

## FINANCIALS

- CapEx
  - Q1 2025: \$5.8mm (mainly for facilities and equipment purchases for higher volume QSE-5 B1 sample production using Cobra process)
  - Full-year 2025 guidance: \$45mm–\$75mm
  - CapEx expected to rise during rest of 2025 as higher throughput equipment for Cobra and launch program is ordered, installed and qualified
- Operating Expenses
  - Q1 2025 GAAP op-ex: \$123.6mm
- Net Loss
  - Q1 2025 GAAP net loss: \$114.4mm
  - Q1 2025 adjusted EBITDA loss: \$64.6mm (in line with expectations)
  - Full-year 2025 Adjusted EBITDA loss guidance: \$250mm–\$280mm (reaffirmed, not changing guidance in light of current tariffs)
  - EPS expected to remain roughly flat through 2025 as efficiency gains offset higher output costs/tariff impacts
- Liquidity
  - End Q1 2025: \$860.3mm
  - Cash runway guidance: into 2H 2028 (does NOT assume additional customer inflows/capital markets activity)
- No changes to 2025 financial guidance despite ongoing tariff and supply chain developments

## GUIDANCE

- All four 2025 annual goals reiterated and on schedule/track:
  1. Bring Cobra separator process into baseline production (ahead of schedule; all necessary equipment in place; qualifying now)
    - Expected to baseline in Q2 2025
  2. Install higher volume cell assembly equipment to match Cobra throughput (working with PowerCo engineers, automation upgrade in progress; POs placed for key equipment)
  3. Begin shipping QSE-5 B1 samples (Cobra-based) for 2026 field testing
  4. Expand commercial engagements (esp. with PowerCo/Volkswagen and new OEMs—multiple conversations ongoing)
- CapEx and adjusted EBITDA guidance for FY2025 reaffirmed
- EPS to remain flat across 2025 (cost and operational efficiency offsetting increased output, tariff costs)
- Anticipate increased CapEx beyond Q1 levels for the remainder of 2025
- Licensing business model: no detailed financial disclosure yet; expectation is multi-stream (royalties, prepaids, development reimbursements/NRE)
- No material supply chain disruptions; proactive sourcing for materials/equipment

## PRODUCTS

- QSE-5 (solid-state lithium metal battery platform)
  - Launched shipping QSE-5 samples this quarter for customer integration, modules, and BMS calibration/testing
  - QSE-5 B1 samples (Cobra-based) to ship later in 2025 for field testing in 2026 launch program
  - Passing UN 38.3 safety milestone for shipping at higher volumes
  - Intended for high performance, no-compromise (safety, cycle life, density, charging, range, cost) applications
  - Anode-free architecture: eliminates graphite, reduces supply risk and cost, improves cycle life and power density
- Processes
  - Raptor: Current production separator process (for development, customer shipment baseline)
  - Cobra: Next-gen separator process (~10x productivity vs. Raptor); all equipment installed, qualification in progress, baselining Q2 2025
  - Cobra will power higher volume QSE-5 samples, partnerships
- Applications
  - Primary focus: automotive (no-compromise EV batteries)
  - Future: openness to high-value applications (e.g., data centers, aviation, consumer electronics) but no near-term product push
- No direct competitive impact from recent Chinese LFP/fast-charge battery announcements; confident on advantages of solid-state, anode-free approach

## SUPPLY CHAIN

### Suppliers & Partners

- PowerCo (Volkswagen)
  - Anchor customer for QSE-5 platform and Cobra process; deep technical integration (PowerCo engineers onsite at QS, working with automation, cell assembly, and process scale-up)
  - Targeted for 40–80 GWh production capacity (hundreds of millions of m<sup>2</sup> of separator components)
  - Provides roadmap for future partnerships and tech collaboration
  - PowerCo management and leadership engaged/supportive—frequent collaboration at executive level
- Murata Manufacturing

- New framework agreement (announced Q1 2025): to explore collaboration for ceramic separator production using Cobra process
- Murata brings global expertise/scale in high-precision ceramics; chosen to help accelerate industrialization and global volume scale
- QS and Murata’s partnership is part of a modular supply chain licensing/“fabless” model (mirrors semiconductor ecosystem: design—QS, manufacturing—partners)
- Future agreements with Murata and others likely to be flexible/unique, may involve 3-way relationships with customers or QS as principal
- Global Vendor Ecosystem
  - Actively building a partner network (equipment, materials, contract mfg., technology)
  - Preference for modular/disaggregated model (IP protection by distributing know-how among specialized partners)
- Supply Chain Risk & Tariffs
  - China restrictions on critical minerals/materials: No adverse impacts to date
  - Architecture eliminates graphite (China-dominated supply risk eradicated, cost reduced)
  - Current tariffs have only marginal effects on material/equipment costs; actively sourcing alternate (lower tariff) sources
  - Key separator materials are earth-abundant
  - No change to CapEx/EBITDA guidance related to tariffs

Customers

- Automotive
  - Prospective launch customer (not named, but likely Volkswagen/PowerCo): active development, phased real-world vehicle demo program (2026 field testing)
    - Shipments for module/system testing underway
    - Passed critical UN 38.3 cell shipment safety qualification
  - Additional automotive OEMs: Active discussions, strong enthusiasm around licensing model (no slow-down despite industry turmoil/tariffs)
    - QS can offer “bespoke” battery solutions collaborating closely with each partner
    - Strong customer excitement/urgency, in contrast to prevailing industry wariness
  - No disclosed details on new licensees, but Q&A confirms ongoing uptick in interest in direct partnerships
  - Commentary: clear “no-compromise” solution (safety, performance, life, range, cost)
- Other Application Customers
  - Keeping “eyes open” for adjacent (data center, aviation, consumer electronics); no direct customer activity yet

LEADERSHIP

- CEO: Dr. Siva Sivaram (joined recent quarters; emphasizing modular ecosystem, technology licensing, global rollout)
- CFO: Kevin Hettrich (providing metrics, CapEx discipline, supply chain/tariff risk controls)
- Strong focus on IP protection, partnership ecosystem, and sustainable cash management

CATALYSTS

- Cobra separator process: Moving into baseline production ahead of schedule in Q2 2025
- Murata Manufacturing partnership: Accelerates ceramic/solid-state scale-up globally; leverages corporate partnership model for “fabless” manufacturing
- First field demonstration (2026) for automotive launch customer using real-world QSE-5 B1 samples
- Ecosystem expansion: Adding new supply/manufacturing/collaboration partners throughout 2025
- Resilient to trade/regulatory policy shifts due to global/disaggregated, licensing-based technology platform
- No compromise/“anode-free” battery design: Reduction/elimination of supply chain risk, safety and performance advantages acknowledged in customer/OEM interest

Summary Table for Reference

| Metric | Q1 2025 | 2025E Guidance | |-----|-----|-----| | CapEx | \$5.8mm | \$45–\$75mm | | GAAP Net Loss | \$114.4mm | N/A | | GAAP Op Ex | \$123.6mm | N/A | | Adjusted EBITDA Loss | \$64.6mm | \$250–\$280mm | | Liquidity | \$860.3mm (Q1 end) | Runway into 2H 2028|

**Product Milestones:** - Cobra process baseline: Q2 2025 - QSE-5 B1 sample shipments: 2H 2025 - Launch customer field testing: 2026

**Key Commercial/Strategic Points:** - Licensing business model: royalty & up-front/prepay/NRE revenues (exact financials TBD) - Modular, globalized “fabless” model for IP protection and speed - Partnered with PowerCo and Murata, ongoing talks with more OEMs - Tariff/supply chain risks contained—architecture, materials, and partnerships reduce exposure