RESEARCH UPDATE

SES AI CORPORATION (NYSE: SES)

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Market Statistics in USD	
Price	$ 0.58
52 week Range	$0.49 - $2.62
Daily Vol (3-mo. average)	21,682,376
Market Cap (M)	$ 206.4
Enterprise Value (M)	$ 69.1
Shares Outstanding: (M)	356.8
Float (M)	287.7

Financial Summary in USD	
Cash & ST Investments (M)	$ 137.3
Cash & ST Investments/Share	$ 0.38
Debt (M)	$ -
Equity (M)	$ 166.4
Equity/Share	$ 0.47

FYE: Dec	2025	2026E	2027E
(all figures in M, except per share information)			
Rev	$ 21.0	$ 30.8	$ 55.8
Chng%	929.4%	46.7%	81.1%
EBITDA	$ (62.6)	$ (52.3)	$ (40.1)
Net Income	$ (73.0)	$ (59.5)	$ (53.1)
EPS	$ (0.22)	$ (0.18)	$ (0.16)
EV/Revenue	21.6x	2.2x	1.2x
EV/EBITDA	-7.2x	-1.3x	-1.7x
P/E	-8.2x	-3.3x	-3.7x



Company Description

SES AI is an advanced battery and AI-enabled energy technology company focused on commercializing next-generation energy storage solutions across ESS, drones, and battery materials. The company is leveraging its Molecular Universe platform to accelerate materials discovery, battery health and safety monitoring, and broader battery development, while pursuing a more diversified commercialization model beyond its legacy EV battery roots. SES AI's strategy centers on combining battery chemistry, software, and AI-driven discovery to monetize its technology across multiple battery-adjacent markets.

Company Updates

SES enters 4Q with commercial drone-cell shipments underway from Chungju. Purchase orders from U.S. Drone Dominance Program Gauntlet participants and winners give SES an initial base of production orders. Repeat orders and production yields will determine how much of that activity translates into recurring revenue and lower unit costs in 2027. Energy storage remains a major contributor to sales, though clearance pricing weighed on 3Q margins. We're watching drone reorder volumes and production yields alongside sell-through of the new storage system.

Quarterly Results: Revenue of $6.6M rose 31% q/q and fell 7% y/y. Product revenue more than doubled y/y, while service revenue fell to zero from $3.9M. Storage contributed roughly 47% of sales, with materials accounting for most of the balance. Legacy storage inventory sales pulled GAAP gross margin to 4.9% from 22.6%. GAAP OpEx fell 8% q/q to $18.7M. GAAP net loss narrowed to $13.4M, helped by $4.0M in noncash fair-value gains. The adjusted EBITDA loss narrowed to $12.0M from $14.6M and included a $2.2M acquisition-related gain. Liquidity fell to $137M from $163M after $16.5M of net cash use and $9.2M of buybacks. SES ended 3Q with no debt.

ESS / Edge Box: Seasonal demand should help clear remaining 5 kWh inventory in 4Q. We'll get a better read on underlying storage demand from U.S. distributor sell-through of the Sol-Ark-certified 16 kWh system in 2027. . Edge Box improves state-of-charge and state-of-health accuracy, supports safer system operation and allows SES to source cells across multiple suppliers, creating potential purchasing and margin advantages as the business scales.

Drone Cells / Materials / Molecular Universe: SES began production and deliveries in October from its ISO 9001-certified Chungju line, which has installed capacity of 1M NDAA-compliant cells per year. SES reported more than 50 manufacturers and pack integrators in its pipeline and about six customer audits. Management cited customer discussions suggesting potential demand above 3M cells annually and expects to reach 3M cells of annual capacity by the end of 2Q27 for about $5M in incremental CapEx. On the call, management targeted 1M to 1.5M qualified-cell deliveries in 2027 and said shipments could rise from thousands in 4Q26 to tens of thousands starting in 1Q27.

Molecular Universe 4.0, delivered through the M-Lab system, combines AI-driven simulation with autonomous laboratory testing in a closed-loop, on-premises platform. Several leading global battery manufacturers are evaluating M-Lab. Molecular Universe supports the development of SES's drone cells and ESS software while also creating an independent subscription and materials-revenue opportunity.

Outlook: Reiterated FY26 guidance of $30M to $35M implies $11.6M to $16.6M in 4Q, or more than double 3Q revenue at the midpoint. Management expects the October and November drone orders to contribute in 4Q and indicated most orders are delivered in the quarter received. That short turnaround gives SES room to add revenue late in the quarter and makes year-end shipment timing important to where it lands within the range.

Valuation

We currently believe it is too early to apply a formal valuation range to SES, as the Company remains pre-EBITDA and has only recently begun providing guidance. When we next apply a valuation range, we expect to rely primarily on an EV/Revenue comparable-company analysis. We expect additional visibility into the Company's commercialization progress in 2027 as drone cell shipments scale, the upgraded ESS product enters broader distribution, and Molecular Universe advances toward paid M-Lab deployments. Over time, as SES continues to scale and approaches profitability, we expect to pivot toward EV/EBITDA as the primary valuation driver, supplemented by a DCF model.

To frame how a potential valuation could develop, we have included the comparable-company table below. Admittedly, the current comp set is weighted more heavily toward energy storage system peers than drone-related peers, with Amprius Technologies, Inc. serving as the notable exception. As SES grows the other legs of its business, particularly drone cell manufacturing and Molecular Universe, we expect to incorporate additional drone and advanced battery peers into the comp set.

Comparative Analysis
(all figures in M, except per share information)

Company Name	Symbol	Price [1]	Mrkt Cap	EV	EV/Revenue [2, 3]			EV/EBITDA [2, 3]			P/E [2, 3]		
					2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
Canadian Solar Inc.	CSIQ	$ 10.04	$ 680.9	$ 8,011.4	1.42x	1.48x	1.17x	10.9x	15.8x	7.5x	N/A	N/A	15.8x
Amprius Technologies, Inc.	AMPX	$ 8.35	$ 1,224.5	$ 1,170.9	13.61x	8.13x	5.58x	N/A	473.7x	235.0x	N/A	N/A	N/A
Electrovaya Inc.	ELVA	$ 4.75	$ 237.4	$ 265.3	7.80x	5.20x	3.84x	62.5x	27.5x	15.4x	95.1x	96.9x	27.9x
FTAI Infrastructure Inc.	FIP	$ 4.23	$ 499.9	$ 4,446.9	10.34x	5.61x	5.09x	31.3x	13.7x	11.7x	N/A	N/A	N/A
Standard Motor Products, Inc.	SMP	$ 43.95	$ 981.9	$ 1,488.4	0.81x	0.80x	0.77x	6.4x	7.1x	6.5x	19.6x	10.1x	8.9x
T1 Energy Inc.	TE	$ 1.97	$ 592.2	$ 1,525.2	3.29x	1.66x	1.12x	N/A	53.9x	6.7x	N/A	N/A	N/A
TETRA Technologies, Inc.	TTI	$ 6.37	$ 945.5	$ 1,040.7	2.22x	1.55x	1.41x	14.5x	9.9x	7.8x	415.4x	25.5x	21.2x
Tigo Energy, Inc.	TYGO	$ 0.64	$ 49.4	$ 37.4	1.03x	0.39x	0.37x	N/A	116.0x	N/A	N/A	N/A	N/A
United States Antimony Corporation	UAMY	$ 2.91	$ 434.5	$ 400.1	17.40x	6.16x	1.98x	N/A	N/A	16.6x	N/A	N/A	39.7x
XPLR Infrastructure, LP	XIFR	$ 7.34	$ 692.0	$ 13,682.0	11.71x	10.40x	10.01x	19.7x	7.6x	8.2x	N/A	2.6x	N/A
				Average	**7.0x**	**4.1x**	**3.1x**	**24.2x**	**80.6x**	**35.1x**	**176.7x**	**33.8x**	**22.7x**
				Median	**5.5x**	**3.4x**	**1.7x**	**17.1x**	**15.8x**	**8.2x**	**95.1x**	**17.8x**	**21.2x**
SES AI Corporation	SES	$ 0.58	$ 206.4	$ 69.1	21.6x	2.2x	1.2x	-7.2x	-1.3x	-1.7x	-8.2x	-3.3x	-3.7x

(1) Previous day's closing price
(2) Estimates are from Capital IQ
(3) Forw ard estimates as of calendar year
Source: Company reports, CapitalIQ, Stonegate Capital Partners

Currently SES is trading at a 2027E EV/Revenue of 1.2x compared to comps at an average of 3.1x. We also note that historically comps traded at an average EV/Revenue of 7.0x. We believe stability in the ESS segment, the ramp of drone cell manufacturing, and the ongoing development of Molecular Universe could support applying a premium multiple to the current peer set. In our view, this would more appropriately reflect the value of Molecular Universe, which we do not believe is currently being fully appreciated by the market.

When we have looked at the valuation through a DCF lens we can very easily see the Company valued around ~$1.00 per share using a very conservative 15% WACC on the ESS, Materials, and Drones portion of the business. While we still believe it is to early to provide this as a formal valuation, we think it is a reasonable cross check for SES. We also note that this math implies that the valuation would double with sufficient derisking that would make a 10% WACC appropriate. All of this without assigning value to the MU portion of the business.

Company History

Founded in 2012 as an MIT spinout, SES AI began as an early-stage lithium-metal battery developer focused on advancing next-generation cell technology for automotive applications. Over time, the Company has built out a broader technical and operating footprint, including NDAA-compliant manufacturing capacity in South Korea, early EV validation through A-sample and B-sample programs, and an electrolyte foundry in Boston, while also investing in AI-driven battery development capabilities. A major inflection point came in 2022, when SES AI became publicly listed on the NYSE, and by 2025 - 2026 management had increasingly repositioned the company ESS, drones, and materials as its primary operating businesses, while Molecular Universe serves as both an enabling platform and, as of 2Q26, a standalone revenue contributor.

Exhibit 1: SES AI History



Source: Company Reports

Business Overview

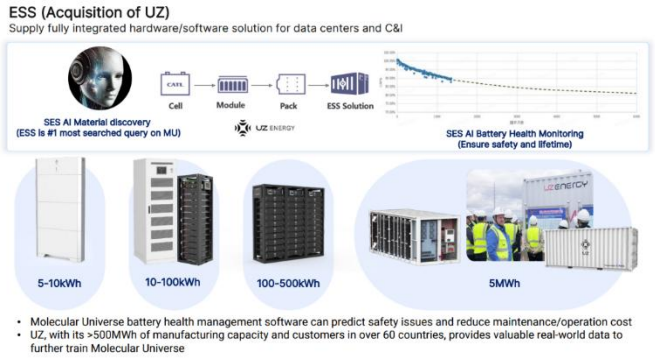
SES AI is an advanced battery and AI-enabled energy technology company increasingly focused on commercializing ESS, drones, and materials, while Molecular Universe now contributes standalone revenue in addition to supporting the broader platform. While the company's roots are in lithium-metal battery development for EVs, the Company is now positioned as a broader battery technology platform built around chemistry, battery health and safety software, and AI-enabled materials discovery. In Energy Storage Systems (ESS), SES AI is pairing recently acquired UZ Energy's hardware with the Company's battery health and safety management software; in drones, it is targeting high energy-density, high power-density, NDAA-compliant cells for defense and other performance-driven applications; and in materials, it is seeking to commercialize novel electrolytes and related discoveries through the Hisun joint venture.

Segment Overview

Energy Storage Systems (ESS):

We view ESS as SES AI's revenue base today and the clearest near-term commercialization engine in the portfolio. Management has explicitly identified ESS as the company's largest near-term revenue driver and has framed it as the largest battery market opportunity within SES AI's current focus areas. The strategic logic is that SES AI can do more than supply storage hardware alone: through UZ Energy, it can combine installed ESS systems with battery health, degradation, and safety capabilities powered by Molecular Universe. Management described energy storage systems as financial assets whose value depends on consistent long-term performance, accurate monitoring, and lower maintenance costs, which helps explain why SES AI is emphasizing an integrated hardware-plus-software offering rather than a pure battery box sale.

Exhibit 2: ESS



Source: Company Reports

Last year's UZ Energy acquisition is central to that strategy. UZ gives SES AI access to a global hardware platform, historical ESS operating data, and existing customer relationships that can be used to improve product performance and accelerate commercialization.

Drones:

We view drones and unmanned systems as SES AI's central growth priority and potentially its most differentiated commercial opportunity. ESS provides the current revenue base, but drone cells represent the company's next expected growth engine and the primary destination for incremental capital and likely its most differentiated battery application. Management has increasingly framed drones as an attractive commercialization lane because the category values the exact attributes SES AI is working to deliver: higher energy density, strong power output, lightweight form factors, and compliant supply chains. In contrast to EVs, where scale economics and long qualification cycles remain major hurdles, drone applications, particularly in defense and allied markets, place greater weight on mission-critical performance, trusted sourcing, and speed to deployment. That makes drones a more practical near-term entry point for SES AI's technology, in our view.

SES AI's strategy is built around addressing the core performance and supply requirements of the market. Management has emphasized that next-generation drone batteries need meaningfully higher energy density than conventional lithium-ion, while also maintaining high discharge capability, manufacturability at scale, and NDAA-compliant sourcing. SES AI believes its Korea manufacturing footprint is a key advantage in that regard, as the facility has been NDAA-compliant since 2021 and is being repurposed from EV cell formats toward drone-oriented production. In our view, the combination of higher-performance cell requirements, supply-chain security, and manufacturable scale creates a more favorable commercial setup for SES AI than traditional automotive, where cost competitiveness remains the primary gating factor.

Exhibit 3: Drones Performance Gap



Source: Company Reports

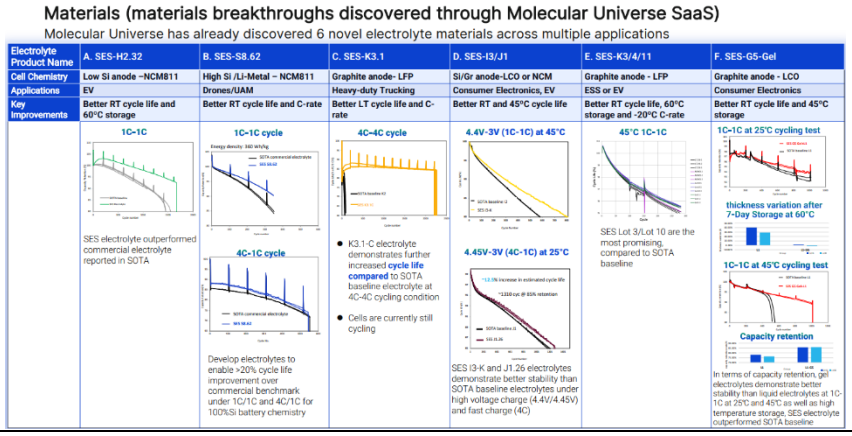
Materials:

We view materials as SES AI's third key business segment and one of the clearest examples of management's effort to monetize the company's technology beyond finished cells and systems. Rather than relying solely on end-product wins, SES AI is using Molecular Universe to discover novel electrolyte materials that can be commercialized across ESS, drones, EVs, consumer electronics, and other battery applications. Some materials discovered through Molecular Universe have now completed testing and entered early-stage commercial pilot deployment, while roughly half a dozen customers have progressed through second-phase testing. In our view, that progression provides a clearer indication that the segment is moving from research output toward commercial qualification.

The Hisun joint venture is central to that strategy because it provides SES AI with a manufacturing and scale-up partner rather than requiring the company to build the production footprint itself. Management has indicated that the JV is intended to manufacture newly discovered materials at commercial scale, leveraging Hisun's existing electrolyte manufacturing capacity and global reach. In our view, that matters for two reasons. First, it shortens the path from discovery to revenue by pairing SES AI's proprietary materials innovation with an established production base. Second, it supports the company's broader capital-light model by allowing SES AI to participate in the battery materials value chain without taking on the full cost and execution burden of downstream

manufacturing. More broadly, the segment gives SES AI another path to monetize Molecular Universe by supplying differentiated materials into markets the company does not need to serve through its own cells or systems.

Exhibit 4: Materials



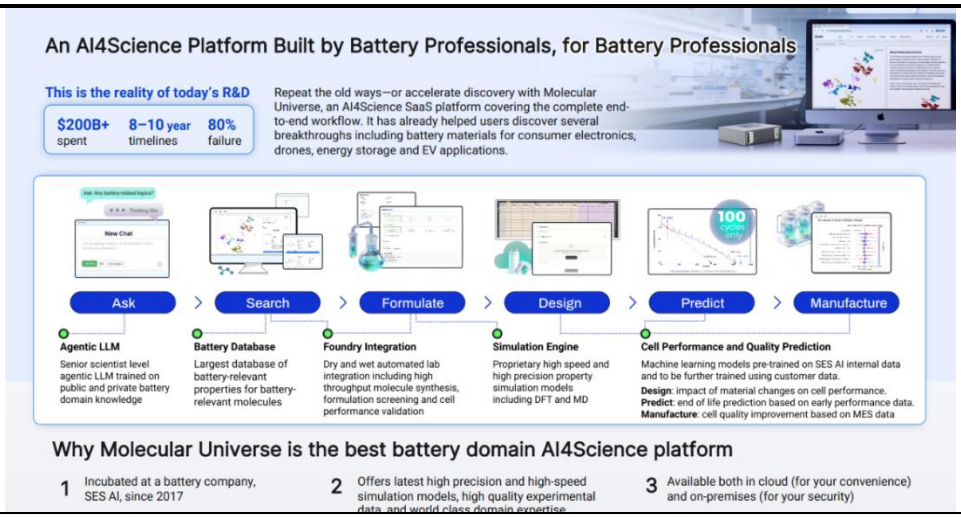
Source: Company Reports

Molecular Universe:

Molecular Universe is not the Company's largest near-term revenue contributor, but it is the enabling layer behind the broader SES AI story. Management describes it as SES AI's AI4Science platform, supporting materials discovery, battery design, battery health monitoring, and safety management. Its practical role is to improve the value proposition of the Company's operating businesses while developing standalone commercial opportunities. In our view, Molecular Universe matters most because it strengthens ESS, drones, and materials, while providing an additional avenue for revenue generation.

The Company recently launched Molecular Universe 4.0, branded as M-Lab, which integrates its AI-driven simulation capabilities with autonomous laboratory testing to create a closed-loop materials discovery platform. Unlike earlier cloud-based versions, M-Lab combines computational predictions with physical experimentation and operates on-premises to address customer data security requirements. Management indicated that two of the world's largest battery manufacturers are actively testing the platform, with potential initial system sales in the coming quarters. We believe these evaluations represent an important step toward commercialization, although customer adoption and the timing of meaningful revenue contributions remain uncertain.

Exhibit 5: Molecular Universe

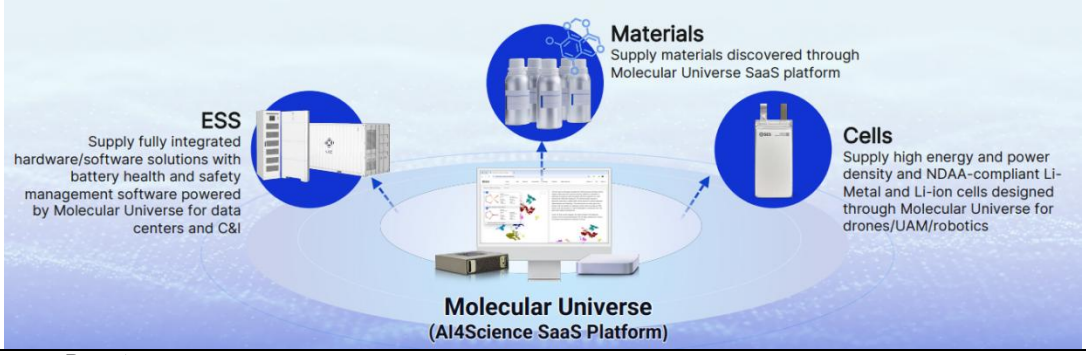


Source: Company Reports

Key Growth Drivers

SES AI's strategy is now organized around a clearer commercial flywheel. Charge, the ESS business, provides the company's current revenue base. Fly, the drone-cell business, is the central growth priority. Discover, Molecular Universe, accelerates the development of better cells, materials and battery-intelligence software while creating an additional independent revenue opportunity. This structure gives each business a defined role and places customer qualifications, production orders, shipments and repeat business at the center of the investment case.

Exhibit 6: Multi-Pronged Business Opportunities



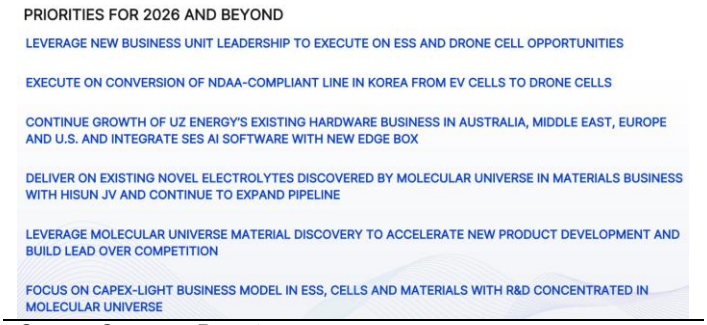
Source: Company Reports

1. Drones offer a differentiated application where SES AI's performance profile and NDAA-compliant manufacturing can matter immediately. Management has repeatedly highlighted military drones as a priority end market where range, payload, power, and trusted sourcing matter more than lowest-cost commodity supply.

2. ESS is the clearest near-term commercial driver. Management has been explicit that ESS is the company's largest near-term revenue driver, and the strategy is differentiated by attaching battery health and safety software to installed hardware through UZ.

3. Materials broaden the monetization path beyond batteries that SES AI makes itself. By supplying novel materials discovered through Molecular Universe into multiple end markets, SES AI can potentially capture value from its chemistry IP without needing to win every cell or system program directly. The Hisun JV is important here because it gives SES AI a route to commercial production at scale.

Exhibit 7: Company Outlook



Source: Company Reports

4. Molecular Universe underpins the technology advantage across the portfolio. Management has been clear that the platform's biggest contribution today is not SaaS revenue alone, but the IP, data, and discovery capabilities that support the operating businesses. The platform also generated its first standalone revenue in 2Q26 through a multi-year Search-in-a-Box subscription.

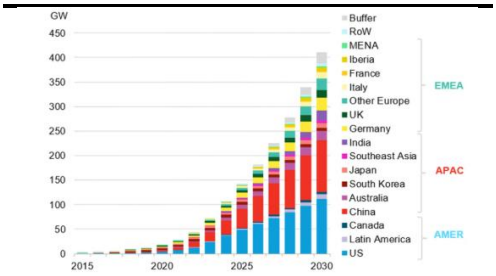
5. The business model is structured to remain relatively capital light. Management has repeatedly emphasized acquisitions, JVs, manufacturing conversion, and software attachment as the preferred path to growth, rather than a large-scale greenfield EV manufacturing strategy.

Market Overview

The market backdrop for SES AI is increasingly supportive of the company's repositioning toward ESS, drones, and materials. While battery demand continues to expand, investor focus has shifted toward applications where commercialization may be faster, performance is more differentiated, and monetization does not require the full capital burden of automotive-scale manufacturing. In our view, that dynamic better aligns SES AI with parts of the battery market where software, safety, supply-chain compliance, and speed to commercialization matter more immediately than pure EV scale.

ESS represents SES AI's largest current source of revenue, while drones and unmanned systems represent the company's central growth priority. Together, they provide a combination of near-term revenue from energy storage and potentially faster growth from differentiated, NDAA-compliant drone cells. Management has been explicit that ESS is the Company's largest near-term revenue driver and has described it as the largest battery market within SES AI's current focus areas. The broader appeal of the market is straightforward: storage is becoming increasingly important to utilities, commercial users, and data-center operators seeking flexible capacity to manage renewable intermittency, support peak load, and improve resilience.

Exhibit 8: Stationary Storage Demand

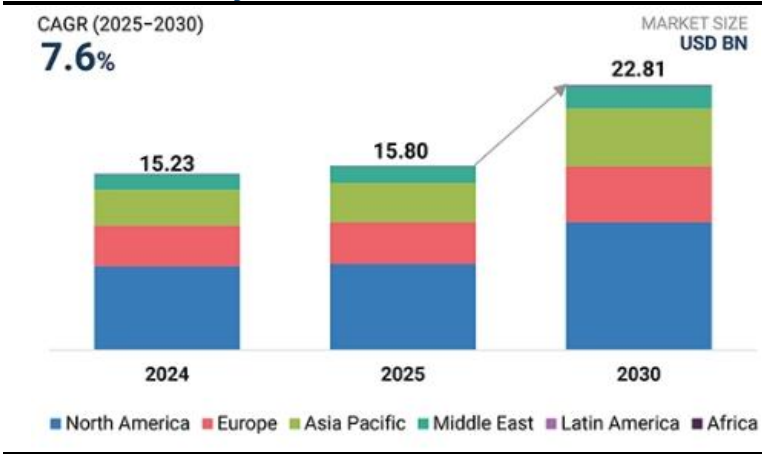


Source: BloombergNEF

Just as important, energy storage is becoming more operationally complex and more software-aware over time. Management has repeatedly framed ESS assets as financial assets whose value depends on battery health visibility, accurate monitoring, and lower maintenance requirements. The Company's strategy of combining UZ Energy's hardware with SES AI's battery health and safety capabilities is designed for exactly that environment.

Beyond ESS, specialized battery applications such as drones are becoming more strategically relevant because they reward technical performance and compliant sourcing more than lowest-cost scale. Management has identified the U.S. military drone market as the most consequential near-term drone opportunity and has tied the segment directly to SES AI's strengths in energy density, power density, and NDAA-compliant manufacturing.

Exhibit 9: Military Drone Outlook



Source: MarketsandMarkets

The current market environment is also supportive of value creation at the materials layer. As battery customers seek better cycle life, storage behavior, low-temperature performance, safety, and manufacturability, there is increasing room for differentiated materials that improve system-level performance without requiring a full redesign of the end product. Management is positioning SES AI's materials business around exactly that need, using Molecular Universe to discover novel electrolytes and the Hisun JV to scale them commercially. As of today, the Company has announced six novel electrolyte material breakthroughs.

The final piece of the setup is the growing importance of battery intelligence and AI-enabled scientific discovery. Management has consistently emphasized that battery markets increasingly require tighter integration between software, hardware, safety monitoring, and materials development, particularly as batteries move into mission-critical infrastructure and industrial use cases. Molecular Universe is central to that positioning. At the same time, SES AI's own disclosures acknowledge that adoption in areas such as AI4Science and drones remains early, which makes execution and commercialization traction more important than headline market size alone. In our view, that balance is important: SES AI's chosen markets appear attractive, but the investment case still depends on turning technical capability into repeatable commercial outcomes.

Risks

As with any investment, SES AI faces a range of company-specific and industry risks tied to commercialization, execution, and the adoption of its newer business lines. While management has repositioned the company around ESS, drones, materials, and Molecular Universe, the investment case still depends on converting technological capability into scalable and repeatable commercial outcomes.

Commercialization and Adoption – SES AI's targeted markets remain early in several cases, particularly Molecular Universe and drones, and customer adoption may not develop as expected. The company also faces ongoing risk around development timelines, commercialization milestones, and broader execution across its revenue-generating businesses.

ESS and Drone Execution - ESS has emerged as SES AI's largest near-term revenue driver, while drones remain a major growth focus. As a result, successful execution across UZ integration, battery performance, manufacturing scale-up, and demand ramp has become increasingly critical. If ESS products fail to meet customer expectations, UZ Energy integration falls short, or drone demand scales more slowly than expected, commercialization could disappoint.

Materials and Partner Reliance – SES AI's materials strategy depends on turning Molecular Universe discoveries into commercial products and scaling them through partners such as Hisun. That creates reliance on third-party execution, production quality, and partner alignment, which could slow the path from discovery to revenue.

Unprofitability and Capital Needs – SES AI remains unprofitable, and there is no assurance the company will achieve profitability in the near term. If commercialization takes longer than expected, margins remain pressured, or investment needs stay elevated, SES AI may require additional capital, potentially on less favorable terms.

Supply Chain, AI, and IP Risk – SES AI remains exposed to third-party supply chains, international operations, AI-related legal and regulatory risk, and the need to protect its intellectual property as it expands Molecular Universe and its broader battery platform.

BALANCE SHEET

SES AI Corporation
Consolidated Balance Sheets ($M)
Fiscal Year End: December

ASSETS	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 Sep-26
Cash and cash equivalents	106.6	85.7	128.8	56.1	11.8	35.3	29.5	29.5	46.9	64.1	70.7
Short-term investments	283.5	246.8	133.7	183.7	217.1	178.7	170.1	170.1	130.7	98.9	66.6
Accounts receivable	2.4	3.9	1.0	1.5	3.0	3.4	4.8	4.8	8.2	7.7	10.1
Inventories	0.4	0.6	0.2	0.2	0.1	3.7	5.2	5.2	7.0	8.4	8.4
Prepaid expenses and other assets	3.8	11.7	13.2	14.7	11.0	9.3	6.7	6.7	7.7	6.8	5.7
Total Current Assets	**396.6**	**348.6**	**276.9**	**256.1**	**243.0**	**230.4**	**216.3**	**216.3**	**200.6**	**186.0**	**161.6**
Property and equipment, net	27.8	38.0	38.2	35.9	34.1	31.0	28.9	28.9	26.3	24.2	24.3
Goodwill	-	-	-	-	-	12.6	13.3	13.3	13.3	13.3	13.3
Intangible assets, net	1.5	1.3	1.2	1.2	1.2	2.9	2.8	2.8	2.7	2.7	2.7
Right-of-use assets, net	11.4	13.1	9.9	9.2	8.7	8.3	7.6	7.6	6.9	6.4	6.6
Deferred tax assets	5.1	1.1	1.3	1.3	1.3	1.4	1.5	1.5	1.5	1.5	1.5
Other assets, non-current	-	4.7	2.2	2.2	2.2	2.3	2.3	2.3	2.2	2.2	2.5
Total Assets	**442.3**	**406.8**	**329.8**	**306.0**	**290.5**	**288.8**	**272.6**	**272.6**	**253.5**	**236.2**	**212.4**
LIABILITIES AND SHAREHOLDERS' EQUITY											
Accounts payable	6.2	4.8	1.9	1.8	2.0	4.8	5.7	5.7	5.9	5.6	6.4
Operating lease liabilities	1.9	2.4	2.6	2.6	2.7	2.3	2.3	2.3	1.6	1.6	2.1
Deferred consideration, current	-	-	-	-	-	4.4	1.1	1.1	8.0	8.0	5.9
Accrued expenses and other liabilities	12.5	13.1	18.3	12.0	14.8	16.6	15.1	15.1	13.7	13.3	11.6
Total Current Liabilities	**20.6**	**20.4**	**22.8**	**16.4**	**19.5**	**28.0**	**24.2**	**24.2**	**29.2**	**28.5**	**25.9**
Sponsor Earn-Out liabilities	11.0	4.2	9.5	1.6	3.0	6.9	7.8	7.8	3.6	3.6	1.8
Operating lease liabilities, non-current	10.2	11.3	8.0	6.9	6.6	6.2	5.8	5.8	5.4	5.1	4.9
Unearned government grant	6.7	9.3	8.6	8.7	9.5	9.3	9.0	9.0	8.6	8.6	9.9
Deferred consideration, non-current	-	-	-	-	-	7.3	7.7	7.7	-	-	-
Other liabilities, non current	1.8	2.8	2.6	2.6	2.6	2.8	3.4	3.4	3.4	3.4	3.5
Total Liabilities	**50.2**	**47.9**	**51.5**	**36.1**	**41.2**	**60.6**	**57.9**	**57.9**	**50.3**	**49.2**	**46.0**
Common Stock - Class A/B	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional-paid-in-capital	538.0	559.2	579.4	583.3	585.7	586.2	588.4	588.4	588.5	590.2	583.2
Accumulated deficit	(144.7)	(198.7)	(298.9)	(311.3)	(334.0)	(354.9)	(371.9)	(371.9)	(384.0)	(401.9)	(415.3)
Accumulated other comprehensive loss	(1.3)	(1.6)	(2.2)	(2.2)	(2.5)	(3.2)	(1.7)	(1.7)	(1.2)	(1.3)	(1.5)
Total Parent Net Equity	**392.1**	**359.0**	**278.3**	**269.9**	**249.2**	**228.2**	**214.8**	**214.8**	**203.2**	**187.1**	**166.4**
Non-Controlling Interest	-	-	-	-	-	-	-	-	-	0.0	0.0
Total Consolidated Equity	**392.1**	**359.0**	**278.3**	**269.9**	**249.2**	**228.2**	**214.8**	**214.8**	**203.2**	**187.1**	**166.4**
Total Liabilities and Shareholders' Equity	**442.3**	**406.8**	**329.8**	**306.0**	**290.5**	**288.8**	**272.6**	**272.6**	**253.5**	**236.2**	**212.4**
Liquidity											
Current Ratio	19.2x	17.1x	12.1x	15.6x	12.5x	8.2x	9.0x	9.0x	6.9x	6.5x	6.2x
Quick Ratio	18.9x	16.3x	11.5x	14.6x	11.7x	7.6x	8.3x	8.3x	6.6x	6.2x	5.8x
Working Capital	376.0	328.3	254.1	239.7	223.5	202.4	192.1	192.1	171.3	157.5	135.6

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

SES AI Corporation
Consolidated Statements of Income (in $M, except per share amounts)
Fiscal Year End: December

	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 Sep-26	Q4 E Dec-26	FY 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Revenue	$ -	$ -	$ 2.0	$ 5.8	$ 3.5	$ 7.1	$ 4.6	$ 21.0	$ 6.7	$ 5.1	$ 6.6	$ 12.4	$ 30.8	$ 12.5	$ 13.4	$ 14.1	$ 15.8	$ 55.8
Total Revenues	**-**	**-**	**2.0**	**5.8**	**3.5**	**7.1**	**4.6**	**21.0**	**6.7**	**5.1**	**6.6**	**12.4**	**30.8**	**12.5**	**13.4**	**14.1**	**15.8**	**55.8**
Operating Expenses:																		
Cost of Revenue	-	-	0.8	1.2	0.9	3.5	4.0	9.7	5.5	3.9	6.3	10.9	26.6	10.9	11.5	11.9	13.2	47.4
Gross Profit	**-**	**-**	**1.3**	**4.6**	**2.6**	**3.6**	**0.5**	**11.3**	**1.2**	**1.1**	**0.3**	**1.5**	**4.1**	**1.6**	**1.9**	**2.2**	**2.6**	**8.3**
Research and development	28.0	30.7	72.1	20.5	19.1	15.6	11.8	67.0	11.0	11.4	9.6	9.6	41.6	9.0	8.0	7.0	6.0	30.0
General and administrative	52.8	47.5	38.4	7.3	6.5	6.7	6.4	26.9	8.1	9.0	9.2	9.3	35.4	9.1	9.1	9.1	9.1	36.4
Total Operating Expenses	80.7	78.2	110.5	27.8	25.6	22.3	18.2	93.9	19.1	20.3	18.7	18.8	77.0	18.1	17.1	16.1	15.1	66.4
Operating Income	**(80.7)**	**(78.2)**	**(109.2)**	**(23.3)**	**(23.0)**	**(18.6)**	**(17.7)**	**(82.6)**	**(17.9)**	**(19.2)**	**(18.4)**	**(17.4)**	**(72.9)**	**(16.5)**	**(15.2)**	**(13.9)**	**(12.5)**	**(58.1)**
Interest Income	6.2	16.7	15.0	2.7	2.4	2.3	2.0	9.3	1.7	1.5	1.3	1.3	5.7	1.3	1.3	1.3	1.3	5.0
(Loss) gain on change in fair value of Sponsor Ea	25.4	6.8	(5.3)	7.9	(1.4)	(3.9)	(0.8)	1.7	4.2	0.0	1.8	-	6.0	-	-	-	-	-
Gain on Change in FV of Deferred Considerations	-	-	-	-	-	-	-	-	-	-	2.2	-	2.2	-	-	-	-	-
Miscellaneous expense, net	(1.8)	0.4	(0.5)	0.3	0.1	(0.7)	(0.9)	(1.2)	0.3	(0.1)	(0.2)	-	(0.0)	-	-	-	-	-
Profit Before Taxes	**(50.9)**	**(54.3)**	**(100.0)**	**(12.4)**	**(22.0)**	**(21.0)**	**(17.4)**	**(72.8)**	**(11.7)**	**(17.8)**	**(13.4)**	**(16.1)**	**(58.9)**	**(15.2)**	**(13.9)**	**(12.6)**	**(11.3)**	**(53.1)**
Benefit (provision) from income taxes	(0.6)	0.9	(0.2)	(0.0)	(0.7)	0.1	0.3	(0.2)	(0.4)	(0.1)	(0.0)	(0.0)	(0.6)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Loss	**(51.5)**	**(53.4)**	**(100.2)**	**(12.4)**	**(22.7)**	**(20.92)**	**(17.0)**	**(73.0)**	**(12.1)**	**(17.9)**	**(13.38)**	**(16.1)**	**(59.5)**	**(15.2)**	**(13.9)**	**(12.6)**	**(11.3)**	**(53.1)**
Basic EPS	**$ (0.18)**	**$ (0.17)**	**$ (0.31)**	**$ (0.04)**	**$ (0.07)**	**$ (0.06)**	**$ (0.05)**	**$ (0.22)**	**$ (0.04)**	**$ (0.05)**	**$ (0.04)**	**$ (0.05)**	**$ (0.18)**	**$ (0.05)**	**$ (0.04)**	**$ (0.04)**	**$ (0.03)**	**$ (0.16)**
Diluted EPS	**$ (0.18)**	**$ (0.17)**	**$ (0.31)**	**$ (0.04)**	**$ (0.07)**	**$ (0.06)**	**$ (0.05)**	**$ (0.22)**	**$ (0.04)**	**$ (0.05)**	**$ (0.04)**	**$ (0.05)**	**$ (0.18)**	**$ (0.05)**	**$ (0.04)**	**$ (0.04)**	**$ (0.03)**	**$ (0.16)**
WTD Shares Out - Basic	288.3	315.1	321.8	329.3	331.7	331.3	331.2	330.9	332.8	336.3	334.5	334.5	334.6	337.9	337.9	337.9	337.9	337.9
WTD Shares Out - Diluted	288.3	315.1	321.8	329.3	331.7	331.3	331.2	330.9	332.8	336.3	334.5	334.5	334.6	337.9	337.9	337.9	337.9	337.9
EBITDA	**(54.5)**	**(65.4)**	**(106.7)**	**(12.6)**	**(21.8)**	**(20.7)**	**(16.8)**	**(71.9)**	**(10.7)**	**(16.6)**	**(12.3)**	**(14.9)**	**(54.5)**	**(14.0)**	**(12.7)**	**(11.4)**	**(10.0)**	**(48.1)**
Adjusted EBITDA	**$ (57.2)**	**$ (51.5)**	**$ (81.5)**	**$ (16.5)**	**$ (17.7)**	**$ (14.6)**	**$ (13.8)**	**$ (62.6)**	**$ (12.8)**	**$ (14.6)**	**$ (12.0)**	**$ (12.9)**	**$ (52.3)**	**$ (12.0)**	**$ (10.7)**	**$ (9.4)**	**$ (8.0)**	**$ (40.1)**
Margin Analysis																		
Gross Margin			63.1%	78.7%	73.7%	51.1%	11.2%	53.8%	18.1%	22.6%	4.9%	11.8%	13.5%	13.1%	14.4%	15.7%	16.2%	14.9%
Operating Margin			-5355.3%	-401.7%	-652.1%	-262.0%	-387.8%	-393.4%	-266.3%	-378.5%	-277.4%	-140.5%	-236.6%	-131.7%	-113.3%	-98.3%	-79.7%	-104.1%
EBITDA Margin			-5231.6%	-217.2%	-618.5%	-290.4%	-367.8%	-342.2%	-159.5%	-326.4%	-185.7%	-120.3%	-176.9%	-111.7%	-94.6%	-80.6%	-63.8%	-86.2%
Pre-Tax Margin			-4901.8%	-214.5%	-623.1%	-295.4%	-380.9%	-346.7%	-174.1%	-350.4%	-201.4%	-130.1%	-191.3%	-121.7%	-103.9%	-89.4%	-71.7%	-95.2%
Net Income Margin			-4941.4%	-214.1%	-651.6%	-302.6%	-342.1%	-345.4%	-173.0%	-353.6%	-204.9%	-130.2%	-192.4%	-121.8%	-104.0%	-89.5%	-71.8%	-95.3%
Tax Rate			0.2%	0.0%	3.0%	-0.5%	-1.9%	0.3%	3.5%	0.7%	0.1%	0.1%	1.0%	0.1%	0.1%	0.1%	0.1%	0.1%
Growth Rate Y/Y																		
Total Revenue							123.6%	929.4%	15.8%	43.8%		171.3%	46.7%	86.3%	164.2%	112.7%	27.3%	81.1%
Total cost of revenues	153.5%	-3.2%	41.4%	30.8%	4.0%	-34.9%	-40.2%	-15.0%	-31.4%	-20.6%	-15.9%	3.5%	-18.0%	-5.2%	-15.9%	-14.1%	-19.9%	-13.8%
Operating Income	153.5%	-3.2%	39.8%	9.4%	-6.6%	-45.5%	-39.3%	-24.4%	-23.2%	-16.6%	-1.2%	-1.7%	-11.8%	-7.9%	-20.9%	-24.6%	-27.8%	-20.3%
Pre-Tax Income	63.8%	6.6%	84.3%	-19.1%	11.0%	-30.0%	-50.1%	-27.2%	-6.0%	-19.1%	-36.4%	-7.4%	-19.1%	30.2%	-21.6%	-5.5%	-29.8%	-9.9%
Net Income	72.2%	1.1%	87.5%	-24.0%	14.7%	-25.8%	-56.0%	-28.0%	-6.4%	-22.0%	-36.8%	3.3%	-18.3%	31.2%	-22.3%	-7.1%	-29.8%	-10.4%

Source: Company Reports, Stonegate Capital Partners estimates

CASH FLOW STATEMENT

SES AI Corporation
Consolidated Cash Flow Statements ($M)
Fiscal Year End: December

CASH FLOW	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 Sep-26
Operating Activities															
Net Income	(51.0)	(53.4)	(15.6)	(19.9)	(30.2)	(34.5)	(100.2)	(12.4)	(22.7)	(20.9)	(17.0)	(73.0)	(12.1)	(17.9)	(13.4)
(Loss) gain on change of fair value of Sponsor Earn-Out liabilities	(25.4)	(6.8)	(0.9)	(1.4)	(1.0)	8.6	5.3	(7.9)	1.4	3.9	0.8	(1.7)	(4.2)	(0.0)	(1.8)
Stock-based compensation	22.8	20.6	4.8	4.8	6.5	3.8	19.9	4.0	2.7	2.2	2.1	11.0	2.1	2.0	2.1
Depreciation and amortization	2.6	5.5	1.7	1.9	2.2	2.4	8.3	2.5	2.5	2.6	2.6	10.3	2.7	2.7	2.3
Accretion income from available for-sale short-term investments	(2.4)	(11.1)	(1.9)	(2.0)	3.9	(7.2)	(7.2)	(0.8)	(1.0)	2.4	(3.7)	(3.1)	(0.5)	(0.3)	(2.4)
Loss on sale or disposal of fixed assets	-	-	-	-	(6.0)	6.7	0.7	-	-	(2.4)	3.7	1.3	-	-	-
Other	0.5	(0.2)	(0.9)	(0.6)	0.5	(0.3)	(1.3)	(0.3)	0.4	0.3	(0.0)	0.4	(0.4)	0.0	(0.1)
Cash Flow from operating activities before working capital changes	**(52.9)**	**(45.3)**	**(12.7)**	**(17.1)**	**(24.1)**	**(20.6)**	**(74.5)**	**(14.9)**	**(16.5)**	**(12.0)**	**(11.5)**	**(54.9)**	**(12.4)**	**(13.5)**	**(13.2)**
Receivable from related party	5.5	(1.5)	2.7	0.6	(2.0)	2.6	3.9	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	(1.0)	(1.0)	(0.6)	(1.5)	0.8	(1.3)	(2.6)	(3.4)	0.5	(2.4)
Inventories	(0.4)	(0.2)	0.1	(0.1)	0.2	0.1	0.3	0.1	0.0	0.3	(1.4)	(1.0)	(1.7)	(1.4)	0.1
Prepaid expenses and other assets	(1.6)	(8.2)	5.0	(7.5)	(1.1)	1.5	(2.2)	(1.7)	4.0	(7.8)	15.4	10.0	(0.9)	1.0	1.2
Right of use assets	-	-	1.3	0.5	0.6	0.5	2.9	0.7	0.6	0.6	0.6	2.5	0.7	0.6	(0.2)
Deferred tax assets	-	(1.1)	(0.2)	0.2	-	(0.3)	(0.3)	-	-	0.2	(0.3)	(0.1)	-	-	-
Accounts payable	(4.0)	(0.1)	-	(0.3)	(0.1)	0.3	(0.1)	(0.1)	0.1	(2.3)	3.4	1.0	0.4	(0.3)	0.9
Operating lease liabilities	-	-	(1.5)	(0.2)	4.5	(5.7)	(2.9)	(1.0)	(0.3)	3.4	(4.8)	(2.8)	(1.1)	(0.3)	0.2
Accrued expenses and other liabilities	6.8	(0.1)	(3.6)	1.8	(0.8)	10.3	7.6	(5.3)	2.8	4.5	(12.4)	(10.4)	(1.3)	(0.4)	(1.8)
Cash flow generated/(absorbed) from operating Activities	**(46.500)**	**(56.4)**	**(9.0)**	**(22.1)**	**(22.7)**	**(12.3)**	**(66.1)**	**(22.8)**	**(10.8)**	**(12.3)**	**(12.4)**	**(58.4)**	**(19.8)**	**(13.8)**	**(15.2)**
Investing Activities															
Purchase of property and equipment	(14.7)	(15.8)	(6.8)	(3.7)	(1.5)	(0.2)	(12.2)	(0.9)	(0.8)	(0.4)	(0.7)	(2.9)	(0.3)	(0.7)	(1.5)
Acquisition of business, net of cash acquired	-	-	-	-	-	-	-	-	-	0.8	(3.8)	(3.0)	-	-	-
Proceeds from the sale of short-term investments	-	-	-	-	-	-	-	-	-	5.0	-	5.0	-	-	-
Purchase of short-term investments	(411.4)	(281.5)	-	(134.0)	(54.9)	(26.2)	(215.1)	(104.4)	(57.8)	(32.5)	(43.4)	(238.2)	(32.0)	0.0	(0.0)
Proceeds from the maturities of short-term investments	130.0	330.0	60.0	85.0	90.0	100.5	335.5	55.5	25.3	66.6	52.4	199.9	71.5	32.1	32.5
Purchase of Intangibles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow generated by Investing Activities	**(296.0)**	**32.7**	**53.2**	**(52.7)**	**33.6**	**74.0**	**108.2**	**(49.8)**	**(33.3)**	**39.5**	**4.5**	**(39.2)**	**39.1**	**31.5**	**31.0**
Financing Activities															
Repurchase and retirement of Class A common stock	-	-	-	-	-	-	-	-	-	(1.6)	-	(1.6)	-	-	(9.2)
Payments for taxes withheld on vesting of restricted stock	-	-	-	-	-	-	-	-	(0.4)	(0.1)	(0.0)	(0.4)	(2.1)	(0.4)	-
Proceeds from stock option exercises	0.3	0.5	0.0	0.1	0.3	0.6	1.0	0.0	0.0	-	0.1	0.1	0.0	0.1	0.0
Proceeds from government grant	6.7	2.8	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Business Combinations and PIPE Financing, net of iss. Costs.	282.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow generated/(absorbed) by financing Activities	**289.9**	**3.3**	**0.0**	**0.1**	**0.3**	**0.6**	**1.0**	**0.0**	**(0.4)**	**(1.7)**	**0.0**	**(2.0)**	**(2.0)**	**(0.2)**	**(9.2)**
Effect of exchange rates on cash	(0.5)	(0.6)	(0.4)	(0.1)	0.2	(0.4)	(0.7)	(0.1)	0.3	(0.0)	0.2	0.3	0.0	(0.2)	0.0
Net Cash flow in the year	**(53.1)**	**(21.0)**	**43.9**	**(74.8)**	**11.3**	**62.0**	**42.4**	**(72.7)**	**(44.2)**	**25.5**	**(7.7)**	**(99.2)**	**17.4**	**17.2**	**6.7**
Cash and Cash Equivalents															
Beginning Cash balance	161.0	107.9	87.0	130.9	56.1	67.4	87.0	129.4	56.7	12.4	37.9	129.4	30.2	47.6	64.8
Ending Cash balance	107.9	87.0	130.9	56.1	67.4	129.4	129.4	56.7	12.4	37.9	30.2	30.2	47.6	64.8	71.4

Source: Company Reports, Stonegate Capital Partners

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