



Form Energy, Inc.

Unaudited Consolidated Financial Statements
as of and for the Years Ended
December 31, 2023 and 2022

Form Energy, Inc.
Unaudited Consolidated Financial Statements
Years Ended December 31, 2023 and 2022

Contents

Unaudited Consolidated Financial Statements	
Unaudited Consolidated Balance Sheets	2
Unaudited Consolidated Statements of Operations and Other Comprehensive Loss	3
Unaudited Consolidated Statements of Changes in Stockholders' Equity	4
Unaudited Consolidated Statements of Cash Flows	5

Form Energy, Inc.
Unaudited Consolidated Balance Sheets
(In thousands, except share and per share data)

	As of December 31,	
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 242,467	\$ 550,668
Accounts receivable, net of allowance for credit losses of \$0 as of December 31, 2023 and 2022	188	828
Restricted cash, current	-	126
Marketable securities	256,957	96,399
Prepaid expenses and other current assets	3,865	3,995
Total current assets	503,477	652,016
Property and equipment, net	152,221	28,793
Intangible assets, net	2,009	2,685
Restricted cash, noncurrent	2,313	969
Operating lease, right-of-use assets	24,647	10,544
Other assets	2,715	613
Total assets	\$ 687,382	\$ 695,620
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 37,765	\$ 5,678
Accrued expenses	4,114	1,279
Other current liabilities	3,435	1,122
Operating lease liabilities, current	5,098	3,623
Total current liabilities	50,412	11,702
Operating lease liabilities, noncurrent	20,494	7,256
Convertible notes	97,821	-
Deferred revenue, noncurrent	2,139	-
Convertible preferred stock warrant liability	1,063	1,063
Total liabilities	171,929	20,021
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Convertible preferred stock, 79,237,786 and 74,244,539 shares authorized and 72,672,001 shares issued and outstanding as of December 31, 2023 and 2022, respectively, aggregate liquidation preference of \$1,072,888 as of December 31, 2023 and 2022. (Note 9)	837,484	837,484
Common stock, \$0.0001 par value, 116,703,655 shares and 111,710,408 shares authorized and 11,099,708 and 10,804,330 shares issued and outstanding at December 31, 2023 and 2022, respectively	1	1
Accumulated deficit	(353,462)	(177,395)
Accumulated other comprehensive gain (loss)	172	(772)
Additional paid-in capital	31,258	16,281
Total stockholders' equity	515,453	675,599
Total liabilities and stockholders' equity	\$ 687,382	\$ 695,620

Form Energy, Inc.
Unaudited Consolidated Statements of Operations and Comprehensive Loss
(In thousands)

	Year Ended December 31,	
	2023	2022
Revenue	\$ 305	\$ 617
Cost of goods sold	413	877
Gross margin	(108)	(260)
Operating expenses:		
Sales and marketing	3,523	10,987
General and administrative	87,848	34,476
Research and development	109,692	64,788
Total operating expenses	201,063	110,251
Loss from operations	(201,171)	(110,511)
Other income (expense):		
Interest income	20,448	3,230
Interest expense	(321)	-
Dividend income	5,468	3,619
Other expense, net	(218)	(336)
Total other income (expense)	25,377	6,513
Loss before income taxes	(175,794)	(103,998)
Provision for income taxes	273	3
Net loss	\$ (176,067)	\$ (104,001)
Other comprehensive income (loss):		
Unrealized gain (loss) on marketable securities, net	944	(772)
Total comprehensive loss	\$ (175,123)	\$ (104,773)

Form Energy, Inc.
Unaudited Consolidated Statements of Changes in Stockholders' Equity
(in thousands except share data)

	<u>Convertible Preferred Stock</u>		<u>Common Stock</u>		<u>Additional paid-in capital</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Accumulated Deficit</u>	<u>Total Shareholders' Equity</u>
	<u>Shares Outstanding</u>	<u>Amount</u>	<u>Shares Outstanding</u>	<u>Amount</u>				
Balance as of December 31, 2021	47,130,965	\$ 368,379	11,172,666	\$ 1	\$ 4,682	\$ -	\$ (73,394)	\$ 299,668
Issuance of common stock upon exercise of stock options	-	-	403,397	-	547	-	-	547
Issuance of Series E convertible preferred stock, net of issuance costs of \$227	24,761,051	454,772	-	-	-	-	-	454,772
Issuance of Series E convertible preferred stock through conversion of common stock	779,985	14,333	(779,985)	-	(14,333)	-	-	-
Issuance of common stock	-	-	8,252	-	91	-	-	91
Stock-based compensation (inclusive of \$8,077 related to secondary sale)	-	-	-	-	25,294	-	-	25,294
Unrealized loss on marketable securities, net	-	-	-	-	-	(772)	-	(772)
Net loss	-	-	-	-	-	-	(104,001)	(104,001)
Balance as of December 31, 2022	<u>72,672,001</u>	<u>\$ 837,484</u>	<u>10,804,330</u>	<u>\$ 1</u>	<u>\$ 16,281</u>	<u>\$ (772)</u>	<u>\$ (177,395)</u>	<u>\$ 675,599</u>
Issuance of common stock upon exercise of stock options	-	-	345,378	-	1,098	-	-	1,098
Cancellation of common stock	-	-	(50,000)	-	-	-	-	--
Stock-based compensation	-	-	-	-	13,879	-	-	13,879
Unrealized gain on marketable securities, net	-	-	-	-	-	944	-	944
Net loss	-	-	-	-	-	-	(176,067)	(176,067)
Balance as of December 31, 2023	<u>72,672,001</u>	<u>\$ 837,484</u>	<u>11,099,708</u>	<u>\$ 1</u>	<u>\$ 31,258</u>	<u>\$ 172</u>	<u>\$ (353,462)</u>	<u>\$ 515,453</u>

Form Energy, Inc
Unaudited Consolidated Statements of Cash Flows
(In thousands)

	<u>2023</u>	<u>2022</u>
Operating activities:		
Net loss	\$ (176,067)	\$ (104,001)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	11,698	5,803
Stock-based compensation	13,701	17,217
Fair value adjustment to convertible preferred stock warrant liability	-	100
Net accretion on marketable securities	(8,453)	(191)
Issuance of equity in settlement of creditors	-	91
Loss (gain) on sale and retirement of property and equipment	385	(7)
Other	321	-
<i>Changes in operating assets and liabilities:</i>		
Accounts receivable	640	(429)
Prepaid expenses and other current assets	308	(2,006)
Other assets	(2,102)	(135)
Accounts payable	3,701	1,009
Change in right-of-use asset and operating lease liabilities, net	611	73
Accrued expenses and other liabilities	5,158	1,752
Deferred revenue	2,129	10
Net cash used in operating activities	<u>(147,970)</u>	<u>(80,714)</u>
Investing activities:		
Purchases of marketable securities	(411,661)	(156,980)
Maturities of marketable securities	260,500	60,000
Purchases of property and equipment	(126,533)	(20,338)
Grants received for reimbursement of construction activities	20,083	-
Proceeds from sale of property and equipment	-	125
Capitalized software costs	-	(288)
Net cash used in investing activities	<u>(257,611)</u>	<u>(117,481)</u>
Financing activities:		
Proceeds from issuance of Series E	-	454,999
Issuance costs	-	(227)
Issuance of Series E convertible preferred stock through conversion of common stock	-	14,333
Repurchase of common stock	-	(6,255)
Proceeds from exercise of stock options	1,098	547
Proceeds from issuance of convertible notes	97,500	-
Net cash provided by financing activities	<u>98,598</u>	<u>463,397</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	(306,983)	265,202
Cash, cash equivalents, and restricted cash at beginning of year	551,763	286,561
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 244,780</u>	<u>\$ 551,763</u>
Reconciliation of cash, cash equivalents and restricted cash at end of year:		
Cash and cash equivalents	\$ 242,467	\$ 550,668
Restricted cash (inclusive of current and noncurrent portion)	2,313	1,095
Cash, cash equivalents and restricted cash at end of year	<u>\$ 244,780</u>	<u>\$ 551,763</u>
Supplemental cash flow disclosure:		
Cash paid for income taxes	\$ 467	\$ 5
Non-cash investing and financing activities:		
Purchases of property and equipment included in accounts payable and accrued expenses	\$ 30,845	\$ 3,179
Stock-based compensation capitalized for construction	\$ 178	\$ -

