



NEXT-GENERATION SOLID-STATE BATTERIES

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**Note to Investors Regarding Our Recent Registration Statement on Form S-1**

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# Note to Investors Regarding Our Recent Registration Statement on Form S-1

On December 31, 2020, the SEC declared effective a registration statement on Form S-1 that we initially filed on December 17, 2020 (the “Re-Sale S-1”). **We issued no new shares in connection with the Resale S-1.** The purpose of the Resale S-1 was to permit the resale of shares that were already issued or that may be issued on exercise of options and warrants that were already issued. Most of the shares subject to the Resale S-1 remain subject to contractual lock-up agreements that prohibit sale during the lock-up periods.

Shares registered for resale under the Resale S-1 include:

- *PIPE shares.* 50,000,000 shares of Class A Common Stock purchased by PIPE investors in connection with the business combination of Kensington Capital Acquisition Corp. (now QuantumScape Corporation)(the “Company”) and the original QuantumScape Corporation (“Legacy QuantumScape”) (the “Business Combination”). These shares are now available for trading without restriction.
- *Shares issued or issuable under the Business Combination Agreement.* 232,153,653 shares of Class A Common Stock and shares of Class B Common Stock issued in the Business Combination or issuable on exercise of options and warrants and on vesting of RSUs assumed in the Business Combination. These shares are subject to lock-up restrictions described below.
- *Pre-Business Combination shares.* 5,750,000 shares of Class A Common Stock held by Kensington Capital Sponsor LLC and its affiliates (the “Sponsor”) and subsequently transferred to members of the Sponsor. These shares are subject to lock-up restrictions described below.
- *Public Warrant shares.* 11,499,989 shares of Class A Common Stock issuable upon the exercise of the Public Warrants sold in connection with the Company’s IPO. Note that the underlying warrants were previously registered in connection with the Company’s IPO, and the shares themselves were registered for the first time on the Resale S-1. The Public Warrants become exercisable on June 30, 2021.
- *Sponsor member warrants.* 6,575,000 shares of Class A Common Stock issuable upon the exercise of the warrants acquired by the Sponsor in in connection with the Company’s IPO and subsequently transferred to members of the Sponsor and 75,000 shares of Class A Common Stock issuable upon the exercise of warrants acquired by a member of the Sponsor in connection with the Business Combination. The warrants held by the Sponsor members become exercisable on June 28, 2021.

## Lock-up Restrictions

- *Legacy QuantumScape Holders.* Shareholders of Legacy QuantumScape who are party to the Registration Rights and Lock-up Agreement, the Investor Rights Agreement among Legacy QuantumScape and its investors, or separate Lock-up Agreements between the Company and certain directors are subject to a lock-up period that expires no later than May 24, 2021 (180 days after the Business Combination). The lockup period could expire earlier if, beginning after 150 days from the Business Combination, the last reported sales price of the Class A Common Stock is \$12.00 or higher for any 20 trading days in any 30-trading day period. Lock-up restrictions may be waived by the Company only on a non-discriminatory basis. Certain employees, including members of management, are also subject to an Employee Lock-up Agreement with additional restrictions.
- *Sponsor.* Under the Registration Rights and Lock-up Agreement, the Sponsor is subject to a lock-up period that expires on May 24, 2021 (one year after the Business Combination) or earlier if, beginning after 150 days from the Business Combination, the last reported sales price of the Class A Common Stock is \$12.00 or higher for any 20 trading days in any 30-trading day period. Lock-up restrictions may be waived by the Company only on a non-discriminatory basis.

# QuantumScape

