Amprius Technologies
Second Quarter 2024 Earnings Conference Call
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Presenters
Kang Sun, Chief Executive Officer
Sandra Wallach, Chief Financial Officer

Q&A Participants
Colin Rusch - Oppenheimer
Chip Moore - Roth
Jeff Grampp - Alliance Global Partners
Donovan Schafer - Northland Capital Markets
Ryan Pfingst - B. Riley
Amit Dayal - H.C. Wainwright

Operator
Good afternoon. Welcome to Amprius Technologies' Second Quarter 2024 Earnings Conference Call. Joining us for today's presentation are the company's CEO, Dr. Kang Sun; and CFO, Sandra Wallach.

At this time, all participants are in listen-only mode. Following management's remarks, we will open the call for questions.

Please note that this presentation contains forward-looking statements, including, but not limited to, statements regarding future product commercialization, new customer adoption and new applications and the timing and ability of Amprius to expand its manufacturing capacity, build its large scale manufacturing facility, scale its business and achieve a sustainable cost structure.

These statements involve known and unknown risks, uncertainties and other important factors that may cause Amprius's results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in such forward-looking statements. For a more complete discussion of these risks and uncertainties, please refer to Amprius's filings with the Securities and Exchange Commission.

Finally, I would like to remind everyone that this call is being webcast and a recording will be made available for replay on the company's Investor Relations website at ir.amprius.com. In addition to the webcast, the company has posted a shareholder letter that accompanies these results, which can also be found on the Investor Relations website.

I will now turn the call over to Amprius Technologies, CEO, Dr. Kang Sun, for his comments. Sir, please proceed.

Kang Sun
Welcome, everyone, and thank you for joining us this afternoon. On today's call, I will give you an overview of our second quarter accomplishments while also highlighting some of our upcoming milestones we are expecting later this year.

Our CFO, Sandra Wallach, will then discuss our financial results of the period. After that, we will share some closing remarks before opening the call for questions.

Before I give a recap of the quarter, I would like to briefly introduce Amprius to those who may be new to our company. At Amprius, we develop, manufacture and markets high-energy density and high-power density batteries with applications across all segments of electrical mobility, including the aviation and the EV industries.

Today, Amprius commands performance leadership in its combination of battery, energy, density, power density, charging time, operating temperature range and safety.

Across our battery portfolio, we offer unmatched performance amongst commercially available batteries. Amprius has been delivering commercial battery to the market with up to 450 Wh/kg and 1,150 Wh/L; 10C power capability. An extreme fast charge rate of 0% to 80% state of charge in approximately six minutes. The ability to operate it in a wide temperature range of -30 degrees Celsius, up to 55 degrees Celsius.

And the safety design features that enable us to pass the United States military's benchmark nail penetration test. Each of this performance parameters are critically important to real world electrical mobility applications. Not only do our battery enable certain air craft and vehicles to maximize performance, but it enable our customer to achieve very economic targets, as well.

In addition to what is commercially available today, we have also achieved a third-party validation of our latest 500 Wh/kg, 1300 Wh/L battery platform. This battery will be ready for commercial shipments, later this year.

If I would believe that there are no other commercial batteries on the market that can perform at these levels, today.

Amprius is a silicon anode battery technology pioneer with over a decade of development experience, producing a strong patent portfolio of over 80 issued patents and patent applications and a long track record of commercial shipments and customer accomplishments.

Turning to the second quarter results, Amprius had a very productive quarter. We delivered a new high-performing batteries to the market, developed large manufacturing capacities and engaged with new customers and the new market segments.

The launch of Amprius SiCore battery, early this year, as it excites our customer base and attract new customers. It also enable Amprius to explore new market segments.

Since the launch, we have seen continued demand for SiCore battery in aviation, electrical transportation and other industrial applications. Amprius has recently further optimized our cell chemistry and cell designs, allowing us to deliver the battery with enhanced performance to the market.

One of these high-performance batteries is Amprius SA11 battery. This is energy and power-balanced battery based on Amprius's SiCore cell chemistry. This 30 Ah cell offers a 350 Wh/kg with 700 cycles. The performance and the cell format are specifically designed for certain electric mobility applications, such as the eVTOL and the drone market.

Another battery we delivered in the second quarter is the Amprius SA17. This is the highest known energy density cylindrical battery with this format in the industry. Following the success of our 18650 battery that was released in January, we created a larger version of the cylindrical battery, the 21700.

The larger SA17 offers 6 Ah energy providing customer drop-in replacement for those that currently use 5 Ah batteries.

The SA17 enable us to further target the micro mobility segment, including 2-wheeler applications like scooters and e-bikes, as well as other applications in aviation and the industry equipment.

With these new additions, Amprius has 14 SKUs in our product portfolio. Our battery offerings cover the entire performance map of our customers' commercial application, energy, power, cycle life, charging time and more.

The combination of Amprius SiMaxx and SiCore platforms enabled us to tailor our cell chemistry for various customer requirements.

Both Amprius SiMaxx and SiCore batteries can be high-energy and high-power solutions for EVs. This quarter, we made a material progress towards delivering in the 100 Ah EV form factor battery cell to the United States Advanced Battery Consortium, or USABC.

The cell we have developed will meet or exceed all 2023 USABC low cost fast charging EV cell characteristics, including exceptional fast-charging performance and usable energy in a low-cost

battery solution. This development was under a $3 million cost of sharing contracts from the USABC, in collaboration with the United States Department of Energy.

Amprius high-performance batteries have continued to receive attention from customers in various market segments. In many cases, Amprius batteries are the only known commercially available batteries that meet the customer requirements in technical performance and application economics.

In Q2, we shipped to 56 customers. Of those, 24 were new customers across the electrical mobility sector, complementing strong, repeat volume orders from our longtime partners, such as AeroVironment, Teledyne FLIR, Kraus Hamdani and BAE Systems.

This combination of 2,000 new customers and the volume shipments to returning customers allowed us to double our quarterly revenue output, compared to Q2 last year.

Geographically, we recorded a 41% year-over-year increase in shipments within the United States and a robust 271% increase in shipments to the rest of the world. With these improvements, we record 50% of the total revenue in the second quarter from outside of the United States.

Look at the forward demand. We logged $7.6 million in new sales orders during the quarter, which translated to a 32% increase in our net backlog at the end of Q2 versus Q1. During the quarter, we also secured an additional order from longtime customer AALTO Airbus. Based on order size and timing, Amprius will now be delivering SiMaxx 450 Wh/kg high-energy battery cells to AALTO Airbus, through 2025.

These battery cells will continue to supply the necessary power and endurance for AALTO Airbus project Zephyr stratospheric flight operations.

In Q2, we also entered into three different partnerships with leading pack designers and the manufacturers. This partnership are critical as they allow us to broaden our sales reach and offer our next-generation batteries to each manufacturer's respective customer base.

With the increase in customers, Amprius has developed significant manufacturing capacities in the second quarter. We took several steps forward to expand both our SiMaxx and SiCore product capacity.

For SiCore, we currently have three well-equipped and very experienced large-scale manufacturing partners in Asia, providing over 500 megawatt hour of production capacity across both pouch and cylindrical battery cells. Amprius, today, has access to approximately 10 million pouch cells and 125 million cylindrical cells, annually. These arrangements provide us with mass global production capacity and ensure that we can deliver our products in a timely manner, while maintaining the quality our customers expect.

More importantly, the contract manufacturing partnership model allows us to eliminate the upfront capital expenditure, while ensuring immediate capacity to accelerate our sales.

We are also planning a manufacturing facility in Brighton, Colorado. We have now completed roughly 60% of the construction design drawings and specifications for the facility. We remain on track from a regulatory standpoint, having recently submitted our site plan and advanced all other regulatory plans and applications for the facility.

As we previously discussed, the initial production line in Colorado will be focused on SiCore manufacturing, given the more immediate opportunities we have identified for SiCore platform and specifically for customer requesting a U.S.-based supply chain.

We continue to make important progress to ramp up our facility in Fremont, California. In the second quarter, we completed the qualification process for our centrotherm machine, which is used in silicon anode fabrication process.

Looking further ahead, we remain on pace to scale our Fremont production rate by the end of the year to up to 2-megawatt hour scale. This includes implementing SiMaxx cathode production in-house to streamline our manufacturing process. We plan to have this capacity up and running in Fremont later this year, as well.

Breakthrough performance of Amprius battery has continued to gain recognition from the battery industry. The company 500 Wh/kg battery was a finalist by Fast Company magazine for its 2024 Innovation by Design Awards. Amprius also recognized by the CleanTech Breakthrough Awards as the Battery Technology Company of the Year in its inaugural event.

Invited by the Thailand Battery Association, Amprius hosted its first Amprius Battery Forum in Taiwan in April, where over 100 attendees from the industrial leading-industry-leading companies and institutions learned about Amprius', breakthrough silicon anode battery technologies and the partnership opportunities. The forum received significant interest from potential customers, industrial partners and the Taiwanese investment community.

The momentum built in Q2 has given us a strong tailwind in Q3, as well. Recently, we were awarded a $1.9 million contract from the U.S. Army's xTechPrime program to develop a large form factor 500 Wh/kg SiMaxx high-energy, high-density cell for electric mobility applications in the defense sector. The recognition of this breakthrough technology that the U.S. military opens much broader applications of our 500 Wh/kg battery that is available only from Amprius, today.

In summary, we believe we're poised for a strong second half of the year, thanks to our increasing sales outlook, growing customer engagement, expanded production portfolio and

high-volume manufacturing capacity buildup. We are working hard to execute our goals and expecting to continue our momentum through 2024, leading to a great 2025.

With that, I will now turn the call over to our CFO, Sandra Wallach, who'll review our financial results for the quarter. Sandra.

Sandra Wallach
Thank you, Kang. I would now like to spend a few minutes covering some key financial updates. As a reminder, our detailed financials can be found in our shareholder letter.

We finished the second quarter with $3.3 million in total revenue. As we have previously discussed, our total revenue is a combination of our main revenue streams: product revenue, development services and grant revenue.

This quarter, all $3.3 million came from our product revenue. As we've discussed in prior quarters, our development services revenue comes from development programs that are non-recurring in nature.

On a sequential quarter over quarter basis, our product revenue increased $1 million, or 43%, and compared to prior year, revenue increased $1.7 million, or 105%. These increases were driven by shipments to 56 customers in the quarter.

Although our product revenue remains largely driven by customer purchase orders that can arise at uneven times throughout the year, we have shown consistent new customer growth and diversification in recent quarters.

As Kang mentioned, 24 of the 56 customers this quarter were new customers. Also, three customers this quarter represented greater than 10% of revenue, compared with three in Q1 2024 and five in the same period, last year.

Going forward, we will continue adding to our customer mix to diversify our revenue streams and provide more reliable product output, as we get to a position of scale.

Moving to our profitability metrics, our gross margin was negative 195% for the quarter, compared with negative 109% in Q1 2024, and negative 186% in the prior year period. As a reminder, we see significant gross margin variation as our product and service revenue mix fluctuates. Also, our gross margin continues to be impacted by preconstruction costs related to the Colorado facility. Longer term, we are confident that our GAAP gross margin will begin to normalize, as we approach our capacity expansion goals.

Now on to our operating expense management. Our operating expenses for the second quarter were $6.4 million, an increase of $0.5 million, or 9%, compared with Q1 2024, and a decrease of $0.7 million, or 9% from the prior year period. The quarter-over-quarter increase was driven by

G&A stock based compensation. The year-over-year decrease is primarily attributable to reductions in G&A costs that were offset by investment in R&D and sales.

Our GAAP net loss for the second quarter was $12.5 million, or a net loss of $0.13 per share with 97 million weighted average number of shares outstanding. In Q1 2024, net loss was a negative $0.11 per share with 90 million weighted average number of shares outstanding and in Q2 2023, net loss was also negative $0.11 per share with 85.2 million weighted average number of shares outstanding.

As of June 30, 2024, there were 88 full time employees, up from 81 in the first quarter and 72 in the prior year same period, with those employees primarily based in our Fremont, California, location.

Our share based compensation for the second quarter was $1.9 million, compared to $1.2 million in Q1 and $0.9 million in the prior year period.

As of June 30, 2024, we had 108 million shares outstanding, which was up 15.7 million from the prior quarter and primarily related to the recent work we've done to clean up our cap table, which I'll now discuss.

During the second quarter, we completed a cash tender offer, which provided a temporary exercise period with a reduced cash exercise price for our private and public warrants. In the cash tender offer, we were able to reduce the number of warrants outstanding from approximately $47.7 million to approximately $34.6 million and raised net proceeds of $14.2 million.

We have also closed a second tender offer that allowed cashless exercise of the private warrants, which resulted in the extinguishment of $15.6 million of the $15.9 million total outstanding, in exchange for the issuance of 3.1 million shares of common stock. In total, more than 60% of the original warrants are no longer outstanding.

Turning now to the balance sheet, we exited the second quarter with $46.4 million in net cash and no debt. Compared to Q1, we recorded a net increase of $7.4 million in cash. Key drivers of our cash activity for the quarter were $17 million of cash inflow added with $14.2 million netted from the cash tender offer, and $2.8 million of cash inflow added primarily through the usage of our ATM, $8 million used in operating cash flow.

We continue to remain lean with a $2 million to $2.5 million run rate per month, excluding transaction related cost and $1.6 million used to continue build out of our expanded 2 megawatt production line in Fremont and move our Brighton, Colorado, facility forward.

Considering our business achievements and ongoing projects, we believe we are efficiently using capital to drive Amprius forward.

Before I turn the call back over to Kang, I would like to take a moment to discuss our outlook for the remainder of the year. We expect to spend another $1 million to $2 million on equipment to support the 2 megawatt line in Fremont. This includes the necessary tools to have our cathode line up and running by the end of the fourth quarter of this year. As Kang mentioned, we're also finalizing the pre-construction work for our Colorado facility.

The first line will be for SiCore manufacturing. This allows us to use conventional off the shelf processes, which will help us provide a high confidence schedule and cost. The total facility will have room to accommodate 3 gigawatts to 5 gigawatts of capacity to support both SiMaxx and SiCore production. The construction scope and schedule for the facility will be determined based on the final design and the availability and timing of funding.

In addition, we're paying close attention to the larger industry dynamics. Changes in demand, supply, battery cost structure, government incentives, trade tariffs and other considerations would also influence our decision.

To support our strategic plan, we are regularly evaluating our capital resources, including sources of funding that provide the optimal cost of capital for our current production needs. These sources include both equity issuances, such as sales under our ATM or warrant exercises and non-dilutive sources such as grants, loans and incentives.

That concludes my financial discussion, and I will now pass the call back to Kang.

Kang Sun
Thanks, Sandra. As we look ahead, our strategy at Amprius has remained unchanged. Our top priorities are innovating in next generation batteries, growing our customer base, and scaling our manufacturing capacities.

We have repeatedly demonstrated unmatched breakthrough battery performance in our industry, amending a firm technology lead with our cell combination of safety, energy, power, charging time and the timeshare performance.

Our batteries are uniquely positioned for electrical mobility market and they are globally available, right now.

Our breakthrough technologies are already validated by our growing book of customers. This quarter alone, we shipped to over 56 customers. As we continue to expand our portfolio of offerings to meet a greater range of user cases, we expect significantly more traction with customers.

We have developed the contracted manufacturing capacities that support, annually, over 10 million pouch battery cells and 125 million cylindrical cells for our SiCore batteries.

We are also expanding our Fremont production capacity for SiMaxx battery production and finalizing our design process to our gigawatt hour factory in Colorado.

Looking ahead, we have several upcoming milestones in the second half of the year that align with our main priorities. We expect to fully optimize our SiMaxx production process and the ramp up of production to up to 2 megawatt run rate exiting the year at our Fremont facility. This will represent a 10-fold increase in our production levels that we had exited in 2023 and give us additional capacity coming online, through 2025.

We intend to use this expanded capacity to continue growing our new customer order book, as well as moving existing strategic customers on the technical to commercial validation process for the SiMaxx product.

We're looking forward to bring additional new customer segments and expanding applications with our current customers as we're leveraging our unmatched commercially available performance and 100 of megawatt hours SiCore production capacity through our contract manufacturing partnership that are in place, today.

We also expect to finalize the design plan and the permitting for our Brighton, Colorado, facility, which will include SiCore as the first line.

We will deliver the 100Ah EV Form Factor cell to the USABC as part of our grant program in coming weeks. This will make a major milestone and a practical step for Amprius, as we move into the EV market.

We continue to bring the market new and innovative products that push the boundaries of what is possible for our industry. As part of this, we look forward to commercializing our 500 watt-hour per kilo SiMaxx sales, later this year.

We believe that the opportunity in front of Amprius is tremendous. We have what we believe are the best performing commercial battery in the industry. We have added 100s of megawatt hours production capacity available to us. We have a strong customer portfolio and pipeline. As we have demonstrated, we will execute the plan and deliver the results. We look forward to carrying the momentum from the first half of the year into the rest of 2024 and delivering on what we have planned and promised.

Over the next few weeks, we'll also be attending several industry and financial conferences. We'll be participating in the UBS Energy Transition Call Series on August 14, the Needham Industrial Tech Robotics and the CleanTech Conference on August 19 and 20, the Gateway Conference on September 4, the H.V. (INAUDIBLE) Conference on September 9 and 10, the Oppenheimer Sustainability Summit on September 24.

We look forward to speaking with many of you at these events and over the coming days. Thank you for your continued support of Amprius Technology.

With that, I will turn it back to the operator for Q&A.

Operator
Thank you. The floor is now open for questions. If you do have a question, you may press "*", "1" on your telephone keypad, at this time. The company requests that each participant limits their comment to one question and one follow-up question. Again, ladies and gentlemen, it's "*", "1" to ask a question. It's "1" to release yourself from the queue.

Our first question comes from Colin Rusch from Oppenheimer. Go ahead.

Colin Rusch
Thanks so much guys. You've got an impressive customer list and it continues to grow. As you brought on the potential SiCore capacity, can you talk a little bit about the design cycles and the cycle times for when we might start seeing some of those customers start to drive more significant volumes?

Kang Sun
Yeah, Colin, we introduced the SiCore early this year in January 2024. So the customer need to go through the qualification, two steps qualification. The first thing is the product qualification, that normally takes nine to 12 months. So after that, there is production qualification. We already have a customer start of the second stage of the qualification. In September, we will have customer come to our manufacturing site to look at our manufacturing facilities. So normally, this will take some nine to 18 months, depends on the size and the complexity of the project.

Colin Rusch
Great. And then, as you look at the ramp up in Fremont, can you talk a little bit about any sort of surprises that you're running into as you start getting a little bit more into the meat of that ramp up?

Kang Sun
Yes. Fremont we qualify the Fremont, the first, the most important thing is to grow the silicon nanowire, that's the SiMaxx product. We already qualified the centrotherm tool for silicon nanowire growth. That's the step we have, but the entire manufacturing process need to be optimized to reach the nameplate capacity. So we next few months will be the time for us to develop and optimize those process. By end of the year, we will have this is our plan, the end of the year, we should have better facility in full production.

Colin Rusch
Thanks so much guys. I'll take it offline.

Operator
The next question comes from Chip Moore from Roth. Go ahead, Chip.

Chip Moore
Thank you. Hey, everybody. Thanks for taking the question. I wanted to ask about the, I think it was $7.6 million in new bookings that you mentioned. Is that all SiMaxx? And how should we think about timeline on those orders?

Sandra Wallach
Yeah, that's across both SiMaxx and SiCore, and most of those are for the upcoming quarters.

Chip Moore
Got it. So most of that in the back half of the year is a fair assumption?

Sandra Wallach
Right. With the exception of some large purchase orders that we got from AALTO Airbus, which include committing capacity through 2025, but I would say the majority of it is for the next couple of quarters, along with the backlog that we had coming into the quarter.

Chip Moore
Got it. Okay, that's helpful. Thanks, Sandra. And then maybe just my follow-up, you mentioned maybe some factors that might impact Colorado, I think it was maybe scope and schedule. Just any more detail there on how you're thinking about things right now and what you might contemplate as some key swing factors.

Kang Sun
Chip, there are many factors. You know, the last 12 months, the battery industry has changed, significantly. The supply, the demand, the government policies, there are many possible factors that could influence our design and influence how we operate at the factory. So, we need to wait for a couple--we have not stopped moving forward. We just have not put all the effort and accelerated the process. We finished the 60% of the design. We are working on 90% design. We finished most of the regulatory issues. We are moving forward but with caution. Not just us, the entire industry now will pay attention to the supply and the demand and the cost of operation and the government incentives today or government incentives in the future.

Chip Moore
Understood. Yeah, we'll see what happens, right, in November as well. Okay. Thanks very much.

Operator
Thank you. Our next question comes from Jeff Grampp from Alliance Global Partners. Go ahead, Jeff.

Jeff Grampp
Good afternoon, everyone. Wanted to touch on the customer count, was down a bit sequentially but, obviously, Q1 was a super strong quarter for you guys from a customer account perspective. I'm wondering how you guys are interpreting that. Do you see customers order and then maybe take a few months or couple of quarters to kind of assess and then potentially come back. Were some of these maybe anticipated one offs, so perhaps that Q1 was inflated. Just wondering how you guys are interpreting that customer count change from Q1 to Q2 and how you see it going forward.

Kang Sun
Customer count change does not mean we have less customer, Jeff, because of the former customer, they acquired sample, they take time to evaluate the sample. During this period of time, we did ship to them additional samples, so they are not accounted for our shipments.

Jeff Grampp
Understood. Okay, thank you. And for my follow-up, I'm curious, the customer receptivity with SiCore is obviously very strong. You have the third parties that obviously have a lot of capacity, but at the same time you guys are focused within Colorado on SiCore. I'm curious, do you expect customer, will only order from a U.S. domiciled SiCore facility or would that kind of be a natural transition as you stand that facility up whereby you're fulfilling that through your tolling partners and then, over time, would transition that once Colorado is online? Like what is--how important is that for customers having that U.S. Supply chain in place?

Kang Sun
Most of the customer only two parameters, quality and cost. Another one is the performance. We have leading performance batteries, but we expect our factory to deliver quality and a favorable cost. So for now, I would say majority of the customer really don't pay attention where the battery are made. Of course, we have some special application that will require we make batteries in the United States.

So, we developed a significant manufacturing capacity there. You can see we have over 10 million power cells available to us in 2024. We have over 100 million cylindrical cell manufacturing capacity available to us in 2024. So, the manufacturing capacity for SiCore is no longer an issue for us. We just need to sell more. At the same time, we do have a customer, hope we can produce domestically. So we are working on that, okay, that's the Colorado. In addition to that, we are also planning to have more manufacturing partners in other region, for example, in Europe.

Jeff Grampp
Okay. Great details, Kang. Thank you guys for the time.

Operator

Thank you. Our next question comes from Donovan Schafer from Northland Capital Markets. Go ahead, Donovan.

Donovan Schafer
Hi, guys. Thanks for taking the questions. So first I want to ask, in the letter to shareholders, you mentioned that 50% of the Q2 deliveries or revenue was from outside the U.S. Is that a mix that we would expect to continue going forward, or was that kind of an outlier for the quarter?

Kang Sun
So, Donovan, in last year or earlier, our primary focus is in U.S. and some in Europe such as Airbus. So now we want to go globally, okay. We want to expand our market reach, and that means not just the U.S., not just Europe, okay, we're including Asia in our market engagement.

Donovan Schafer
Okay. And then with the ATM, if you can just give us an update whether there has been any usage of the ATM so far into the third quarter?

Sandra Wallach
Yeah, so we have not been active on the ATM in the third quarter.

Donovan Schafer
Okay. And then just one last one to squeeze in is for the milestones for the rest of the year, when you say you plan to finalize design drawings for the Brighton facility by the year end, does that mean, does it follow the same goal or that we can have the expectation that there will be a cost estimate by year end as well, or could that take longer?

Kang Sun
By year end, we would have more accurate cost estimation. We do have cost estimation today, but based on 60% design, we like to finish this design before year end and have the cost estimate and--more accurate cost estimate. The entire construction market and the raw materials for construction, all those things have been very dynamic, okay. So we update our information, almost on a monthly basis. So before end of the year, we should have regulatory issues resolved and we should have a design finished, we should have a construction cost estimate.

Donovan Schafer
Would you expect to share the cost estimate publicly, at that time?

Kang Sun
We will see, you know, how I created the data, Sandra?

Sandra Wallach

Yes. I think it depends on how quickly we're going to move the facility forward, and I think that's the part that we're still evaluating.

Donovan Schafer
Okay. All right. That's helpful. I'll take that.

Kang Sun
Okay.

Operator
Thank you. Our next question comes from Ryan Pfingst from B. Riley. Go ahead, Ryan.

Ryan Pfingst
Hey, thanks for taking my questions. Just a follow-up on some commentary you had, earlier. Could you just tell us what some of the risks are on the policy side if we do get a change in administration in November?

Kang Sun
That one is difficult for us to comment, Ryan. Although, such speculations, there is no fact at this moment. For us, not just the common incentives, we need to look at the market dynamics. At this moment, the manufacturing capacity for our SiCore product is not an issue. We have tremendous manufacturing capacity behind us, At the same time, we are developing our SiMaxx manufacturing capacity here. So the company has a product, has a manufacturing capacity. We have a customer base, we just need to accelerate the customer qualification process to grow the revenue.

Ryan Pfingst
Fair enough. And then understanding that EVs are a longer term focus, but wondering if you had an update on your engagement with OEMs and if we might see a related announcement in the near term there.

Kang Sun
As we mentioned earlier, last few calls, we do have engagement with all segments of electric mobility including EVs, but we don't have a commercial product for EV customers, but we do have technical exchanges.

Ryan Pfingst
Got it. Thanks for those answers.

Operator
Thank you. Our next question comes from Amit Dayal from H.C. Wainwright. Your line is now open.

Amit Dayal
Thank you. Good afternoon, everyone. Most of my questions have been asked. Just one question around the Colorado facility. Are we fully committed to building this facility out or the for preserving the balance sheet and capital etc., as you scale up, could you potentially contract manufacture both the SiCore and SiMaxx offerings, while you build the market for these products?

Kang Sun
Sure, Amit.. We, in terms of SiCore manufacturing capacity, we have plans probably can support us for the next few years. Even today--this year we have 10 million, next year we will have much more capacity available to us. In better sense, there is no additional capacity needed. However, we consider--as a manufacturing company, we do need to have our own manufacturing facility. So that's why we are still working on the Colorado factory.

As Sandra mentioned it before, manufacturers needed to be considered, okay. And we will see what kind of design, what kind of capacity we need in Colorado because the market has been changed, compared to two years ago. So, we need to reevaluate our design, our scale of our own factory in the United States. The manufacturing capacity for SiCore, as I mentioned, is no longer the issue for Amprius.

Amit Dayal
Understood. I'm just trying to get a sense by when you might make that call because it gives investors a sense of how you can use your balance sheet to progress the commercialization efforts.

Kang Sun
Understood. We, at this moment, we're still working on the project because we need to see the market dynamics. The market changes very fast. I think at the end of the year, not just the market dynamics, also the political dynamics will influence what we are going to do.

Amit Dayal
Okay. Yeah, that's all I have guys. I'll take my other questions offline. Thank you.

Kang Sun
Thanks.

Operator
At this time, this concludes our question and answer session. If your question was not taken, you may contact Amprius's Investor Relations team at ir@amprius.com. I would now like to turn the call back over to Dr. Sun for any closing remarks.

Kang Sun

Thanks again everyone for joining us today. As a reminder, you can find out more about our company, receive additional updates and learn about upcoming events and the presentations from the Investor Relations section of our website. We hope to see you at one of our upcoming conferences, and we'll continue to update you on the exciting progress we are making in transforming the electrical mobility market.

Finally, I would like to thank our employees, partners and the shareholders for their continued support. Operator.

Operator
Thank you for joining us today for Amprius Technology First Quarter 2024 Earnings Conference Call. You may disconnect your lines at this time, and have a wonderful day.