

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 9, 2023

QUANTUM-SI INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-39486
(Commission File Number)

85-1388175
(IRS Employer Identification No.)

29 Business Park Drive
Branford, Connecticut
(Address of principal executive offices)

06405
(Zip Code)

Registrant's telephone number, including area code: (866) 688-7374

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.0001 per share	QSI	The Nasdaq Stock Market LLC
Redeemable warrants, each whole warrant exercisable for one share of Class A common stock, each at an exercise price of \$11.50 per share	QSIW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02. Results of Operations and Financial Condition.

On November 9, 2023, Quantum-Si Incorporated (the “Company”) issued a press release announcing its results for the third quarter ended September 30, 2023 and providing a business update. A copy of the press release is furnished as Exhibit 99.1 hereto.

The information in this Current Report on Form 8-K (including Exhibit 99.1) shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

Exhibit No.	Description
99.1	Press Release dated November 9, 2023
99.2	Use of Non-GAAP Financial Measures
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 hereunto duly authorized.

QUANTUM-SI INCORPORATED

By: /s/ Jeffry Keyes

Name: Jeffry Keyes

Title: Chief Financial Officer

Date: November 9, 2023



Quantum-Si Reports Third Quarter 2023 Financial Results

BRANFORD, Conn. -- (BUSINESS WIRE) – Nov. 9, 2023 -- Quantum-Si Incorporated (Nasdaq: QSI) (“Quantum-Si,” “QSI” or the “Company”), The Protein Sequencing Company™, today announced financial results for the third quarter ended September 30, 2023.

Third Quarter Highlights

- Recorded revenue of \$223,000 in the third quarter of 2023 as the Company continued its previously communicated controlled commercial launch of its Platinum instrument
- Completed a strategic review of research and development (“R&D”) programs and organizational design; resulting changes will focus development on rapid delivery of capabilities and applications with the highest customer demand
- First customer data presented in an October webinar titled “Next-generation protein sequencing platform: Advances in protein identification and characterization”
- Further strengthened the Board of Directors with the addition of independent director Amir Jafri
- Scaling commercial activities to support a full commercial launch in early 2024

“During the third quarter we completed our previously communicated strategic review of R&D and made some necessary changes. These changes have positioned us well to focus our R&D efforts on delivering the product improvements and enhancements that our customers are seeking,” said Jeff Hawkins, President and Chief Executive Officer. “I would like to emphasize that the changes we made, while resulting in lower expenses, are not expected to negatively impact R&D output. We believe that our new organizational structure and focused set of R&D initiatives will lead to greater R&D effectiveness and result in the accelerated delivery of new capabilities and applications to our customers in 2024 and beyond. Though the initial signs of our realignment are very encouraging, we are still evolving in our new operating structure. As we had planned, we expect to continue to operate in our controlled commercial launch status until early 2024, at which point we anticipate transitioning to a full commercial launch.”

Third Quarter 2023 Financial Results

During the third quarter of 2023, the Company continued its controlled commercial launch of its Platinum instrument, recording revenue of \$223,000. Gross profit was \$108,000 and gross margin was 48%. For the nine months ended September 30, 2023, the Company recorded revenue of \$682,000, gross profit of \$310,000, and gross margin of 45%. The periodic gross margin rate is expected to be variable in the near term as the Company works through the initial stages of commercialization as well as the timing and mix of product sales between instruments and consumable kits.

Total operating expenses were \$27.3 million in the third quarter of 2023, compared to \$27.7 million for the same period in the prior year, and \$83.6 million for the nine months ended September 30, 2023, compared to \$85.0 million for the same period in the prior year. Adjusted total operating expenses were \$23.9 million in the third quarter of 2023, compared to \$23.6 million for the same period in the prior year, and adjusted total operating expenses for the nine months ended September 30, 2023, was \$72.6 million compared to \$77.9 million for the same period in the prior year.

Net loss was \$24.7 million in the third quarter of 2023, compared to a net loss of \$31.7 million in the same period of the prior year, and a net loss of \$73.9 million for the nine months ended September 30, 2023, compared to a net loss of \$99.3 million for the same period in the prior year. Adjusted EBITDA was negative \$22.6 million in the third quarter of 2023, compared to negative \$22.9 million in the same period of the prior year, and negative \$69.2 million for the nine months ended September 30, 2023, compared to negative \$76.1 million for the same period in the prior year. A reconciliation of the non-GAAP financial measures adjusted total operating expenses and adjusted EBITDA is provided in a table included in this press release.

As of September 30, 2023, cash and cash equivalents and investments in marketable securities were \$274.6 million.

2023 Financial Outlook

- The Company expects its full year 2023 adjusted total operating expenses to be approximately \$100 million compared to \$103.2 million for 2022
- The Company maintains the expectation that the balance in cash and cash equivalents and investments in marketable securities of \$274.6 million as of September 30, 2023 will provide a runway into 2026

Webcast and Conference Call Information

Quantum-Si will host a conference call to discuss its third quarter 2023 financial results on Thursday, November 9, 2023, at 4:30 p.m. Eastern Time. Individuals interested in listening to the conference call may do so by joining the live webcast in the Investors section of the Quantum-Si website under [Events & Presentations](#). Alternatively, individuals can [register online](#) to receive a dial-in number and personalized PIN to participate in the call. An archived webcast of the event will be available for replay following the event.

About Quantum-Si Incorporated

Quantum-Si, The Protein Sequencing Company™, is focused on revolutionizing the growing field of proteomics. The Company's suite of technologies is powered by a first-of-its-kind semiconductor chip designed to enable next-generation single-molecule protein sequencing and digitize proteomic research in order to advance drug discovery and diagnostics beyond what has been possible with DNA sequencing. Learn more at www.quantum-si.com.

Use of Non-GAAP Financial Measures

This press release presents the non-GAAP financial measures “adjusted total operating expenses” and “adjusted EBITDA.” The most directly comparable measures for these non-GAAP financial measures are total operating expenses and net loss. The Company has included below adjusted total operating expenses, which presents the Company’s total operating expenses after excluding goodwill impairment, stock-based compensation and restructuring costs. In addition, adjusted EBITDA further excludes interest, taxes, depreciation, amortization, dividend income, unrealized and realized gains and losses on marketable securities, changes in fair value of warrant liabilities and other income or expense.

A discussion of the reasons why management believes that the presentation of non-GAAP financial measures provides useful information to investors regarding the Company’s financial condition and results of operations is included as Exhibit 99.2 to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on November 9, 2023.

Forward Looking Statements

This press release includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. The actual results of the Company may differ from its expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions (or the negative versions of such words or expressions) are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, the Company's expectations with respect to future performance and development and commercialization of products and services and its anticipated cash runway. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from those discussed in the forward-looking statements. Most of these factors are outside the Company's control and are difficult to predict. Factors that may cause such differences include, but are not limited to: the impact of COVID-19 on the Company's business; the inability to maintain the listing of the Company's Class A common stock on The Nasdaq Stock Market; the ability to recognize the benefits of business combination, which may be affected by, among other things, competition and the ability of the Company to grow and manage growth profitably and retain its key employees; the Company's ongoing leadership transitions; changes in applicable laws or regulations; the ability of the Company to raise financing in the future; the success, cost and timing of the Company's product development and commercialization activities; the commercialization and adoption of the Company's existing products and the success of any product the Company may offer in the future; the potential attributes and benefits of the Company's commercialized PlatinumTM protein sequencing instrument and the Company's other products once commercialized; the Company's ability to obtain and maintain regulatory approval for its products, and any related restrictions and limitations of any approved product; the Company's ability to identify, in-license or acquire additional technology; the Company's ability to maintain its existing lease, license, manufacture and supply agreements; the Company's ability to compete with other companies currently marketing or engaged in the development or commercialization of products and services that serve customers engaged in proteomic analysis, many of which have greater financial and marketing resources than the Company; the size and growth potential of the markets for the Company's products and services, and its ability to serve those markets once commercialized, either alone or in partnership with others; the Company's estimates regarding future expenses, future revenue, capital requirements and needs for additional financing; the Company's financial performance; and other risks and uncertainties described under "Risk Factors" in the Company's Annual Report for the fiscal year ended December 31, 2022, and in the Company's other filings with the SEC. The Company cautions that the foregoing list of factors is not exclusive. The Company cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions, or circumstances on which any such statement is based.

QUANTUM-SI INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except share and per share amounts)
(Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Revenue:				
Product	\$ 216	\$ -	\$ 654	\$ -
Service	7	-	28	-
Total revenue	223	-	682	-
Cost of revenue	115	-	372	-
Gross profit	108	-	310	-
Operating expenses:				
Research and development	16,587	16,675	50,588	53,905
Selling, general and administrative	10,696	10,983	33,010	31,093
Total operating expenses	27,283	27,658	83,598	84,998
Loss from operations	(27,175)	(27,658)	(83,288)	(84,998)
Dividend income	2,572	1,381	7,274	3,288
Unrealized gain (loss) on marketable securities	1,953	(4,240)	8,302	(20,384)
Realized loss on marketable securities	(1,901)	(1,348)	(6,489)	(2,399)
Change in fair value of warrant liabilities	(162)	137	(81)	5,121
Other income (expense), net	(15)	15	370	70
Loss before provision for income taxes	(24,728)	(31,713)	(73,912)	(99,302)
Provision for income taxes	-	-	-	-
Net loss and comprehensive loss	\$ (24,728)	\$ (31,713)	\$ (73,912)	\$ (99,302)
Net loss per common share attributable to common stockholders, basic and diluted	\$ (0.17)	\$ (0.23)	\$ (0.52)	\$ (0.71)
Weighted-average shares used to compute net loss per share attributable to common stockholders, basic and diluted	141,660,018	139,542,660	141,154,110	139,057,663

QUANTUM-SI INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)
(Unaudited)

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 93,822	\$ 84,319
Marketable securities	180,803	266,990
Accounts receivable, net of allowance for estimated credit losses of \$0 and \$0, respectively	466	-
Inventory, net	2,325	-
Prepaid expenses and other current assets	7,392	6,873
Total current assets	284,808	358,182
Property and equipment, net	17,606	16,849
Internally developed software	627	-
Operating lease right-of-use assets	14,354	15,757
Other assets	701	697
Total assets	\$ 318,096	\$ 391,485
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 2,056	\$ 3,903
Accrued expenses and other current liabilities	7,428	10,434
Current portion of operating lease liabilities	1,523	1,369
Total current liabilities	11,007	15,706
Warrant liabilities	1,077	996
Other long-term liabilities	19	-
Operating lease liabilities	13,928	16,077
Total liabilities	26,031	32,779
Commitments and contingencies		
Stockholders' equity		
Class A Common stock, \$0.0001 par value; 600,000,000 shares authorized as of September 30, 2023 and December 31, 2022; 121,790,534 and 120,006,757 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	12	12
Class B Common stock, \$0.0001 par value; 27,000,000 shares authorized as of September 30, 2023 and December 31, 2022; 19,937,500 shares issued and outstanding as of September 30, 2023 and December 31, 2022	2	2
Additional paid-in capital	765,637	758,366
Accumulated deficit	(473,586)	(399,674)
Total stockholders' equity	292,065	358,706
Total liabilities and stockholders' equity	\$ 318,096	\$ 391,485

QUANTUM-SI INCORPORATED
RECONCILIATION OF U.S. GAAP TO NON-GAAP FINANCIAL MEASURES

(in thousands)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net loss	\$ (24,728)	\$ (31,713)	\$ (73,912)	\$ (99,302)
Adjustments to reconcile to EBITDA:				
Dividend income	(2,572)	(1,381)	(7,274)	(3,288)
Depreciation and amortization	1,170	729	3,063	1,789
EBITDA	\$ (26,130)	\$ (32,365)	\$ (78,123)	\$ (100,801)
Adjustments to reconcile to Adjusted EBITDA:				
Unrealized (gain) loss on marketable securities	(1,953)	4,240	(8,302)	20,384
Realized loss on marketable securities	1,901	1,348	6,489	2,399
Change in fair value of warrant liabilities	162	(137)	81	(5,121)
Other (income) expense, net	15	(15)	(370)	(70)
Stock-based compensation	1,141	4,043	6,914	7,099
Restructuring costs	2,251	-	4,131	-
Adjusted EBITDA	\$ (22,613)	\$ (22,886)	\$ (69,180)	\$ (76,110)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Total operating expenses	\$ 27,283	\$ 27,658	\$ 83,598	\$ 84,998
Adjustments to reconcile to Adjusted total operating expenses:				
Stock-based compensation	(1,141)	(4,043)	(6,914)	(7,099)
Restructuring costs	(2,251)	-	(4,131)	-
Adjusted total operating expenses	\$ 23,891	\$ 23,615	\$ 72,553	\$ 77,899

Investor Contact

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Media Contact

Katherine Atkinson, SVP, Commercial Marketing
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Source: Quantum-Si Incorporated

Use of Non-GAAP Financial Measures

In addition to financial results calculated in accordance with U.S. generally accepted accounting principles (“GAAP”), information containing non-GAAP financial measures for Quantum-Si Incorporated (the “Company”) was disclosed in the Company’s press release (the “Press Release”) dated November 9, 2023 announcing results for the three and nine months ended September 30, 2023, that accompany a conference call to be held by the Company on November 9, 2023. The non-GAAP financial measures disclosed by the Company should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations to those financial statements should be carefully evaluated. The non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. The Company has provided reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures. Management encourages readers to rely upon the reported GAAP results but includes the non-GAAP financial measures as supplemental metrics to assist readers. Definitions of the non-GAAP financial measures are included in the Press Release.

In the Press Release, the Company presented the non-GAAP financial measures “adjusted total operating expenses” and “adjusted EBTIDA.” Company management uses these non-GAAP financial measures to evaluate the Company’s performance. As the Company’s core business is developing and commercializing products associated with proteomics sequencing, Company management finds it useful to use adjusted total operating expenses, which excludes goodwill impairment, stock-based compensation and restructuring costs. While the Company may have these types of items and charges in the future, Company management believes that they are not reflective of the day-to-day core operations of the Company and relate more to strategic, multi-year corporate actions, without predictable trends, and that may obscure the trends and financial performance of the Company’s core business. In the case of “adjusted EBITDA,” Company management believes the exclusion of interest, taxes, depreciation, amortization, dividend income, unrealized and realized gains and losses on marketable securities, changes in fair value of warrant liabilities, and other income or expense is a very common measure utilized in the investment community and it helps Company management benchmark its operations and results with the industry.

The limitation associated with using these non-GAAP financial measures is that these measures exclude items that impact the Company’s current period operating results. This limitation is best addressed by using these non-GAAP financial measures in combination with “total operating expenses” and “net loss,” (the most comparable GAAP measures) because these non-GAAP financial measures do not reflect items that impact current period operating results and may be higher or lower than the most comparable GAAP measure.
