property and equipment held for sale	—	(6,111)
Purchase of equity securities	—	(6,000)
Net cash used in investing activities	(58,736)	(42,542)
Cash Flows From Financing Activities		
Proceeds from exercise of stock options	42	224
Proceeds from insurance premium financing	2,745	1,250
Payment of taxes related to net settlement of equity awards	(408)	(6,017)
Repayment of insurance premium financings	(2,446)	(892)
Payment of finance lease obligations	(185)	(47)
Net cash used in financing activities	(252)	(5,482)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(634)	52
Net decrease in cash, cash equivalents, and restricted cash	(115,482)	(140,627)
Cash, cash equivalents, and restricted cash – beginning of the period	145,555	286,182
Cash, cash equivalents, and restricted cash – end of the period	30,073	145,555
Less: restricted cash at end of period	2,982	35,632
Cash and cash equivalents - end of period	$ 27,091	$ 109,923

ENERGY VAULT HOLDINGS, INC.

Consolidated Statements of Cash Flows (Continued)
(In thousands)

	Year Ended December 31,	
	2024	2023
Supplemental Disclosures of Cash Flow Information:		
Income taxes paid	$ 52	$ 46
Cash paid for interest	123	35
Supplemental Disclosures of Non-Cash Investing and Financing Information:		
Actuarial loss on pension	(640)	(519)
Property and equipment financed through accounts payable and accrued expenses	6,400	5,051
Assets acquired on finance lease	60	108

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY VAULT HOLDINGS, INC.

Notes to Consolidated Financial Statements

NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS

Energy Vault Holdings, Inc., which together with its subsidiaries is referred to herein as "Energy Vault" or the "Company", develops and deploys utility-scale energy storage solutions designed to aid in the global transition to a clean energy future. The Company's mission is to provide energy storage solutions to accelerate the global transition to renewable energy.

The Company primarily relies on two models for project delivery, which are (i) EPC delivery and (ii) EEQ delivery. Under the EPC model, we generally rely on third-party EPC firms to construct our storage systems, under our supervision with dedicated teams tasked with project management. Under the EEQ model, we are responsible for the delivery of the equipment we provide, as well as resolving issues within our scope of supply.

Our current business model options include:

- Selling energy storage products to third-parties, including constructing and delivering fully operational energy storage systems under an EPC model and delivering energy storage equipment under an EEQ model;
- Building, operating, and holding energy storage systems as equity (co-) sponsor that may provide recurring revenue in the future;
- Taking a minority stake in an energy storage project where we provide EPC, EEQ, or long-term services, allowing us to participate in the project's long-term economics while strengthening alignment with strategic customers;
- Recurring software revenue through licensing software for asset management and use case applications;
- Recurring service revenue through long term service agreements, and;
- IP licenses and royalties associated with our energy storage technologies that may provide recurring revenues in the future.

Energy Vault was originally incorporated under the name Novus Capital Corporation II as a special purpose acquisition company in the state of Delaware in September 2020 with the purpose of effecting a merger with one or more operating businesses. On September 8, 2021, Novus announced that it had entered into a merger agreement with Legacy Energy Vault that would result in a merger (the "Merger"). Upon the closing of the Merger on February 11, 2022, Novus was immediately renamed to "Energy Vault Holdings, Inc." The Merger between Novus and Legacy Energy Vault was accounted for as a reverse recapitalization.

Throughout the notes to the consolidated financial statements, unless otherwise noted, the "Company," "we," "us," or "our" and similar terms refer to Legacy Energy Vault and its subsidiaries prior to the consummation of the Merger, and Energy Vault and its subsidiaries after the consummation of the Merger.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared on an accrual basis of accounting in accordance with GAAP and applicable rules and regulations of the SEC regarding financial reporting.

Principles of Consolidation

These consolidated financial statements include Energy Vault Holdings, Inc., its wholly owned subsidiaries, and a majority owned subsidiary. All intercompany balances and transactions have been eliminated in consolidation.

Emerging Growth Company

Section 102(b)(1) of the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that an emerging growth company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period, which means that when a standard is issued or

revised, and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard.

This may make comparison of the Company's consolidated financial statement with another public company that is neither an emerging growth company nor an emerging growth company that has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates

The preparation of the consolidated financial statements, in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company evaluates its assumptions on an ongoing basis. The Company's management believes that the estimates, judgment, and assumptions used are reasonable based upon information available at the time they are made. Estimates made by management include, among others, revenue recognition, provision for credit losses, warranty accruals, and stock-based compensation. Due to the inherent uncertainty involved in making assumptions and estimates, changes in circumstances could result in actual results differing from those estimates, and such differences could be material to the Company's consolidated financial condition and results of operations.

Liquidity

The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and the satisfaction of liabilities and commitments in the normal course of business.

Since our inception in October 2017, we have incurred significant net losses and have used significant cash in our business. As of December 31, 2024 and 2023, we had accumulated deficits of $383.8 million and $248.1 million, respectively, and net losses of $135.8 million and $98.4 million, respectively, for the years ended December 31, 2024 and 2023. We anticipate that we will incur net losses for the foreseeable future and there is no guarantee that we will achieve or maintain profitability.

The assessment of liquidity requires management to make estimates of future activity and judgments about whether the Company can meet its obligations and have adequate liquidity to operate. Subsequent to December 31, 2024, the Company took various actions to enhance its liquidity position, which included:

- Executing Calistoga Resiliency Center hybrid energy storage system financing arrangements for an aggregate principal amount of $27.8 million.
- Executing a Tax Credit Transfer Commitment with a third-party purchaser pursuant to which the Company agreed to sell the ITC generated by the Calistoga Resiliency Center hybrid energy storage system associated with above project financing. The agreement also allows the Company to sell the ITCs for the Cross Trails BESS and Snyder CDU microgrid, pending project financing and completion of the construction capital expenditures.
- Executing an Equity Purchase Agreement with an Equity Investor, in which the Company has the right at its sole discretion, but not the obligation, to sell to the Equity Investor, and the Equity Investor is obligated to purchase, up to $25.0 million of newly issued shares of the Company's common stock.

Management believes that its cash, cash equivalents, and restricted cash on hand as of the filing date of this Annual Report, along with the actions taken subsequent to December 31, 2024, will be sufficient to fund our operating activities for at least the next twelve months. Refer to Note 21 - *Subsequent Events* for further details on the transactions executed subsequent to December 31, 2024.

Segment Reporting

The Company reports its operating results and financial information in one operating and reportable segment. Our chief operating decision maker ("CODM"), which is our chief executive officer, reviews our operating results on a consolidated basis and uses that consolidated financial information to make operating decisions, assess financial performance, and allocate resources.

Concentration of Credit and Other Risks

Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash, accounts receivable, and customer financings receivable.

Risks associated with cash and cash equivalents and restricted cash are mitigated by banking with creditworthy institutions. Such balances with any one institution may, at times, be in excess of federally insured amounts.

As of December 31, 2024, one customer accounted for 100% of accounts receivable. As of December 31, 2023, one customer accounted for 92% of accounts receivable.

As of December 31, 2024 and 2023, one customer accounted for 100% of the customer financing receivable.

Revenue from two customers accounted for 75% and 19% of total revenue, respectively, for the year ended December 31, 2024 and revenue from three customers accounted for 64%, 22%, and 13% of total revenue, respectively, for the year ended December 31, 2023.

Foreign Currency

Assets and liabilities denominated in a foreign currency are translated into U.S dollars using the exchange rates in effect at the balance sheet date. Revenue and expense accounts are translated at the average exchange rates during the periods. The impact of exchange rate fluctuations from translation of assets and liabilities is included in accumulated other comprehensive loss, a component of stockholders' equity. As of December 31, 2024, accumulated other comprehensive loss included a $0.1 million loss related to currency translation adjustments. As of December 31, 2023, accumulated other comprehensive loss included a $0.3 million loss related to currency translation adjustments.

Gains and losses resulting from foreign currency transactions are included in other income (expense), net in the accompanying consolidated statements of operations and comprehensive loss.

Fair Value Measurements

ASC 820, *Fair Value Measurement* ("ASC 820"), establishes a fair value hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The accounting guidance establishes a three-tiered hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value as follows:

Level I — Inputs which include quoted prices in active markets for identical assets and liabilities.

Level II — Inputs other than Level I that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level III — Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Revenue Recognition

The Company recognizes revenue from contracts with customers in accordance with ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). Under ASC 606, revenue is recognized when, or as, control of promised goods and services is transferred to customers, and the amount of revenue recognized reflects the consideration to which the Company expects to be entitled in exchange for the goods and services transferred. The Company determines revenue recognition through the following steps:

(1) Identification of the contract, or contracts, with a customer.

(2) Identification of the performance obligations in the contract.

(3) Determination of the transaction price.

(4) Allocation of the transaction price to the performance obligations in the contract.

(5) Recognition of revenue when, or as, a performance obligation is satisfied.

Once a contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations. Arrangements that include rights to additional goods or services that are exercisable at a customer's discretion are generally considered options. The Company assesses if these options provide a material right to the customer and if so, they are considered performance obligations. The identification of material rights requires judgments related to the determination of the value of the underlying good or service relative to the option exercise price.

The Company assesses whether each promised good or service is distinct for the purposes of identifying performance obligations in the contract. This assessment involves subjective determination and requires management to make judgments about the individual promised goods or services and whether such are separable from the other aspects of the contractual relationship. Promised goods and services are considered to be distinct provided that: (i) the customer can benefit from the good or service either on its own or together with the other resources that are readily available to the customer (that is, the good or service is capable of being distinct) and (ii) the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the promise to transfer the good or service is distinct within the context of the contract). The Company also considers the intended benefit of the contract in assessing whether a promised good or service is separately identifiable from other promises in the contract. If a promised good or service is not distinct, an entity is required to combine that good or service with other promised goods or services until it identifies a bundle of goods or services that is distinct.

The transaction price is determined and allocated to the identified performance obligations in proportion to their stand-alone selling prices ("SSP") on a relative SSP basis. SSP is determined at contract inception and is not updated to reflect changes between contract inception and when the performance obligations are satisfied. Determining the SSP for performance obligations requires significant judgment. In developing the SSP for a performance obligation, the Company considers applicable market conditions and relevant entity-specific factors, including factors that were contemplated in negotiating the agreement with the customer and estimated costs.

In determining the transaction price, the Company adjusts consideration for the effects of the time value of money if the timing of payments provides the Company with a significant benefit of financing. When a contract provides the customer with a significant benefit of financing, the Company recognizes a customer financing receivable and recognizes interest income separate from the revenue recognized on the contracts with customers. The Company does not assess whether a contract has a significant financing component if the expectation at contract inception is such that the period between payment and the transfer of the promised goods or services will be one year or less.

The Company recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) each performance obligation is satisfied, either at a point in time or over time. Over time revenue recognition is based on the use of an output or input method.

Sale of Energy Storage Products: The Company sells its energy storage products to utility companies and independent power producers. The Company enters into (i) engineering, procurement, and construction ("EPC") contracts to design, construct, install, and transfer fully operational energy storage systems and (ii) engineered equipment ("EEQ") contracts to design and deliver energy storage equipment. Each storage project is customized depending on the customer's energy storage needs.

Customer payments are due upon meeting certain milestones that are consistent with contract-specific phases of a project. The Company determines the transaction price based on the consideration expected to be received, which includes estimates of liquidated damages or other variable consideration. Generally, each EPC contract contains one performance obligation to design, construct, install, and deliver a fully operational energy storage system. Generally each EEQ contract contains multiple performance obligations, including separate performance obligations (i) to supply equipment and (ii) to provide specialized technical services. Multiple contracts entered into with the same customer and near the same time are combined in accordance with ASC 606. In these situations, the contract prices are aggregated and then allocated to each performance obligation based upon their relative stand-alone selling price.

For EPC contracts, the Company recognizes revenue over time as a result of the continuous transfer of control of its products to the customer. The continuous transfer of control to the customer is supported by clauses in the contracts that provide enforceable rights to payment of the transaction price associated with work performed to date for products that do not have an alternative use to the Company and/or the project is built on the customer's land that is under the customer's control. For equipment sales in EEQ contracts, the Company recognizes revenue at a point in time, which corresponds to delivery of the equipment to the customer. For technical services provided in EEQ contracts, the Company recognizes revenue over time as the Company performs the required services.

Revenue for performance obligations satisfied over time is recognized using the percentage of completion method based on cost incurred as a percentage of total estimated contract costs. Contract costs include all direct materials and labor costs related to contract performance. Pre-contract costs with no future benefit are expensed in the period in which they are incurred. Since the revenue recognition of these contracts depends on estimates, which are assessed continually during the term of the contract, recognized revenues and profit are subject to revisions as the contract progresses to completion. The cumulative effects of revisions of estimated total contract costs and revenues, together with any contract reserves which may be deemed appropriate, are recorded in the period in which the facts and changes in circumstances become known. Due to uncertainties inherent in the estimation process, it is reasonably possible that these estimates will be revised in a different period. When a loss is forecasted for a contract, the full amount of the anticipated loss is recognized in the period in which it is determined that a loss will incur.

The Company's contracts generally provide customers the right to liquidated damages ("LDs") against Energy Vault in the event specified milestones are not met on time, or certain performance metrics are not met upon or after the substantial completion date. LDs are accounted for as variable consideration, and the contract price is reduced by the expected penalty or LD amount when recognizing revenue. Variable consideration is included in the transaction price only to the extent that it is improbable that a significant reversal in the amount of cumulative revenue recognized will occur when the uncertainty is resolved. Estimating variable consideration requires certain estimates and assumptions, including whether and by how much a project will be delayed. The existence and measurement of liquidated damages may also be impacted by the Company's judgment about the probability of favorable outcomes of customer disputes involving whether certain events qualify as force majeure or the reason for the events that caused project delays. Variable consideration for LDs is estimated using the expected value of the consideration to be received. If Energy Vault has a claim against the customer for an amount not specified in the contract, such claim is recognized as an increase to the contract price when it is legally enforceable, which is usually upon signing a respective change order or equivalent document confirming the claim acceptance by the customer.

The Company offers limited warranties on its energy storage products which provide the customer assurance that the products will function as the parties intended because it complies with agreed-upon specifications and are free from defects. These assurance-type warranties are not treated as a separate revenue performance obligation and are accounted for as guarantees under GAAP.

Own and Operate Energy Storage Projects: To date, the Company has not recognized any revenue from its owned energy storage systems. The Company has entered into tolling agreements in which the Company will sell the energy produced by its energy storage systems. These arrangements are expected to be accounted for under ASC 842, *Leases*, and accounting recognition does not begin until an energy storage system is made available to a customer. This method of revenue recognition will be finalized upon the commencement of one of the Company's owned energy storage projects.

Software Licensing: The Company licenses its energy management software solutions to customers. Software licensing customers do not receive legal title or ownership of the software. Customers receive access to the software platform and related support services as part of a software licensing contract. We consider these obligations to be a series of distinct services that comprise a single performance obligation because they are substantially the same and have the same pattern of transfer. Revenue is recognized over time on a straight-line basis over the term of the contract.

Long-Term Service Arrangements: The Company enters into long-term service arrangements to provide operation and maintenance services to customer-owned energy storage systems. The Company accounts for this service as a separate performance obligation from the sale of energy storage products. Revenue is recognized over time on a straight-line basis over the term of the contract. The Company believes using a time-based method to measure progress is appropriate as the performance obligation is satisfied evenly over the term of the services.

Licensing of IP: The Company enters into licensing agreements of its IP that are within the scope of ASC 606. The terms of such licensing agreements include the license of functional IP, given the functionality of the IP is not expected to change substantially as a result of the licensor's ongoing activities. The transaction price allocated to the licensing of IP is recognized as revenue at a point in time when the licensed IP is made available for the customer's use and benefit. Certain licensing agreements contain a significant financing component due to the customer having extended payment terms. The amounts due from customers under extended payment terms are included in the line item, customer financing receivable, on the consolidated balance sheets.

Royalty Revenue: In connection with entering into IP licensing agreements, the Company also enters into royalty agreements whereby the customer agrees to pay the Company a percentage of the customer's future sales revenue that is generated by using the Company's IP. The Company has not recognized any royalty revenue to date, but will recognize royalty revenue at the point in time when the customer's sales occur.

Cash, Cash Equivalents, and Restricted Cash

The Company considers all highly liquid investments purchased with an original or remaining maturity of three months or less to be cash equivalents. At December 31, 2024, the Company maintained investments in money market accounts totaling $9.9 million, including $9.5 million in U.S. government money market funds. At December 31, 2023, the Company maintained money market funds totaling $98.4 million, including $98.0 million in U.S. government money market funds.

Restricted cash as of December 31, 2024 and 2023 primarily consisted of cash held by banks as collateral for the Company's letters of credit.

Accounts Receivable

Accounts receivable represents amounts that have an unconditional right to consideration, have been billed to customers, and do not bear interest. Receivables are carried at the original invoiced amount, less an allowance for any potential uncollectible amounts.

Customer Financing Receivable

Customer financing receivable includes amounts due from a customer related to a licensing agreement under extended payment terms which contains a significant financing component. An interest rate is not stated in this agreement and is imputed using the effective interest method when recognizing interest income. The imputed interest rate on the note is 8.5%. Interest income on the customer financing receivable was $0.8 million and $0.9 million for the years ended December 31, 2024 and 2023, respectively.

Effective December 31, 2024, the Company placed the customer financing receivable on non-accrual status and has discontinued the accrual of future interest income. The Company placed the customer financing receivable in non-accrual status because the customer did not make its first two installment payments in 2024, and both installments are more than 90 days past due as of December 31, 2024.

The amortized cost basis for the Company's customer financing receivable was $11.5 million and $10.7 million as of December 31, 2024 and 2023, respectively.

Allowance for Credit Losses

The Company estimates expected uncollectible amounts related to its accounts receivable, customer financing receivable, and contract asset balances as of the end of each reporting period, and presents those financial asset balances net of an allowance for expected credit losses in the consolidated balance sheets. Due to the Company's limited operating history, the Company generally utilizes a probability-of-default ("PD") and loss-given-default ("LGD") methodology to calculate the allowance for credit losses for each customer by type of financial asset. The Company derives its PD and LGD rates using historical rates for corporate bonds as published by Moody's. The Company uses PD and LGD rates that correspond to the customer's credit rating and period of time in which the financial asset is expected to remain outstanding.

For significantly past due receivables, such as the customer financing receivable and refundable contribution (defined in Note 3), the Company determines specific allowances for each receivable.

Inventory

Inventory consists of equipment and spare parts, which are used in ongoing battery storage projects for sale. Inventory is stated at the lower of cost or net realizable value with cost being determined by the specific identification method. Costs include the cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The Company periodically reviews its inventory for potential obsolescence and write down of its inventory, as appropriate, to net realizable value based on its assessment of market conditions.

Assets held for sale

The Company classifies assets to be disposed of as held for sale in the period in which they are available for sale in their present condition and when the sale is probable and expected to be completed within one year. Assets classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell. Further, the Company does not record depreciation and amortization expense on assets that are classified as held for sale.

Property and Equipment, Net

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Maintenance and repairs are charged to expense as incurred. When assets are retired or sold, the cost and related accumulated depreciation are removed from the consolidated balance sheet and any resulting gain or loss is reflected in operating expenses in the period realized.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, primarily comprised of property and equipment, intangible assets, and operating right-of-use assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to the future undiscounted net cash flows which the assets are expected to generate. If the carrying value of the assets exceeds the sum of the estimated future cash flows, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceed their fair value.

Intangible Assets

The Company's intangible assets consist of software development costs related to software to be sold or leased externally. These development costs are capitalized upon the establishment of technological feasibility for a product in accordance with ASC 985-20, *Software - Costs of Software to be Sold, Leased, or Marketed.* Amortization of capitalized software costs begins at the time that each software product becomes available for general release to customers. Once a software application is available for general release and is placed in service, the Company amortizes the capitalized costs on a product basis by the greater of the straight-line method over the estimated economic life of the product, or the ratio that current gross revenues for a product bear to the total current and anticipated future gross revenues for that product. The useful life of our external-use software development costs is generally expected to be 5 years.

Investment in Equity Securities

During 2022 and 2023, the Company made a strategic investment and purchased equity securities in KORE, a U.S. manufacturer of battery cells and modules. The Company's ownership in KORE does not provide the Company with the ability to exercise significant influence. These equity securities do not have a readily determinable fair value and are recorded at cost, less any impairment, plus or minus adjustments related to observable transactions for the same or similar securities, with unrealized gains and losses included in earnings. The carrying value of the Company's investment in equity securities is included in the line item, investments, long term portion, in the consolidated balance sheets.

Leases

The Company determines if a contract contains a lease at its inception based on whether or not the Company has the right to control the asset during the contract period and other facts and circumstances. Right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease.

ROU assets are classified as either operating or finance leases. Upon commencement of the lease, a ROU asset and corresponding lease liability are recognized for all operating and finance leases. The Company has elected the short-term

lease exemption, which does not require a ROU asset or lease liability to be recognized when the lease term is 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise.

Upon commencement of the lease, ROU assets are recognized based on the initial measurement of the lease liability and adjusted for any lease payments made before commencement date of the lease, less any lease incentives and including any initial direct costs incurred. Lease liabilities are initially measured at the present value of future minimum lease payments over the lease term.

The discount rate used to determine the present value is the rate implicit in the lease unless that rate cannot be determined, in which case Company's incremental borrowing rate is used, which is based on the estimated interest rate for collateralized borrowing over a similar term of the lease at commencement date.

Rights to extend or terminate a lease are included in the lease term when there is reasonable certainty the right will be exercised. Factors used to assess reasonable certainty of rights to extend or terminate a lease include current and forecasted lease improvement plans, anticipated changes in development strategies, historical practice in extending similar contracts and current market conditions.

Operating lease expense is recognized on a straight-line basis over the lease term. Finance lease ROU assets are amortized on a straight-line basis over the lesser of the lease term or the estimated useful life of the leased asset. Amortization of finance lease ROU assets is included in depreciation and amortization.

Operating lease ROU assets are recognized on the consolidated balance sheets in the line item, operating lease right-of-use assets, and finance lease ROU assets are recognized on the consolidated balance sheets within the line item, property and equipment, net.

Defined Benefit Pension Obligation

The Company's wholly owned subsidiary in Switzerland has a defined benefit pension obligation covering retirement and other long-term benefits of the local employees. Accrued pension costs are developed using actuarial principles and assumptions which consider a number of factors, including estimates for the discount rate, expected long-term rate of return on assets and mortality. Changes in these estimates would impact the amounts that the Company records in the consolidated financial statements.

Warrants

The Company accounts for warrants for shares of the Company's common stock that are not indexed to its own stock as liabilities at fair value on the consolidated balance sheets. The warrants are subject to remeasurement at each balance sheet date and any change in fair value is recognized in the Company's consolidated statements of operations and comprehensive loss. For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in-capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded as a liability at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss in the consolidated statements of operations and comprehensive loss.

Earn-Out Shares

In connection with the Merger, eligible Legacy Energy Vault stockholders immediately prior to the Closing, have the contingent right to receive an aggregate of 9.0 million shares of the Company's common stock ("Earn-Out Shares") upon the Company achieving each Earn-Out Triggering Event (defined below) during the period beginning on the 90th day following the closing of the Merger and ending on the third anniversary of such date. An "Earn-Out Triggering Event" means the date on which the closing price of the Company's common stock quoted on the NYSE is greater than or equal to certain specified prices for any 20 trading days within a 30 consecutive day trading period.

The Earn-Out Shares were recognized at fair value upon the closing of the Merger and classified in stockholders' equity. Because the Merger was accounted for as a reverse recapitalization, the issuance of the Earn-Out Shares was treated as a deemed dividend and since the Company does not have retained earnings, the issuance was recorded within additional-paid-in capital ("APIC") and had a net nil impact on APIC.

Research and Development Expenses

Research and development costs are expensed as incurred. Research and development costs consist of salaries and other personnel related expenses, engineering expenses, product development costs and facility costs.

Advertising Costs

Advertising costs are expensed as incurred and are reflected in the line item, sales and marketing, in the consolidated statements of operations and comprehensive loss. Advertising expenses were $0.2 million and $0.5 million for the years ended December 31, 2024 and 2023, respectively.

Stock-Based Compensation

The Company issues stock-based compensation awards to employees, directors, and non-employees in the form of stock options and restricted stock units ("RSUs"). The Company measures and recognizes compensation expense for stock-based awards based on the award's fair value on the date of the grant. The Company accounts for forfeitures of stock-based awards when they occur. The fair value of RSUs that vest based on service conditions is measured using the fair value of the Company's common stock on the date of the grant. The fair value of RSUs that vest based on market conditions is measured using a Monte Carlo simulation model on the date of the grant. The fair value of stock options that vest based on service conditions is measured using the Black-Scholes option pricing model on the date of the grant. The Monte Carlo simulation model and the Black-Scholes option pricing model require the input of highly subjective assumptions, including the fair value of the Company's common stock, the expected term of the award, the expected volatility of the Company's common stock, risk-free interest rates, and the expected dividend yield of the Company's common stock. This assumption used to determine the fair value of the awards represent management's best estimates. These estimates involve inherit uncertainties and the application of management's judgment.

The fair value of awards is recognized on a straight-line basis over the requisite service period. The fair value of the market-based RSUs is recognized over the requisite service period regardless of whether or not the RSUs ultimately vest and convert to common stock.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes* ("ASC 740"). ASC 740 prescribes the use of the liability method, whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates that will be in effect when the differences are expected to reverse.

Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases and are stated at enacted tax rates expected to be in effect when taxes are actually paid or recovered. Deferred tax assets are evaluated for future realization and reduced by a valuation allowance to the extent the Company believes they will not be realized.

The Company's policy is to recognize interest and penalties related to uncertain tax positions, if any, in the income tax provision.

Net Loss Per Share

Basic net loss per share of common stock is calculated by dividing net loss by the weighted average number of common shares outstanding for the applicable period. Diluted net loss is computed based on the weighted average number of common shares outstanding increased by the number of additional shares that would have been outstanding had the potentially dilutive common shares been issued, including any dilutive effect from outstanding warrants, outstanding stock options, or unvested RSUs, and reduced by the number of shares the Company could have repurchased with the proceeds from the issuance of the potentially dilutive shares. Potentially dilutive instruments are excluded from the per share calculation because the Company is in a net loss position and they would therefore be anti-dilutive.

Non-controlling interest

In May 2024, the Company's consolidated subsidiary, Cetus Energy, Inc. ("Cetus"), issued a share-based payment award to an employee of Cetus, representing a non-controlling interest. A non-controlling interest in a subsidiary is considered an ownership interest in a majority-owned subsidiary that is not attributable to the parent. The Company includes non-controlling interest as a component of stockholders' equity on the Company's consolidated balance sheets. The Company owns 85% of Cetus.

Recently Adopted Accounting Standards

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2023-07, *Segment Reporting (Topic 280) — Improvements to Reportable Segment Disclosures*. The ASU improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. We adopted this standard effective for the reporting periods noted above, with retrospective application to all prior periods presented in the financial statements. The adoption of this standard did not have any impact on the Company's financial condition, results of operations and comprehensive loss, or cash flows, but resulted in enhancements to our segment disclosures, primarily related to our significant segment expenses. See Note 17, Segment Reporting, for further information.

Recent Accounting Standards Issued, But Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topics 740): Improvements to Income Tax Disclosures* to expand the disclosure requirements for income taxes. Upon adoption we will be required to disclose additional specified categories in the rate reconciliation in both percentage and dollar amounts. We will also be required to disclose the amount of income taxes paid disaggregated by jurisdiction, among other disclosure requirements. The standard can be applied either prospectively or retrospectively. We will adopt the standard in our 2025 annual period and are currently assessing the effect that the updated standard will have on our financial statement disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40) — Disaggregation of Income Statement Expenses*. The ASU requires the disclosure of additional information about specific costs and expense categories in the notes to the consolidated financial statements. The standard is effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. The standard should be applied on a prospective basis with the option to apply the standard retrospectively. We are currently evaluating the impact of this standard on our disclosures.

NOTE 3. REVENUE RECOGNITION

The Company recognized revenue for the product and service categories as follows for the years ended December 31, 2024 and 2023 (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Sale of energy storage products [1]	$ 44,592	$ 340,292
Operation and maintenance services	1,090	—
Software licensing	402	—
IP licensing	115	735
Other	—	516
Total revenue	$ 46,199	$ 341,543

[1] For the year ended December 31, 2023, $0.4 million in revenue from the sale of spare energy system parts has been reclassified from "other" to "sale of energy storage products."

For the year ended December 31, 2024, approximately 29% of the Company's revenue was recognized over time and approximately 71% was recognized at a point in time. For the year ended December 31, 2023, 100% of the Company's revenue was recognized over time.

The following table summarizes the Company's revenue disaggregated by geographic region, which is determined based on the customer's location, for the years ended December 31, 2024 and 2023 (amounts in thousands):

	Year Ended December 31,	
	2024	2023
United States	$ 44,423	$ 341,066
Australia	992	—
China	—	477
Other	784	—
Total revenue	$ 46,199	$ 341,543

Remaining Performance Obligations

Remaining performance obligations represent the amount of unearned transaction prices under contracts for which work is wholly or partially unperformed. As of December 31, 2024, the amount of the Company's remaining performance obligations was $42.0 million. The Company generally expects to recognize approximately 90% of the remaining performance obligations as revenue over the next 12 months and the remainder more than 12 months from December 31, 2024.

Contract Balances

The following table provides information about contract assets and contract liabilities from contracts with customers (amounts in thousands):

	December 31,	
	2024	2023
Refundable contribution	$ 25,000	$ 25,000
Unbilled receivables	6,828	55,241
Retainage	—	5,745
Less allowance for credit losses	(25,030)	(1,113)
Contract assets, net of allowance for credit losses	$ 6,798	$ 84,873
Contract liabilities, current portion	$ 8,938	$ 4,923
Contract liabilities, long-term portion	—	1,500
Total contract liabilities	$ 8,938	$ 6,423

Contract assets consist of a refundable contribution, unbilled receivables, and retainage. The refundable contribution was to be refunded upon the customer's first gravity energy storage solution obtaining substantial completion, subject to adjustments for potential liquidated damages if certain performance metrics are not met. During the second quarter of 2024, the Company signed a contract amendment with the customer removing the substantial completion condition for repayment, however as of December 31, 2024, the Company had not received payment under the terms of the amendment. Accordingly, the Company has increased the allowance for credit losses associated with this receivable. The Company is continuing to work with our customer and is actively pursuing collection.

Unbilled receivables represent the estimated value of unbilled work for projects with performance obligations recognized over time. Retainage represents a portion of the contract amount that has been billed, but for which the contract allows the customer to retain a portion of the billed amount until final contract settlement. Retainage is not considered to be a significant financing component because the intent is to protect the customer.

Contract liabilities consist of deferred revenue. Under certain contracts, the Company may be entitled to invoice the customer and receive payments in advance of performing the related contract work. In those instances, the Company recognizes a liability for advance billings in excess of revenue recognized, which is referred to as deferred revenue. Deferred revenue is not considered to be a significant financing component because it is generally used to meet working

capital demands that can be higher in the early stages of a contract. For the years ended December 31, 2024 and 2023, the Company recognized revenue of $1.1 million and $46.0 million, respectively, related to amounts that were included in deferred revenue as of the beginning of their respective years.

NOTE 4. ALLOWANCE FOR CREDIT LOSSES

Activity in the allowance for credit losses was as follows for the years ended December 31, 2024 and 2023 (amounts in thousands):

	Accounts Receivable	Contract Assets	Customer Financing Receivable	Total
Balance at December 31, 2022	$ —	$ —	$ —	$ —
Addition due to adoption of ASU 2016-13	81	1,063	1,220	2,364
Provision (benefit) for credit losses	(12)	50	112	150
Balance at December 31, 2023	69	1,113	1,332	2,514
Provision for credit losses	1,142	24,173	4,665	29,980
Write-offs	—	(256)	—	(256)
Balance at December 31, 2024	$ 1,211	$ 25,030	$ 5,997	$ 32,238

NOTE 5. FAIR VALUE MEASUREMENTS

Carrying amounts of certain financial instruments, including cash, accounts payable, and accrued liabilities approximate their fair value due to their relatively short maturities and market interest rates, if applicable.

The Company's financial assets and liabilities that were measured at fair value on a recurring basis were as follows as of December 31, 2024 and 2023 (amounts in thousands):

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets (Liabilities):				
Derivative asset — conversion option [1]	$ —	$ —	$ —	$ —
Warrant liability [2]	—	—	(2)	(2)

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets (Liabilities):				
Derivative asset — conversion option [1]	$ —	$ —	$ 1,025	$ 1,025
Warrant liability [2]	—	—	(2)	(2)

[1] Refer to Note 7 - *Investments* for further information.
[2] Refer to Note 14 - *Warrants* for further information.

The Company's financial assets that were measured at fair value on a non-recurring basis were as follows as of December 31, 2024 (amounts in thousands):

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets (Liabilities):				
Investment in equity securities [1]	$ —	$ —	$ 3,270	$ 3,270

[1] Refer to Note 7 - *Investments* for further information.

NOTE 6. RELATED PARTY TRANSACTIONS

In May 2019, the Company received a $1.5 million deposit for a gravity-based system from a customer that was owned by one of its primary stockholders. The deposit and order were received before the owner of the customer became one of the Company's primary shareholders and the deposit was recognized in the line item, contract liabilities, long-term portion, in the consolidated balance sheet as of December 31, 2023. During 2024, the Company concluded it was no longer obligated to provide a gravity-based system to the customer and that the deposit was nonrefundable. As a result, the Company derecognized the $1.5 million contract liability and recognized it as a gain within the line item, other income (expense), net, in the consolidated statement of operations and comprehensive loss for the year ended December 31, 2024.

During the years ended December 31, 2024 and 2023, the Company paid $1.1 million and $1.7 million, respectively, in marketing and sales costs to a company owned by an immediate family member of an officer of the Company. As of December 31, 2024 and 2023, the Company had payables of $0.1 million and $0.2 million, respectively, due to this related party.

In May 2023, the Company signed a technology license option agreement with a company affiliated with a member of Energy Vault's Board of Directors ("Board"). The agreement permitted the customer to exercise options to enter into licensing agreements in certain territories to use the Company's gravity storage technology for a fee of $0.5 million. The customer exercised its option for one territory on June 30, 2023 and paid a licensing fee of $0.5 million. The customer's option to exercise additional territories expired on June 30, 2024. Immediately prior to the expiration of the option agreement, the Company had $0.3 million in deferred revenue related to that agreement. The Company agreed to refund the customer $0.3 million of the option fee upon expiration of the option agreement in exchange for software that supports gravity storage efforts. As of December 31, 2024, the Company did not have any remaining deferred revenue related to the option agreement. The Company terminated the license agreement for the territory that was exercised by the customer effective June 30, 2024, and the Company will not collect any additional licensing fees from this customer.

NOTE 7. INVESTMENTS

The following table provides a reconciliation of investments to the Company's consolidated balance sheets (amounts in thousands):

	December 31, 2024		December 31, 2023	
	Current	Long-Term	Current	Long-Term
Investment in equity securities	$ —	$ 3,270	$ —	$ 15,000
Convertible note receivable	2,622	—	—	2,295
Note receivable	311	—	—	—
Total investments	$ 2,933	$ 3,270	$ —	$ 17,295

Investment in Equity Securities

In November 2022, the Company purchased $9.0 million of equity securities in KORE, a U.S. manufacturer of battery cells and modules. In February 2023, the Company purchased an additional $6.0 million of equity securities, increasing the Company's total investment in KORE to $15.0 million.

These equity securities do not have a readily determinable fair value and are recorded at cost, less any impairment, plus or minus adjustments related to observable transactions for the same or similar securities, with unrealized gains and losses included in earnings. For the year ended December 31, 2024, the Company recognized $11.7 million in impairment charges on its investment in KORE due to a decline in KORE's financial performance. The Company estimated the value of KORE using an approach that utilized Level 3 inputs. The Company estimated the fair value of KORE using publicly traded comparable company values, however the valuation used inputs from KORE that are not publicly available.

The significant unobservable inputs used in the valuation of KORE include the following:

Cash-free equity change	(80)%
Revenue multiple	1.3
Volatility	110 %

A reconciliation of the beginning and ending investment in equity securities balance in KORE is as follows (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Balance at beginning of period	$ 15,000	$ 9,000
Additional investment	—	6,000
Impairment	(11,730)	—
Balance at end of period	$ 3,270	$ 15,000

As of December 31, 2023, the carrying value of these equity securities was equal to its cost basis of $15.0 million.

Convertible Note Receivable

In October 2021, the Company entered into a convertible promissory note purchase agreement with DG Fuels, LLC ("DG Fuels") and purchased a promissory note with a principal balance of $1.0 million ("DG Fuels Tranche 1 Note"). In April 2022, the Company purchased an additional promissory note from DG Fuels with a principal balance of $2.0 million. ("DG Fuels Tranche 2 Note") (collectively, the "DG Fuels Note").

The maturity date of the DG Fuels Note is the earlier of (i) 30 days after a demand for payment is made by the Company at any time after the two year anniversary of the date of issuance of the note; (ii) the four year anniversary of the date of issuance of the note; (iii) five days following a Financial Close ("Financial Close" means a project finance style closing by DG Fuels or its subsidiary of debt and equity capital to finance the construction of that certain biofuel facility currently under development by DG Fuels), or (iv) upon an event of default determined at the discretion of the Company. The DG Fuels Note has an annual interest rate of 10.0%. Per the conversion terms, the Company can convert the principal balance and unpaid accrued interest into equity securities of DG Fuels at a 20% discount.

The discounted conversion rate in the DG Fuels Note is considered a redemption feature that is an embedded derivative, which requires bifurcation and separate accounting at its estimated fair value under ASC 815, *Derivative and Hedging*. The embedded derivative upon the purchase of the DG Fuels Tranche 1 Note was an asset of $0.4 million and the embedded derivative upon the purchase of the DG Fuels Tranche 2 Note was an asset of $0.7 million. The estimated fair value of the derivative instruments was recognized as a derivative asset on the consolidated balance sheets, with an offsetting discount to the DG Fuels Note. The Company amortizes the discount on the Note into interest income using the effective interest method. The Company recognized interest income of $0.6 million and $0.5 million for the years ended December 31, 2024 and 2023, respectively, from the DG Fuels Note. Interest income on the DG Fuels Note includes income from the amortization of the debt discount of $0.3 million and $0.2 million for the years ended December 31, 2024 and 2023, respectively.

The derivative financial instrument is recorded in other assets in the consolidated balance sheets. At each reporting period, the Company remeasures this derivative financial instrument to its estimated fair value. The change in the estimated fair value is recorded in other expense, net in the consolidated statements of operations and comprehensive loss.

A reconciliation of the beginning and ending asset balance for the embedded derivative in the DG Fuels Note is as follows (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Balance at beginning of period	$ 1,025	$ 1,025
Change in fair value	(1,025)	—
Balance at end of period	$ —	$ 1,025

The fair value of the embedded derivative asset was reduced in 2024 due to a decrease in the probability of the Company exercising its conversion option in DG Fuels.

Note Receivable

In October, 2024, the Company loaned AUD 0.5 million (or $0.3 million) to Stoney Creek to assist the company with purchasing a bond for a BESS project ("Tranche 1"). Tranche 1 has a stated interest rate of 8.0%. Principal and accrued interest are due in October 2025.

On March 7, 2025, the Company agreed to provide Stoney Creek with a bank guarantee of up to AUD 2.5 million (or $1.6 million) as security for a performance bond ("Tranche 2"). The Company has not issued this bank guarantee as of the filing date of this Annual Report.

Also on March 7, 2025, the Company loaned an additional AUD 0.5 million (or $0.3 million) to Stoney Creek to fund BESS project costs ("Tranche 3"). Tranche 3 has a stated interest rate of 8.0%. Principal and accrued interest are due in March 2026.

On March 17, 2025, the Company agreed to loan Stoney Creek, pending final governmental approval of the BESS project, up to an additional AUD 7.8 million (or $4.9 million) to fund development payments due to Stoney Creek's owner and developer, Enervest Utility Pty Ltd ("Enervest") ("Tranche 4"). The Company has loaned AUD 0.4 million (or $0.2 million) under Tranche 4 as of the filing date of this Annual Report. Principal and interest under Tranche 4 are due in September 2026.

If Stoney Creek's BESS project is cancelled or does not obtain final governmental approval, any outstanding principal and interest owed to Energy Vault would immediately become due. In February 2025, Stoney Creek received preliminary approval by the Australian regulator and Stoney Creek was awarded a long-term service agreement.

Also on March 17 2025, the Company entered into a share purchase agreement to acquire Stoney Creek from Enervest for a nominal purchase price of one hundred Australian dollars. The closing of the acquisition is subject to regulatory review and approval in Australia. Upon closing of the acquisition, the carrying value of the note receivable is expected to be incorporated as part of the total consideration.

NOTE 8. PROPERTY AND EQUIPMENT, NET

As of December 31, 2024 and 2023, property and equipment, net consisted of the following (amounts in thousands):

		December 31,	
	Life (years)	2024	2023
Land		$ 302	$ 226
Buildings	27.5	774	774
Machinery and equipment	6	11,584	9,330
Finance lease right-of-use assets	4	185	187
Furniture and IT equipment	3 - 7	1,259	1,474
Leasehold improvements	4 - 7	71	702
Construction in progress		88,669	20,095
Total property and equipment		102,844	32,788
Less: accumulated depreciation		(3,351)	(1,745)
Property and equipment, net		$ 99,493	$ 31,043

Machinery and equipment and construction in progress increased as of December 31, 2024 compared to December 31, 2023 primarily due to the construction of the Snyder CDU, the Cross Trails BESS, and a hybrid energy storage system being constructed in Calistoga, California.

In December 2023, the Company paid $6.3 million to acquire the land that the Snyder CDU is located on, and other related assets. At the time of purchase, the Company intended to resell the land that would not be used for the Snyder CDU and all of the other related assets. As such, the Company recorded $6.1 million of the purchase price as assets held for sale in the consolidated balance sheet as of December 31, 2023. In the second quarter of 2024, the Company decided it would keep

the assets that were initially classified as held for sale and instead develop the Cross Trails BESS, a 56.9 MW/113.8 MWh BESS. Due to the change in management's plans, the Company reclassified the assets held for sale to land and construction in progress during the second quarter of 2024.

The following tables shows property and equipment, net by geographical location as of December 31, 2024 and 2023 (amounts in thousands):

	December 31,	
	2024	2023
United States	$ 98,784	$ 30,251
Foreign	709	792
Property and equipment, net	$ 99,493	$ 31,043

For the years ended December 31, 2024 and 2023, depreciation and amortization related to property and equipment was $0.7 million and $0.9 million, respectively.

For the year ended December 31, 2024, the Company recognized a loss on impairment and sale of long-lived assets of $0.3 million, comprised of $0.4 million in asset impairments and a $0.1 million gain on the sale of operating equipment. The impairment relates to the write-off of leasehold improvements in the Company's Westlake Village office due to the Company relocating its corporate office. The Company did not recognize any gains or losses from impairments or sales of equipment during the year ended December 31, 2023.

NOTE 9. INTANGIBLE ASSETS, NET

Intangible assets, net are stated at amortized cost and consist of the following (amounts in thousands):

	December 31, 2024			December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Capitalized software to be sold	$ 4,901	$ (363)	$ 4,538	$ 1,786	$ —	$ 1,786

Once a software application is available for general release and is placed in service, the Company amortizes the capitalized costs on a product basis by the greater of the straight-line method over the estimated economic life of the product, or the ratio that current gross revenues for a product bear to the total current and anticipated future gross revenues for that product. The useful life for our external-use software development costs is five years. Amortization expense for the year ended December 31, 2024 was $0.4 million. There was no amortization expense for the year ended December 31, 2023.

Future amortization expense for intangible assets is estimated as follows (amounts in thousands):

	Amount
2025	$ 396
2026	396
2027	396
2028	396
2029	34
Thereafter	—
Subtotal	1,618
Software projects in process	2,920
Total	$ 4,538

NOTE 10. DEBT

In July 2023, the Company entered into a financing agreement related to premiums under certain insurance policies. The Company was obligated to repay the lender an aggregate sum of $1.1 million through nine equal monthly payments, at an annual interest rate of 7.0%. Repayments began on July 15, 2023 and the financing arrangement was fully repaid during the first quarter of 2024.

In September 2023, the Company entered into a financing agreement related to premiums under certain insurance policies. The Company was obligated to repay the lender an aggregate sum of $0.2 million through four equal monthly payments, at an annual interest rate of 7.0%. Repayments began on September 15, 2023 and the financing arrangement was fully repaid during the first quarter of 2024.

In April 2024, the Company entered into two financing agreements related to premiums under certain insurance policies. For the first financing, the Company is obligated to repay the lender an aggregate sum of $1.4 million through ten equal monthly payments commencing on April 10, 2024. For the second financing, the Company is obligated to repay the lender an aggregate sum of $0.4 million through nine equal monthly payments commencing on May 10, 2024. Both financings have an annual interest rate of 7.4%.

In June 2024, the Company entered into a financing agreement related to premiums under certain insurance policies. The Company is obligated to repay the lender an aggregate sum of AUD 0.3 million (or $0.2 million) through 12 equal monthly payments of AUD 22 thousand (or $15 thousand), at an annual interest rate of 4.4%, commencing on June 25, 2024.

In July 2024, the Company entered into a financing agreement related to premiums under certain insurance policies. The Company is obligated to repay the lender an aggregate sum of $1.1 million through nine equal monthly payments, at an annual interest rate of 7.5%, commencing on August 15, 2024.

The carrying value of the Company's debt as of December 31, 2024 and 2023 was $0.7 million and $0.4 million, respectively, and is included in the line item, accrued expenses, in the consolidated balance sheets.

Due to the fact that all debt was issued with, and retains maturities of less than 12 months, the carrying value is considered to approximate fair value.

NOTE 11. RETIREMENT PLANS

The Company has a defined benefit pension plan for its employees in its wholly owned Switzerland subsidiary. The plan is a statutory requirement in accordance with local regulations. The Swiss pension plans are governed by the Swiss Federal Law on Occupational Retirements, Survivors' and Disability Pension plans. The Company used third party providers to administer these plans. Benefits provided by the pension plan are based on years of service and employees' remuneration over their employment period. The Company uses December 31 as the year end measurement date for this plan.

The Company's policy is to fund its pension obligations in conformity with the funding requirements under applicable laws and governmental regulations. The pension plans maintain investment policies that, among other things, establish a portfolio asset allocation methodology with percentage allocation bands for individual asset classes. The investment policies provide that investments are reallocated between asset classes as balances exceed or fall below the appropriate allocation bands.

The assumption used for the expected long-term rate of return on plan asset is based on the long-term expected returns for the investment mix of assets currently in the portfolio. Historical return trends for the various asset classes in the class portfolio are combined with current and anticipated future market conditions to estimate the rate of return for each class. These rates are then adjusted for anticipated future inflation to determine estimated nominal rates of return for each class.

The accumulated benefit obligation represents the obligations of a pension plan for past service as of the measurement date, which is the present value of benefits earned to date based on current compensation levels.

Obligations and Funded Status

The following table presents the defined benefit plans' funded status and amount recognized in the consolidated balance sheets as of December 31, 2024 and 2023 (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Change in Benefit Obligation		
Benefit obligation at beginning of year	$ 5,791	$ 4,045
Service cost	300	262
Interest cost	96	75
Actuarial loss	694	313
Transfers in, net of benefits paid	(195)	336
Plan participant's contributions	222	214
Plan amendments	10	60
Foreign currency translation adjustments	(433)	486
Benefit obligation at end of year	$ 6,485	$ 5,791
Change in Plan Assets		
Fair value of plans assets at beginning of year	$ 4,300	$ 3,155
Actual return on plans' assets	204	8
Employer contributions	222	221
Benefits paid	(195)	336
Plan participant's contributions	222	214
Foreign currency translation adjustments	(312)	366
Fair value of plans assets at end of year	$ 4,441	$ 4,300
Funded Status at End of Year		
Fair value of plan assets	$ 4,441	$ 4,300
Benefit obligation	(6,485)	(5,791)
Liability recognized at end of year	$ (2,044)	$ (1,491)

Components of Net Periodic Benefit Cost

The components of net periodic pension benefit cost for the Company's defined benefit pension plans for the years ended December 31, 2024 and 2023 were as follows (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Employer service costs	$ 300	$ 262
Interest cost	96	75
Expected return on plan assets	(220)	(161)
Amortization of net prior service credit	37	29
Amortization of net loss	39	—
Net periodic benefit cost	$ 252	$ 205

Impact on Accumulated Other Comprehensive Loss

Amounts recognized in accumulated other comprehensive loss at December 31, 2024 and 2023 were as follows (amounts in thousands):

	December 31,	
	2024	2023
Net prior service cost	$ (283)	$ (305)
Net loss	(1,520)	(859)
Accumulated other comprehensive loss	$ (1,803)	$ (1,164)

Changes in accumulated other comprehensive loss for the Company's pension plan were as follows (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Accumulated other comprehensive loss at beginning of year	$ (1,164)	$ (645)
Change in net prior service credit (cost)	26	(30)
Change in net loss	(651)	(457)
Foreign currency translation adjustments	(14)	(32)
Accumulated other comprehensive loss at end of year	$ (1,803)	$ (1,164)

Assumptions

The assumptions used to measure the benefit obligation and net periodic benefit cost for the Company's defined benefit pension plan were as follows:

	2024	2023
Discount rate	1.1 %	1.8 %
Expected long-term return on plan assets	5.1 %	5.1 %
Rate of compensation increase	1.3 %	1.5 %
Pension increase rate (in payment)	— %	— %

Investment Strategy

As is customary with Swiss pension plans, the plan assets are invested in a Swiss collective fund (Profond Pension Fund, contract number 208.155) with multiple employers. The Company does not have rights to the individual assets of the plans nor does the Company have investment authority over the assets of the plans. The collective fund maintains a variety of investment positions primarily in equity securities and highly rated debt securities. The valuation of the collective fund assets as a whole is a level 3 measurement; however the individual investments of the fund are generally level 1 (equity securities and cash), level 2 (fixed income) and level 3 (real estate and alternative) investments. The Company determines the fair value of the plan assets based on information provided by the collective fund, through review of the collective fund's annual financial statements, and the Company further considers whether there are other indicators that the investment balances reported by the fund could be impaired. The Company concluded that no such impairment indicators were present at December 31, 2024.

The Swiss pension plans' actual asset allocation as compared to the plan administrators' target asset allocations for fiscal years 2024 and 2023 were as follows:

	2024	2023	Target
Equity instruments (Level 1)	52.4 %	47.6 %	50.0 %
Debt instruments (Level 2)	11.8 %	9.6 %	10.0 %
Real estate (Level 3)	24.4 %	28.3 %	25.0 %
Alternative investments (Level 3)	9.0 %	8.2 %	10.0 %
Cash and equivalents (Level 1)	2.4 %	6.3 %	5.0 %
Total	100.0 %	100.0 %	100.0 %

Cash Flows

Estimated future benefit payments expected to be paid by the defined benefit pension plan at December 31, 2024 are as follows (amounts in thousands):

Year Ending December 31,	Future Benefits
2025	$ —
2026	49
2027	50
2028	50
2029	51
Thereafter	258
Total	$ 458

The estimated employer contribution to the defined benefit pension plan in fiscal year 2025 is $0.2 million.

Defined Contribution Plan

The Company sponsors a defined contribution retirement plan for its United States employees and makes matching contributions up to a maximum of 3.5% of compensation. The Company made $0.9 million and $0.8 million in matching contributions for the years ended December 31, 2024 and 2023.

NOTE 12. SUPPLEMENTAL BALANCE SHEETS DETAIL

	December 31,	
(amounts in thousands)	2024	2023
Prepaid expenses and other current assets:		
Prepaid expenses	$ 3,423	$ 3,131
Tax refund receivable	117	1,359
Other	55	30
Total	$ 3,595	$ 4,520

	December 31,	
(amounts in thousands)	2024	2023
Other assets:		
Interest receivable	$ 850	$ 550
Derivative asset — conversion option	—	1,025
Other	306	1,074
Total	$ 1,156	$ 2,649

(amounts in thousands)	December 31, 2024	December 31, 2023
Accrued expenses:		
Accrued purchases	$ 8,165	$ 71,932
Professional fees	8,373	4,522
Employee costs	4,019	5,985
Taxes payable	2,351	733
Warranty liabilities	1,336	894
Insurance premium financings	724	358
Accrued project loss	—	591
Other	—	27
Total	$ 24,968	$ 85,042

(amounts in thousands)	December 31, 2024	December 31, 2023
Lease liabilities, current portion:		
Operating leases	$ 461	$ 697
Finance leases	38	27
Total	$ 499	$ 724

(amounts in thousands)	December 31, 2024	December 31, 2023
Other long-term liabilities:		
Operating leases	$ 785	$ 1,044
Finance leases	81	93
Warranty liabilities	55	924
Asset retirement obligation	11	52
Warrant liability	2	2
Total	$ 934	$ 2,115

NOTE 13. LEASES

The Company primarily has operating leases for its corporate offices, field offices, and vehicles. The Company recognizes a ROU asset and lease liability for operating leases based on the net present value of future minimum lease payments. Lease expense is recognized on a straight-line basis over the non-cancelable lease term and renewal periods that are considered reasonably certain.

The Company primarily has finance leases for vehicles. The Company recognizes a ROU asset and lease liability for finance leases based on the net present value of future minimum lease payments. Lease expense for the Company's finance leases is comprised of the amortization of the right of use asset and interest expense recognized based on the effective interest method.

The components of lease expense for the years ended December 31, 2024 and 2023 are as follows (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Operating lease expense	$ 738	$ 934
Finance lease expense		
Amortization of finance ROU assets	49	52
Interest on finance lease liabilities	13	3
Short-term lease expense	809	481
Variable lease expense	32	56
Capitalized lease costs	(396)	(204)
Sublease income	(27)	(25)
Total	$ 1,218	$ 1,297

Supplemental balance sheet information related to leases as of December 31, 2024 and 2023 is as follows:

	December 31,	
	2024	2023
Weighted average remaining lease term (years)		
Operating leases	6.1	5.9
Finance leases	3.0	3.9
Weighted average discount rate		
Operating leases	10.3 %	10.3 %
Finance leases	9.5 %	10.4 %

Supplemental cash flow information related to leases for the fiscal years ended December 31, 2024 and 2023 is as follows (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows used for operating leases	$ 827	$ 948
Operating cash flows used for finance leases	12	3
Financing cash flows used for finance leases	185	47
	$ 1,024	$ 998
ROU Assets obtained in Exchange for Lease Liabilities		
Operating leases	$ 160	$ 1,008
Finance leases	60	108
	$ 220	$ 1,116

Future maturities of operating and finance lease liabilities as of December 31, 2024 are as follows (amounts in thousands):

	Operating Leases	Finance Leases
2025	$ 556	$ 47
2026	248	46
2027	171	39
2028	110	4
2029	113	—
Thereafter	469	—
Total undiscounted cash flows	1,667	136
Less imputed interest	(421)	(17)
Present value of lease liabilities	$ 1,246	$ 119

NOTE 14. WARRANTS

Upon the closing of the Merger, the Company assumed 5.2 million private warrants. Each whole warrant entitles the holder to purchase one share of the Company's common stock at an exercise price of $11.50 per share, subject to adjustments. The private warrants are exercisable on a cash or cashless basis, at the warrant holders' option, and are not redeemable by the Company, in each case so long as the warrants are still held by Novus or their permitted transferees. The private warrants are exercisable until February 11, 2027. No private warrant activity has occurred since the closing of the Merger, and 5.2 million private warrants remain outstanding as of December 31, 2024.

The private warrants are classified as Level 3 measurements and the Company uses a Black Scholes model to determine their fair value. The primary significant unobservable input used to evaluate the fair value measurement of the Company's private warrants is the expected volatility. A significant increase in the expected volatility in isolation would result in a significantly higher fair value measurement. The private warrants were valued at less than $0.01 per warrant and warrant liabilities was $2 thousand as of December 31, 2024 and 2023.

The following table provides the assumptions used to estimate the fair value of the Private Warrants as of December 31, 2024:

Exercise price	11.50
Expected term (in years)	2.12
Expected volatility	17.4 %
Risk-free interest rate	4.1 %
Expected dividend yield	— %

The change in the fair value of the Company's Private Warrants during the years ended December 31, 2024 and 2023 was de minimis.

NOTE 15. STOCK-BASED COMPENSATION

2017 Stock Incentive Plan

In 2017, the Company adopted its 2017 Stock Incentive Plan (the "2017 Plan") which provides for the granting of stock options, restricted stock, and RSUs to employees, directors, and consultants of the Company. Options granted under the 2017 Plan were either ISOs or Nonqualified Stock Options ("NSOs"). Awards under the 2017 Plan may be granted for periods of up to ten years. Under the terms of the 2017 Plan, awards may be granted at an exercise price not less than the estimated fair value of the shares on the date of grant, as determined by the Company's Board. For employees holding more than 10% of the voting rights of all classes of stock, the exercise price of ISOs and NSOs may not be less than 110%

of the estimated fair value of the shares on the date of grant, as determined by the Board. Awards generally vest over one to four years.

2020 Stock Incentive Plan

In 2020, the Company adopted its 2020 Stock Incentive Plan (the "2020 Plan") which superseded the previous 2017 Plan. The 2020 Plan provides for the granting of stock options, restricted stock, and RSUs to employees, directors, and consultants of the Company. Options granted under the 2020 Plan may be either ISOs or NSOs. Awards under the 2020 Plan may be granted for periods of up to ten years. Under the terms of the 2020 Plan, awards may be granted at an exercise price not less than the estimated fair value of the shares on the date of grant, as determined by the Company's Board. For employees holding more than 10% of the voting rights of all classes of stock, the exercise price of ISOs and NSOs may not be less than 110% of the estimated fair value of the shares on the date of grant, as determined by the Board. Awards generally vest over one to four years.

2022 Equity Incentive Plan

In 2022, the Company adopted its 2022 Equity Incentive Plan (the "2022 Incentive Plan"), which superseded the previous 2020 Plan, provides for the granting of stock options, stock appreciation rights ("SARs"), restricted stock, and RSUs to employees, non-employee directors, and consultants of the Company. Shares of common stock underlying awards that expire or are forfeited or canceled will again be available for issuance under the 2022 Incentive Plan.

The number of shares of the Company's common stock reserved for issuance under the 2022 Incentive Plan is approximately 15.5 million, plus up to approximately 8.3 million shares subject to awards granted under the 2017 and 2020 Plans. Additionally, beginning on March 1, 2022 and ending on (and including) March 31, 2031, the number of shares of the Company's common stock that may be issued under the 2022 Incentive Plan will increase by a number of shares equal to the lesser of (i) 4.0% of the outstanding shares on the last day of the immediately preceding fiscal year or (ii) such lesser number of shares (including zero) that the Company's Board determines for the purposes of the annual increase for that fiscal year.

2022 Inducement Plan

In 2022, the Company adopted its 2022 Inducement Plan, which provides for the granting of stock options, SARs, restricted stock, and RSUs to individuals who were not previously employees of Energy Vault, or following a bona fide period of non-employment, as inducement material to such individuals entering into employment with Energy Vault. Shares of common stock underlying awards that expire or are forfeited or canceled will again be available for issuance under the 2022 Inducement Plan. 8.0 million shares of the Company's common stock are reserved for issuance under the 2022 Inducement Plan.

2025 Inducement Plan

In February 2025, the Board approved the Company's 2025 Inducement Plan, which provides for the granting of stock options, SARs, restricted stock, and RSUs to individuals who were not previously employees of Energy Vault, or following a bona fide period of non-employment, as inducement material to such individuals entering into employment with Energy Vault. Shares of common stock underlying awards that expire or are forfeited or canceled will again be available for issuance under the 2025 Inducement Plan. 8.0 million shares of the Company's common stock are reserved for issuance under the 2025 Inducement Plan.

Stock Option Activity

Stock option activity for the year ended December 31, 2024 and was as follows (amounts in thousands, except per share data):

	Options Outstanding			
	Number of Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Balance as of December 31, 2023	5,807	$ 1.71	6.4	$ 3,605
Stock options granted	1,050	1.12		
Stock options exercised	(52)	0.80		43
Stock options forfeited, canceled, or expired	(376)	0.80		
Balance as of December 31, 2024	6,429	1.62	6.0	4,248
Options exercisable as of December 31, 2024	2,337	1.54	5.3	1,733
Options vested and expected to vest as of December 31, 2024	6,429	$ 1.62	6.0	$ 4,248

The weighted average grant-date fair value of stock options granted during the year ended December 31, 2024 was $0.90. As of December 31, 2024, total unamortized stock-based compensation expense related to unvested awards that are expected to vest was $3.7 million. The weighted-average period over which such stock-based compensation expense will be recognized is approximately 1.8 years.

The aggregate intrinsic values of options outstanding, exercisable, vested and expected to vest were calculated as the difference between the exercise price of the options and the closing stock price of the Company's common stock on the NYSE as of December 31, 2024.

The Company uses the Black-Scholes option pricing model to determine the fair value of stock options. The following tables summarizes the assumptions used for estimating the fair value of stock options granted during the years ended December 31, 2024 and 2023.

	Year Ended December 31,	
	2024	2023
Expected term (in years)	6.3	4.5
Expected volatility	95% to 99%	100 %
Risk-free interest rate	3.5% to 4.4%	3.9 %
Expected dividend yield	—	—

Restricted Stock Units

Stock-based compensation expense for awards with only service conditions are recognized on a straight-line basis over the requisite service period of the award. Generally, awards granted under the 2022 Plan and 2022 Inducement Plan vest based solely on a service condition. RSUs granted under the 2020 Plan contain both a service-based vesting condition and liquidity event-based vesting condition. The liquidity event-based vesting condition was satisfied upon the closing of the Merger. The service-based vesting period for these awards is generally three or four years, with a cliff vesting period of one year, and continue to vest monthly or quarterly thereafter.

During 2024 and 2023, the Company granted RSUs to certain employees that vest based on a market-based condition. These RSUs will vest and convert to common stock if the Company's stock price reaches certain price targets for 20 days in any 30 day trading window. The fair value of the RSUs are recognized as expense over the requisite service period regardless of whether or not the RSUs ultimately vest and convert to common stock. The fair value of these market-based RSUs were measured on their respective grant dates, using a Monte Carlo simulation model based on the following range

and weighted-average assumptions:

	Year Ended December 31,	
	2024	2023
Expected term (in years)	4.0	4.0
Expected volatility	90% - 95%	90 %
Risk-free interest rate	3.4% - 4.5%	3.8%
Expected dividend yield	—	—

RSU activity for the years ended December 31, 2024 and 2023 are as follows (amounts in thousands, except per share data):

	RSUs	Weighted Average Grant Date Fair Value per Share
Nonvested balance as of December 31, 2023	19,029	$ 4.55
RSUs granted	11,943	1.52
RSUs forfeited	(1,910)	3.41
RSUs vested	(6,737)	5.23
Nonvested balance as of December 31, 2024	22,325	$ 2.83

As of December 31, 2024, unrecognized stock-based compensation expense related to these RSUs was $45.0 million which is expected to be recognized over the remaining weighted-average vesting period of approximately 1.6 years.

Stock-Based Compensation Expense

Total stock-based compensation expense for the years ended December 31, 2024 and 2023 is as follows (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Sales and marketing	$ 6,162	$ 7,143
Research and development	8,693	10,057
General and administrative	23,854	25,897
Total stock-based compensation expense	$ 38,709	$ 43,097

NOTE 16. REORGANIZATION EXPENSES

The Company implemented a series of cost savings measures during 2024 and 2023 and recognized reorganization costs of $1.6 million and $0.6 million for the years ended December 31, 2024 and 2023, respectively. Reorganization expenses consist of personnel reduction costs related to these cost saving measures. The Company does not expect to incur additional charges related to these cost reduction measures.

Reorganization expenses for the years ended December 31, 2024 and 2023 is as follows (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Sales and marketing	$ 288	$ 84
Research and development	523	182
General and administrative	748	318
Total reorganization expenses	$ 1,559	$ 584

A reconciliation of the beginning and ending liability balances for reorganization expenses included in the line item, accrued expenses, on the consolidated balance sheets is as follows (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Beginning of period	$ —	$ —
Costs charged to expense	1,559	584
Costs paid or settled	(1,577)	(584)
Foreign currency translation adjustments	18	—
End of period	$ —	$ —

NOTE 17. SEGMENT REPORTING

As a single reportable segment entity, the Company's CODM uses the profit measure of net loss to allocate resources and assess performance of our business by comparing actual results to historical results and previously forecasted financial information. The measure of segment assets is reported on the consolidated balance sheets as total assets.

See Note 3 for the Company's revenue disaggregated by product line.

The following table presents revenue, significant segment expenses provided to the CODM, and net loss for our consolidated segment (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Revenue	$ 46,199	$ 341,543
Cost of revenue	40,012	324,012
Gross profit	6,187	17,531
Significant segment expenses: [1]		
Non-personnel operating costs [2]	32,251	38,913
Salaries and wages [3]	32,290	41,214
Stock-based compensation	38,709	43,097
Depreciation and amortization	1,058	893
Loss on impairment and sale of long-lived assets	336	—
Other segment items [4]	37,356	(8,143)
Net loss	$ (135,813)	$ (98,443)

[1] The significant segment expense categories and amounts presented align with the segment-level information that is regularly provided to the CODM.
[2] Represents sales and marketing, research and development, and general and administrative expenses, excluding personnel related costs.
[3] Represents the costs of employees' salaries, benefits, and payroll taxes that are reported within sales and marketing, research and development, and general and administrative expenses in the consolidated statements of operations and comprehensive loss. This amount excludes stock-based compensation expense and personnel costs that were part of a reorganization plan.
[4] Represents certain other segment items that are not deemed significant segment expenses and primarily consists of provision for credit losses, reorganization expenses, impairment of equity securities, interest income, interest expense, and other income/expense items.

NOTE 18. INCOME TAXES

The components of pre-tax loss are as follows for the years ended December 31, 2024 and 2023 (amounts in thousands):

	Year Ended December 31,	
	2024	2023
United States	$ (123,143)	$ (82,372)
Switzerland	(8,151)	(13,744)
United Kingdom	(1,993)	(1,478)
Australia	(2,448)	(1,198)
China	(11)	—
Total loss before tax	$ (135,746)	$ (98,792)

The following table presents the principal reasons for the difference between the effective tax rate and the federal statutory income tax rate:

	Year Ended December 31,	
	2024	2023
US federal statutory income tax rate	21.0 %	21.0 %
State and local income taxes, net of Federal benefit	0.3 %	0.7 %
Non-deductible expenses	(5.4)%	(9.3)%
Credits	0.6 %	1.3 %
Foreign rate differential	(0.1)%	(0.4)%
Valuation allowance	(16.4)%	(13.4)%
Other	— %	0.5 %
Effective income tax rate	— %	0.4 %

The components of the provision (benefit) for income taxes are as follows (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Current		
Federal	$ (20)	$ (367)
State	87	18
Foreign	—	—
Total current tax provision (benefit)	67	(349)
Deferred		
Federal	—	—
State	—	—
Foreign	—	—
Total deferred tax provision	—	—
Total provision (benefit) for income taxes	$ 67	$ (349)

The components of the deferred tax asset are as follows (amounts in thousands):

	December 31,	
	2024	2023
Deferred tax assets:		
Net operating loss carryforwards	$ 30,397	$ 27,782
Stock-based compensation	1,763	1,817
Revenue recognition	672	4,434
Accrued expense	605	497
Capitalized research and development	3,701	3,494
Credits	2,778	1,966
Operating lease liabilities	156	223
Impairment	2,556	—
Allowance for credit losses	7,024	—
Other	—	614
Gross deferred tax assets	49,652	40,827
Less: valuation allowance	(48,107)	(39,834)
Net deferred tax assets	1,545	993
Deferred tax liabilities:		
Depreciation and amortization	(1,287)	(775)
Right of use assets	(174)	(218)
Other	(84)	—
Gross deferred tax liabilities	(1,545)	(993)
Net deferred tax assets (liabilities)	$ —	$ —

In 2024, the balance of the revenue recognition deferred tax asset was partially reduced due to changes in the tax treatment of IP licensing revenue from prior years. These changes have been accounted for in the current year, resulting in a decrease in the revenue recognition deferred tax asset, offset by adjustments to the net operating loss deferred tax asset and valuation allowance where applicable.

In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Based upon the analysis of federal and state deferred tax balances, future tax projections and availability of taxable income in the carryback period, the Company recorded a valuation allowance against the federal, state, and international deferred tax assets of $48.1 million.

As of December 31, 2024, the Company had federal net operating losses of $122.8 million, state net operating losses of $35.8 million, and foreign net operating losses of $9.8 million. The federal net operating loss carryforwards do not expire, but are subject to a limitation on their use equal to 80% of the taxable income in the year of use. The state net operating loss carryforwards will begin to expire in 2038. $6.8 million of the foreign net operating loss carryforwards do not expire. The remaining foreign net loss carryforwards begin to expire in 2025.

At December 31, 2024, the Company had federal and state research tax credit carryforwards of $2.3 million and $0.6 million, respectively. The federal research tax credit carryforwards will begin to expire in 2042 and the state research tax credits do not expire.

At December 31, 2024 and 2023, the Company recorded $15.7 million, and $1.4 million, respectively, of unrecognized tax benefits. During the years ended December 31, 2024 and 2023, the Company recognized no interest and penalties related to uncertain tax positions.

The following table summarizes the activity related to the Company's unrecognized tax benefits (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Balance at beginning of year	$ 1,399	$ 1,066
Increase related to prior year tax positions	13,324	64
Decrease related to prior year tax positions	—	(61)
Increase related to current year tax positions	945	330
Balance at end of year	$ 15,668	$ 1,399

During 2024, the Company recorded an uncertain tax position for the historical and current Switzerland net operating loss, related to unrecorded transfer pricing charges between Switzerland and the United States. The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate as of December 31, 2024 and 2023 was zero, due to the valuation allowance that would otherwise be recorded on the deferred tax asset associated with the recognized position.

The tax years ended December 31, 2021 through December 31, 2024 remain open to examination by the Internal Revenue Service and California Franchise Tax Board. In addition, the utilization of net operating loss carryforwards are subject to federal and state review for the periods in which those net losses were incurred. The Company is not under audit by any taxing jurisdictions at this time. The foreign entities have statute of limitations ranging between one and five years from the filing date of the tax return.

Utilization of the net operating losses and tax credit carryforwards may be subject to an annual limitation based on changes in ownership, as defined by Section 382 and 383 of the Internal Revenue Code ("IRC") of 1986, as amended. Based on the Company's Section 382 analysis, the Company has determined that none of the net operating losses will be permanently impaired due to 382 limitations.

The IRA was passed in August 2022, providing significant incentives for businesses to become more energy efficient by extending, increasing, or expanding credits applicable to the production of clean energy and fuels, as well as other provisions. These changes did not have a material impact on the tax provision of the Company.

NOTE 19. NET LOSS PER SHARE OF COMMON STOCK

Basic and diluted net loss per share attributable to common stockholders are calculated as follows (amounts in thousands, except per share amounts):

	Year Ended December 31,	
	2024	2023
Net loss attributable to Energy Vault Holdings, Inc.	$ (135,750)	$ (98,443)
Weighted-average shares outstanding – basic and diluted	149,846	142,851
Net loss per share – basic and diluted	$ (0.91)	$ (0.69)

There were no common share equivalents that were dilutive for the years ended December 31, 2024 and 2023. Due to net losses during those periods, basic and diluted net loss per common share were the same, as the effect of potentially dilutive securities would have been anti-dilutive.

The following outstanding balances of common share equivalent securities have been excluded from the calculation of diluted weighted-average common shares outstanding because the effect is anti-dilutive for the periods presented (amounts in thousands):

	Year Ended December 31,	
	2024	2023
Private Warrants	5,167	5,167
Stock options	6,429	5,807
RSUs	22,325	19,029
Total	33,921	30,003

9.0 million shares of common stock equivalents subject to the Earn-Out Shares are excluded from the anti-dilutive table above as of December 31, 2024 and 2023, as the underlying shares remain contingently issuable as the Earn-Out Triggering Events have not been satisfied.

NOTE 20. COMMITMENTS AND CONTINGENCIES

Our principal commitments as of December 31, 2024 consisted primarily of obligations under operating leases, finance leases, warranty liabilities, a deferred pension, and issued purchase orders. Our non-cancellable purchase obligations as of December 31, 2024 totaled $1.9 million.

Loss Contingencies:

In the ordinary course of business, the Company is regularly subject to various legal proceedings. The Company has identified certain legal matters where the Company believes an unfavorable outcome is not probable and, therefore, no reserve has been established. Although the Company currently believes that resolving claims against the Company, including claims where an unfavorable outcome is reasonably possible, will not have a material impact on the Company's business, financial position, results of operations and comprehensive loss, or cash flows, these matters are subject to inherent uncertainties and the Company's view of these matters may change in the future. The Company accrues legal costs as they are incurred.

Warranty Liabilities:

The Company provides a limited warranty to its customers that purchase energy storage products assuring that the products are free from defects. The Company's limited warranties are generally for a period of two or three years after the substantial completion date of a project. These warranties are considered assurance-type warranties which provide a guarantee of quality of the products. For assurance-type warranties in EPC contracts, the Company records an estimate of future warranty costs over the period of construction. For assurance-type warranties in EEQ contracts, the Company records an estimate of future warranty costs upon the transfer of the equipment to the customer. Warranty costs are recorded as a component of cost of revenue in the Company's consolidated statements of operations and comprehensive loss.

As of December 31, 2024 and 2023, the Company accrued the below estimated warranty liabilities, respectively (amounts in thousands):

	December 31,	
	2024	2023
Warranty liabilities, balance at beginning of period	$ 1,818	$ —
Accruals for warranties issued	—	1,818
Change in estimates	2,938	—
Costs paid or settled	(3,365)	—
Warranty liabilities, balance at end of period	$ 1,391	$ 1,818

The key inputs and assumptions used in calculating estimated warranty liabilities are reviewed by management each reporting period. The Company may make additional adjustments to the estimated warranty liability based on a comparison

of actual warranty results to expected results for significant differences or based on performance trends or other qualitative factors. If actual failure rates or replacement costs differ from our estimates in future periods, changes to these estimates may be required, resulting in increases or decreases in the estimated warranty liability, which may be material.

Letters of Credit:

In the ordinary course of business and under certain contracts, the Company is required to post letters of credit for its customers, insurance carriers, and surety bond providers for project performance, and for its vendors for payment guarantees. Such letters of credit are generally issued by a bank or a similar financial institution. The letter of credit commits the issuer to pay specified amounts to the holder of the letter of credit under certain conditions. As of December 31, 2024, there was $16.5 million of letters of credit issued through the Company's credit relationships. The Company is not aware of any material claims relating to its outstanding letters of credit.

Performance and Payment Bonds:

In the ordinary course of business, Energy Vault is required by certain customers to provide performance and payment bonds for contractual commitments related to its projects. These bonds provide a guarantee that the Company will perform under the terms of a contract and that the Company will pay its subcontractors and vendors. If the Company fails to perform under a contract or to pay its subcontractors and vendors, the customer may demand that the surety make payments or provide services under the bond. The Company must reimburse the surety for expenses or outlays it incurs. As of December 31, 2024, there were $109.0 million of outstanding performance and payment bonds.

Other Bonds:

In the ordinary course of business, Energy Vault is required to obtain other bonds, such as for insurance and government payments. These bonds provide a guarantee that the Company will post the necessary reserves as required by banks and tax or licensing authorities. Additionally, bonds are issued to banks as support for letters of credit provided by those banks. As of December 31, 2024, there were $23.5 million of outstanding other bonds.

NOTE 21. SUBSEQUENT EVENTS

Tax Credit Transfer Commitment

On March 28, 2025, the Company entered into a Tax Credit Transfer Commitment, on behalf of its wholly owned subsidiary companies, with a third-party purchaser pursuant to which the Company agreed to sell certain ITCs generated by the Calistoga Resiliency Center hybrid energy storage system, the Cross Trails BESS, and the Snyder CDU that are anticipated to be placed in service in 2025. The Tax Credit Transfer Commitment is subject to certain conditions set forth therein, and requires the Company to incur the remaining associated capital expenditures to complete the projects (via internal sources or external sources such as project financing). The third-party purchaser has agreed to purchase on or before December 15, 2025, all the eligible ITCs generated by the projects, in an amount to be finalized subject to final cost segregation reports. The purchase of the ITCs will be pursuant to a purchase agreement, as may be modified in the course of due diligence with respect to each project. The purchase agreement contains customary representations and warranties, covenants, and closing conditions regarding the existence and availability to transfer the ITCs, including opinions of counsel. Further, the purchase agreement requires the Company to procure tax credit insurance and indemnify the third-party purchaser if the ITCs are reduced, disallowed, or recaptured, among other matters.

Equity Purchase Agreement

On March 31, 2025, the Company entered into an equity purchase agreement (the "Equity Purchase Agreement") with an Equity Investor ("the Equity Investor"). Pursuant to the Equity Purchase Agreement, the Company has the right at its sole discretion, but not the obligation, to sell to the Equity Investor, and the Equity Investor is obligated to purchase, up to $25.0 million of newly issued shares of the Company's common stock, from time to time during the term of the Equity Purchase Agreement, subject to certain limitations and conditions. As consideration for the Equity Investor's commitment to purchase shares of common stock under the Equity Purchase Agreement, we will pay the Equity Investor $0.2 million in origination fees. We have the right to terminate the Equity Purchase Agreement on or before May 15, 2025. The Equity Purchase Agreement contains customary representations, warranties and agreements by us, as well as customary indemnification obligations of the Company. The securities in this offering, to the extent offered, will be offered pursuant to our effective S-3/A shelf registration statement (File No. 333-273089), which was filed with the SEC on July 14, 2023

and declared effective on July 20, 2023 or, a registration statement that will be filed with the SEC by May 15, 2025. If we don't terminate the Equity Purchase Agreement on or before May 15, 2025, we will issue the Equity Investor shares of our common stock equivalent to 0.3% of our outstanding common stock and then have the right to sell shares to the Equity Investor at a market discount. As of the filing date of this Annual Report, the Company has not sold any shares under this agreement.

Short-Term Loan

On March 31, 2025, the Calistoga Resiliency Center, LLC, a wholly-owned indirect subsidiary of the Company (the "Borrower"), entered into a credit agreement with Jefferies Finance LLC, as administrative agent, collateral agent and lender, in an aggregate principal amount of $27.8 million ("Short-Term Loan"), which provides short-term financing while the Borrower pursues a long-term debt financing. The Short-Term Loan matures on April 23, 2025 and bears interest at an annual rate of 9.5% until April 4, 2025 and at an annual rate of 15.5% after April 5, 2025. Interest is payable at maturity. The Borrower has the option to prepay the Short-Term Loan at any time. The Short-Term Loan is secured by an escrow account that will hold the loan proceeds, subject to disbursement upon meeting certain conditions subsequent (the "Escrow Release"). Upon the Escrow Release, the Short-Term Loan would be secured by a pledge of substantially all assets of the Borrower, and an equity pledge in the Borrower.

The Short-Term Loan contains affirmative and negative covenants, certain of which become effective upon Escrow Release, including covenants restricting the Borrower's ability to incur certain liens and indebtedness, enter into certain transactions and merge or consolidate with any other entity or the Company ceasing to own the Borrower, which, in each case, will be subject to certain limitations and exceptions. The Short-Term Loan contains mandatory repayments, representations and warranties and events of default customary for a financing of this nature.

Senior Secured Notes

Subsequent to December 31, 2024, the Calistoga Resiliency Center, LLC, entered into a financing arrangement consisting of the issuance of Senior Secured Notes due April 4, 2032 (the "Senior Notes"). The aggregate principal amount of the Senior Notes to be issued is $27.8 million, with a purchase price of 99.25% of par value. The Senior Notes will be purchased by Eagle Point Credit (the "Investor"), and Jefferies Finance, LLC served as agent for the transaction. The Company expects that the Investor will fund the purchase of the Senior Notes on or about April 4, 2025, by purchasing the Short-Term Loan from Jefferies and converting the Short-Term Loan principal into Senior Notes.

The Senior Notes will bear interest at a rate of 12.5% per annum, until the earlier of (i) the Company's receipt of any tax credit transfer proceeds and (ii) December 31, 2025, and thereafter at a rate of 9.50% per annum. The Senior Notes will be senior secured obligations of Calistoga Resiliency Center, LLC, and will be secured by a first-priority pledge of all assets and equity interests in the Borrower. The Senior Notes contain affirmative and negative covenants, including minimum cash reserves and a minimum debt service coverage ratio.

The Senior Notes will amortize over their term, with scheduled principal and interest payments occurring on February 28 and August 31 of each year. The amortization schedule includes an initial principal payment of $12.9 million on August 31, 2025, followed by periodic payments as detailed in the financing agreement. A final balloon payment of $7.0 million is due on April 4, 2032.

The Company may, at its option, redeem the Senior Notes in whole or in part prior to maturity, subject to specified call protection provisions and prepayment premiums as outlined in the agreement. In the event of a change of control, the Company may be required to offer to repurchase the Senior Notes at a specified price.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

As part of the filing of this Form 10-K for the period ended December 31, 2024, our management, with the participation of our CEO and Chief Financial Officer ("CFO"), evaluated the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As a result of this evaluation, our CEO and CFO concluded that, as of December 31, 2024, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act). Internal control over financial reporting means a process designed by, or under the supervision of, a company's principal executive and principal financial officers, and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company, (ii) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the company are being made only in accordance with authorizations of the company's management and directors, and (iii) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the company's financial statements.

Management, with the participation of our CEO and CFO, evaluated the effectiveness of our internal control over financial reporting as of December 31, 2024. This evaluation was conducted using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in the 2013 Internal Control – Integrated Framework. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2024.

This Annual Report on Form 10-K does not include an attestation report of our independent registered accounting firm on management's assessment regarding internal control over financial reporting due to the exemption from such requirements established by rules of the SEC for emerging growth companies.

ITEM 9B. OTHER INFORMATION

During the three months ended December 31, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) if Regulation S-K.

We are providing the following disclosure in lieu of filing a Current Report on Form 8-K relating to Item 5.02 ("Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers").

Bill Gross Resignation and Dylan Hixon Appointment to the Company's Board

On March 31, 2025, Bill Gross, who co-founded the Company and has been a director of the Company since 2017, informed the Company of his intent to resign from the Company's Board effective immediately to pursue other professional interests. There are no disagreements between Mr. Gross and the Company, the Company's management, or the Board on any matters related to the Company's operations, policies, or practices. Mr. Gross will continue to support the Company in an advisory role focused on various applications of the gravity technology and energy storage solutions for data center markets.

On March 31, 2025, the Board, upon the recommendation of the Nominating and Corporate Governance Committee, appointed Dylan Hixon as a Class III director to fill the vacancy on the Board resulting from the resignation of Mr. Gross, effective immediately, for a term expiring at the Company's 2027 annual meeting of stockholders.

As a non-employee director, Mr. Hixon will receive compensation in the same amounts and forms paid to other non-employee members of the Board, as described in the Company's proxy statement for its 2024 annual meeting of stockholders. In addition, in connection with his election to the Board, Mr. Hixon will receive an equity grant in the form of restricted stock units that have a fair market value of approximately $200,000 based on the average closing price over the fiscal quarter ending on or prior to March 31, 2025. Mr. Hixon has also entered into the Company's standard indemnification agreement for directors and officers.

There is no arrangement or understanding pursuant to which the Mr. Hixon was appointed to the Board. There are no family relationships between Mr. Hixon and any director or executive officer of the Company as defined in Item 401(d) of Regulation S-K, and Mr. Hixon has no direct or indirect material interest in any transaction or proposed transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item will be included in the Company's Proxy Statement to be filed with the SEC within 120 days after December 31, 2024 in connection with the solicitation of proxies for the Company's 2025 annual meeting of stockholders, and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item will be included in the Company's Proxy Statement to be filed with the SEC within 120 days after December 31, 2024, and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNER AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of December 31, 2024 regarding shares of common stock that may be issued under our equity compensation plans (amounts of securities shown in thousands):

	As of December 31, 2024		
	Number of Securities to be Issued Upon Exercise of Outstanding Options, Restricted Stock Units, and Rights	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Available for Future Issuance Under Equity Compensation Plans (Excludes Securities Included in First Column)
Plan category:			
Equity compensation plans approved by security holders [1]	23,121 [2]	$ 1.72 [3]	9,107 [4]
Equity compensation plans not approved by security holders [5]	5,632 [6]	1.12 [3]	1,511
Total	28,753	$ 1.62	10,618

[1] Consists of the 2022 Equity Incentive Plan (the "2022 Plan").

[2] Includes 5.4 million shares of common stock issuable upon the exercise of outstanding options and 17.7 million shares subject to restricted stock units that will entitle the holder to one share of common stock for each unit that vests.

[3] Restricted stock units do not have an exercise price and are not included in the weighted average exercise price.

[4] The number of shares of common stock available for issuance under the 2022 Plan automatically increases each year on March 1, until and including March 31, 2031 by a number of shares equal to the lesser of (i) 4.0% of the aggregate number of shares of common stock outstanding on the last day of the immediately preceding fiscal year or (ii) such lesser number of shares of common stock (including zero) as determined by the Board.

[5] On November 14, 2022, our Board adopted the 2022 Employment Inducement Plan (the "Inducement Plan") without stockholder approval pursuant to New York Stock Exchange Rule 303A.02 ("Rule 303A.02"). In accordance with Rule 303A.02, cash and equity-based incentive awards under the Inducement Plan may only be made to a newly hired employee who has not previously been a member of our Board, or an employee who is being rehired following a bona fide period of non-employment by us as a material inducement to the employee's entering into employment with us. An aggregate of 8.0 million shares of our common stock were initially reserved for issuance under the Inducement Plan.

[6] Includes 1.1 million shares of common stock issuable upon the exercise of outstanding options and 4.6 million shares subject to restricted stock units that will entitle the holder to one share of common stock for each unit that vests.

The remaining information required by this Item will be included in the Company's Proxy Statement to be filed with the SEC within 120 days after December 31, 2024, and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item will be included in the Company's Proxy Statement to be filed with the SEC within 120 days after December 31, 2024, and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item will be included in the Company's Proxy Statement to be filed with the SEC within 120 days after December 31, 2024, and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) The financial statements filed as part of this Annual Report are listed in Item 8 of this Annual Report.

(a)(2) No financial statement schedules are required to be filed as part of this Annual Report because all such schedules have been omitted. Such omission has been made on the basis that information provided in the financial statements, or in the related notes thereto, in Item 8 of this Annual Report or is not required to be filed as the information is not applicable.

(a)(3) The exhibits listed on the Exhibit Index to this Annual Report are incorporated herein by reference.

Exhibit Index

		Incorporated by Reference			
Exhibit Number	Description of Document	Schedule/Form	File Number	Exhibit Number	Filing Date
3.1	Amended and Restated Bylaws of Energy Vault Holdings, Inc.	8-K	001-39982	3.1	February 14, 2022
3.2	Amended and Restated Certificate of Incorporation of Energy Vault Holdings, Inc.	8-K	001-39982	3.2	February 14, 2022
4.1	Description of Securities	10-K	001-39982	4.1	March 12, 2024
10.1	Amended and Restated Registration Rights Agreement, by and among the Company and certain stockholders and equity-holders of the Company	8-K	001-39982	10.2	February 14, 2022
10.2	Sponsor Restricted Stock Agreement by and among Novus, Novus Initial Stockholders, and Energy Vault	8-K	001-39982	10.5	February 14, 2022
10.3#	Offer Letter, dated November 11, 2022, by and between Energy Vault Holdings, Inc. and Robert Piconi	10-Q	001-39982	10.1	November 14, 2022
10.4#	Offer Letter, dated November 14, 2022, by and between Energy Vault Holdings, Inc. and Jan Kees Van Gaalen	10-Q	001-39982	10.2	November 14, 2022
10.5#	Separation and General Release Agreement by and between Energy Vault Holdings, Inc. and Jan Kees Van Gaalen, dated as of April 5, 2024	8-K/A	001-39982	10.1	April 19, 2024
10.6#	Form of Offer Letter, dated as of April 4, 2024, by and between Michael T. Beer and Energy Vault Holdings, Inc	8-K	001-39982	10.1	April 4, 2024
10.7#	Employment Agreement by and between Energy Vault, Inc. and Akshay Ladwa, dated as of October 6, 2023	10-Q	001-39982	10.1	May 8, 2024
10.8#**	Employment Agreement by and between Energy Vault, Inc. and Christopher Wiese, dated as of November 10, 2022				
10.9#	Retention Bonus Agreement by and between Energy Vault Holdings, Inc. and Robert Piconi, dated as of April 5, 2024	10-Q	001-39982	10.2	May 8, 2024
10.10#	Retention Bonus Agreement by and between Energy Vault Holdings, Inc. and Akshay Ladwa, dated as of April 5, 2024	10-Q	001-39982	10.3	May 8, 2024
10.11#	Amendment to the Energy Storage System Agreement by and between DG Fuels LLC and Energy Vault Inc., dated as of May 10, 2022	10-Q	001-39982	10.6	May 16, 2022

Exhibit Number	Description of Document	Incorporated by Reference			
		Schedule/Form	File Number	Exhibit Number	Filing Date
10.12#	Energy Vault Holdings, Inc. 2022 Equity Incentive Plan	10-Q	001-39982	10.4	May 16, 2022
10.13#	2022 Employment Inducement Award Plan	10-Q	001-39982	10.5	November 14, 2022
10.14#**	Form of Stock Option Grant Notice and Stock Option Agreement under the 2017 Stock Incentive Plan	10-K	001-39982	10.10	March 12, 2024
10.15#**	Form of Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement under the 2020 Stock Plan	10-K	001-39982	10.11	March 12, 2024
10.16#	Form of Stock Option Grant Notice and Stock Option Agreement under the 2022 Employment Inducement Award Plan	10-Q	001-39982	10.6	November 14, 2022
10.17#	Form of Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement under the 2022 Employment Inducement Award Plan	10-Q	001-39982	10.7	November 14, 2022
10.18#	Form of Stock Option Grant Notice and Stock Option Agreement under the 2022 Equity Incentive Plan	10-Q	001-39982	10.8	November 14, 2022
10.19#	Form of Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement under the 2022 Equity Incentive Plan	10-Q	001-39982	10.9	November 14, 2022
10.20	Non-Employee Director Compensation Policy	10-K	001-39982	10.14	April 13, 2023
10.21	Consulting agreement, dated March 6, 2024, by and between Energy Vault, Inc. and Zia Huque	10-K	001-39982	10.19	March 12, 2024
10.22#	Energy Vault, Inc. 2017 Stock Incentive Plan	S-4	333-260307	10.15	October 18, 2021
10.23#	Energy Vault, Inc. 2020 Stock Plan	S-4	333-260307	10.16	October 18, 2021
10.24**	Credit Agreement, dated March 31, 2025, by and between Calistoga Resiliency Center, LLC and Jefferies Finance LLC				
19.1**	Energy Vault Holdings, Inc. Insider Trading Policy				
21.1**	List of Subsidiaries of Energy Vault Holdings, Inc.				
23.1**	Consent of Independent Registered Public Company Accounting Firm				
31.1**	Certification of Principal Executive Officer required under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended				
31.2**	Certification of Chief Financial Officer required under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended				
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
97	Policy Relating to Recovery of Erroneously Awarded Compensation	10-K	001-39982	10.10	March 12, 2024

Exhibit Number	Description of Document	Incorporated by Reference			
		Schedule/Form	File Number	Exhibit Number	Filing Date
101.INS**	XBRL Instance Document				
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document				
101.SCH**	XBRL Taxonomy Extension Schema Document				
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB**	XBRL Taxonomy Extension Labels Linkbase Document				
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document				
104**	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)				

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# Indicates management contract or compensatory plan or arrangement.

** Filed herewith

^ The certifications attached as Exhibit 32.1 and 32.2 that accompany this Annual Report on Form 10-K are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filings of Energy Vault Holdings, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

ITEM 16. FORM 10-K SUMMARY

None.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Energy Vault Holdings, Inc.

Date: March 31, 2025

By: /s/ Michael Beer
Name: Michael Beer
Title: Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Date: March 31, 2025 By: /s/ Robert Piconi
Name: Robert Piconi
Title: Chief Executive Officer (Principal Executive Officer)

Date: March 31, 2025 By: /s/ Michael Beer
Name: Michael Beer
Title: Chief Financial Officer (Principal Financial and Accounting Officer)

Date: March 31, 2025 By: /s/ Larry M. Paulson
Name: Larry M. Paulson
Title: Director

Date: March 31, 2025 By: /s/ Theresa Fariello
Name: Theresa Fariello
Title: Director

Date: March 31, 2025 By: /s/ Thomas Ertel
Name: Thomas Ertel
Title: Director

Date: March 31, 2025 By: /s/ Mary Beth Mandanas
Name: Mary Beth Mandanas
Title: Director

Date: March 31, 2025 By:
Name: Stephanie Unwin
Title: Director