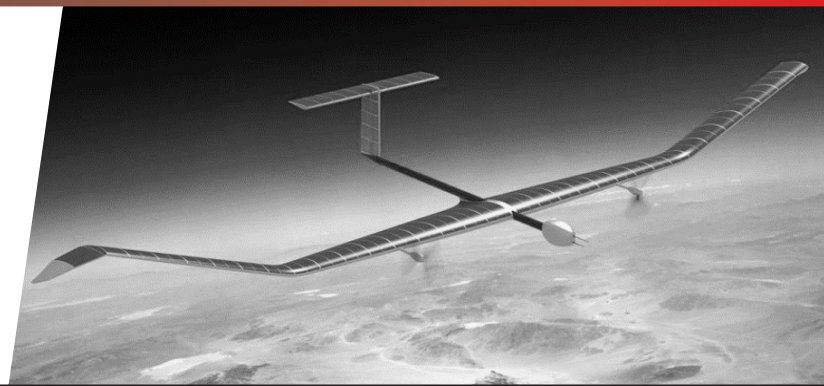
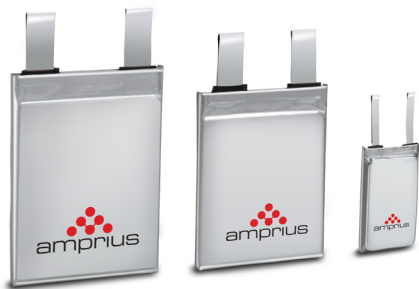


# LETTER TO SHAREHOLDERS

Q4 and Full Year 2023



## Fellow Shareholders,

The fourth quarter was a strong end to a transformational year at Amprius. We entered 2023 with three major goals:

1. Further advance our silicon anode battery technology to deliver breakthrough performance
2. Win new customers as we continue to grow our product shipment volume
3. Expand our production capacity to meet the increasing demand for our batteries

We made significant progress across each of these areas and are confident that our efforts have positioned Amprius to continue executing its growth strategy in 2024 and beyond. We are pleased to share our financial results and operational highlights with you below.

### Company Overview

Amprius develops, manufactures, and markets high energy density and high-power density batteries with applications across all segments of electric mobility, including the aviation and EV industries. When it comes to battery performance, Amprius' silicon anode batteries command a firm leading position in the industry.

Amprius' portfolio of batteries delivers:

- 450 Wh/kg specific energy density and 1,150 Wh/L volumetric energy density, available commercially since early 2022
- 500 Wh/kg, 1,300 Wh/L battery platform, which will be available for commercial delivery in 2024
- Up to 10C power capability and balanced high energy and high-power designs
- An extreme fast charge rate of 0-80% state of charge in about six minutes
- A wide operating temperature range of -30°C up to 55°C
- Safety design features that enable us to pass the United States military's benchmark nail penetration test

Amprius has been in commercial battery production since 2018, and it is our belief that there are no other commercial batteries on the market that can perform at these levels today.

Amprius' high-performance battery families, SiMaxx™ and SiCore™, have attracted significant market attention and customer demand. The company's priority today is to build additional manufacturing capacity as quickly as we can to meet this significant customer demand for our products.



## Disruptive Technology Advancements

As we strive to expand the possibilities for the high-performance battery space, improving our industry-leading technology remains at the heart of our strategy. Last year turned out to be a banner year for our technological development.

[In March](#), we unveiled our independently verified 500 Wh/kg battery platform, a first for our industry. To the best of our knowledge, once our cells begin shipping to customers this year, Amprius will be the first company to achieve 500 Wh/kg energy density in a commercially available battery.

[In August](#), we announced our breakthrough battery cell chemistry and design that enables 400 Wh/kg energy density with simultaneous 10C power capability. The performance delivered by this cell make it an ideal solution for electric mobility applications such as aviation and EVs. We completed customer evaluations and began shipping batteries to select customers in 2023, with expanded commercialization expected in 2024.

[In January](#) of this year, we launched our all-new SiCore product family to go along with our existing silicon nanowire platform, now called SiMaxx. A few key features of our SiCore platform include:

- SiCore was developed to serve the applications that demand high energy density and longer cycle life, offering up to 400 Wh/kg and as many as 1,200 cycles at full depth of discharge



- SiCore products have additional form factor flexibility, capable of both pouch and cylindrical cell form factors, allowing them to be used in more applications

## Continued Commercial Success

Throughout the year, we had several customer wins. We furthered our partnership with AeroVironment in Q1, started a new technical engagement with a leading high-performance automotive OEM in Q2, and reached a long-term battery supply agreement with Tenery in Q3.

We built on this progress in Q4, shipping to 41 total customers in the quarter, up from 38 in Q3. While many of them were repeat customers like AALTO Airbus, BAE Systems, Kraus Hamdani, Teledyne FLIR, and the US Army, 16 were new customers from across the electric mobility sector.

Also in Q4:

- [In October](#), we announced our first volume purchase order from an eVTOL manufacturer
- [In December](#), we completed a high-volume shipment of SiMaxx cells to the Korean Aerospace Research Institute (KARI)



Photo Credit: Korean Aerospace Research Institute

- We also successfully [secured SiMaxx purchase orders](#) from three premier electric aviation manufacturers for custom 450 Wh/kg cells for battery pack development and qualification. These custom cells were developed to address these customers' unique HAPS qualification

# Letter to Shareholders

March 2024



requirements and are the only known commercially available batteries of their kind that can provide enough power and endurance for HAPS overnight stratospheric flight applications.

These orders help strengthen Amprius' position as the premier global battery solution for eVTOL and HAPS applications.

Within our wearables market, we completed our first volume shipment of Safe Cells for the U.S. Army in December. This shipment is an important milestone for us because it completed our scale-up manufacturing initiative under the U.S. Army-funded Manufacturing Technology program, which allows us to now have large-deployments of our cells for mission critical products.

## Industry Validation

Our commitment to innovation was front and center in 2023, as we received several notable validations from industry experts, including:

- Our cells featured prominently during the rigorous [Bridgestone World Solar Car Challenge](#) in Australia, where Amprius cells powered the winner, as well as the top 4 cars, in the tumultuous 3,000-kilometer transcontinental race



- Our batteries [powered BAE Systems first stratospheric flight](#) for its HAPS platform, a major accomplishment for the entire industry
- Jon Bornstein, President of Amprius Lab, joined Sandy Munro to discuss our groundbreaking products on the [Munro Live Podcast](#)
- Our technology was also recognized by Fast Company, both as a finalist for their 2023 [Innovation by Design Award](#) and as a member of their prestigious list of the [World's Most Innovative Companies of 2024](#) in the Energy category
- [Earlier this month](#), our 400 Wh/kg SiMaxx high-power cell won the Internal Battery Seminar Best of Show Award for the second consecutive year



## Amprius Lab - kWh to MWh Scale

Our last major goal for 2023 centered on our ability to expand our production capacity. At this time last year, we were producing at kWh scale, with approximately 250 kWh of production capacity at our Fremont facility. However, throughout 2023, we worked to expand our pilot-scale manufacturing

# Letter to Shareholders

March 2024



efforts in Fremont. Through this investment we are increasing our manufacturing capacity by approximately ten times, with expectations of having 2 MWhs of capacity online exiting 2024.

## Ribbon Cutting Event

In December, we announced the opening of our expanded Amprius Lab facility with a [Ribbon Cutting event](#). For those of you who were not able to attend the event, several Amprius partners, such as AALTO Airbus, AeroVironment, and CENTCOM, presented on the importance of Amprius' next-generation technology in applications across aviation, HAPS, and defense. Others, such as centrotherm and Teledyne FLIR, provided additional context about our manufacturing process and customer applications. Please review these presentations on the [Amprius website](#) for more information from our customers and partners.

We are very grateful to those who dedicated time to celebrating this milestone with us, including our partners, key industry participants, local and state officials, investors, and covering analysts. Thank you for your continued support.

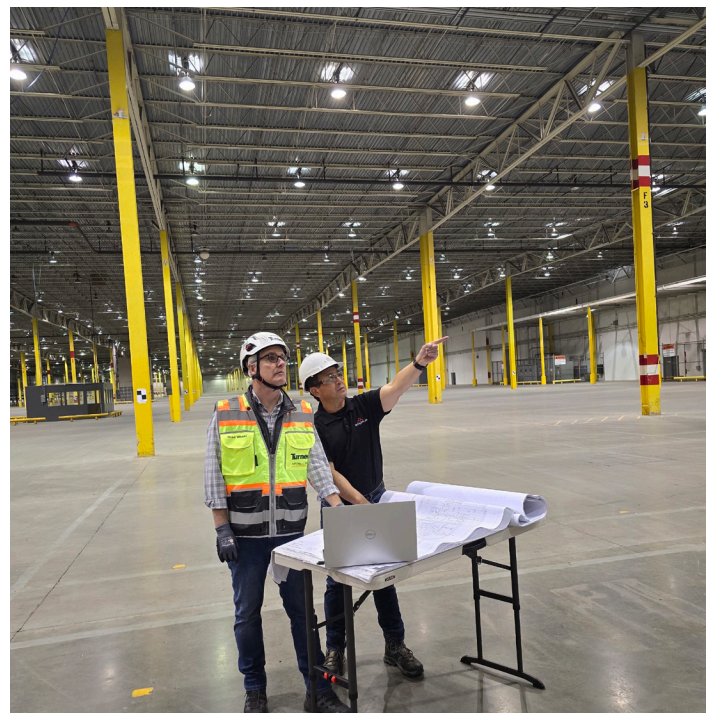


## Amprius Fab - MWh to GWh Scale

Although achieving production at MWh scale will be a major accomplishment for our team, we are aware of the large gap to cover before we can meet outsized demand. Therefore, our long-term

focus continues to be on our GWh scale facility in Brighton, Colorado. In Q4, we received the final unappealable rezoning decision allowing us to move forward with this site.

As we turn to 2024, we have made progress in recent months on ordering long lead-time items such as electrical, mechanical, and plumbing systems to ensure that we remain on track with our timeline. We are also continuing the design and pre-construction work that will allow us to be operational in 2025.



As a reminder, our Brighton facility is a brown-field site that we are retrofitting for our production process. Therefore, our work in Fremont is critical to de-risking our mass production protocols and procedures as we prepare to scale.

## Financial Performance

**Total revenue** in the fourth quarter was \$3.9 million, a \$3.1 million increase compared to \$0.8 million in the same quarter last year and up \$1.1 million sequentially. This increase was driven by increases in product and development services revenue, partially offset by a decrease in government grant revenue. Amprius continues to show consistent new customer growth and customer diversification.

**Total revenue** in the full year ended December 31, 2023 was \$9.1 million, representing a growth rate of over 100% from 2022.

**Gross margin** was negative 162% for the full year, compared to negative 128% in the prior year. Although inconsistent today due to typical variation from product and services revenue mix fluctuations and increased factory start-up costs as we start the Colorado facility design and construction process, we expect that our GAAP gross margin will begin to normalize as we approach our capacity expansion goals.

Our **operating expenses** for the full year 2023 were \$24.0 million, a 94% increase from the prior year. While we continue to maintain a lean cost structure, the increase is primarily attributed to the increased G&A related to public company expenses and transaction related costs as well as targeted staffing increases in R&D and Sales & Marketing.

Our **GAAP net loss** for the full year 2023 was \$36.8 million, or a net loss of \$0.43 cents per share with 86.2 million weighted average number of shares outstanding compared to a net loss of \$0.24 cents per share with 71.3 million weighted average number of shares outstanding in the prior year.

Also, as of December 31, 2023, we had 80 full time employees, up from 76 in the third quarter and 59 at the end of 2022, with those employees primarily based in our Fremont, California location. Our **share-based compensation** for the year was \$3.9 million compared to \$2.7 million in 2022.

Regarding the balance sheet, we exited the fourth quarter with \$45.8 million in **cash** and no **debt**, with key drivers of our **cash activity** including \$25.6 million used in operating cash flow, \$17.6 million used in the build out of the Fremont and Brighton facilities, offset by \$19.2 million inflow primarily through the usage of our equity financing. Considering our business achievements and ongoing projects, we believe we are efficiently using capital to drive Amprius forward.

## Financial Outlook

We expect to spend another \$2 million to \$3 million this year completing the new cathode line and other support equipment for the MWh line in Fremont. As detailed design work on our facility in Brighton is finalized and construction gets underway, we expect to finalize our construction cost forecast for that project and will provide updates as the year goes on.

As part of our ongoing strategic planning efforts, we filed a shelf registration statement on Form S-3 in October 2023 and, once effective, established a new ATM facility for \$100 million. We have terminated the committed equity facility concurrent with the effectiveness of the shelf registration statement. Subsequent to December 31, 2023, we have raised gross proceeds of about \$6.5 million through the sale of approximately 2.0 million shares under the ATM facility as of March 18, 2024.

To support our strategic plan, we are pursuing additional funding through multiple vehicles, including both equity issuances, such as warrant exercises and sales under our ATM, and non-dilutive sources, such as grants, loans, and incentives.

## Summary

As we look at 2024, our strategy and focus here at Amprius remains unchanged and our distinct advantages relative to other battery manufacturers are still intact. Amprius continues to have:

1. **Unmatched technical and product performance** — With their combination of safety, energy, power, charging time, and temperature performance, we believe that Amprius batteries are well positioned for the electric mobility market.
2. **Years of product commercialization experience endorsed by industry leaders** — Amprius batteries are commercially available today, and we have been shipping since 2018.
3. **Proven manufacturability, with a pathway to higher volume manufacturing capacity** — Exiting 2023, we have completed our new production line at Amprius Lab, which we expect to be at full capacity by the end of 2024. We also believe that the introduction of SiCore helps us meet some of the near-term product demand.

We are looking forward to several exciting milestones in 2024. First and foremost, we are working to begin construction of our GWh-scale facility in Brighton, Colorado. Concurrently, we are continuing our efforts to fully optimize our SiMaxx production process in Fremont. We are currently delivering SiCore batteries to our customers by working with our toll manufacturing partners. This year we look forward to commercializing our 500 Wh/kg cells and continuing to innovate and push the boundary of what is possible for our industry.

We have a tremendous opportunity ahead, with a product portfolio that positions us to both grow in the aviation market and expand to other industries seeking batteries with leading performance. Our demand pipeline is robust, with opportunities in the coming years that include the \$1.25 billion conformal wearable battery market by 2030, the \$33 billion aviation battery market by 2030, and the \$509 billion EV battery market by 2033, all of which are part of Amprius' growth initiatives in the coming years.<sup>1</sup> We truly believe that we are on the path to making our technology mainstream for these markets.

2023 was a very productive year for the company, and we believe that 2024 is off to a strong start. We look forward to continuing to deliver what we have planned in the year ahead.

Thank you for your continued support of Amprius Technologies.

Best,



Dr. Kang Sun, CEO



Sandra Wallach, CFO



### Quarterly Conference Call and Webcast:

**Date:** Thursday, March 21, 2024

**Time:** 5:00 PM ET (2:00 PM PT)

**Toll-Free Number:**  
866-424-3442

**International Number:**  
+1-201-689-8548

Webcast: [Register and Join](#)

<sup>1</sup> Based on market research and management's estimates

## Forward-Looking Statements

*This Letter to Shareholders includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995, each as amended, including Amprius’ expectations, hopes, beliefs, intentions or strategies regarding the future. Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “seek” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding future product commercialization, Amprius being the first company to achieve 500Wh/kg energy density commercially, the ability of Amprius to serve more customers and bring in additional revenue, the timing and ability of Amprius to expand the manufacturing capacity of its Fremont facility, the timing and ability of Amprius to start the construction of and build a large-scale manufacturing facility and expand its manufacturing capacity, the ability of Amprius to secure additional customer commitments, Amprius’ ability to meet customer demands with SiCore batteries, Amprius’ estimated construction costs and the timing thereof, Amprius’ ability to raise additional capital, the addressable market for Amprius’ batteries, the potential application and performance of Amprius’ batteries, Amprius’ liquidity position, and Amprius’ financial and business performance. These statements are based on various assumptions, whether or not identified in this letter, and on the current expectations of Amprius’ management and are not predictions of actual performance. These forward-looking statements are not intended to serve as, and must not be relied upon by any investors as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond Amprius’ control. These forward-looking statements are subject to a number of risks and uncertainties, including market demands for SiCore batteries; the ability of Amprius to deliver high performance products to customers at acceptable prices and meet their demands via the toll manufacturing arrangements; Amprius’ ability to reduce costs as it scales production; delays in permitting, construction and operation of production facilities; Amprius’ ability to commercially produce its high performing batteries; third-party producers of Amprius batteries continuing to produce such batteries in the expected quantities and caliber and at the expected prices; Amprius’ customers continuing to purchase batteries directly from Amprius; risks related to the rollout of Amprius’ business and the timing of expected business milestones; the effects of competition on Amprius’ business; supply shortages in the materials necessary for the production of Amprius’ products; the risk that Amprius’ high volume tools do not achieve sufficient quality or yield or that its manufacturing process does not meet cost targets; Amprius’ liquidity position and its ability to raise additional capital; and changes in domestic and foreign business, market, financial, political and legal conditions. For more information on these risks and uncertainties that may impact the operations and projections discussed herein can be found in the documents Amprius filed from time to time with the SEC, all of which are available on the SEC’s website at [www.sec.gov](http://www.sec.gov). If any of these risks materialize or Amprius’ assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that Amprius does not presently know or that Amprius currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect Amprius’ expectations, plans or forecasts of future events and views as of the date of this letter. These forward-looking statements should not be relied upon as representing Amprius’ assessments as of any date subsequent to the date of this letter. Accordingly, undue reliance should not be placed upon the forward-looking statements. Except as required by law, Amprius specifically disclaims any obligation to update any forward-looking statements.*

**- Financial Tables to Follow -**



# Letter to Shareholders

March 2024



**AMPRIUS TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited, in thousands, except share and par value data)

	December 31,	
	2023	2022
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$45,761	\$69,696
Accounts receivable	1,265	686
Inventories	730	500
Deferred costs	779	1,897
Prepaid expenses and other current assets	1,987	2,394
Total current assets	50,522	75,173
Non-current assets:		
Property, plant and equipment, net	21,760	4,236
Operating lease right-of-use assets, net	35,149	2,751
Deferred costs	—	367
Other assets	305	644
Total assets	\$107,736	\$83,171
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$3,341	\$1,028
Accrued and other current liabilities	5,594	2,708
Deferred revenue	3,434	2,660
Operating lease liabilities	1,088	521
Total current liabilities	13,457	6,917
Non-current liabilities:		
Deferred revenue	—	720
Operating lease liabilities	34,479	2,501
Total liabilities	47,936	10,138
Commitments and contingencies		
Stockholders' equity:		
Preferred stock; \$0.0001 par value; 50,000,000 shares authorized; no shares issued and outstanding.	—	—
Common stock; \$0.0001 par value; 950,000,000 shares authorized; 88,869,463 and 84,610,114 shares issued and outstanding at December 31, 2023 and 2022, respectively	9	8
Additional paid-in capital	189,454	165,912
Accumulated deficit	(129,663)	(92,887)
Total stockholders' equity	59,800	73,033
Total liabilities and stockholders' equity	\$107,736	\$83,171

**AMPRIUS TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited, in thousands, except share and per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Revenue	\$3,944	\$792	\$9,053	\$4,409
Cost of revenue	7,823	2,471	23,729	10,063
Gross loss	(3,879)	(1,679)	(14,676)	(5,654)
<i>Gross Margin</i>	(98)%	(212)%	(162)%	(128)%
Operating expenses:				
Research and development	1,290	688	3,677	2,027
Selling, general and administrative	4,575	4,280	20,356	10,360
Total operating expenses	5,865	4,968	24,033	12,387
Loss from operations	(9,744)	(6,647)	(38,709)	(18,041)
Other income (expense):				
Interest and other income	591	591	2,514	709
Loss on write-off of deferred stock issuance costs	(581)	—	(581)	—
Total other income, net	10	591	1,933	709
Net loss	\$(9,734)	\$(6,056)	\$(36,776)	\$(17,332)
Weighted-average common shares outstanding:				
Basic and diluted	88,525,028	84,459,425	86,196,391	71,342,720
Net loss per share of common stock:				
Basic and diluted	\$(0.11)	\$(0.07)	\$(0.43)	\$(0.24)

# Letter to Shareholders

March 2024



**AMPRIUS TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited, in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
<b>Cash flows from operating activities:</b>				
Net loss	\$(9,734)	\$(6,056)	\$(36,776)	\$(17,332)
Adjustments to reconcile net loss to net cash used in operating activities:				
Stock-based compensation	1,115	586	3,880	2,709
Depreciation and amortization	488	399	1,806	1,539
Amortization of deferred costs	1,987	—	3,057	1,585
Non-cash operating lease expense	337	139	1,148	556
Loss on write-off of deferred stock issuance costs	581	—	581	—
Changes in operating assets and liabilities:				
Accounts receivable	622	96	(579)	(424)
Inventories	(243)	3	(230)	—
Deferred costs	120	(427)	(1,572)	(1,939)
Prepaid expenses and other current assets	306	(76)	407	(2,282)
Other assets	—	—	(9)	—
Accounts payable	(610)	(1,758)	616	517
Accrued and other current liabilities	757	730	3,065	1,155
Deferred revenue	(252)	798	54	516
Operating lease liabilities	(274)	(132)	(1,001)	(482)
Net cash used in operating activities	<u>(4,800)</u>	<u>(5,698)</u>	<u>(25,553)</u>	<u>(13,882)</u>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	(5,751)	(734)	(17,550)	(1,481)
Net cash used in investing activities	<u>(5,751)</u>	<u>(734)</u>	<u>(17,550)</u>	<u>(1,481)</u>
<b>Cash flows from financing activities:</b>				
Proceeds from issuance of common stock in connection with the Stock Purchase Agreement	2,545	—	19,087	—
Proceeds from issuance of common stock in connection with the At Market Issuance sales agreement	371	—	371	—
Payment of financing costs in connection with the Stock Purchase and At Market Issuance sales agreements	(195)	(301)	(601)	(326)
Proceeds from issuance of common stock in connection with Business Combination and PIPE investment	—	—	—	77,884
Payment of transaction and issuance costs in connection with Business Combination and PIPE investment	—	(152)	—	(6,946)
Proceeds from exercise of stock options	195	36	310	44
Proceeds from exercise of stock warrants	—	2,465	1	2,465
Capital contributions from Amprius Holdings	—	—	—	505
Net cash provided by financing activities	<u>2,916</u>	<u>2,048</u>	<u>19,168</u>	<u>73,626</u>
<b>Net (decrease) increase in cash, cash equivalents and restricted cash</b>	<u>(7,635)</u>	<u>(4,384)</u>	<u>(23,935)</u>	<u>58,263</u>
<b>Cash, cash equivalents and restricted cash, beginning of period</b>	<u>53,452</u>	<u>74,136</u>	<u>69,752</u>	<u>11,489</u>
<b>Cash, cash equivalents and restricted cash, end of period</b>	<u>\$45,817</u>	<u>\$69,752</u>	<u>\$45,817</u>	<u>\$69,752</u>
<b>Components of cash, cash equivalents and restricted cash:</b>				
Cash and cash equivalents	\$45,761	\$69,696	\$45,761	\$69,696
Restricted cash included in other assets	56	56	56	56
Total cash, cash equivalents and restricted cash	<u>\$45,817</u>	<u>\$69,752</u>	<u>\$45,817</u>	<u>\$69,752</u>