REFINITIV

DELTA REPORT

10-Q

SES AI CORP

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	540
CHANGES	99
DELETIONS	201
ADDITIONS	240

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, June 30, 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: 001-39845

SES AI Corporation

(Exact name of registrant as specified in its charter)

Delaware	**88-0641865**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
35 Cabot Road Woburn, MA	**01801**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (339) 298-8750

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

Title of Each Class	Trading symbol(s)	Name of Exchange on which registered
Class A common stock, par value $0.0001 per share	SES	The New York Stock Exchange
Warrants, each exercisable for one share of Class A common stock at an exercise price of $11.50 per share	SES WS	The New York Stock Exchange

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 ☐

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 29, 2024 July 25, 2024, there were 313,130,805 313,656,338 shares of the registrant’s Class A common stock and 43,881,251 shares of the registrant’s Class B common stock outstanding.

Table of Contents

TABLE OF CONTENTS

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Table of Contents

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains statements that SES AI Corporation (together the “Company” or “SES”) believes are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements relating to expectations for future financial performance, business strategies or expectations for our business. These statements are based on the beliefs and assumptions of the management of the Company. Although the Company believes that its plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, it cannot provide assurance that it will achieve or realize these plans, intentions or expectations. These statements constitute projections, forecasts and forward-looking statements, and are not guarantees of performance. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this Quarterly Report, words such as “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “should,” “strive,” “target,” “will,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking**.**

You should not place undue reliance on these forward-looking statements. Should one or more of a number of known and unknown risks and uncertainties materialize, or should any of our assumptions prove incorrect, the Company’s actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Some factors that could cause actual results to differ include, but are not limited to the risks below, which also serves as a summary of the principal risks of an investment in our securities:

- We face significant challenges in developing a Lithium-Metal (“Li-Metal”) battery that can be commercialized for use in electric vehicles (“EVs”), urban air mobility (“UAM”), and other applications, and the pace of development is often unpredictable and subject to delays.
- We have a history of no revenues and of net losses and expect to continue to incur losses for the foreseeable future. While we expect to become profitable eventually, our internal assumptions may prove incorrect, and we may never achieve or maintain profitability.
- We will need substantial additional capital in the future to fund our business and may be unable to meet our future capital requirements, impairing our financial position and results of operations.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

- Our Li-Metal technology is untested in actual EVs and may ultimately prove unworkable.
- The market for UAM, and for use of Li-Metal technology in UAM applications, is still emerging and may not achieve the growth potential we expect.
- If our batteries fail to perform as expected our ability to develop, market and sell our batteries could be harmed.
- Delays in the pre-manufacturing development of our battery cells could adversely affect our business and prospects.
- We may not be able to engage target original equipment manufacturers ("OEMs") customers successfully and to convert such contacts into meaningful orders in the future.
- If we are unable to integrate our products into EVs manufactured by OEM customers, our results of operations could be impaired.
- We may not be able to establish new, or maintain existing, supply relationships for necessary raw materials, components or equipment or may be required to pay costs for raw materials, components or equipment that are more expensive than anticipated, which could delay the introduction of our product and negatively impact our business.
- Our ability to manufacture our Li-Metal batteries at scale depends on our ability to build, operate and staff our facilities successfully.
- We have pursued and may continue to pursue joint development agreements ("JDAs") and other strategic alliances, which could have an adverse impact on our business if they are unsuccessful or if we are unable to enter into new JDAs.
- Certain components of our batteries pose safety risks that may cause accidents. We may be subject to financial and reputational risks due to product recalls and product liability claims, and we could face substantial liabilities that exceed our resources.
- Our use of artificial intelligence and machine learning may result in legal and regulatory risk.
- Our business depends substantially on the continuing efforts of our senior executives and other key personnel as well as the ability to attract, train and retain highly skilled employees and key personnel.
- Developments in alternative technology or other fossil fuel alternatives may adversely affect the demand for our battery products.
- Our patent applications may not result in issued patents or our patent rights may be challenged, invalidated or limited in scope, any of which could have a material adverse effect on our ability to prevent others from competing or interfering with the commercialization of our products.
- We rely heavily on our intellectual property portfolio, including unpatented proprietary technology. If we are unable to protect our intellectual property rights from unauthorized use, our business and competitive position would be harmed.
- The international scope of our business exposes us to business, regulatory, political, operational, financial and economic risks associated with doing business outside of the United States.
- We have incurred and will continue to incur increased costs related to operating as a public company, and our management will be required to devote substantial additional time to compliance and corporate governance practices.
- The price of our common stock has been and may continue to be volatile.

Table of Contents

- Our public warrants may never be in the money, and they may expire worthless.
- We are controlled or substantially influenced by Dr. Qichao Hu and certain entities affiliated with Dr. Hu, whose interests may conflict with other stockholders. The concentrated ownership of our dual class common stock could prevent stockholders from influencing significant decisions.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Table of Contents

- The other factors disclosed in this Quarterly Report on Form 10-Q and the Company's other filings with the Securities and Exchange Commission (the "SEC"), in particular the risks described in "Part II, Item 1A" of this Quarterly Report and "Part I, Item 1A" of the Company's Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 27, 2024.

The forward-looking statements contained in this Quarterly Report on Form 10-Q are based on information available as of the date of this Quarterly Report on Form 10-Q and current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties. Accordingly, forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and should not be relied upon as representing the Company's views as of any subsequent date. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Table of Contents

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

SES AI Corporation

Condensed Consolidated Balance Sheets

(Unaudited)

(in thousands, except share and per share amounts)	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Assets				
Current Assets				
Cash and cash equivalents	$ 129,609	$ 85,671	$ 54,816	$ 85,671
Short-term investments	189,147	246,775	239,939	246,775
Receivable from related party	1,217	3,911	590	3,911
Inventories	425	558	519	558
Prepaid expenses and other assets	6,714	11,712	14,275	11,712
Total current assets	327,112	348,627	310,139	348,627
Property and equipment, net	40,122	37,959	41,236	37,959
Intangible assets, net	1,313	1,345	1,281	1,345
Right-of-use assets, net	11,697	13,099	11,123	13,099

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Deferred tax assets	1,057	1,057	1,057	1,057
Other assets, non-current	4,583	4,723	3,535	4,723
Total assets	$ 385,884	$ 406,810	$ 368,371	$ 406,810
Liabilities and Stockholders' Equity				
Current Liabilities				
Accounts payable	$ 2,762	$ 4,830	$ 2,363	$ 4,830
Operating lease liabilities	2,436	2,404	2,474	2,404
Accrued expenses and other liabilities	8,745	13,121	9,121	13,121
Total current liabilities	13,943	20,355	13,958	20,355
Sponsor Earn-Out liabilities	3,291	4,166	1,880	4,166
Operating lease liabilities, non-current	9,687	11,316	9,348	11,316
Unearned government grant	8,913	9,270	9,023	9,270
Other liabilities, non-current	2,661	2,753	2,589	2,753
Total liabilities	38,495	47,860	36,798	47,860
Commitments and contingencies (Note 9)				
Stockholders' Equity				
Preferred stock, $0.0001 par value; 20,000,000 shares authorized, none issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	—	—		
Common stock: Class A shares, $0.0001 par value, 2,100,000,000 shares authorized; 309,736,367 and 310,266,922 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively; Class B shares, $0.0001 par value, 200,000,000 shares authorized; 43,881,251 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	35	35		
Preferred stock, $0.0001 par value; 20,000,000 shares authorized, none issued and outstanding as of June 30, 2024 and December 31, 2023, respectively			—	—
Common stock: Class A shares, $0.0001 par value, 2,100,000,000 shares authorized; 312,025,684 and 310,266,922 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively; Class B shares, $0.0001 par value, 200,000,000 shares authorized; 43,881,251 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively			35	35
Additional paid-in capital	563,966	559,214	568,199	559,214
Accumulated deficit	(214,243)	(198,686)	(234,140)	(198,686)
Accumulated other comprehensive loss	(2,369)	(1,613)	(2,521)	(1,613)
Total stockholders' equity	347,389	358,950	331,573	358,950
Total liabilities and stockholders' equity	$ 385,884	$ 406,810	$ 368,371	$ 406,810

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

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

Table of Contents

SES AI Corporation

Condensed Consolidated Statements of Operations and Comprehensive Loss

(Unaudited)

(in thousands, except share and per share amounts)	**Three Months Ended March 31, 2024**	**2023**
Operating expenses:		
Research and development	$ 11,765	$ 8,489
General and administrative	9,506	13,123
Total operating expenses	21,271	21,612
Loss from operations	(21,271)	(21,612)
Other income:		
Interest income	4,162	4,140
Gain on change in fair value of Sponsor Earn-Out liabilities	875	569
Miscellaneous income, net	874	820
Total other income, net	5,911	5,529
Loss before income taxes	(15,360)	(16,083)
Provision for income taxes	(197)	(143)
Net loss	(15,557)	(16,226)
Other comprehensive (loss) income, net of tax:		
Foreign currency translation adjustment	(457)	72
Unrealized (loss) gain on short-term investments	(299)	467
Total other comprehensive (loss) income, net of tax	(756)	539
Total comprehensive loss	$ (16,313)	$ (15,687)
Net loss per share attributable to common stockholders:		
Basic and diluted	$ (0.05)	$ (0.05)
Weighted-average shares outstanding:		
Basic and diluted	318,790,719	313,422,442

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

(in thousands, except share and per share amounts)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Operating expenses:				
Research and development	$ 15,057	$ 6,347	$ 26,822	$ 14,836
General and administrative	9,570	12,924	19,076	26,047
Total operating expenses	24,627	19,271	45,898	40,883
Loss from operations	(24,627)	(19,271)	(45,898)	(40,883)
Other income (expense):				
Interest income	3,995	4,129	8,157	8,269
Gain on change in fair value of Sponsor Earn-Out liabilities	1,411	2,926	2,286	3,495
Miscellaneous (expense) income, net	(580)	(405)	294	415
Total other income, net	4,826	6,650	10,737	12,179
Loss before income taxes	(19,801)	(12,621)	(35,161)	(28,704)
Provision for income taxes	(96)	(327)	(293)	(470)
Net loss	(19,897)	(12,948)	(35,454)	(29,174)
Other comprehensive loss, net of tax:				
Foreign currency translation adjustment	(93)	(1,492)	(550)	(1,420)
Unrealized loss on short-term investments	(59)	(721)	(358)	(254)
Total other comprehensive loss, net of tax	(152)	(2,213)	(908)	(1,674)
Total comprehensive loss	$ (20,049)	$ (15,161)	$ (36,362)	$ (30,848)
Net loss per share attributable to common stockholders:				
Basic and diluted	$ (0.06)	$ (0.04)	$ (0.11)	$ (0.09)
Weighted-average shares outstanding:				
Basic and diluted	320,833,854	314,578,498	319,812,287	314,003,663

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

Table of Contents

SES AI Corporation

Condensed Consolidated Statements of Stockholders’ Equity

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

(Unaudited)

Three Months Ended March 31, 2024

(in thousands, except share and per share amounts)	Redeemable Convertible Preferred Stock Shares	Redeemable Convertible Preferred Stock Amount	Class A and Class B Common Stock Shares	Class A and Class B Common Stock Amount	Additional Paid-in-Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance – December 31, 2023	—	$ —	354,148,173	$ 35	$ 559,214	$ (198,686)	$ (1,613)	$ 358,950
Issuance of common stock upon exercise of stock options	—	—	197,127	—	18	—	—	18
Restricted stock units vested	—	—	18,869	—	—	—	—	—
Forfeitures of Earn-Out Restricted Shares	—	—	(711,298)	—	—	—	—	—
Forfeitures of Restricted Stock Awards	—	—	(35,253)	—	(50)	—	—	(50)
Stock-based compensation	—	—	—	—	4,784	—	—	4,784
Net loss	—	—	—	—	—	(15,557)	—	(15,557)
Unrealized loss on short-term investments	—	—	—	—	—	—	(299)	(299)
Foreign currency translation adjustments	—	—	—	—	—	—	(457)	(457)
Balance — March 31, 2024	—	$ —	353,617,618	$ 35	$ 563,966	$ (214,243)	$ (2,369)	$ 347,389

Six Months Ended June 30, 2024

(in thousands, except share and per share amounts)	Redeemable Convertible Preferred Stock Shares	Redeemable Convertible Preferred Stock Amount	Class A and Class B Common Stock Shares	Class A and Class B Common Stock Amount	Additional Paid-in-Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance – December 31, 2023	—	$ —	354,148,173	$ 35	$ 559,214	$ (198,686)	$ (1,613)	$ 358,950
Issuance of common stock upon exercise of stock options	—	—	197,127	—	18	—	—	18
Restricted stock units vested	—	—	18,869	—	—	—	—	—
Forfeitures of Earn-Out Restricted Shares	—	—	(711,298)	—	—	—	—	—
Forfeitures of Restricted Stock Awards	—	—	(35,253)	—	(50)	—	—	(50)
Stock-based compensation	—	—	—	—	4,784	—	—	4,784
Net loss	—	—	—	—	—	(15,557)	—	(15,557)
Unrealized loss on short-term investments	—	—	—	—	—	—	(299)	(299)
Foreign currency translation adjustments	—	—	—	—	—	—	(457)	(457)
Balance — March 31, 2024	—	$ —	353,617,618	$ 35	$ 563,966	$ (214,243)	$ (2,369)	$ 347,389
Issuance of common stock upon exercise of stock options	—	—	746,517	—	110	—	—	110
Restricted stock units vested	—	—	1,653,403	—	(635)	—	—	(635)
Forfeitures of Earn-Out Restricted Shares	—	—	(77,529)	—	—	—	—	—
Forfeitures of Restricted Stock Awards	—	—	(33,074)	—	(44)	—	—	(44)

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Stock-based compensation	—	—	—	—	4,802	—	—	4,802
Net loss	—	—	—	—	—	(19,897)	—	(19,897)
Unrealized loss on short-term investments	—	—	—	—	—	—	(59)	(59)
Foreign currency translation adjustments	—	—	—	—	—	—	(93)	(93)
Balance — June 30, 2024	—	$ —	355,906,935	$ 35	$ 568,199	$ (234,140)	$ (2,521)	$ 331,573

Three Months Ended March 31, 2023

(in thousands, except share and per share amounts)	Redeemable Convertible Preferred Stock		Class A and Class B Common Stock		Additional	Accumulated	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Shares	Amount	Paid-in-Capital	Deficit	Income (Loss)	Equity
Balance — December 31, 2022	—	$ —	349,714,840	$ 35	$ 538,041	$ (145,286)	$ (1,251)	$ 391,539
Issuance of common stock upon exercise of stock options	—	—	94,319	—	13	—	—	13
Restricted stock units vested	—	—	4,727	—	—	—	—	—
Forfeitures of Earn-Out Restricted Shares	—	—	(1,904)	—	—	—	—	—
Stock-based compensation	—	—	—	—	6,462	—	—	6,462
Net loss	—	—	—	—	—	(16,226)	—	(16,226)
Unrealized gain on short-term investments	—	—	—	—	—	—	467	467
Foreign currency translation adjustments	—	—	—	—	—	—	72	72
Balance — March 31, 2023	—	$ —	349,811,982	$ 35	$ 544,516	$ (161,512)	$ (712)	$ 382,327

Six Months Ended June 30, 2023

(in thousands, except share and per share amounts)	Redeemable Convertible Preferred Stock		Class A and Class B Common Stock		Additional	Accumulated	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Shares	Amount	Paid-in-Capital	Deficit	Income (Loss)	Equity
Balance — December 31, 2022	—	$ —	349,714,840	$ 35	$ 538,041	$ (145,286)	$ (1,251)	$ 391,539
Issuance of common stock upon exercise of stock options	—	—	94,319	—	13	—	—	13
Restricted stock units vested	—	—	4,727	—	—	—	—	—
Forfeitures of Earn-Out Restricted Shares	—	—	(1,904)	—	—	—	—	—
Stock-based compensation	—	—	—	—	6,462	—	—	6,462
Net loss	—	—	—	—	—	(16,226)	—	(16,226)
Unrealized gain on short-term investments	—	—	—	—	—	—	467	467
Foreign currency translation adjustments	—	—	—	—	—	—	72	72
Balance — March 31, 2023	—	$ —	349,811,982	$ 35	$ 544,516	$ (161,512)	$ (712)	$ 382,327
Issuance of common stock upon exercise of stock options	—	—	477,443	—	64	—	—	64
Restricted stock units vested	—	—	924,179	—	—	—	—	—

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Forfeitures of Restricted Stock Awards	—	—	(1,431)	—	—	—	—	—
Forfeitures of Earn-Out Restricted Shares	—	—	(237)	—	—	—	—	—
Stock-based compensation	—	—	—	—	7,325	—	—	7,325
Net loss	—	—	—	—	—	(12,948)	—	(12,948)
Unrealized loss on short-term investments	—	—	—	—	—	—	(721)	(721)
Foreign currency translation adjustments	—	—	—	—	—	—	(1,492)	(1,492)
Balance — June 30, 2023	—	$ —	351,211,936	$ 35	$ 551,905	$ (174,460)	$ (2,925)	$ 374,555

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

Table of Contents

SES AI Corporation

Condensed Consolidated Statements of Cash Flows

(Unaudited)

(in thousands)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Cash Flows From Operating Activities				
Net loss	$ (15,557)	$ (16,226)	$ (35,454)	$ (29,174)
Adjustments to reconcile net loss to net cash used in operating activities:				
Gain from change in fair value of Sponsor Earn-Out liabilities	(875)	(569)	(2,286)	(3,495)
Stock-based compensation	4,784	6,462	9,586	13,787
Depreciation and amortization	1,721	1,060	3,666	2,317
Accretion income from available-for-sale short-term investments	(1,889)	(2,946)	(3,889)	(5,851)
Other	(894)	(683)	(1,478)	(346)
Changes in operating assets and liabilities:				
Receivable from related party	2,694	(422)	3,321	(47)
Inventories	121	(120)	22	63
Prepaid expenses and other assets	4,993	(2,553)	(2,548)	(6,602)
Right-of-use assets	1,280	(276)	1,802	(812)
Accounts payable	(249)	(15)	(274)	2,332
Accrued expenses and other liabilities	(3,637)	941	(1,824)	(3,815)
Operating lease liabilities	(1,471)	(46)	(1,715)	778
Net cash used in operating activities	(8,979)	(15,393)	(31,071)	(30,865)
Cash Flows From Investing Activities				

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Purchases of property and equipment	(6,758)	(5,974)	(10,454)	(7,787)
Purchase of short-term investments	—	(97,119)	(133,999)	(136,011)
Proceeds from the maturities of short-term investments	60,000	60,000	145,000	120,000
Net cash provided by (used in) investing activities	53,242	(43,093)	547	(23,798)
Cash Flows From Financing Activities				
Proceeds from stock option exercises	18	13	128	77
Net cash provided by financing activities	18	13	128	77
Effect of exchange rates on cash	(369)	(198)	(501)	(595)
Net increase (decrease) in cash, cash equivalents and restricted cash	43,912	(58,671)		
Net decrease in cash, cash equivalents and restricted cash			(30,897)	(55,181)
Cash, cash equivalents and restricted cash at beginning of period (Note 4)	86,966	107,936	86,966	107,936
Cash, cash equivalents and restricted cash at end of period (Note 4)	$ 130,878	$ 49,265	$ 56,069	$ 52,755
Supplemental Cash and Non-Cash Information:				
Income taxes paid	$ 3	$ 47	$ 203	$ 158
Accounts payable and accrued expenses related to purchases of property and equipment	$ 3,535	$ 1,034	$ 2,081	$ 3,877
Operating lease liabilities arising from obtaining right-of-use assets	$ —	$ 776	$ —	$ 1,754

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

Table of Contents

SES AI Corporation

Notes to Condensed Consolidated Financial Statements

(Unaudited)

(Dollars in thousands, unless otherwise stated)

Note 1. Nature of Business

Organization

SES AI Corporation and its consolidated subsidiaries (together the “Company” or “SES”), is engaged in the development of high-performance, Lithium-Metal (“Li-Metal”) rechargeable battery technologies for electric vehicles (“EVs”), Urban Air Mobility (“UAM”) and other applications. We were founded in 2012 and our mission is to power a new era of electric transportation on land and in air with Li-Metal batteries. Our differentiated battery technology has been designed to combine the high energy density of Li-Metal with the large-scale manufacturability of conventional Lithium-ion (“Li-ion”) batteries and will help to promote

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

the transition from the global dependence on fossil fuel-based automotive vehicles to clean and efficient EVs. The Company's headquarters is located in Woburn, Massachusetts with research and development facilities located there, in Shanghai, China, and in Chungju, South Korea. Principal operations have not yet commenced as of March 31, 2024 June 30, 2024, and the Company has not derived revenue from its principal business activities.

Note 2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements include the accounts of the Company and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and regulations of the U.S. Securities and Exchange Commission ("SEC") for interim financial reporting. Management believes that all adjustments necessary for the fair presentation of results, consisting of normally recurring items, have been included in the unaudited condensed consolidated financial statements for the interim periods presented. The results of operations for the three and six months ended March 31, 2024 June 30, 2024 are not necessarily indicative of the results that may be expected for the full year or any other future interim or annual periods. All intercompany balances and transactions have been eliminated in consolidation. The Company's fiscal year ends on December 31.

The year-end balance sheet data was derived from audited consolidated financial statements. These unaudited interim condensed consolidated financial statements do not include all of the annual disclosures required by U.S. GAAP; accordingly, they should be read in conjunction with the audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2023 included in the Company's Annual Report on Form 10-K filed with the SEC on February 27, 2024 (the "Annual Report").

Use of estimates

The preparation of these unaudited interim condensed consolidated financial statements in conformity with U.S. GAAP requires management to make use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of commitments and contingencies, and the reported amounts of revenues, if any, and expenses. The Company bases its estimates on available historical experience and on various other factors that the Company believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not apparent from other sources. Changes in estimates are reflected in reported results for the period in which they become known. Actual results may differ from those estimates.

Significant estimates and assumptions include those related to the valuation of (i) certain equity awards, including common stock awards prior to the Company's previously disclosed Business Combination (as defined below in Note 8), the Sponsor Earn-Out Shares, the Earn-Out Restricted Shares, restricted stock awards, stock options, and performance stock units, (ii) deferred tax assets and uncertain income tax positions, and (iii) the measurement of operating lease liabilities. On an ongoing basis, the Company evaluates these judgments and estimates for reasonableness.

Investments

The Company has investments in short-term marketable debt and marketable equity securities. Investments in marketable debt securities consist of U.S. treasury securities, are classified as available-for-sale at the time of purchase and reevaluate such classification at each balance sheet date. These available-for-sale marketable securities are recorded at fair value, with any

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

unrealized gains and losses included as a component of accumulated other comprehensive (loss) income in total stockholders' equity on the unaudited interim condensed

consolidated balance sheets until realized or until a determination is made that an other-than-temporary decline in market value has occurred. The amortized cost of U.S. treasury securities is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization and accretion are reported within interest income in the unaudited interim condensed consolidated statement of operations and comprehensive loss. Investments in marketable debt securities with a stated maturity date of less than one year are classified as short-term investments, while these those with a stated maturity date of more than one year, and that are not expected to be used in current operations, are classified as long-term investments on the unaudited interim condensed consolidated balance sheet, respectively. Investments in marketable equity securities are classified as short-term investments when the Company's intention is to sell within a year from the reporting period end, otherwise they will be classified as long-term investments. Investments in marketable equity securities with a readily determinable fair value, not accounted for under the equity method, are recorded at fair value with unrealized gains and losses reported within miscellaneous income, net in the unaudited interim condensed consolidated statements of operations and comprehensive loss.

Inventories

Inventories consist of raw materials and are stated at the lower of average cost or net realizable value.

Fair Value Measurements

Fair value is defined as an exchange price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be either recorded or disclosed at fair value, the Company considers the principal or most advantageous market in which it would transact, and it also considers assumptions that market participants would use when pricing the asset or liability.

The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. GAAP establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

Level 1 Observable inputs such as quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Unobservable inputs in which there are little or no market data and which require the Company to develop its own assumptions.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Table of Contents

Certain of the Company's financial instruments, including cash and cash equivalents, accounts payable, accrued expenses and other current liabilities are carried at cost, which approximates their fair value because of their short-term nature. The following table presents information about the Company's financial assets and liabilities that are measured at fair value on a recurring basis:

(in thousands)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
March 31, 2024								
June 30, 2024								
Current Assets								
Cash equivalents in money market funds (Note 4)	$ 120,442	$ —	$ —	$ 120,442	$ 48,606	$ —	$ —	$ 48,606
U.S. treasury securities	187,717	—	—	187,717	238,658	—	—	238,658
Equity securities(1)	1,430	—	—	1,430	1,281	—	—	1,281
Total current assets at fair value	$ 309,589	$ —	$ —	$ 309,589	$288,545	$ —	$ —	$288,545
Non-current Assets								
Restricted cash in money market funds	$ 614	$ —	$ —	$ 614	$ 614	$ —	$ —	$ 614
Total non-current assets at fair value	$ 614	$ —	$ —	$ 614	$ 614	$ —	$ —	$ 614
Total Assets at fair value	$ 310,203	$ —	$ —	$ 310,203	$289,159	$ —	$ —	$289,159
Liabilities								
Sponsor Earn-Out liabilities	$ —	$ —	$ 3,291	$ 3,291	$ —	$ —	$1,880	$ 1,880
Total liabilities at fair value	$ —	$ —	$ 3,291	$ 3,291	$ —	$ —	$1,880	$ 1,880
December 31, 2023								
Current Assets								
Cash equivalents in money market funds (Note 4)	$ 74,997	$ —	$ —	$ 74,997	$ 74,997	$ —	$ —	$ 74,997
U.S. treasury securities	246,127	—	—	246,127	246,127	—	—	246,127
Equity securities(1)	648	—	—	648	648	—	—	648
Total current assets at fair value	$ 321,772	$ —	$ —	$ 321,772	$321,772	$ —	$ —	$321,772

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Non-current Assets								
Restricted cash in money market funds	$ 614	$ —	$ —	$ 614	$ 614	$ —	$ —	$ 614
Total non-current assets at fair value	$ 614	$ —	$ —	$ 614	$ 614	$ —	$ —	$ 614
Total Assets at fair value	$ 322,386	$ —	$ —	$ 322,386	$322,386	$ —	$ —	$322,386
Liabilities								
Sponsor Earn-Out liabilities	$ —	$ —	$ 4,166	$ 4,166	$ —	$ —	$4,166	$ 4,166
Total liabilities at fair value	$ —	$ —	$ 4,166	$ 4,166	$ —	$ —	$4,166	$ 4,166

(1) Fair value was determined using publicly quoted market prices obtained from third-party sources in their respective markets.

There were no transfers in or out of Level 3 measurements during the three and six months ended March 31, 2024. June 30, 2024 and 2023.

Recently Adopted Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-7, *Improvements to Reportable Segment Disclosures*, which requires disclosures of significant reportable segment expenses that are regularly provided to the Chief Operating Decision Maker (“CODM”) and included within each reported measure of a segment's profit or loss. This ASU also requires disclosure of the title and position of the individual identified as the CODM and an explanation of how the CODM uses the reported measures of a segment’s profit or loss in assessing segment performance and deciding how to allocate resources. The ASU is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Adoption of the ASU should be applied retrospectively to all prior periods presented in the financial statements. Early adoption is also permitted. We are currently evaluating the provisions and impact this ASU will have when adopted for the year ended December 31, 2024 and anticipate it will likely result in inclusion of additional required disclosures in our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-9, *Improvements to Income Tax Disclosures*, which requires disaggregated information about a reporting entity’s effective tax rate reconciliation as well as additional information on income taxes paid. The ASU is effective on a prospective basis for annual periods beginning after December 15, 2024. Early adoption is also permitted for annual financial statements

Table of Contents

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

that have not yet been issued or made available for issuance. We are currently evaluating the impact this ASU will have when adopted and anticipate this ASU will likely result in the inclusion of additional required additional disclosures being included in our consolidated financial statements.

Climate-Related Disclosures

In March 2024, the SEC adopted final rules that would require registrants to provide certain climate-related information in their registration statements and annual reports. The new rules require information about a registrant's climate-related risks that are reasonably likely to have a material impact on its business, results of operations, or financial condition. The rules also require disclosure of a registrant's greenhouse gas emissions and certain climate-related financial metrics in their audited financial statements. In April 2024, the SEC voluntarily stayed the rules pending completion of a judicial review that is currently pending in the U.S. Court of Appeals for the Eighth Circuit. We are currently evaluating the impact these rules will have when adopted and anticipate that these rules will likely result in the required additional disclosures being included in on our consolidated financial statements.

The Company has reviewed all accounting pronouncements issued during the three months ended March 31, 2024 June 30, 2024 and concluded that they were either not applicable or not expected to have a material impact on the Company's unaudited interim condensed consolidated financial statements.

Note 3. Partnerships

In December 2020, the Company established a partnership with Hyundai Motor Company ("Hyundai") when it entered into a joint development agreement ("JDA") to jointly research and develop Li-Metal battery technology, which concluded in November 2023. Further, in May 2021, the Company executed another JDA with Hyundai to jointly develop an the A-Sample Li-Metal battery batteries effective August 31, 2021. In March 2024, the Company extended this JDA until December 2025 to develop the B-sample Li-Metal battery. batteries.

In February 2021, the Company established a partnership with GM Global Technology Operations LLC ("GM Technology"), an affiliate of GM Ventures LLC ("GM Ventures"), and General Motors Holdings LLC ("GM Holdings") (collectively, "General Motors" or "GM") when it entered into a JDA to jointly research and develop an the A-Sample Li-Metal battery batteries and build-out a prototype manufacturing line for GM Technology. The JDA has an initial term of three years, which can be extended based on mutual agreement.

In December 2021, the Company established a partnership with Honda Motor Company, Ltd. ("Honda") when it entered into a JDA to jointly R&D an the A-Sample Li-Metal battery, batteries, which concluded in June 2023.

In November 2023, the Company entered into a B-Sample JDA with one of our OEM partners for delivery of the B-Sample battery. batteries. The JDA has a term of two and half years.

Under the terms of certain JDAs, the Company will fund research and development activities and capital expenditures related to the buildout of pilot manufacturing lines and the JDA partner will be required to refund such expenses to the Company, regardless of the results of the research and development activities. The following table summarizes the expenses incurred by

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

the Company that were recorded as a credit to research and development expense in the unaudited interim condensed consolidated statements of operations and comprehensive loss:

(in thousands)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Research and development (related party)	$ 1,217	$ 1,771	$ —	$ 2,537	$ 1,217	$ 4,307
Research and development (non-related party)	2,308	1,416	577	5,750	2,885	7,166
Total reimbursements to research and development	$ 3,525	$ 3,186	$ 577	$ 8,287	$ 4,102	$ 11,473

As of March 31, 2024 June 30, 2024 and December 31, 2023, $1.2 million $0.5 million and $3.9 million was outstanding as a receivable from related party as disclosed in the unaudited interim condensed consolidated balance sheets. As of March 31, 2024 and December 31, 2023 $5.1 million, none and $5.1 million was respectively, were recorded as receivable receivables from non-related party JDAs. As of March 31, 2024 and December 31, 2023, $0.1 million and none was recorded as deferred income for non-related party JDAs. Amounts for non-related party receivables are recorded within prepaid expenses and other current assets and the deferred income is recorded within accrued expenses and other current liabilities in the unaudited interim condensed consolidated balance sheets.

Note 4. Cash and Cash Equivalents

Cash, cash equivalents, and restricted cash consisted of the following:

Table of Contents

(in thousands)	March 31, 2024	December 31, 2023
Cash	$ 9,167	$ 10,674
Money market funds	120,442	74,997
Total cash and cash equivalents	129,609	85,671
Restricted cash included in other assets	1,269	1,295

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Total cash, cash equivalents, and restricted cash shown in the unaudited condensed consolidated statements of cash flows	$ 130,878	$ 86,966

Cash, cash equivalents, and restricted cash consisted of the following:

(in thousands)	June 30, 2024	December 31, 2023
Cash	$ 6,210	$ 10,674
Money market funds	48,606	74,997
Total cash and cash equivalents	54,816	85,671
Restricted cash included in other assets	1,253	1,295
Total cash, cash equivalents, and restricted cash shown in the unaudited condensed consolidated statements of cash flows	$ 56,069	$ 86,966

Restricted cash includes cash held in checking and money market funds as collateral to secure certain insurance policies and a letter of credit for corporate lease activity.

Note 5. Short-Term Investments

The following table provides amortized costs, gross unrealized gains and losses, and fair values for the Company's investments in available-for-sale U.S. treasury securities as of March 31, 2024 June 30, 2024 and December 31, 2023, which have maturity dates that range from 1 month to 7 10 months and 1 month to 10 months, respectively. Fair value was determined using market prices obtained from third-party sources. Realized gains or losses were insignificant for the three and six months ended March 31, 2024 June 30, 2024 and 2023.

March 31, 2024 / June 30, 2024 (in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Short-term U.S. treasury securities	$ 187,686	$ 43	$ (12)	$187,717	$ 238,685	$ 14	$ (41)	$238,658
Total	$ 187,686	$ 43	$ (12)	$187,717	$ 238,685	$ 14	$ (41)	$238,658

December 31, 2023 (in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Short-term U.S. treasury securities	$ 245,797	$ 337	$ (7)	$246,127	$ 245,797	$ 337	$ (7)	$246,127

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Total	$ 245,797	$ 337	$ (7)	$246,127	$ 245,797	$ 337	$ (7)	$246,127

Note 6. Accrued Expenses and Other Current Liabilities

The components of accrued expenses and other current liabilities consisted of the following:

(in thousands)	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Employee compensation and related costs	$ 3,460	$ 7,022	$ 4,996	$ 7,022
Construction in process	2,494	3,182	1,458	3,182
Professional and consulting services			529	1,273
Income taxes payable	454	288	347	288
Professional and consulting services	552	1,273		
Deferred income received under partnerships	77	—		
Other	1,708	1,356	1,791	1,356
Accrued expenses and other current liabilities	$ 8,745	$ 13,121	$ 9,121	$ 13,121

Note 7. Government Grant

In December 2022, the Company was awarded a grant (the "Grant") from certain government agencies. The incentives received under the Grant, which is in the form of cash, can be used for facilities related expenses and the purchase of property and equipment. The Company is required to adhere to the following conditions attached to the incentives, which include purchase of a government grant guarantee insurance policy, required minimum investments into specified spending categories and the creation of a minimum amount of permanent full-time jobs in a certain geographical location over the next five years, with the option to extend to 10 years by remaining in a certain geographical location. If subsequently it was determined that we were in non-compliance with the Grant conditions, we could be required to pay the Grant in its entirety with interest. The Company has yet to fulfill the required minimum investment, and the compliance with this condition will continue to be monitored over the remaining grant period.

As of March 31, 2024 June 30, 2024 and December 31, 2023, the the Company has received, but not yet earned, cash grants of 12.0 billion Korean won. These balances are equivalent to $8.9 million $9.0 million and $9.3 million, after translation, respectively, as of March 31, 2024 June 30, 2024 and December 31, 2023, which is disclosed as a noncurrent liability in the unaudited interim condensed consolidated balance sheets.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Table of Contents

Note 8. Sponsor Earn-Out Liabilities

In connection with the closing of the Business Combination (the "Closing") on February 3, 2022 (the "Closing Date"), Ivanhoe Capital Acquisition Corp. ("Ivanhoe"), a Cayman Islands exempted company, migrated out of the Cayman Islands and domesticated as a Delaware corporation (the "Domestication"), changed its name to "SES AI Corporation", and Wormhole Amalgamation Sub Pte. Ltd., a Singapore private company limited by shares and a direct, wholly-owned subsidiary of Ivanhoe ("Amalgamation Sub"), consummated the previously announced Business Combination (the "Business Combination") pursuant to which, among other things, Amalgamation Sub merged with and into SES Holdings Pte. Ltd., a Singapore private company limited by shares ("Old SES"), with Old SES surviving the Business Combination as a wholly-owned subsidiary of SES.

On February 2, 2022, in connection with the Domestication, 6,900,000 of Ivanhoe's Class B ordinary shares held by Ivanhoe Capital Sponsor LLC (the "Sponsor") converted into an equal number of shares of duly authorized, validly issued, fully paid and nonassessable Class B common stock, par value $0.0001 per share (the "Class B Common Stock"), of the Company. At Closing, these 6,900,000 shares of Class B Common Stock converted into an equal number of shares of duly authorized, validly issued, fully paid and nonassessable Class A common stock par value $0.0001 per share (the "Class A Common Stock", and together with the Class B Common Stock, "Common Stock"), of the Company (the "Sponsor Earn-Out Shares"). These Sponsor Earn-Out Shares are subject to certain transfer restrictions and forfeiture terms following the Closing, which will be released as follows:

- 20% were subject to transfer restrictions until the date that was 180 days after the Closing ("Tranche 1");
- 20% are subject to transfer restrictions until SES's closing stock price equals or exceeds $12.00 for 20 out of 30 consecutive trading days following the date that is 150 days after the Closing ("Tranche 2");
- 20% are subject to transfer restrictions until SES's closing stock price equals or exceeds $14.00 for 20 out of 30 consecutive trading days following the date that is 150 days after the Closing ("Tranche 3");
- 20% are subject to transfer restrictions until SES's closing stock price equals or exceeds $16.00 for 20 out of 30 consecutive trading days following the date that is 150 days after the Closing ("Tranche 4"); and
- 20% are subject to transfer restrictions until SES's closing stock price equals or exceeds $18.00 for 20 out of 30 consecutive trading days following the date that is 150 days after the Closing ("Tranche 5").

If there is a change in control of SES at a per share value of greater than $18.00, then 100% of the Sponsor Earn-Out Shares will be released from these transfer restrictions; however if the per share value is less than $18.00 upon a change in control, then the Sponsor Earn-Out Shares will be released pro rata based on the per share value of the change in control and the stock price thresholds for release specified above. Any Sponsor Earn-Out Shares not released will be forfeited and cancelled upon a change in control.

The Sponsor Earn-Out Shares in Tranche 1 were accounted for as equity instruments because they are legally owned by the Sponsor, cannot be forfeited and were subject only to transfer restrictions that lapsed 180 days after the Closing Date, which occurred on August 2, 2022. The Sponsor Earn-Out Shares in Tranches 2 through 5 represent the Sponsor Earn-Out liabilities and are accounted for as a derivative liability because the earn-out triggering events that determine the number of Sponsor Earn-Out Shares to be earned back by the Sponsor include events that are not solely indexed to the shares of Class A common stock.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

The Sponsor Earn-Out liabilities are measured at estimated fair value using Level 3 inputs in a Monte Carlo simulation valuation model. As of the three months ended March 31, 2024June 30, 2024, the earn-out triggering events were not achieved for any of Tranche 2 through Tranche 5, and as such the Company adjusted the carrying amount of the Sponsor Earn-Out liabilities to its estimated fair value of $3.3 million$1.9 million in the unaudited interim condensed consolidated balance sheet.

The following table provides a reconciliation of the beginning and ending balances for the Sponsor Earn-Out liabilities:

(in thousands)	
Balance as of December 31, 2023	$ 4,166
Change in fair value	(875)
Balance as of March 31, 2024	$ 3,291
Balance as of December 31, 2022	$ 10,961
Change in fair value	(569)
Balance as of March 31, 2023	$ 10,392

(in thousands)	
Balance as of December 31, 2023	$ 4,166
Change in fair value	(2,286)
Balance as of June 30, 2024	$ 1,880
Balance as of December 31, 2022	$ 10,961
Change in fair value	(3,495)
Balance as of June 30, 2023	$ 7,466

Table of Contents

Inherent in the valuation model are assumptions related to expected stock price volatility, risk-free interest rate, expected term, and dividend yield. The key inputs used in the Monte Carlo simulation model at their respective measurement dates were as follows:

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Expected term (in years)	3.1	3.1	3.1	3.1
Risk free rate	4.30%	4.04%	4.41%	4.04%
Expected volatility	85.0%	91.0%	85.0%	91.0%
Expected dividends	0%	0%	0%	0%
Stock price	$ 1.68	$ 1.83	$ 1.25	$ 1.83

The stock price is based on the closing price of the Company's Class A common stock as of the valuation date and simulated through the end of the earn-out period following Geometric Brownian Motion. The Company estimates the volatility of its common stock by using a weighted average of historical volatilities of SES's shares and warrants and select peer companies' common stock that matches the expected term of the awards (range of the weighted average of volatility was 78.2% 76.3% - 89.2% 88.3% and 83.8% - 96.2% as of March 31, June 30, 2024 and December 31, 2023, respectively). The expected term is derived from a probability weighted model, considering a number of inputs, including the probability of a change in control. The risk-free interest rate is based on the yield curve for zero-coupon U.S. Treasury notes with maturities corresponding to the expected term of the awards. The dividend rate is based on the historical rate, which the Company anticipates remaining at zero.

Note 9. Commitments and Contingencies

Commitments

Under the terms of one of the JDAs entered into in 2021 and amended in March 2024, the Company is committed to undertake certain research and development activities to for the benefit of both itself and its OEM Partner which involves involve expenditures related to engineering efforts and purchases of related equipment. The Company has a remaining commitment to spend up to $35 million $27.5 million under this JDA as of March 31, 2024 June 30, 2024.

In December 2021, the Company amended the lease agreement for an office space in Woburn, Massachusetts. The amendment includes an obligation for the Company to pay monthly relinquishment charges (equal to the total rental obligation for the duration of the lease term) only if the new tenant does not pay the monthly rental amount and the lessor has provided a notice to collect the relinquishment charges from the Company. As of March 31, 2024 June 30, 2024, the Company assessed the probability of any liability to be incurred for relinquishment charges as remote.

Legal Contingencies

From time-to-time, the Company may be subject to claims arising in the ordinary course of business or become involved in litigation or other legal proceedings. While the outcome of such claims or other proceedings cannot be predicted with certainty, the Company's management expects that any such liabilities, to the extent not provided for by insurance or otherwise, would not have a material effect on the Company's financial condition, results of operations or cash flows.

Indemnifications

The Company enters into indemnification provisions under agreements with other companies in the ordinary course of business, including, but not limited to, partnerships, landlords, vendors, and contractors. Pursuant to these arrangements, the Company agrees to indemnify, defend, and hold harmless the indemnified party for certain losses suffered or incurred by the

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

indemnified party as a result of the Company's activities. The maximum potential amount of future payments the Company could be required to make under these agreements is not determinable. The Company has never incurred costs to defend lawsuits or settle claims related to these indemnification provisions. In addition, the Company indemnifies its officers, directors, and certain key employees against claims made with respect to matters that arise while they are serving in their respective capacities as such, subject to certain limitations set forth under applicable law, and applicable indemnification agreements. The Company maintains insurance, including commercial general liability insurance, product liability insurance, and directors and officers insurance to offset certain potential liabilities under these indemnification provisions. To date, there have been no claims under these indemnification provisions.

Table of Contents

Note 10. Stock-Based Compensation

The Company's stock-based compensation included in its unaudited interim condensed consolidated statements of operations and comprehensive loss, income (loss), net of forfeitures, was as follows:

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2024	2023	2024	2023	2024	2023
Research and development	$ 1,451	$ 1,847	$ 1,616	$ 2,213	$ 3,067	$ 4,060
General and administrative	3,333	4,615	3,186	5,112	6,519	9,727
Total stock-based compensation	$ 4,784	$ 6,462	$ 4,802	$ 7,325	$ 9,586	$ 13,787

The following table summarizes stock-based compensation expense by award type, net of forfeitures:

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2024	2023	2024	2023	2024	2023
Earn-Out Restricted Shares	$ —	$ 2,135	$ —	$ 2,166	$ —	$ 4,301
Restricted Stock Units ("RSUs")	3,085	1,961	3,604	2,723	6,689	4,684
Performance Stock Units ("PSUs")	932	1,326	700	1,406	1,632	2,732
Restricted Stock Awards ("RSAs")	491	930	487	926	978	1,856
Stock options	276	110	11	104	287	214
Total	$ 4,784	$ 6,462	$ 4,802	$ 7,325	$ 9,586	$ 13,787

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

In February 2024, the Company granted 8,996,931 RSUs and 3,280,083 PSUs, which relates to the annual grant to our directors, executive officers and employees. PSUs are measured at their estimated fair value using a Monte Carlo simulation valuation model with the effect of the market condition reflected in the grant date fair value of the award. The fair value of RSUs is estimated based on the closing price of the Company's Class A common stock at the date of grant.

Note 11. Income Taxes

The Company's effective tax rate for the three and six months ended March 31, 2024 June 30, 2024 was (1.8) (0.4)% and (0.8)%, respectively, compared with (0.9) (2.0)% and (1.4)% for the three and six months ended March 31, 2023 June 30, 2023. The difference between the provision for income taxes and the income tax determined by applying the statutory federal income tax rate of 21% principally results from income taxes on earnings from its foreign tax jurisdictions offset by losses generated in the U.S. where no benefit was recorded because the Company had fully reserved its deferred tax assets as of March 31, 2024 June 30, 2024 and December 31, 2023 and the recording of uncertain tax positions and interest expense.

Note 12. Net Loss Per Share

Basic net loss per share is computed by dividing net loss by the weighted average number of common shares outstanding for the period. Diluted net loss per share is computed by dividing net loss, as adjusted for changes in fair value recognized in earnings from equity contracts classified as liabilities, by the weighted average number of common shares outstanding and, when dilutive, common share equivalents from outstanding stock options and restricted stock units (using the treasury-stock method). The weighted-average number of common shares used in the computation of basic and diluted net loss per share were as follows:

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except share and per share amounts)	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Numerator:						
Net loss attributable to common stockholders - basic	$ (15,557)	$ (16,226)	$ (19,897)	$ (12,948)	$ (35,454)	$ (29,174)
Denominator:						
Weighted average shares of common stock outstanding - basic and diluted	318,790,719	313,422,442	320,833,854	314,578,498	319,812,287	314,003,663

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Net loss per share attributable to common stockholders - basic and diluted	$ (0.05)	$ (0.05)	$ (0.06)	$ (0.04)	$ (0.11)	$ (0.09)

Table of Contents

The number of common stock equivalents excluded from the computation of diluted net loss per share because either the effect would have been anti-dilutive, or the performance criteria related to such shares and awards had not been met, were as follows:

	As of March 31,	
	2024	2023
Escrowed earn-out shares	27,690,978	27,690,978
Options to purchase common stock	12,381,133	18,203,903
Public warrants	9,199,947	9,199,947
Sponsor Earn-Out Shares	5,520,000	5,520,000
Private warrants	5,013,333	5,013,333
Unvested RSUs	16,525,573	2,789,984
Unvested PSUs	6,812,398	2,116,942
Earn-out Restricted Shares	908,700	1,929,140
Unvested RSAs	551,774	1,090,610
Total	84,603,836	73,554,837

	As of June 30,	
	2024	2023
Escrowed earn-out shares	27,690,978	27,690,978
Options to purchase common stock	11,634,356	17,717,487
Public warrants	9,199,947	9,199,947

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Table of Contents

Sponsor Earn-Out Shares	5,520,000	5,520,000
Private warrants	5,013,333	5,013,333
Unvested RSUs	14,687,464	6,205,703
Unvested PSUs	6,159,793	3,748,742
Earn-out Restricted Shares	831,171	1,928,903
Unvested RSAs	454,561	909,142
Total	81,191,603	77,934,235

Note 13. Related-Party Transactions

As of March 31, 2024 June 30, 2024 and December 31, 2023, General Motors Company and its affiliates ("GM") were considered a related party due to their board representation and the board member's employment position at GM, as well as GM holding more than 5% of the fully diluted outstanding equity securities of SES. See "Note 3 – Partnerships" for more details about our partnership with GM.

Table of Contents

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information which our management believes is relevant to an assessment and understanding of our consolidated results of operations and financial condition. The following discussion and analysis should be read in conjunction with the accompanying unaudited interim condensed consolidated financial statements as of and for the three and six months ended March 31, 2024 June 30, 2024 and the related notes included in this Quarterly Report on Form 10-Q and our audited consolidated financial statements as of and for the year ended December 31, 2023 December 31, 2023 and the related notes contained in the Company's Annual Report on Form 10-K filed with the SEC on February 27, 2024 (the "2023 Annual Report"). This Quarterly Report on Form 10-Q includes forward-looking statements. These forward-looking statements within the meaning of the federal securities law are based on our current expectations and beliefs concerning future developments and their potential effects on us. These forward-looking statements are not statements of historical fact and may include statements regarding possible or assumed future results of operations. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Factors that might cause or contribute to such forward-looking statements include, but are not limited to, those set forth in Part II, Item 1A of this Quarterly Report on Form 10-Q and in Item 1A. Risk Factors in the 2023 Annual Report. Unless the context otherwise requires,

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

references in this section to "the Company," "we," "us" and "our" refer to the business and operations of SES Holdings Pte. Ltd. ("Old SES") and its consolidated subsidiaries prior to the Business Combination and to SES AI Corporation and its consolidated subsidiaries following the Closing. References in this section to our future plans that indicate the timing of when we expect such plans to be completed by a certain year mean at any point during that year.

Overview

We are a pre-commercialization stage company engaged in the development and production of high-performance, Lithium-Metal ("Li-Metal") rechargeable battery technologies for electric vehicles ("EVs"), Urban Air Mobility ("UAM"), which encompasses electric vehicle take-off and landing ("eVTOL") technology, and other applications. Our differentiated battery technology has been designed to combine the high energy density of Li-Metal with the large-scale manufacturability of conventional Lithium-ion ("Li-ion") batteries to help promote the transition from the global dependence on fossil fuel-based automotive vehicles to clean and efficient EVs in order to enable a new era of electric transportation on land and in the air.

SES AI's mission is to power a new era of electric transportation on land and in the air with Li-Metal batteries. We believe Li-Metal is the "end game" for electric transportation energy storage with its potential for step-change in energy density compared to state-of-the-art Li-ion. Our team has dedicated the past decade to developing a comprehensive and proprietary Li-Metal battery technology platform, including high concentration solvent-in-salt electrolyte, ultra-thin wide format lithium anode, protective anode coating, and novel cell engineering processes that are based on scalable Li-ion manufacturing but address unique Li-Metal challenges. As we build more automotive large capacity Li-Metal cells and generate more data, artificial intelligence ("AI") becomes an increasingly integral part in material development, battery health monitoring and incident prediction.

There are four pillars to our mission.

1. *Electric Vehicles (EV)*

Table of Contents

Since our founding, EV has always been our core focus. In 2012, we transitioned away from solid state Li-Metal, so our Li-Metal batteries could operate at room temperature and be manufactured at large scale. In 2015, we received the first strategic investment from General Motors. In 2021, we signed what we believe to be the world's first automotive A-sample Li-Metal joint development agreements (JDAs) with GM, Hyundai and Honda, all of whom made strategic investments in our Company. company. In 2023, we signed what we believe to be the world's first automotive B-sample Li-Metal JDA with a major global automaker. In 2024, we extended our JDA agreement with Hyundai to conduct further research and development activities in order to achieve production of B-sample batteries. As of March 31, 2024 June 30, 2024, we operate three A-sample lines and we are in the process of building two B-sample lines.

We have made significant progress in large 50Ah and 100Ah automotive Li-Metal cell manufacturing. We have addressed key manufacturing challenges in ultra-thin wide format lithium anode, powder and metal bur issues in lithium anode punching, high

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

concentration electrolyte scale-up, and other quality and safety related issues in automotive large Li-Metal cell manufacturing. We have performed inhouse testing on these 50Ah and 100Ah Li-Metal A-sample cells and shared testing data with our JDA original equipment manufacturer (OEM) partners, as well as shipped these A-sample cells to other third parties and OEMs for their further performance and safety testing.

Table of Contents

2. Urban Air Mobility (UAM)

We believe that B-sample in EV is almost equivalent to commercial production for UAM. We believe that UAM is a perfect fit for Li-Metal and will require little additional development now that we have reached EV B-sample status. UAM frequently operates on a fleet business model where the key business metrics are cost per passenger per mile, with weight being a paramount factor to costs. We believe that the step-change gravimetric energy density that Li-Metal can potentially offer means that an aircraft has the potential to carry twice the number of passengers, or twice the payload for cargo applications, or fly twice the distance, which has the potential to significantly improve the profitability of UAM operators. We are converting one of our EV A-sample lines to be dedicated to UAM cell production in by the end of 2024.

3. Artificial Intelligence (AI)

We started two AI programs out of necessity, due to the need to provide a high level of safety in the field and the need to further accelerate our future roadmap for material development.

We seek to provide a high level of safety in the field and we are leveraging our automotive 50Ah and 100Ah cell production volume and quality data to train our Avatar AI. Our Avatar AI prediction accuracy increased from less than 60% in 2022, to 92% in 2023, and we expect it to reach 95% accuracy by the end of 2024. Our ultimate goal is to be able to reach near 100% safety in the field, which we believe will be paramount to both EV and UAM OEMs.

We are also developing new AI models designed to screen a vast universe of small molecules for potential electrolyte solvent candidates. We have also built an electrolyte foundry designed to provide high throughput synthesis and testing of these materials.

4. Sustainability

We are executing several initiatives to improve the environmental sustainability of our business, and to reduce cost and ensure traceability of our Li-Metal battery supply chain. The technological innovations include dry electrode that can significantly reduce our electricity consumption and CO2 and chemical solvent emission, emissions, and recycling of Li-Metal that allows us to build a new supply chain with better traceability and robustness. We Recently, we also announced SES Cares, where we power advanced drones with our Li-Metal A-samples and B-samples to collect field data to train Avatar AI, at the same time, partner with operations such as forest fire monitoring and marine animal protection.

Outlook

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

We believe that 2024 will be a key year in the commercialization of Li-Metal batteries for automotive applications. We plan to continue to focus on EV B-sample JDAs including building and operating B-sample lines, improving cell practical safety and accelerating future roadmap electrolyte development; building and shipping cells to UAM OEM partners; and improving Avatar AI prediction accuracy by deploying Avatar infrastructure and training it across a wide range of data.

After B-Sample, we plan to transition to C-Sample in 2026, which we then expect to enable us to commence commercial production of our technology in 2027. We expect this transition to commercial production to lead to future research facilities and, eventually, commercial

---

Table of Contents

production manufacturing facilities in the United States, which will significantly increase our materials consumption and the rate of cash utilization over time.

Results of Operations

Factors Affecting Operating Results

As of March 31, 2024 June 30, 2024, we have not generated any revenue from sales to customers to date through our one operating segment and have spent $15.3 million $15.6 million and $11.7 million $14.6 million on gross research and development activities during the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and $30.9 million and $26.3 million on gross research and development activities during the six months ended June 30, 2024 and 2023, respectively, which is prior to reimbursements received of $3.5 million $0.6 million and $3.2 million $8.3 million during the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and $4.1 million and $11.5 million during the six months ended June 30, 2024 and 2023, respectively, from our OEM partners under the JDAs. As a result, we have incurred net losses of $15.6 million $19.9 million and $16.2 million $12.9 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and net losses of $35.5 million and $29.2 million for the six months ended June 30, 2024 and 2023, respectively. Our historical results may not be indicative of our future results for reasons that may be difficult to anticipate and our ability to generate revenue in the future that is sufficient enough to achieve profitability will depend largely on the successful development of our products. Accordingly, the drivers of our future financial results, as well as the components of such results, may not be comparable to our historical results of operations.

Table of Contents

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

The following table sets forth our historical operating results for the periods indicated:

(in thousands)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	$ Change	% Change	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	$ Change	% Change
Research and development	$ 11,765	$ 8,489	$ 3,276	39 %	$ 15,057	$ 6,347	$ 8,710	137 %
General and administrative	9,506	13,123	(3,617)	(28)%	9,570	12,924	(3,354)	(26)%
Total operating expenses	$ 21,271	$ 21,612	$ (341)	(2)%	$ 24,627	$ 19,271	$ 5,356	28 %

(in thousands)	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	$ Change	% Change
Research and development	$ 26,822	$ 14,836	$ 11,986	81 %
General and administrative	19,076	26,047	(6,971)	(27)%
Total operating expenses	$ 45,898	$ 40,883	$ 5,015	12 %

Research and Development

Research and development expenses consist primarily of costs incurred for salaries and personnel-related expenses, including performance-based bonus and stock-based compensation expense, for scientists, experienced engineers and technicians, expenses for materials and supplies used in product research and development, process engineering efforts and testing, as well as payments to consultants, depreciation, and allocated facilities and information technology costs. Additionally, payments received from the JDA agreements are treated as reimbursements to research and development expenses.

Research and development expenses for the three months ended March 31, 2024 June 30, 2024 increased $3.3 million $8.7 million, or 39% 137%, to $11.8 million $15.1 million, compared with $8.5 million $6.3 million for the three months ended March 31, 2023 June 30, 2023. The This increase was primarily resulted driven by a $7.7 million decrease in credits to research and development expenses from decreased billings to our JDA partners for reimbursements due to the timing for finalizing our JDA amendment terms, a total $2.6 million $1.6 million increase in personnel costs mainly attributable to our growth in headcount in to support of our ongoing research and development efforts for battery cell development, which included operations, a reduction of $0.4 million in stock-based compensation expense that primarily relates to forfeitures during the period. Further, there was a $1.2 million $0.9 million increase in facility related costs due to such as rent, utilities and depreciation expenses mainly attributable to the new electrolyte foundry, and a $0.3 million $0.5 million increase in consulting and professional fees. These increases software development expenses due to university research agreements. The resulting higher expenses were partly partially offset by $0.3 million a $1.6 million decrease in lab equipment and material supplies due to the termination of one of our pre-production facility leases, and a $0.6 million decrease in stock-based compensation attributable to employee departure and the conclusion of the amortization period for the earn-out restricted shares by the third quarter of 2023.

Research and development expenses for the six months ended June 30, 2024 increased reimbursements $12.0 million, or 81%, to $26.8 million compared with $14.8 million for the six months ended June 30, 2023. This increase was primarily driven by a $7.3 million decrease in credits to research and development expenses which are amounts received pursuant from billings for reimbursement from our JDA partners due to the JDAs, timing for finalizing our JDA amendment terms, a $0.2 million $4.7 million increase in personnel costs mainly attributable to our growth in headcount to support our operations, a $1.8 million increase in facility related costs such as increased rent, utilities and depreciation expenses mainly attributable to the new electrolyte foundry, and a $0.5 million increase in professional services. These increases were partially offset by a $1.3 million decrease in expenses for

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Table of Contents

lab consumables equipment and material supplies due to limited activity for certain JDAs during the period, termination of one of our pre-production facility leases and a $0.3 million $1.0 million decrease in software development costs related stock-based compensation attributable to our AI software due to a decrease in consultant costs from prior year. employee departure and the conclusion of the amortization period for the earn-out restricted shares by the third quarter of 2023.

General and Administrative

General and administrative expenses consist primarily of costs incurred for salaries and personnel-related expenses, including bonus and stock-based compensation expense, for our finance, legal and human resource functions, expenses for director and officer insurance, outside contractor and professional service fees, audit and compliance expenses, legal, patent-related costs, accounting and other advisory services, as well as allocated facilities and information technology costs, including depreciation. Upon commencement of commercial operations, we also expect to incur customer and sales support and advertising costs.

General and administrative expenses for the three months ended March 31, 2024 June 30, 2024 decreased $3.6 million $3.4 million, or 28% 26%, to $9.5 million $9.6 million, compared with $13.1 million $12.9 million for the three months ended March 31, 2023 June 30, 2023. This decrease was primarily resulted from driven by a total $1.3 million reduction in decrease of $1.9 million of stock-based compensation mainly expense that related to the conclusion of the amortization period for the earn-out restricted shares by the third quarter of 2023, and a $0.4 million decrease in insurance expense due to lower premiums incurred to cover potential liabilities under our indemnification obligations to our directors and certain officers of the full expensing of Earn-Out Restricted Shares in 2023. Company.

General and administrative expenses for the six months ended June 30, 2024 decreased $7.0 million, or 27%, to $19.1 million, compared with $26.0 million for the six months ended June 30, 2023. This decrease was partially offset primarily driven by a $0.2 million increase in payroll due decrease of $3.2 million of stock-based compensation expense that related to headcount increases. Further, there was the conclusion of the amortization period for the earn-out restricted shares by the third quarter of 2023, a $1.1 million $1.4 million decrease in accounting related expenses from a expense due to the reduction in audit fees from the prior period resulted resulting from a more efficient reporting process, a $0.7 million $1.0 million decrease in insurance expense due to lower premiums for directors' incurred to cover potential liabilities under our indemnification obligations to our directors and officers' business insurance policy, certain officers of the Company compared to the prior year period, and a $0.6 million $1.0 million decrease in consulting and professional fees, and legal expenses primarily due to the higher cost incurred to support compliance as a $0.1 million net decrease large accelerated filer in other G&A expenses. 2023.

Non-Operating Items

Interest Income

Interest income primarily consists of interest earned on our cash and cash equivalents and marketable debt securities, which are primarily invested in money market funds and U.S. treasury securities, and accretion income from the U.S. treasury

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

securities.

During the three and six months ended March 31, 2024 June 30, 2024, we had interest income of $4.2 million $4.0 million and $8.2 million, respectively, compared with $4.1 million and $8.3 million for the three and six months ended March 31, 2023. June 30, 2023, respectively. The increase was primarily $0.1 million decreases from each of the three and six months ended June 30, 2023 to each of the three and six months ended June 30, 2024 were due to higher interest rate yield. lower investment balances primarily arising from cash used in operations.

Change in Fair Value of Earn-Out Liabilities

During the three and six months ended March 31, 2024 June 30, 2024, we incurred a gain of $0.9 million $1.4 million and $2.3 million, respectively, associated with the change in fair value of the Sponsor Earn-Out liabilities compared with a gain of $0.6 million $2.9 million and $3.5 million, respectively, for the three and six months ended March 31, 2023 June 30, 2023. With the fair value of the Sponsor Earn-Out liabilities primarily tied to the Company's stock price, continued volatility in the stock price or changes in the expected term could result in further gains or losses

Table of Contents

resulting from the change in fair value. Refer to "Note 8 – Sponsor Earn-Out Liabilities" to the unaudited interim condensed consolidated financial statements for additional information.

Table of Contents

Miscellaneous Income (Expense), Net

During the three months ended March 31, 2024 June 30, 2024, we had miscellaneous expense of $0.6 million, compared with miscellaneous expense of $0.4 million for the three months ended June 30, 2023. This $0.2 million increase in miscellaneous expense was an increase in the loss on foreign currency translation offset by an increase in fair value of equity investments.

During the six months ended June 30, 2024, we had miscellaneous income of $0.9 million $0.3 million, compared with miscellaneous income of $0.8 million $0.4 million for the three six months ended March 31, 2023 June 30, 2023. The This $0.1 million increase decrease in miscellaneous income was primarily the result of a realized gain an increase in the loss on foreign currency translation. translation offset by an increase in fair value of equity investments.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Provision from Income Taxes

The provision for income taxes for the three and six months ended March 31, 2024 June 30, 2024 increased to $0.2 million $0.1 million and $0.3 million, compared to $0.1 million $0.3 million and $0.5 million for the three and six months ended March 31, 2023 mainly June 30, 2023, respectively, primarily due to an increase local taxes in pre-tax income the foreign jurisdictions in China and South Korea. which the Company operates.

Liquidity and Capital Resources

As of March 31, 2024 June 30, 2024, we had total cash and cash equivalents of $129.6 million $54.8 million and investments in marketable debt and equity securities of $189.1 million $239.9 million. As a pre-commercialization stage research and development company, the net operating losses we have incurred since inception are consistent with our strategy and budget.

As a result of the capital-intensive nature of our business, we expect to sustain substantial operating expenses, without generating sufficient revenues to cover expenditures, for a number of years. To date, we have funded our operations through a combination of proceeds from the Business Combination private investments in public entity and funding received through the sales of our redeemable convertible preferred stock. These funds are expected to finance our principal sources of liquidity and ongoing costs, such as research and development relating to our Li-Metal batteries and the construction of additional manufacturing facilities. In the future, if we are not able to fund our operations from cash flows generated from anticipated product sales, we expect that we will need to raise additional funds through a variety of possible methods, including, but not limited to, entry into joint ventures or other strategic arrangements, issuance of equity, equity-related or debt securities or through obtaining credit from financial institutions, as well as anticipated future revenue from product sales.

We believe that our cash on hand and marketable securities will be sufficient to meet our working capital and capital expenditure requirements for a period of at least 12 months from the date of filing this Quarterly Report on Form 10-Q, and also sufficient to fund us to commercialization. However, additional funding may be required for a variety of reasons, including opportunities to build an integrated supply chain in the United States and delays in expected development of our Li-Metal battery cells. Our ability to successfully develop our products, commence commercial operations and expand our business will depend on many factors, including our working capital needs, the availability of equity and/or debt financing and, over time, our ability to generate positive cash flows from operations.

Summary of Cash Flows

The following table provides a summary of our cash flow data for the periods indicated:

	Three Months Ended March 31,		Six Months Ended June 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Cash (used in) provided by:				
Operating activities	$ (8,979)	$ (15,393)	$ (31,071)	$ (30,865)
Investing activities	53,242	(43,093)	547	(23,798)
Financing activities	18	13	128	77
Effect of exchange rate changes on cash	(369)	(198)	(501)	(595)
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 43,912	$ (58,671)		
Net decrease in cash, cash equivalents and restricted cash			$ (30,897)	$ (55,181)

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Operating Activities

Our cash flows used in operating activities to date have primarily comprised research and development and general and administrative activities as discussed above. As we continue to ramp up hiring for research and development headcount to accelerate our engineering efforts, we expect our cash used in operating activities to increase significantly before we start to generate any material cash inflows from our operations.

Table of Contents

Net cash used in operating activities of $9.0 million $31.1 million for the three six months ended March 31, 2024 June 30, 2024 was primarily attributable to net loss of $15.6 million $35.5 million, as adjusted for stock-based compensation expense of $4.8 million $9.6 million, accretion income from marketable securities of $1.9 million $3.9 million, depreciation and amortization of $1.7 million $3.7 million, a gain on change in fair value of Sponsor Earn-Out liabilities of $0.9 million $2.3 million, other adjustments to net loss of $1.5 million, and a $3.7 million $1.2 million working capital inflow. outflow. The working capital inflow outflow was primarily driven by a $5.0 million decrease $2.5 million increase in prepaids and other assets. The increase in prepaids and other assets was primarily due to the receipt of $7.0 million advance payments made for equipment purchases pursuant to our JDA agreements and prepaid costs related to software development. Additionally, a $1.8 million decrease in JDA receivable related payments from an OEM partner, of which $4.6 million accrued expenses and other liabilities was outstanding at year-end, and a $1.0 million decrease due to the timing of legal fees and equipment purchases also contributed to the working capital outflow. The outflow was partially offset by a $3.3 million receipt from the related party.

Net cash used in operating activities of $30.9 million for the six months ended June 30, 2023 was primarily attributable to net loss of $29.2 million, as adjusted for stock-based compensation expense of $13.8 million, accretion income from marketable securities of $5.9 million, a gain in change in fair value of Sponsor Earn-Out Liability of $3.5 million, depreciation and amortization of $2.3 million and a $8.1 million working capital outflow. The working capital outflow was primarily driven by a $6.6 million increase in prepaids and other assets, and a $3.8 million decrease in accrued expensed and other liabilities, partially offset by a $2.3 million increase in accounts payable. The increase in prepaids and other assets was primarily due to amounts due from JDA partners, the renewal of our an insurance policy at lower rates contract to cover potential liabilities under our indemnification obligations to our directors and certain officers partially offset by an increase in $1.4 million, and prepaid costs related to advanced payments for software development and research agreements. development. The working capital inflow was further decreased by a $2.7 million decrease in receivable from related party driven by $3.9 million in receipts and $1.2 million of billed activity and a $0.1 million decrease in inventory due to materials consumption. The working capital inflow was partially offset by a $3.6 million decrease in accrued expenses and other liabilities primarily due to decreases in accrued bonuses, accrued taxes, and professional fees associated with our audit.

Net cash used in operating activities of $15.4 million for the three months ended March 31, 2023 was primarily attributable to net loss of $16.2 million as adjusted for stock-based compensation expense of $6.5 million, accretion income from marketable securities of $2.9 million, depreciation and amortization of $1.1 million, a gain on change in fair value of Sponsor Earn-Out

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Liability of $0.6 million and a $2.5 million working capital outflow. The working capital outflow was primarily driven by a $2.6 million increase in prepaids and other assets primarily due to the renewal release of the insurance policy deferred liabilities related to cover potential liabilities under our indemnification obligations to our directors and certain officers, a $0.4 million JDAs. The increase in receivable from related party driven by activity from the associated JDA, and a $0.1 million increase in inventory due to materials purchases. The working capital outflow accounts payable was partially offset by a $0.6 million increase in accrued expenses and other liabilities primarily due to increases in accrued bonuses, accrued taxes, and professional fees associated with audit fees. the extended timing of our payments.

Investing Activities

Net cash provided by investing activities was $53.2 million $0.5 million for the three six months ended March 31, 2024 June 30, 2024, compared to net cash used in investing activities of $43.1 million $23.8 million for the three six months ended March 31, 2023 June 30, 2023.

Purchases and Maturities of Investments – Net proceeds from investments in marketable debt and equity securities were $60.0 million $11.0 million for the three six months ended March 31, 2024 June 30, 2024, compared to $37.1 million of net purchases of investments in marketable debt and equity securities for of $16.0 million during the three six months ended March 31, 2023 June 30, 2023.

Capital Spending – Capital expenditures were $6.8 million $10.5 million and $6.0 million $7.8 million for the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively, and primarily related to the timing of purchases of lab machinery and equipment, lab tools and instruments. instruments related to our build out of production lines and facilities. We expect capital expenditures for the rest of 2024 to continue to increase compared to with the corresponding periods in 2023 as we continue to invest in the build out of our manufacturing pre-production fourth and fifth production lines and research and development facilities.

Financing Activities

Net cash provided by financing activities was immaterial $0.1 million for the three six months ended March 31, 2024 June 30, 2024 and March 31, 2023. 2023.

Contractual Obligations and Commitments

The following table summarizes our material contractual obligations for cash expenditures as of March 31, 2024 June 30, 2024, and the periods in which these obligations are due:

	Short Term	Long Term	Total
Purchase obligations(1)	$ 48,552	$ 2,197	$ 50,749
Operating lease obligations(2)	3,457	11,663	15,120
Total	$ 52,009	$ 13,860	$ 65,869

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Table of Contents

(in thousands)	Short Term	Long Term	Total
Purchase obligations(1)	$ 39,177	$ 2,678	$ 41,855
Operating lease obligations(2)	3,415	11,169	14,584
Total	$ 42,592	$ 13,847	$ 56,439

(1) Purchase obligations include commitments for the derived from a JDA agreement, outstanding purchase orders, and supplier contracts of lab supplies and equipment as well as committed spend related to a JDA. These commitments are derived from purchase orders, supplier contracts and open orders based on projected demand information. equipment.

(2) Operating lease obligations represent the fixed lease payments for the noncancelable lease term, fixed lease payments for optional renewal periods where the Company is reasonably certain the renewal option will be exercised, and variable lease payments that depend on an underlying index or rate in effect at lease commencement.

Off-Balance Sheet Arrangements

As of March 31, 2024 June 30, 2024, we had a letter of credit issued by a financial institution totaling $0.6 million. The letter of credit relates to deposits the Company is required to maintain under for one of its operating lease agreements. We have restricted cash that serves as collateral for this

Table of Contents

outstanding letter of credit that is included in other assets on our unaudited interim condensed consolidated balance sheet. No amounts have been drawn under the letter of credit.

Recent Accounting Pronouncements

See “Note 2 – Basis of Presentation” of our accompanying unaudited interim condensed consolidated financial statements for the three and six months ended March 31, 2024 June 30, 2024 included in this Quarterly Report on Form 10-Q for more information about recent accounting pronouncements, the timing of their adoption, and their potential impact on our financial condition, results of operations and cash flows.

Critical Accounting Estimates and Judgments

Our financial statements have been prepared in accordance with U.S. GAAP. In the preparation of these unaudited interim condensed consolidated financial statements, we are required to use judgment in making estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the unaudited interim condensed consolidated financial statements, as well as the reported expenses incurred during the reporting periods.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

There have been no significant changes to our critical accounting policies or in the underlying accounting assumptions and estimates used in such policies from those disclosed in our annual consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Other Information

The Company's website is www.ses.ai. Information contained on the Company's website is not part of this report. Information that we furnish to or file with the SEC, including the Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to, or exhibits included in, these reports are made available for download, free of charge, through the Company's website as soon as reasonably practicable. The Company's SEC filings, including exhibits filed therewith, are also available directly on the SEC's website at www.sec.gov.

The Company may use its website as a distribution channel of material company information. Financial and other important information regarding the Company is routinely posted on and accessible through the Company's website at www.ses.ai. Accordingly, investors should monitor this channel, in addition to following the Company's press releases, SEC filings and public conference calls and webcasts. The contents of our website are not, however, a part of this report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no significant changes to the Company's market risk during the three months ended March 31, 2024 June 30, 2024. Refer to "Part II. Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2023 for a discussion of the Company's exposure to market risk.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our chief executive officer ("CEO") and chief financial officer ("CFO"), we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2024 June 30, 2024, as such term is defined in Rules 13a-15(e) and 15d-15(e) under Securities Exchange Act of 1934, as amended (the

Table of Contents

"Exchange "Exchange Act"). Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under 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, as appropriate, to allow for timely decisions regarding required disclosure. Based on this evaluation, our principal executive officer and principal financial officer have concluded that as of March 31, 2024 June 30, 2024, our

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

disclosure controls and procedures were not effective due to certain unremediated material weaknesses in our internal control over financial reporting, as discussed in more detail below.

Table of Contents

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis.

Notwithstanding the identified material weaknesses, management, with the participation of the principal executive officer and principal financial officer, believes the unaudited interim condensed consolidated financial information included in this Quarterly Report on Form 10-Q fairly represent in all material respects our financial condition, results of operations and cash flows at and for the periods presented in accordance with U.S. GAAP.

Material Weaknesses

We previously identified a material weaknesses, weakness, as disclosed in our 2023 Annual Report. The Company did not design and maintain sufficient user access and monitoring controls to ensure appropriate segregation of duties and adequately restrict access to a financial application. As a result, automated and manual business process controls that are dependent on the affected IT general controls were also deemed ineffective, as they could have been adversely affected due to their reliance on information and configurations from the affected IT system.In addition, a management review control associated with the valuation of the Sponsor Earn-Out liabilities did not operate effectively

Further, as it did not evaluate a key assumption used in the valuation at an appropriate level of precision.
Further, previously disclosed, in the first quarter of 2024 we identified an additional material weakness in a review control because it failed to detect an error in the accounting for forfeitures of Earn-Out Restricted Shares upon a holder's termination of employment.

The material weaknesses did not result in any material misstatements to our unaudited condensed consolidated financial statements or disclosures in any of the three months ended March 31, 2024 June 30, 2024 or 2023 included in this Quarterly Report on Form 10-Q, and our management believes the condensed consolidated financial information included in this Quarterly Report on Form 10-Q fairly represent in all material respects our financial condition, results of operations and cash flows for such periods in accordance with U.S. GAAP.

Changes in Internal Control over Financial Reporting

Other than the actions taken as described in "Management's Remediation Initiatives" below to improve the Company's internal control over financial reporting, there have been no changes in our internal control over financial reporting during the most

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

recent fiscal quarter that materially affected, or which are reasonably likely to materially affect, our internal control over financial reporting.

Management's Remediation Initiatives

We have developed detailed remediation plans, with appropriate executive sponsorship, to specifically address the material weaknesses.

We have taken the following steps towards remediation of the identified material weaknesses and to enhance our internal control over financial reporting:

- We have hired and will continue to hire, additional professionally qualified accountants who have the appropriate level of expertise in the areas of accounting, financial reporting, and IT general controls.
- We are taking have taken steps to enhance the design of existing control activities related to IT environment and implement implemented additional process-level control activities and ensure they are operating effectively. activities.
- We have restricted, and will continue to restrict, access to the financial application to ensure appropriate segregation of duties.
- We have designed updated processes and controls around change management monitoring to ensure that all changes have sufficient documentation and are reviewed by an authorized person.
- We have begun to maintain, added, and will continue to maintain sufficient and appropriate review documentation for the assessment of all key assumptions related to the valuation of Sponsor Earn-Out liabilities.

Table of Contents

- We have added, and will maintain, an additional layer of internal review over the accounting of the Earn-Out Restricted Shares' expense in relation to employees' terminations and forfeitures.

Remediation of Previously Reported Material Weakness

In response to the Sponsor Earn-Out liabilities material weakness, the Company executed a remediation plan in the first half of 2024. We provided training to our employees, hired new third-party valuation professionals and maintained sufficient and appropriate review documentation for the assessment of all the key assumptions and inputs used in the valuation of Sponsor Earn-Out liabilities. As a result, we have concluded that the material weakness related to valuation of Sponsor Earn-Out liabilities, previously reported in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the Securities and Exchange Commission on February 27, 2024, has been remediated as of June 30, 2024.

We have expended, and will continue to expend, a substantial amount of effort and resources for the remediation and improvement of our internal control over financial reporting. We will continue to work on improvements to our internal controls during 2024 as we assess and evaluate the controls intended to remediate the material weaknesses. Until these the material weaknesses included in the "Material Weaknesses" section above are remediated, we plan to continue to perform additional analyses and other analytical procedures to ensure that our consolidated financial statements are prepared in accordance with GAAP.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Table of Contents

Changes in Internal Control over Financial Reporting

Other than the actions taken as described in “Management’s Remediation Initiatives” and “Remediation of Previously Reported Material Weakness” above to improve the Company’s internal control over financial reporting, there have been no changes in our internal control over financial reporting during the most recent fiscal quarter that materially affected, or which are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be subject to claims arising in the ordinary course of business or become involved in litigation or other legal proceedings. We are not currently a party to any litigation or legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors disclosed in “Part I, Item 1A” of our Annual Report on Form 10-K for the year ended December 31, 2023, and the other reports that we have filed with the SEC. Any of the risks discussed in such reports, as well as additional risks and uncertainties not currently known to us or that we currently deem immaterial, could materially and adversely affect our results of operations, financial condition or prospects. During the period covered by this Quarterly Report on Form 10-Q, there have been no material changes in our risk factors as previously disclosed.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Rule 10b5-1 Trading Arrangements

On January 5, 2024 May 30, 2024, Jing Nealis (our Chief Financial Officer) terminated adopted a trading plan intended to satisfy the conditions under Rule 10b5-1 10b5-1(c) of the Exchange Act. Ms. Nealis's plan that had been adopted on June 14, 2022 which provided is for the potential sale of a number of shares of Class A common stock sufficient up to cover satisfy minimum statutory withholding tax obligations upon vesting of a restricted share award granted on August 16, 2021.

On February 9, 2024, each of Qichao Hu (our Founder, Chairman and Chief Executive Officer), Jing Nealis (our Chief Financial Officer), Hong Gan (our Chief Science Officer), Kyle Pilkington (our Chief Legal Officer) and Gang "Daniel" Li (our Chief Manufacturing Officer, and collectively with Dr. Hu, Ms. Nealis, Dr. Gan, and Mr. Pilkington, the "Executive Officers") entered into written stock selling plans in accordance with Rule 10b5-1 (the "Plans") under the Exchange Act in connection with the sale of 870,000 shares of Class A common stock underlying RSUs and PSUs granted to Dr. Hu, Ms. Nealis, Dr. Gan, Mr. Pilkington and Mr. Li on February 9, 2024 vested stock options with an expiration date of February 10, 2031. The Plans provide for duration of the sale trading plan is through August 25, 2025, or earlier, upon the completion of only such number of shares necessary to satisfy minimum statutory withholding tax obligations arising from the vesting of such equity awards (with the RSUs vesting all transactions subject to continued service the trading plan.

Except as described above, during the fiscal quarter ended June 30, 2024, none of our directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in three equal installments on each anniversary Item 408(a) of the grant date, and the PSUs vesting subject to continued service and performance in one installment following a three-year performance period after the grant date), and, thus, the exact number of shares to be sold is unknown. Each Plan expires once all shares are sold to satisfy the applicable Executive Officer's withholding tax obligations. Regulation S-K.

Table of Contents

Item 6. Exhibits

Exhibit No.	Description
3.1	Certificate of Incorporation of SES AI Corporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-39845), filed with the Securities and Exchange Commission on February 8, 2022).
3.2	Bylaws of SES AI Corporation (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 001-39845), filed with the Securities and Exchange Commission on February 8, 2022).
10.1#	Separation Letter, dated as of January 24, 2024, by and between Rohit Makharia and SES Holdings Pte Ltd (incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K (File No. 001-39845) filed with the Securities and Exchange Commission on February 27, 2024.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

31.1†	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2†	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief 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.
101.INS†	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH†	Inline XBRL Taxonomy Extension Schema Document.
101.CAL†	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF†	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB†	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE†	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104†	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

† Filed herewith.

* Furnished herewith.

# Indicates management contract or compensatory plan or arrangement.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, duly authorized.

Date: May 3, 2024 July 30, 2024

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

SES AI CORPORATION

By: /s/ Qichao Hu
Name: Qichao Hu
Title: Chief Executive Officer
(Principal Executive Officer)

By: /s/ Jing Nealis
Name: Jing Nealis
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Qichao Hu, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SES AI Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 3, 2024 July 30, 2024

By: /s/ Qichao Hu
Qichao Hu
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Jing Nealis, certify that:

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

1. I have reviewed this Quarterly Report on Form 10-Q of SES AI Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 3, 2024 July 30, 2024

By: /s/ Jing Nealis

Jing Nealis
Chief Financial Officer
(Principal Financial Officer)

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the Quarterly Report on Form 10-Q of SES AI Corporation (the "Company") for the quarter ended March 31, 2024 June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Qichao Hu, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 3, 2024 July 30, 2024

By: /s/ Qichao Hu
Qichao Hu
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the Quarterly Report on Form 10-Q of SES AI Corporation (the "Company") for the quarter ended March 31, 2024 June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jing Nealis, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 3, 2024 July 30, 2024

By: /s/ Jing Nealis

Jing Nealis

Chief Financial Officer

(Principal Financial Officer)

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV