

FINANCIALS

- **Q2 2025 CapEx:** \$8.3 million (facilities and equipment prep for higher volume QSE-5 B1 sample production using Cobra separator process)
- **Full-year 2025 CapEx Guidance:** Narrowed to \$45-\$65 million; 2H 2025 to see higher spend vs 1H
- **GAAP OpEx (Q2):** \$123.6 million
- **GAAP Net Loss (Q2):** \$114.7 million
 - **Adjusted EBITDA Loss (Q2):** \$63 million (in line with expectations)
 - FY 2025 Adjusted EBITDA loss guidance narrowed to \$250-\$270 million
- **Liquidity:** \$797.5 million at end of Q2
 - **Cash Runway:** Extended into 2029 (6 months longer than previous guidance), thanks to expanded PowerCo agreement and ongoing opex improvements
 - Additional customer inflows or capital market transactions could further extend runway
 - **PowerCo Payments:**
 - Newly expanded agreement: Up to \$131 million over 2 years (distinct from previous \$130m licensing prepayment)
 - ~\$10m in near-term milestone payments (already achieved, to be invoiced Q3)
 - Original prepayment (\$130m) still tied to future, satisfactory technical progress & execution of full licensing
 - Incremental payments under expanded deal expected to improve bottom line, but likely not recognized as revenue (accounting treatment TBD)
- **OpEx & CapEx impacts of PowerCo/other deals:** Effort already included in near/mid-term plans; incremental payments largely accretive

GUIDANCE

- **Cash runway guidance:** Now into 2029, up from late 2028
- **CapEx guidance:** \$45–65 million (full year 2025), more weighted to 2H
- **Adjusted EBITDA:** Loss of \$250–270 million for FY25 (range narrowed)
 - **Sample Shipments:**
 - B1 sample shipments (using Cobra) targeted for this year
 - Field testing for launch customer still targeted for 2026

PARTNERSHIPS / COMMERCIALIZATION

PowerCo (Volkswagen Group):

- Expanded and upgraded collaboration & licensing deal announced Q2 2025
 - Additional “up to \$131m” in near-term payments (over 2 yrs, based on milestones/statement of work)
 - Increases PowerCo’s licensed capacity to manufacture up to 85 GWh annually (including customers outside VW Group)
 - PowerCo now has future right to license next-gen QS tech beyond current QSE-5 platform
 - QS prioritizing QSE-5 output from San Jose pilot line for PowerCo, but retains non-exclusive right to serve other customers
 - Joint scale-up team physically in San Jose
- Business model: Near-term development/tailoring cash payments (accretive, not always revenue) + long-term royalty/license inflows as customers ramp manufacturing
- Original \$130m licensing prepayment (still separate, tied to full tech licensing milestone)

Second Major Auto OEM:

- Joint Development Agreement (JDA) signed Q2
 - Progression from earlier sampling agreement
 - Customizes QS platform for OEM’s specific needs with intent to move to commercial license/royalty arrangement (same “playbook” as PowerCo)
 - Work for JDA already included in capacity and opex planning
 - No specific timing/milestones disclosed, but all are “well accounted for” in company planning
- QS strategy is high-touch, limited-customer model (scaling carefully to preserve IP, execution quality, and customer value)

Murata Manufacturing (Japan):

- Ongoing agreement for collaboration on ceramics production
- Murata is a valuable partner, especially for Japanese automotive prospects
- **QS Japan subsidiary:** Supports Japanese auto engagement; demonstration asset for leadership

TECHNOLOGY & PRODUCTS

QSE-5 Cells:

- B0 samples shipped in Q2 for pack integration, testing & safety (final samples using “Raptor” separator process)
- B1 samples using “Cobra” process targeted to begin shipping later in year
- San Jose pilot line: Output prioritized for PowerCo and JDA pipelines
- Field testing with launch customer targeted for 2026, as previously guided

Cobra Separator Process:

- Major tech/process milestone: Now baseline separator production process (replaces “Raptor”)

- Delivers 25x–200x efficiency gains over prior methods (enables B1 sample scale-up, and ultimately gigawatt-hour production by partners)
- Enables faster, more scalable, more efficient separator production (key to ceramic lithium-metal batteries)
- Systematic, iterative improvement plan in place to further enhance

Business Model:

- Capital-light, licensing model:
 - Monetize early-stage development/customization with cash inflows upon milestones
 - Follow with long-term, high-margin royalty/revenue streams as customers ramp their dedicated factories

SUPPLY CHAIN / ECOSYSTEM

Manufacturing Philosophy:

- QS does not plan to operate as high-volume manufacturing company
- Focuses on pilot line for proof-of-concept, process development, and sample supply to transfer tech to customers
- Partners (e.g., PowerCo) then ramp full-scale manufacturing

Ecosystem:

- Selectively expands partner ecosystem (auto, ceramics/production, global—Japan spotlight)
- Level of “bandwidth” (customer engagement pipeline) is actively managed; will prioritize high-value, high-volume prospects and protect IP
- QS ecosystem designed for flexibility: partners can apply core technology/platform to diverse markets/applications

MARKET / CUSTOMERS

Automotive:

- Focus remains on auto OEMs, with active deepening/expansion of relationships (PowerCo/VW, second global OEM via JDA, plus Japanese prospects, etc.)
- Addressable market: “Hundreds of billions” estimated, including auto and “emerging markets” (not further detailed on call)

Other Markets:

- Increased interest signaled from non-auto segments (e.g., U.S. defense, drones), especially due to QS anode-free/graphite-free chemistry
 - U.S. defense/drone use cases are under consideration; graphite independence and domestic battery tech emphasized as U.S. supply chain advantage

LEADERSHIP

- **CEO:** Siva Sivaram
- **CFO:** Kevin Hettrich
- **IR/Principal Analyst:** Dan Conway

CATALYSTS

- Expanded PowerCo (Volkswagen Group) deal: near-term cash inflows & multi-year commercialization validation for QS solid-state platform
- Signed JDA with second major global auto OEM: validation of business model, new commercial pipeline, prepares for next license/royalty opportunity
- Cobra process implementation: capacity/efficiency gains, “step change” towards manufacturability
- Field testing of QS solid-state cells still targeted for 2026

Summary for investors:

Q2 2025 marks a major commercial inflection point—QS now has two major automotive OEMs (via PowerCo and the new JDA) committed to joint development and commercialization, with significant non-dilutive cash inflows and long-term royalty/production visibility, underpinned by major process/manufacturing breakthroughs (Cobra separator) and a robust cash position with clear capital-light expansion plans.