

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 **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: **001-39204**

AEVA TECHNOLOGIES, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

555 Ellis Street

Mountain View, CA

(Address of principal executive offices)

84-3080757

(I.R.S. Employer
Identification No.)

94043

(Zip Code)

Registrant's telephone number, including area code: (650) 481-7070

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value per share	AEVA	New York Stock Exchange
Warrants to purchase one share of common stock	AEVA.WS	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

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, 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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 August 1, 2024, the registrant had 53,648,432 shares of common stock, \$0.0001 par value per share, outstanding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) regarding future events and our future results that are subject to the safe harbors created under the Securities Act and the Exchange Act. All statements contained in this report other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “goal,” “plan,” “intend,” “expect,” “seek”, and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in Part I, Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 under the heading “Risk Factors.” Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. We are under no duty to update any of these forward-looking statements after the date of this report or to conform these statements to actual results or revised expectations.

As used in this report, the terms “Aeva,” “we,” “us,” “our,” and “the Company” mean Aeva Technologies, Inc. and its subsidiaries unless the context indicates otherwise.

PART I—FINANCIAL INFORMATION**Item 1. Financial Statements.**

AEVA TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PAR VALUE)
(UNAUDITED)

	June 30, 2024	December 31, 2023
Assets		
Cash and cash equivalents	\$ 23,622	\$ 38,547
Marketable securities	136,560	182,481
Accounts receivable	844	628
Inventories	2,999	2,374
Other current assets	8,351	5,195
Total current assets	172,376	229,225
Operating lease right-of-use assets	5,586	7,289
Property, plant and equipment, net	12,155	12,114
Intangible assets, net	2,175	2,625
Other noncurrent assets	5,815	6,132
Total assets	\$ 198,107	\$ 257,385
Liabilities and stockholders' equity		
Accounts payable	\$ 3,824	\$ 3,602
Accrued liabilities	2,936	2,648
Accrued employee costs	3,044	6,043
Lease liability, current portion	3,783	3,587
Other current liabilities	19,046	2,524
Total current liabilities	32,633	18,404
Lease liability, noncurrent portion	1,822	3,767
Warrant liability	3,692	6,772
Total liabilities	38,147	28,943
Commitments and contingencies (Note 15)		
Convertible preferred stock \$0.0001 par value; 10,000 shares authorized; no shares issued and outstanding	—	—
Common stock \$0.0001 par value; 422,000 shares authorized; 53,176 and 52,389 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	5	5
Additional paid-in capital	698,510	688,124
Accumulated other comprehensive loss	(236)	(87)
Accumulated deficit	(538,319)	(459,600)
Total stockholders' equity	159,960	228,442
Total liabilities and stockholders' equity	\$ 198,107	\$ 257,385

See accompanying notes to the unaudited condensed consolidated financial statements.

AEVA TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	\$ 2,012	\$ 743	\$ 4,119	\$ 1,891
Cost of revenue	2,860	2,661	6,359	5,190
Gross loss	<u>(848)</u>	<u>(1,918)</u>	<u>(2,240)</u>	<u>(3,299)</u>
Operating expenses:				
Research and development expenses	26,196	27,065	51,208	52,519
General and administrative expenses	8,663	7,713	17,074	15,546
Selling and marketing expenses	1,706	1,485	4,235	4,083
Litigation settlement, net	11,500	—	11,500	—
Total operating expenses	<u>48,065</u>	<u>36,263</u>	<u>84,017</u>	<u>72,148</u>
Operating loss	(48,913)	(38,181)	(86,257)	(75,447)
Interest income	2,099	2,225	4,557	4,289
Other income, net	3,544	1	3,104	29
Loss before income taxes	(43,270)	(35,955)	(78,596)	(71,129)
Income tax provision	123	—	123	—
Net loss	<u>\$ (43,393)</u>	<u>\$ (35,955)</u>	<u>\$ (78,719)</u>	<u>\$ (71,129)</u>
Unrealized gain (loss) on available-for-sale securities	12	477	(149)	1,689
Total comprehensive loss	<u>\$ (43,381)</u>	<u>\$ (35,478)</u>	<u>\$ (78,868)</u>	<u>\$ (69,440)</u>
Net loss per share, basic and diluted	<u>\$ (0.82)</u>	<u>\$ (0.82)</u>	<u>\$ (1.49)</u>	<u>\$ (1.62)</u>
Weighted-average shares used in computing net loss per share, basic and diluted	<u>52,995,093</u>	<u>44,104,251</u>	<u>52,868,909</u>	<u>44,015,402</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

AEVA TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(IN THOUSANDS, EXCEPT SHARE DATA)
(UNAUDITED)

	Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' equity
	Shares	Amount				
Balance at December 31, 2023	52,388,961	\$ 5	\$ 688,124	\$ (87)	\$ (459,600)	\$ 228,442
Share-based compensation	—	—	5,261	—	—	5,261
Issuance of common stock upon exercise of stock options	28,227	—	39	—	—	39
Issuance of common stock upon release of restricted stock units	423,869	—	—	—	—	—
Shares withheld for the withholding tax on vesting of restricted stock units	(25,286)	—	(55)	—	—	(55)
Unrealized gain (loss) on available-for-sale securities	—	—	—	(161)	—	(161)
Net loss	—	—	—	—	(35,326)	(35,326)
Balance as of March 31, 2024	<u>52,815,771</u>	<u>\$ 5</u>	<u>\$ 693,369</u>	<u>\$ (248)</u>	<u>\$ (494,926)</u>	<u>\$ 198,200</u>
Share-based compensation	—	—	5,364	—	—	5,364
Issuance of common stock upon exercise of stock options	5,682	—	15	—	—	15
Issuance of common stock upon release of restricted stock units	411,670	—	—	—	—	—
Shares withheld for the withholding tax on vesting of restricted stock units	(56,463)	—	(238)	—	—	(238)
Unrealized gain (loss) on available-for-sale securities	—	—	—	12	—	12
Net loss	—	—	—	—	(43,393)	(43,393)
Balance as of June 30, 2024	<u>53,176,660</u>	<u>\$ 5</u>	<u>\$ 698,510</u>	<u>\$ (236)</u>	<u>\$ (538,319)</u>	<u>\$ 159,960</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

AEVA TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(IN THOUSANDS, EXCEPT SHARE DATA)
(UNAUDITED)

	Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' equity
	Shares	Amount				
Balance at December 31, 2022	43,749,685	\$ 4	\$ 643,774	\$ (3,585)	\$ (310,267)	\$ 329,926
Share-based compensation	—	—	5,963	—	—	5,963
Issuance of common stock upon exercise of stock options	47,328	—	57	—	—	57
Issuance of common stock upon release of restricted stock units	215,505	—	—	—	—	—
Shares withheld for the withholding tax on vesting of restricted stock units	(2,499)	—	(20)	—	—	(20)
Unrealized gain (loss) on available-for-sale securities	—	—	—	1,212	—	1,212
Net loss	—	—	—	—	(35,174)	(35,174)
Balance as of March 31, 2023	<u>44,010,019</u>	<u>\$ 4</u>	<u>\$ 649,774</u>	<u>\$ (2,373)</u>	<u>\$ (345,441)</u>	<u>\$ 301,964</u>
Share-based compensation	—	—	7,041	—	—	7,041
Issuance of common stock upon exercise of stock options	23,663	—	59	—	—	59
Issuance of common stock upon release of restricted stock units	144,694	—	—	—	—	—
Unrealized gain (loss) on available-for-sale securities	—	—	—	477	—	477
Net loss	—	—	—	—	(35,955)	(35,955)
Balance as of June 30, 2023	<u>44,178,376</u>	<u>\$ 4</u>	<u>\$ 656,874</u>	<u>\$ (1,896)</u>	<u>\$ (381,396)</u>	<u>\$ 273,586</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

AEVA TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (78,719)	\$ (71,129)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,741	2,103
Impairment of inventories	559	102
Change in fair value of warrant liability	(3,080)	(28)
Stock-based compensation	10,625	13,004
Amortization of right-of-use assets	1,703	1,498
Amortization of premium and accretion of discount on available-for-sale securities, net	(2,096)	(1,420)
Other	118	—
Changes in operating assets and liabilities:		
Accounts receivable	(216)	2,019
Inventories	(1,184)	61
Other current assets	(3,156)	(352)
Other noncurrent assets	317	(5)
Accounts payable	199	85
Accrued liabilities	288	(6,738)
Accrued employee costs	(2,999)	(1,205)
Lease liability	(1,749)	(1,459)
Other current liabilities	16,522	45
Net cash used in operating activities	<u>(60,127)</u>	<u>(63,419)</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(2,427)	(2,388)
Purchase of available-for-sale securities	(52,072)	(74,126)
Proceeds from maturities of available-for-sale securities	99,940	107,094
Net cash provided by investing activities	<u>45,441</u>	<u>30,580</u>
Cash flows from financing activities:		
Payments of taxes withheld on net settled vesting of restricted stock units	(293)	(20)
Proceeds from exercise of stock options	54	116
Net cash (used in) provided by financing activities	<u>(239)</u>	<u>96</u>
Net decrease in cash and cash equivalents	(14,925)	(32,743)
Beginning cash and cash equivalents	38,547	67,420
Ending cash and cash equivalents	\$ 23,622	\$ 34,677
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ —	\$ —
Cash paid for income taxes	\$ 66	\$ —
Supplemental disclosures of non-cash investing and financing activities:		
Unpaid property, plant and equipment purchases	\$ 113	\$ 812

See accompanying notes to the unaudited condensed consolidated financial statements.

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)****Note 1. Description of Business and Summary of Significant Accounting Policies*****Description of Business***

Aeva Technologies, Inc. (the “Company”), through its Frequency Modulated Continuous Wave (“FMCW”) sensing technology, designs a 4D LiDAR-on-chip that, along with its proprietary software applications, has the potential to enable the adoption of LiDAR across broad applications from automated driving to consumer electronics, consumer health, industrial automation and security application.

The Company’s common stock and warrants are listed on the New York Stock Exchange stock market under the symbols “AEVA” and “AEVA.WS”.

Basis of Presentation and Unaudited Interim Financial Statements

The condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The condensed consolidated financial statements include the accounts of the Company’s wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated upon consolidation.

The accompanying condensed consolidated financial statements are unaudited and have been prepared on the same basis as the annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company’s financial position, results of operations, comprehensive loss and cash flows for the periods presented, but are not necessarily indicative of the results of operations to be anticipated for any future annual or interim period.

These condensed consolidated financial statements and other information presented in this Form 10-Q should be read in conjunction with the consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC.

On March 18, 2024, the Company filed a Certificate of Amendment to its Amended and Restated Certificate of Incorporation (the “Amendment”) with the Secretary of State of the State of Delaware to effect a 1-for-5 reverse stock split (the “Reverse Stock Split”) of the Company’s shares of common stock, \$0.0001 par value (the “Common Stock”). Pursuant to the Reverse Stock Split, every five (5) shares of issued and outstanding shares of common stock were combined into one (1) share of common stock. Accordingly, unless we indicate otherwise, all the current period and historical per share data, number of shares issued and outstanding, stock awards, and other common stock equivalents for the periods presented in this Interim Report on Form 10-Q have been adjusted retroactively, where applicable, to reflect the Reverse Stock Split. There was no change to the shares authorized or in the par value per share of common stock of \$0.0001.

The Reverse Stock Split affected all stockholders uniformly and did not alter any stockholder’s percentage interest in the Company’s equity. The Company did not issue fractional shares in connection with the Reverse Stock Split. Stockholders who were otherwise entitled to fractional shares of common stock were instead entitled to receive a proportional cash payment. The number of shares of common stock issuable under our equity incentive plans and exercisable under the outstanding warrants were also proportionately adjusted.

Principles of Consolidation and Liquidity

The condensed consolidated financial statements are prepared in accordance with U.S. GAAP. The condensed consolidated financial statements include the accounts of the Company’s wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The Company has funded its operations primarily through the Business Combination (the “Business Combination”) with InterPrivate Acquisition Corp. (the Company’s predecessor, which was originally incorporated in Delaware as a special purpose acquisition company (“IPV”) on March 12, 2021, and issuances of stock. As of June 30, 2024, the Company’s existing sources of liquidity included cash and cash equivalents and marketable securities of \$160.2 million. The Company has a limited history of operations and has incurred negative cash flows from operating activities and losses from operations in the past as reflected in the accumulated deficit of \$538.3 million as of June 30, 2024. The Company expects to continue to incur operating losses due to the investments it intends to make in its business, including product development. Management believes that existing cash and cash equivalents, marketable securities, and Standby Equity Purchase Agreement (the “Facility Agreement,” Note 10) will be sufficient to fund operating and capital expenditure requirements through at least 12 months from the date of issuance of these financial statements.

Significant Risks and Uncertainties

The Company is subject to those risks common in the technology industry and also those risks common to early stage companies, including, but not limited to, the possibility of not being able to successfully develop or market its products, technological obsolescence, competition, dependence on key personnel and key external alliances, the successful protection of its proprietary technologies, compliance with government regulations, and the possibility of not being able to obtain additional financing when needed.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, cash equivalents, marketable securities, and trade receivables. The Company maintains the majority of its cash and cash equivalents in accounts with large financial institutions. At times, balances in these accounts may exceed federally insured limits; however, to date, the Company has not incurred any losses on its deposits of cash and cash equivalents and believes the exposure to risk of loss is not material. Risks associated with the Company's marketable securities is mitigated by investing in investment-grade rated securities when purchased.

The Company's accounts receivable are derived from customers located in North America, Asia, and Europe. The Company mitigates its credit risks by performing ongoing credit evaluations of its customers' financial conditions and requires customer advance payments in certain circumstances. The Company generally does not require collateral.

As of June 30, 2024, one customer accounted for 80% of the accounts receivable. As of December 31, 2023, one customer accounted for 42% of accounts receivable. As of June 30, 2024, one vendor accounted for 10% of the accounts payable. As of December 31, 2023, three vendors accounted for 12%, 11%, and 11% each of the accounts payable, respectively.

Recent Accounting Pronouncements

In November 2023, the FASB issued Accounting Standards Update (ASU) 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" which expands annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for our annual periods beginning January 1, 2024, and for interim periods beginning January 1, 2025, with early adoption permitted. We are currently evaluating the potential effect that the updated standard will have on our consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topics 740): Improvements to Income Tax Disclosures" to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for our annual periods beginning January 1, 2025, with early adoption permitted. We are currently evaluating the potential effect that the updated standard will have on our consolidated financial statements and related disclosures.

Note 2. Revenue

Disaggregation of Revenues

The Company disaggregates its revenue from contracts with customers by geographic region based on the primary billing address of the customer and timing of transfer of goods or services to customers (point-in-time or over time), as it believes it best depicts how the nature, amount, timing and uncertainty of its revenue and cash flows are affected by economic factors. Total revenue for the three months ended June 30, 2024 and 2023, based on the disaggregation criteria described above were as follows (in thousands):

	Three Months Ended June 30,			
	2024		2023	
	Revenue	% of Revenue	Revenue	% of Revenue
Revenue by primary geographical market:				
North America	\$ 1,951	97 %	\$ 288	39 %
Europe	40	2 %	157	21 %
Asia	21	1 %	298	40 %
Total	\$ 2,012	100 %	\$ 743	100 %
Revenue by timing of recognition:				
Recognized at a point in time	\$ 1,394	69 %	\$ 510	69 %
Recognized over time	618	31 %	233	31 %
Total	\$ 2,012	100 %	\$ 743	100 %

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Total revenue for the six months ended June 30, 2024 and 2023, based on the disaggregation criteria described above are as follows (in thousands):

	Six Months Ended June 30,			
	2024		2023	
	Revenue	% of Revenue	Revenue	% of Revenue
Revenue by primary geographical market:				
North America	\$ 3,625	88 %	\$ 1,019	54 %
Europe	269	7 %	401	21 %
Asia	225	5 %	471	25 %
Total	\$ 4,119	100 %	\$ 1,891	100 %
Revenue by timing of recognition:				
Recognized at a point in time	\$ 3,108	75 %	\$ 1,457	77 %
Recognized over time	1,011	25 %	434	23 %
Total	\$ 4,119	100 %	\$ 1,891	100 %

The point in time revenue was primarily related to the product revenue and over time revenue was from non-recurring engineering services.

For the three months ended June 30, 2024, two customers accounted for 46% and 43% of the Company's revenue, respectively. For the three months ended June 30, 2023, two customers accounted for 23% each of the Company's revenue.

For the six months ended June 30, 2024, two customers accounted for 41% 40% of the Company's revenue, respectively. For the six months ended June 30, 2023, three customers accounted for 21%, 14%, and 13% of the Company's revenue, respectively.

Contract Assets and Contract Liabilities

As of June 30, 2024, and December 31, 2023, the Company had contract assets of \$0 and \$0.1 million, respectively, recognized in other current assets. As of June 30, 2024, and December 31, 2023, the Company had contract liabilities of \$3.9 million and \$2.1 million, respectively, included in other current liabilities.

Note 3. Financial Instruments

The following tables summarize the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy:

	June 30, 2024					
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalent	Marketable Securities
	(in thousands)					
Assets						
Cash	\$ 16,352	\$ —	\$ —	\$ 16,352	\$ 16,352	\$ —
Level 1						
Money market funds	4,284	—	—	4,284	4,284	—
Level 2						
U.S. agency securities	23,664	—	(41)	23,623	—	23,623
U.S. Treasury securities	20,239	—	(39)	20,200	1,492	18,708
Commercial paper	35,923	—	(35)	35,888	1,494	34,394
Corporate bonds	59,956	2	(123)	59,835	—	59,835
Subtotal	139,782	2	(238)	139,546	2,986	136,560
Total assets	\$ 160,417	\$ 2	\$ (238)	\$ 160,182	\$ 23,622	\$ 136,560
Liabilities						
Level 3						
Warrant liabilities	\$ 3,692	\$ —	\$ —	\$ 3,692	\$ —	\$ —
Total liabilities	\$ 3,692	\$ —	\$ —	\$ 3,692	\$ —	\$ —

	December 31, 2023					
	Adjusted Cost	Unrealized Gain	Unrealized Losses	Fair Value	Cash and Cash Equivalent	Marketable Securities
	(in thousands)					
Assets						
Cash	\$ 21,799	\$ —	\$ —	\$ 21,799	\$ 21,799	\$ —
Level 1						
Money market funds	6,266	—	—	6,266	6,266	—
Level 2						
U.S. agency securities	35,962	8	(97)	35,873	—	35,873
U.S. Treasury securities	18,323	1	(14)	18,310	10,482	7,828
Commercial paper	38,491	25	(16)	38,500	—	38,500
Corporate bonds	100,274	136	(130)	100,280	—	100,280
Subtotal	193,050	170	(257)	192,963	10,482	182,481
Total assets	<u>\$ 221,115</u>	<u>\$ 170</u>	<u>\$ (257)</u>	<u>\$ 221,028</u>	<u>\$ 38,547</u>	<u>\$ 182,481</u>
Liabilities						
Level 3						
Warrant liabilities	\$ 6,772	—	\$ —	\$ 6,772	\$ —	\$ —
Total liabilities	<u>\$ 6,772</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 6,772</u>	<u>\$ —</u>	<u>\$ —</u>

The fair value of the private placement and Series A warrant liabilities is based on significant unobservable inputs, which represent Level 3 measurements within the fair value hierarchy. In determining the fair value of the warrant liabilities, the Company used the Black-Scholes option-pricing model to estimate the fair value using unobservable inputs including the expected term, expected volatility, risk-free interest rate, and dividend yield.

The following table presents a summary of the changes in the fair value of the Company's Level 3 financial instruments (in thousand):

	June 30, 2024	December 31, 2023
Fair value, beginning balance	\$ 6,772	\$ 90
Fair value at issuance of Series A Warrants	—	6,450
Change in the fair value of Series A warrants included in other income (expense), net	(3,061)	300
Change in the fair value of private placement warrants included in other income (expense), net	(19)	(68)
Fair value, closing balance	<u>\$ 3,692</u>	<u>\$ 6,772</u>

The key inputs into the Black-Scholes option pricing model for the private placement warrants were as follows for the relevant periods:

	June 30, 2024	December 31, 2023
Expected term (years)	1.7	2.2
Expected volatility	87.4 %	94.1 %
Risk-free interest rate	4.90 %	4.23 %
Dividend yield	0 %	0 %
Exercise Price	\$ 57.50	\$ 57.50

The key inputs into the Black-Scholes option pricing model for the Series A warrants were as follows for the relevant periods:

	June 30, 2024	December 31, 2023
Expected term (years)	3.5	4.0
Expected volatility	89.8 %	87.2 %
Risk-free interest rate	4.43 %	3.89 %
Dividend yield	0 %	0 %
Exercise Price	\$ 5.00	\$ 5.00

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Note 4. Acquisition of Intangible Assets

As of June 30, 2024, expected amortization expense relating to purchased intangible assets was as follows (in thousands):

Remainder of 2024	\$	450
2025		900
2026		825
Total future amortization	\$	<u>2,175</u>

The Company recorded amortization expense related to the acquired intangible assets of \$0.3 million and \$0.3 million each for the three months ended June 30, 2024 and June 30, 2023, respectively, and \$0.5 million each for the six months ended June 30, 2024, and June 30, 2023, respectively.

Note 5. Inventories

Inventories consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Raw materials	\$ 2,108	\$ 2,178
Work-in-progress	42	136
Finished goods	849	60
Total inventories	<u>\$ 2,999</u>	<u>\$ 2,374</u>

Note 6. Property, Plant and Equipment

Property, plant and equipment consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Computer equipment	\$ 3,007	\$ 2,795
Lab equipment	7,676	7,151
Leasehold improvements	3,324	3,148
Construction in progress	773	1,434
Testing equipment	1,854	1,455
Manufacturing equipment	5,768	4,269
Furniture, fixtures and other equipment	563	458
Total property, plant and equipment	<u>\$ 22,965</u>	<u>\$ 20,710</u>
Less: accumulated depreciation	<u>(10,810)</u>	<u>(8,596)</u>
Total property, plant and equipment, net	<u>\$ 12,155</u>	<u>\$ 12,114</u>

Depreciation related to property, plant, and equipment was \$1.2 million and \$1.0 million for the three months ended June 30, 2024 and June 30, 2023, respectively, and \$2.3 million and \$1.7 million for the six months ended June 30, 2024, and June 30, 2023, respectively.

Note 7. Other current assets

Other current assets consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Prepaid expenses	\$ 3,008	\$ 2,228
Contract assets	—	140
Vendor deposits	1,321	1,104
Other current assets	4,022	1,723
Total other current assets	<u>\$ 8,351</u>	<u>\$ 5,195</u>



Note 8. Other non-current assets

Other non-current assets consist of the following (in thousands):

	June 30, 2024	December 31, 2023
Non marketable equity investments	\$ 5,000	\$ 5,000
Security deposit	815	\$ 1,116
Other non-current assets	—	16
Total other non-current assets	<u>\$ 5,815</u>	<u>\$ 6,132</u>

In November 2023, the Company made an investment in 700,440 shares of preferred stock of a private company for a cash consideration of \$5.0 million, which is classified as non-marketable equity investment. The Company's investment in the private company represents less than 1% of total capitalization. The Company neither has significant influence over the private company nor does the investment amount to a controlling financial interest in the private company. The Company elected to apply the measurement alternative, and as such, records the investment at cost minus impairment, if any, plus or minus changes resulting from qualifying observable price changes in orderly transactions. During the period ended June 30, 2024, the Company did not identify any impairment or observable price changes for this non-marketable equity investment.

Note 9. Other current liabilities

Other current liabilities consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Litigation settlement	\$ 14,000	\$ —
Other current liabilities	5,046	2,524
Total other current liabilities	<u>\$ 19,046</u>	<u>\$ 2,524</u>

Note 10. Financing transaction*Private Investment*

On November 8, 2023, the Company entered into Subscription Agreements (the "Subscription Agreements") with entities affiliated with Sylebra Capital Limited ("Sylebra") and Adage Capital Management, providing for the purchase of an aggregate of 7,360,460 shares of the Company's common stock, \$0.0001 par value per share (the "PIPE Shares"), at a price of \$2.90 per PIPE Share for an aggregate purchase price of approximately \$21.4 million (the "Private Placement"). The PIPE Shares are recorded as outstanding common stock.

Standby Equity Purchase Agreement

On November 8, 2023, the Company also entered into a Standby Equity Purchase Agreement (the "Facility Agreement") with entities affiliated with Sylebra, pursuant to which the Company will have the right, but not the obligation to sell to Sylebra up to \$125 million of its shares of preferred stock, subject to satisfaction of certain conditions, by November 8, 2026. Each sale the Company requests under the Facility Agreement (each, an "Advance" and collectively, the "Advances") may be for a number of shares of preferred stock with an aggregate value of at least \$25.0 million but not more than \$50.0 million (except with Sylebra's consent).

When and if issued, the preferred stock will be issued at a price per share of \$10,000. Holders of the preferred stock will be entitled to a quarterly dividend at the rate of 7.0% per annum payable in cash or in kind at the option of the Company. The preferred stock will have an initial liquidation preference of \$12,000 per share, plus accrued dividends. The preferred stock will have no voting rights as a class or series except in such instances as required by Delaware law or certain matters enumerated in the facility agreement related to the protection of the preferred stock.

The preferred stock will be convertible at the option of the holders into the number of shares of Common Stock equal to \$10,000 divided by the then-applicable conversion price. At any time after the two year anniversary of any issuance of any series of preferred stock, the Company will have the option to convert all (but not less than all) of any series of then-outstanding preferred stock by paying a make-whole payment, in either stock or cash, equal to three years of dividends, provided that the closing price of the Common Stock exceeds 250% of the then-applicable conversion price for at least 20 out of 30 consecutive trading days prior to the date of conversion. To the extent, if any, a conversion would result in the holder thereof becoming the beneficial owner of more than 19.9% of the Company's outstanding Common Stock, the Company will issue the Investor Pre-Funded Warrant in the form attached to the Facility Agreement. The preferred stock will be subject to customary pre-emptive rights.

The Company's right to request Advances is conditioned upon the Company achieving a minimum of one new passenger auto-original equipment manufacturer ("OEM") or commercial OEM program award with at least a 50,000 unit volume, the trading price of the Common Stock

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being below \$15 at the time of the Advance request and other customary conditions. Prior to any Advance, the Company will assess its capital needs and other factors, including the impact of an Advance on the Company's outstanding executive pledge arrangements.

The preferred stock issued in connection with the facility agreement ranks senior to common stock upon the Company's liquidation, dissolution or winding up. The preferred stock is entitled to priority cumulative dividends which shall accrue daily from and after the original issue date of such share and shall compound on a quarterly basis on each dividend payment date. The accrued dividends shall in all cases be payable upon liquidation.

The Company shall pay dividends on each share of preferred stock in cash or in kind through issuance of shares of common stock with an aggregate value equal to the amount of the dividend to have been paid divided by the dividend conversion price. The board of directors of the Company may at its sole discretion elect to pay the dividends in cash in lieu of shares of common stock. The convertible redeemable preferred stock have no voting rights unless they are converted into shares of common stock.

Holders may, at their option, elect to convert some or all preferred stock held by such holder, at any time and from time to time prior to a change of control, into a number of shares of common stock per share of the preferred stock equal to (x) the quotient of the issuance price divided by the conversion price in effect at the time of conversion. At any time on or after the two-year anniversary of the issuance date, the Company shall have the right to redeem the preferred stock of any holder outstanding at such time at the issuance price plus three (3) years of dividend payment ("Redemption price"); provided, that (a) the closing price of a share of common stock exceeds 250% of the then-applicable conversion price per share for at least 20 out of 30 consecutive trading days prior to the redemption date and (b) a shelf registration statement that is required to be effective pursuant to the registration rights agreement on such date shall be effective on such date with respect to the applicable holder. The redemption price shall be payable in cash or in shares of common stock. Additionally, upon the occurrence of a change of control, the holders of preferred stock shall be entitled to receive in full a liquidating purchase in cash and in the amount per share of the preferred stock equal to the sum of (i) the liquidation preference plus (ii) accrued dividends with respect to such shares of preferred stock.

In connection with this financing, the Company also paid the entities affiliated with Sylebra, (a) a facility fee in the amount of \$2.5 million, (b) an origination fee in the amount of \$0.6 million, (c) an administrative fee in the amount of \$0.3 million and (d) fees and expenses of the investor and its counsel, of approximately \$0.4 million. The issuance costs related to the Facility Agreement were expensed as incurred as it failed to meet the equity classification guidance under ASC 815-40, and were deemed to be a derivative asset. The fair value of the derivative asset was not material as of and for the period ended June 30, 2024.

In addition, upon receipt of stockholder approval in December 2023, the Company issued to Sylebra 3,000,000 Series A Warrants to purchase shares of Common Stock at an exercise price of \$5.00. The Company analyzed the Series A Warrants and determined that they are freestanding and do not exhibit any of the characteristics within ASC 480, and as such do not meet the characteristics of a liability under ASC 480. However, Series A Warrants do not meet all requirements for equity classification under ASC 815, and therefore are classified as a liability on the Company's consolidated balance sheets.

As of June 30, 2024, the Company had 3,000,000 Series A Warrants outstanding. The Series A Warrants were issued as consideration for entering into the Facility Agreement as discussed above. Each Series A Warrant entitles the holder to purchase one share of the Company's common stock at a price of \$5.00 per share. Each Series A Warrant is currently exercisable and expires in December 2027. Holders shall not have the right to exercise the Series A Warrants to the extent that after giving effect to such exercise, such person would beneficially own in excess of 19.9% of the Company's outstanding common stock immediately after giving effect to such exercise.

The exercise price and number of shares of common stock issuable upon exercise of the Series A Warrants may be adjusted in certain circumstances including in the event of a stock dividend or split, subsequent rights offerings, pro rata purchases, merger, reorganization, recapitalization, or spin-off. However, the Series A Warrants will not be adjusted for issuances of shares of common stock at a price below their respective exercise prices. The Series A Warrants do not entitle the holders to any voting rights, dividends or other rights as a stockholder of the Company prior to being exercised for common stock.

Note 11. Capital Structure

As of June 30, 2024, the Company had authorized to issue up to 422,000,000 shares of common stock, each with a par value of \$0.0001 per share.

Preferred Stock

The Company is authorized to issue up to 10,000,000 shares of preferred stock, each with a par value of \$0.0001 per share. As of June 30, 2024 and December 31, 2023, no shares of preferred stock were issued and outstanding.

Warrants

As of June 30, 2024, the Company had 2,414,976 public and 76,800 private warrants outstanding. Each warrant entitles the registered holder to purchase one share of common stock at a price of \$57.50 per share. Additionally, the Company also issued 3,000,000 Series A Warrants in connection with the facility agreement. Each Series A Warrants entitles the registered holder to purchase one share of common stock at an exercise price of \$5.00 per share.

Note 12. Earnings (Loss) Per Share

The following table sets forth the computation of the basic and diluted net loss per share attributable to common stockholders for the periods presented (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator:				
Net loss attributable to common stockholders	\$ (43,393)	\$ (35,955)	(78,719)	(71,129)
Denominator:				
Weighted average shares of common stock outstanding — Basic	52,995,093	44,104,251	52,868,909	44,015,402
Dilutive effect of potential common stock	—	—	—	—
Weighted average shares of common stock outstanding — Diluted	52,995,093	44,104,251	52,868,909	44,015,402
Net loss per share attributable to common stockholders — Basic and Diluted	\$ (0.82)	\$ (0.82)	\$ (1.49)	\$ (1.62)

The following table presents the potential common shares outstanding that were excluded from the computation of diluted net loss per share of common stock as of the periods presented because including them would have been anti-dilutive:

	Six Months Ended June 30,	
	2024	2023
Common stock options issued and outstanding	2,380,423	2,598,123
Restricted stock units	6,998,973	5,186,667
Performance-based restricted stock units	1,911,765	1,911,765
Common stock warrants	2,491,776	2,491,776
Series A warrants	3,000,000	—
Total	16,782,937	12,188,330

Note 13. Stock-based Compensation
Stock Options

The Company maintains the 2016 Stock Incentive Plan and the 2021 Incentive Award Plan (the “Stock Plans”) under which incentive stock options, non-qualified stock options and restricted stock units (“RSU”) may be granted to employees. Under the Stock Plans, the Company has 1,726,347 shares available for issuance as of June 30, 2024.

Under the terms of the Stock Plans, incentive stock options must have an exercise price at or above the fair market value of the stock on the date of the grant, while non-qualified stock options are permitted to be granted below fair market value of the stock on the date of grant. The majority of stock options granted have service-based vesting conditions only. The service-based vesting conditions vary, typically stock options vest over four years with 25% of stock options vesting on the first anniversary of the grant and the remaining 75% vesting monthly over the remaining 36 months. Option holders have a ten-year period to exercise the options before they expire.

A summary of the Company’s stock option activity, for the six months ended June 30, 2024, was as follows:

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2023	2,414,730	\$ 2.79	5.73	\$ 4,004
Exercised	(33,909)	1.57	—	—
Forfeited	(398)	2.74	—	—
Outstanding as of June 30, 2024	2,380,423	\$ 2.81	5.25	\$ 1,341
Vested and exercisable as of June 30, 2024	2,322,245	\$ 2.51	5.18	\$ 1,341
Vested and expected to vest as of June 30, 2024	2,380,423	\$ 2.81	5.25	\$ 1,341

There were no options granted during the six months ended June 30, 2024. As of June 30, 2024, the Company had \$0.4 million of unrecognized stock-based compensation expense related to the stock options. This cost is expected to be recognized over a weighted-average period of 1.4 years.

Restricted Stock Units and Performance-based Restricted Stock Units (“PBRSU”)

In May 2023, the Company granted a total of 1,176,471 PBRsUs to certain executives that vest on achieving certain operational milestones as defined in the individual grant agreements subject to continued employment through 2025. Stock-based compensation expense is recognized over

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the expected performance achievement period of individual performance milestones when the achievement of each individual performance milestone becomes probable. If satisfaction of the performance condition is not probable, stock-based compensation cost recognition is deferred until it becomes probable. The Company reassesses the probability as to whether satisfaction of the performance condition is probable on a quarterly basis, and stock-based compensation cost is adjusted based on the portion of the requisite service provided. These PBRsUs neither carry rights to dividends nor voting rights until the shares are issued or transferred to the recipient. Awards are forfeited if an employee leaves the Company before the PBRsUs vest or the performance period lapses. The weighted-average grant date PBRsU fair value of \$5.10 per share is determined based upon the market closing price of the Company's common stock on the date of grant. As of June 30, 2024, the total unrecognized compensation expense related to the performance-based PBRsUs was \$1.1 million, which is expected to be amortized over a weighted-average period of 1.5 years.

In May 2023, the Company also granted a total of 735,294 market-based PBRsUs to certain executives that vest over a multi-year period, upon continued service and when the volume-weighted average price per share ("WVAP Average") of the Company's common stock for the preceding 30 consecutive trading days equals or exceeds the target stock price for the indicated year. The Company recognizes stock-based compensation based upon the grant date fair value on an accelerated attribution basis over the requisite service period of the award. Provided that the requisite service is rendered, the total fair value of the market-based PBRsUs at the date of grant is recognized as compensation expense even if the market condition is not achieved. However, the number of shares that ultimately vest can vary significantly with the achievement of the specified market criteria. These PBRsUs neither carry rights to dividends nor voting rights until the shares are issued or transferred to the recipient. Awards are forfeited if an employee leaves the Company before the PBRsUs vest. The weighted-average grant date fair value of the market-based PBRsUs was \$1.40 per share. The Company estimated the fair value of the market-based PBRsUs award on the grant date using the Monte Carlo simulation model with the following assumptions:

	June 30, 2024	
Expected term (years)		0.5 - 4.7
Expected volatility		70.9 %
Risk-free interest rate		3.29 %
Dividend yield		0 %
Share price	\$	5.10

As of June 30, 2024, the total unrecognized compensation expense related to the market-based PBRsUs was \$0.6 million, which is expected to be amortized over a weighted-average period of 2.8 years.

The following table summarizes our RSU activity for the six months ended June 30, 2024:

	Shares	Weighted Average Grant Date Fair Value per Share
Outstanding as of December 31, 2023	5,204,177	\$ 9.65
Granted	3,343,772	3.58
Released	(835,539)	12.86
Forfeited	(713,437)	8.80
Outstanding as of June 30, 2024	6,998,973	\$ 6.45

As of June 30, 2024, the Company had \$37.7 million of unrecognized stock-based compensation expense related to the RSUs. This cost is expected to be recognized over a weighted-average period of 2.7 years. The above table excludes 1,911,765 PBRsUs granted to certain executive officers during the year ended December 31, 2023, and outstanding as of the six months ended June 30, 2024.

Compensation expense

Total stock-based compensation expense by function was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cost of revenue	\$ 64	\$ 367	\$ 166	\$ 697
Research and development expenses	4,189	5,213	8,178	9,623
General and administrative expenses	913	1,216	1,820	2,335
Selling and marketing expenses	198	245	461	349
Total	\$ 5,364	\$ 7,041	\$ 10,625	\$ 13,004

Note 14. Income Taxes

There has historically been no federal or state provision for income taxes because the Company has historically incurred operating losses and maintains a full valuation allowance against its net deferred tax assets. For the six months ended June 30, 2024, the Company recognized a \$0.1 million provision for income taxes related to foreign operations.

The federal and state net operating loss carryforwards may be subject to significant limitations under Section 382 and Section 383 of the Internal Revenue Code of 1986, as amended, and similar provisions under state law. The Tax Reform Act of 1986 contains provisions that limit the federal net operating loss carryforwards that may be used in any given year in the event of special occurrences, including significant ownership changes. The Company has completed an analysis as of December 31, 2022 and doesn't expect any net operating loss carryforwards or tax credit carryforwards to expire due to a limitation.

Note 15. Commitments and Contingencies**Leases**

The weighted-average remaining lease terms were 1.7 years and 2.0 years as of June 30, 2024 and December 31, 2023, respectively. The weighted-average discount rates were 6.04% as of June 30, 2024 and December 31, 2023, respectively. Operating lease cost for the three months ended June 30, 2024, and 2023, was \$1.1 million and \$0.8 million, respectively. Operating lease cost for the six months ended June 30, 2024, and 2023, was \$2.1 million and \$1.8 million, respectively.

The following is a maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the operating lease liabilities as of June 30, 2024 (in thousands):

	Operating Leases
Remainder of 2024	\$ 1,995
2025	3,157
2026	728
Total minimum lease payments	5,880
Less: imputed interest	(276)
Total lease liability	\$ 5,605

Litigation

From time to time, the Company is involved in actions, claims, suits, and other proceedings in the ordinary course of business, including assertions by third parties relating to intellectual property infringement, breaches of contract or warranties, or employment-related matters. When it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated, the Company records a liability for such loss contingencies. The Company's estimates regarding potential losses and materiality are based on the Company's judgment and assessment of the claims utilizing currently available information. Although the Company will continue to reassess its reserves and estimates based on future developments, the Company's objective assessment of the legal merits of such claims may not always be predictive of the outcome and actual results may vary from the Company's current estimates.

Litigation – other matters

On March 7, 2024, a putative class action lawsuit was filed in the Court of Chancery of the State of Delaware against InterPrivate Acquisition Management LLC, InterPrivate LLC, and former directors and officers of InterPrivate Acquisition Corp ("IPV"). The lawsuit is captioned *Louis Smith v. Ahmed M. Fattouh, et al.*, (Del. Ch. 2024). On June 3, 2024, a second putative class action lawsuit was filed in the Court of Chancery of the State of Delaware against IPV and Soroush Salehian and Mina Rezk (collectively, the "Delaware Stockholder Litigation"). Among other remedies, the complaints seek damages and attorneys' fees and costs. In connection with IPV's March 12, 2021, business combination transaction with Aeva Inc., Aeva agreed to assume certain indemnification obligations to IPV's former directors and officers.

On July 2, 2024, the Company and the parties to the Delaware Stockholder Litigation entered into a term sheet, which is being memorialized into a formal settlement agreement and which will be subject to court approval, to fully and finally resolve the Delaware Stockholder Litigation. In connection with the settlement, the Company has agreed to pay a total settlement cost of \$14.0 million in exchange for a release of all claims related to the business combination and expects to recover \$2.5 million from insurance carrier. The settlement is being paid pursuant to the Company's indemnification obligations and from available director and officer insurance policies.

As of June 30, 2024, the Company has accrued a contingent liability of \$14.0 million in other current liabilities on the accompanying condensed consolidated balance sheets in connection with the settlement of the Delaware Stockholder Litigation, and a \$2.5 million insurance recovery in other current assets on the accompanying condensed consolidated balance sheets. The Company has also incurred legal expenses in connection with the Delaware Stockholder Litigation, which have been expensed as incurred and are included in general and administrative expenses in the accompanying condensed consolidated statements of operations and comprehensive loss.

Indemnifications

In the ordinary course of business, the Company is not subject to potential obligations under guarantees that fall within the scope of FASB ASC Guarantees, (Topic 460), except for standard indemnification provisions that are contained within many of the Company's customer agreements and give rise only to disclosure requirements prescribed by Topic 460. Indemnification provisions contained within the Company's customer agreements are generally consistent with those prevalent in the Company's industry. The Company has not incurred any obligations under customer indemnification provisions and does not expect to incur significant obligations in the future. Accordingly, the Company does not maintain accruals for potential customer indemnification obligations.

Note 16. Segment Information

The Company operates as one operating segment. Operating segments are defined as components of an enterprise for which separate financial information is evaluated regularly by the chief operating decision-maker ("CODM"), consisting of the Company's chief executive officer and the Company's chief technology officer as a group, in deciding how to allocate resources and assess the Company's financial and operational performance. In addition, the Company's CODM evaluates the Company's financial information and resources and assesses the performance of these resources on a consolidated basis. As a result, the Company has determined that the Company's business operates in a single operating segment. Since the Company operates as one operating segment, all required financial segment information can be found in the condensed consolidated financial statements.

Long-Lived Assets

The following table sets forth the Company's property and equipment, net by geographic region (in thousands):

	June 30, 2024	December 31, 2023
North America	\$ 7,948	\$ 8,675
Asia	4,207	3,439
Total	<u>\$ 12,155</u>	<u>\$ 12,114</u>

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

The following discussion of Aeva’s results of operations and financial condition should be read in conjunction with the information set forth in the condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q. This discussion may contain forward-looking statements based upon Aeva’s current expectations, estimates, and projections that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements due to, among other considerations, the matters discussed in Part I, Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 (the “2023 Form 10-K”) under the heading “Risk Factors” and “Special Note Regarding Forward-Looking Statements.” Unless the context otherwise requires, all references in this section to “we,” “our,” “us” “the Company” or “Aeva” refer to the business of Aeva Technologies, Inc., a Delaware corporation, and its subsidiaries.

On March 18, 2024, the Company filed a Certificate of Amendment to its Amended and Restated Certificate of Incorporation (the “Amendment”) with the Secretary of State of the State of Delaware to effect a 1-for-5 reverse stock split (the “Reverse Stock Split”) of the Company’s shares of common stock, \$0.0001 par value (the “Common Stock”). Pursuant to the Reverse Stock Split, every five (5) shares of issued and outstanding shares of common stock were combined into one (1) share of common stock. All share and per share amounts and related stockholders’ equity balances presented herein have been retroactively adjusted to reflect the Reverse Stock Split. There was no change to the shares authorized or in the par value per share of common stock of \$0.0001.

The Reverse Stock Split affected all stockholders uniformly and did not alter any stockholder’s percentage interest in the Company’s equity. The Company did not issue fractional shares in connection with the Reverse Stock Split. Stockholders who were otherwise entitled to fractional shares of common stock were instead entitled to receive a proportional cash payment. The number of shares of common stock issuable under our equity incentive plans and exercisable under the outstanding warrants were also proportionately adjusted.

Overview

Our vision is to bring perception to broad applications. Through our FMCW sensing technology, we believe we are introducing the world’s first 4D LiDAR-on-chip that, along with our proprietary software applications, has the potential to enable the adoption of LIDAR across broad applications.

Founded in 2017 by former Apple engineers Soroush Salehian and Mina Rezk and led by a multidisciplinary team of engineers and operators experienced in the field of sensing and perception, Aeva’s mission is to bring the next wave of perception technology to broad applications from automated driving to industrial automation, consumer device applications, and security. Our 4D LiDAR-on-chip combines silicon photonics technology that is proven in the telecom industry with precise instant velocity measurements and long-range performance for commercialization.

As a development stage company, we work closely with our customers on the development and commercialization of their programs and the utilization of our products in such programs. Thus far, our customers have purchased prototype products and engineering services from us for use in their research and development programs. We are expanding our manufacturing capacity through third-party manufacturers to meet our customers’ anticipated demand for the production of our products.

Unlike legacy 3D LiDAR, which relies on Time-of-Flight (“ToF”) technology and measures only depth and reflectivity, Aeva’s solution leverages a proprietary FMCW technology to measure velocity in addition to depth, reflectivity and inertial motion. We believe the ability of Aeva’s solution to measure instant velocity for every pixel is a major advantage over ToF-based sensing solutions. Furthermore, Aeva’s technology is free from interference from other LiDAR and sunlight, and our core innovations within FMCW are intended to enable autonomous vehicles to see at significantly higher distances of up to 500 meters.

We believe Aeva is uniquely positioned to provide a superior solution with the potential to enable higher level of automation for vehicles. Furthermore, we believe the advantages of our 4D LiDAR-on-chip allow us to provide the first LiDAR solution that is fully integrated onto a chip with superior performance at scale, with the potential to drive new categories of perception across industrial automation, consumer devices, and security markets.

Key Factors Affecting Aeva’s Operating Results

Aeva believes that its future performance and success depends to a substantial extent on its ability to capitalize opportunities, which in turn is subject to significant risks and challenges, including those discussed in Part I, Item 1A of the 2023 Form 10-K under the heading “Risk Factors.”

Pricing, Product Cost and Margins. Our pricing and margins will depend on the volumes and the features, as well as specific market applications of the solutions we provide to our customers. We have customers with technologies in various stages of development across different market segments. We anticipate that our prices will vary by market and application due to market-specific product and commercial requirements, supply and demand dynamics and product lifecycles.

Aeva’s future performance will depend on its ability to deliver on economies of scale. Our customers will require that our perception solutions be manufactured and sold at per-unit prices that are competitive. Our ability to compete in key markets will depend on the success of our efforts to efficiently and reliably produce cost-effective perception solutions that are competitively priced and affordable for our commercial-stage customers.

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Additionally, the macroeconomic conditions in the industry, the growing emergence of competition in advanced assisted driving sensing and software technologies globally can negatively impact pricing, margins and market share. If Aeva does not generate the margins it expects upon commercialization of its perception solutions, Aeva may be required to raise additional debt or equity capital, which may not be available or may only be available on terms that are onerous to Aeva's stockholders.

Commercialization of LiDAR-based Applications. We expect that our results of operations, including revenue and gross margins, will fluctuate on a quarterly basis for the foreseeable future as our customers continue on research and development projects and begin to commercialize advanced driver assist, autonomous and industrial automation solutions that rely on LiDAR technology. As more customers reach the commercialization phase and as the market for LiDAR solutions matures, these fluctuations in our operating results may become less pronounced.

Sales Volume. Each product program will have an expected range of sales volumes, depending on the end market demand for our customers' products as well as market application. This can depend on several factors, including market penetration, product capabilities, size of the end market that the product addresses and our end customers' ability to sell their products. In addition to end market demand, sales volumes also depend on whether our customer is in the development or production phase. In certain cases, we may provide volume discounts or strategic customer pricing on sales of our solutions, which may or may not be offset by lower manufacturing costs related to higher volumes which in turn could adversely impact our gross margins. Aeva's ability to ultimately achieve profitability is dependent upon progression of existing relationships to production and our ability to meet required volumes and required cost targets and gross margins. Delays of our current and future customers' programs could result in Aeva being unable to achieve its revenue targets and profitability in the time frame it anticipates. Such delays could result in Aeva requiring to raise additional debt or equity capital, which may not be available or may only be available on terms that are onerous to Aeva's stockholders.

Basis of Presentation

Our condensed consolidated financial statements include the accounts of our wholly owned subsidiaries. We have eliminated intercompany accounts and transactions.

Components of Results of Operations

Revenue

Revenue consists of sales of perception solutions or sensing systems and non-recurring engineering services.

Aeva is engaged in design, manufacturing and sale of LiDAR sensing systems and related perception and autonomy-enabling software solutions serving customers in automotive, industrial, and other markets. Under the customer agreements, Aeva delivers a specified number of sensing systems at a fixed price under customary terms and conditions. The sensing system units sold under these agreements are typically prototypes that are used by the customer for its research, development, evaluation, pilot, or testing purposes. Aeva also enters into non-recurring engineering service arrangements with certain of its customers to customize Aeva's perception solution to meet customer specific requirements.

Cost of revenue and gross profit

Cost of revenue principally includes direct material, direct labor and allocation of overhead associated with manufacturing operations, including inbound freight charges and depreciation expense. Cost of revenue also includes the direct cost and appropriate allocation of overhead involved in execution of non-recurring engineering services. Aeva's gross profit equals total revenue less total cost of revenue.

Operating expenses

Research and development expenses

Aeva's research and development efforts are focused on enhancing and developing additional functionality for its existing products and on new product development. Research and development expenses consist primarily of:

- Personnel-related expenses, including salaries, benefits, and stock-based compensation expense, for personnel in Aeva's research and engineering functions; and
- Expenses related to materials, software licenses, supplies, and third-party services.

Aeva recognizes research and development expenses as incurred.

General and administrative expenses

General and administrative expenses consist of personnel and personnel-related expenses, including salaries, benefits, and stock-based compensation expense of Aeva's executive, finance, information systems, human resources, and legal teams, as well as legal and accounting fees for professional and contract services.

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Selling and marketing expenses

Selling and marketing expenses consist of personnel and personnel-related expenses, including salaries, benefits, and stock-based compensation expense of Aeva's business development team as well as advertising and marketing expenses. These include the cost of trade shows, promotional materials, and public relations.

Interest income and Interest expense

Interest income consists primarily of income earned on Aeva's cash equivalents and investments in marketable securities. Interest income will vary based on Aeva's cash equivalents and marketable securities balance and changes in the interest rates.

Other income and expense

Other income and expense primarily consist of changes in the fair value of Series A warrants fair value of private placement warrants and, foreign currency transaction gains and losses, and realized gains and losses on marketable securities.

Results of Operations

Comparison of the Three Months Ended June 30, 2024, and 2023

The results of operations presented below should be reviewed in conjunction with the financial statements and notes included elsewhere in this quarterly statement. The following table sets forth Aeva's results of operations data for the periods presented:

	Three Months Ended June 30,		Change \$	Change %
	2024	2023		
	(in thousands, except percentages)			
Revenue	\$ 2,012	\$ 743	1,269	171 %
Cost of revenue	2,860	2,661	199	7 %
Gross loss	(848)	(1,918)	1,070	(56) %
Operating expenses:				
Research and development expenses	26,196	27,065	(869)	(3) %
General and administrative expenses	8,663	7,713	950	12 %
Selling and marketing expenses	1,706	1,485	221	15 %
Litigation settlement, net	11,500	—	11,500	100 %
Total operating expenses	48,065	36,263	11,802	33 %
Loss from operations	(48,913)	(38,181)	(10,732)	28 %
Interest income	2,099	2,225	(126)	(6) %
Other income, net	3,544	1	3,543	354,294 %
Net loss before taxes	(43,270)	(35,955)	(7,315)	20 %
Income tax provision	123	—	123	100 %
Net loss	\$ (43,393)	\$ (35,955)	(7,438)	21 %

Revenue

Revenue increased by \$1.3 million or 171% during the three months ended June 30, 2024 as compared to the three months ended June 30, 2023. The increase was primarily due to an increase in the total number of units sold and non-recurring engineering services which is dependent upon the timing of the work performed for our customers. This increase was partially offset by a decrease in the per unit average selling price of the units sold.

Cost of revenue

Cost of revenue increased by \$0.2 million or 7%, during the three months ended June 30, 2024, from the three months ended June 30, 2023. The increase was primarily due to an increase in non-recurring services during the current period as compared to the prior period.

Operating expenses

Research and development expenses

Research and development expenses decreased by \$0.9 million, or 3%, to \$26.2 million for the three months ended June 30, 2024, from \$27.1 million for the three months ended June 30, 2023. Research and development expenses decreased primarily due to a decrease of \$1.6 million in material expenses related to product development and a \$0.1 million decrease in employee related expenses, partially offset by a \$0.4 million increase in software subscription expenses, a \$0.3 million increase in consulting expenses, and a \$0.1 million increase in facility related expenses.

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General and administrative expenses

General and administrative expenses increased by \$1.0 million, or 12%, to \$8.7 million for the three months ended June 30, 2024, from \$7.7 million for the three months ended June 30, 2023. Legal expenses increased by \$0.6 million, payroll expenses increased by \$0.7 million, facility related expenses increased by \$0.3 million and travel expenses increased by \$0.1 million, partially offset by a decrease in insurance expenses by \$0.2 million, a decrease in stock-based compensation expenses by \$0.3 million, and a decrease in recruiting expenses by \$0.2 million.

Selling and marketing expenses

Selling and marketing expenses increased by \$0.2 million, or 15%, to \$1.7 million for the three months ended June 30, 2024, from \$1.5 million for the three months ended June 30, 2023. The increase was primarily due to an increase in payroll related expense.

Litigation settlement, net

During the three months ended June 30, 2024, the Company recorded a litigation settlement expense (net) of \$11.5 million, related to the Delaware Stockholder Litigation (See Note 15 to our condensed consolidated financial statements).

Interest income

Interest income decreased by \$0.1 million, or 6%, during the three months ended June 30, 2024, as compared to the three months ended June 30, 2023. The decrease was due to a decrease in the overall balance of interest-bearing cash equivalents and marketable securities for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023, due to net cash used in operating activities, partially offset by higher yield on interest bearing securities.

Other income, net

Other income increased by \$3.5 million for the three months ended June 30, 2024 primarily due to changes in the fair value of Series A warrants.

Results of Operations

Comparison of the Six Months Ended June 30, 2024, and 2023

The results of operations presented below should be reviewed in conjunction with the financial statements and notes included elsewhere in this quarterly statement. The following table sets forth Aeva's results of operations data for the periods presented:

	Six Months Ended June 30,		Change \$	Change %
	2024	2023		
	(in thousands, except percentages)			
Revenue	\$ 4,119	\$ 1,891	2,228	118 %
Cost of revenue	6,359	5,190	1,169	23 %
Gross loss	(2,240)	(3,299)	1,059	(32) %
Operating expenses:				
Research and development expenses	51,208	52,519	(1,311)	(2) %
General and administrative expenses	17,074	15,546	1,528	10 %
Selling and marketing expenses	4,235	4,083	152	4 %
Litigation settlement, net	11,500	—	11,500	100 %
Total operating expenses	84,017	72,148	11,869	16 %
Loss from operations	(86,257)	(75,447)	(10,810)	14 %
Interest income	4,557	4,289	268	6 %
Other income, net	3,104	29	3,075	10,602 %
Net loss before taxes	(78,596)	(71,129)	(7,467)	10 %
Income tax provision	123	—	123	100 %
Net loss	\$ (78,719)	\$ (71,129)	\$ (7,590)	11 %

Revenue

Revenue increased by \$2.2 million, or 118% during the six months June 30, 2024, as compared to the six months ended June 30, 2023. The increase was primarily due to an increase in units sold and non-recurring engineering services, which is dependent upon the timing of the work performed for our customers as compared to the prior period. The increase was partially offset by a decrease in per unit average selling price of the units sold.

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Cost of revenue

Cost of revenue increased by \$1.2 million, or 23%, during the six months ended June 30, 2024, from the six months ended June 30, 2023. The increase was primarily due to an increase in the sale of the prototype units sold in 2024 as compared to 2023 and increase in cost of revenue related to the non-recurring services revenue.

Operating expenses

Research and development expenses

Research and development expenses decreased by \$1.3 million, or 2%, to \$51.2 million for the six months ended June 30, 2024, from \$52.5 million for the six months ended June 30, 2023. Research and development expenses decreased primarily due to a lower material cost related to research and development. Research material cost decreased by \$3.9 million, stock-based compensation expenses decreased by \$1.4 million, legal expenses decreased by \$0.2 million and other employee related expenses decreased by \$0.2 million. This was partially offset by a \$2.3 million increase in payroll related expenses, a \$0.9 million increase in research and development service expenses, a \$0.4 million increase in depreciation, a \$0.5 million increase in software subscription expense, and a \$0.3 million increase in facility and other expenses.

General and administrative expenses

General and administrative expenses increased by \$1.6 million, or 10%, for the six months ended June 30, 2024, as compared to the six months ended June 30, 2023. General and administrative expenses increased primarily due to an increase in employees related expenses of \$1.4 million, legal expense increase by \$0.7 million, professional fees increased by \$0.4 and travel expenses increased by \$0.1 million, partially offset by a \$0.6 million decrease in insurance expense, a \$0.3 million decrease in depreciation and a \$0.1 million decrease in recruiting expenses.

Selling and marketing expenses

Selling and marketing expenses increased by \$0.1 million, or 4%, to \$4.2 million for the six months ended June 30, 2024, from \$4.1 million for the six months ended June 30, 2023. The increase was primarily due to an increase in payroll related expenses.

Litigation settlement, net

During the six months ended June 30, 2024, the Company recorded a litigation settlement expense (net) of \$11.5 million, related to the Delaware Stockholder Litigation (See Note 15 to our condensed consolidated financial statements).

Interest income

Interest income increased by \$0.3 million, or 6%, during the six months ended June 30, 2024, as compared to the six months ended June 30, 2023. The increase was due to change in the interest rate during the six months ended June 30, 2024, as compared to the six months ended June 30, 2023, partially offset by a decrease in the overall balance of interest-bearing cash equivalents and marketable securities.

Other income, net

Other income increased by \$3.1 million for the six months ended June 30, 2024, primarily due to a change in in the fair value of Series A warrant liability.

Liquidity and Capital Resources

Sources of Liquidity

Aeva's capital requirements will depend on many factors, including sales volume, the timing and extent of spending to support research and development efforts, investments in information technology systems, the expansion of sales and marketing activities, and market adoption of new and enhanced products and features. As of June 30, 2024, Aeva had cash, cash equivalents and marketable securities totaling \$160.2 million.

On November 8, 2023, the Company entered into Subscription Agreements providing for the purchase of common stock resulting in net proceeds of \$20.6 million ("November PIPE"). Also on November 8, 2023, the Company entered into a Standby Equity Purchase Agreement (the "Facility Agreement") with entities affiliated with Sylebra. Pursuant to the Facility Agreement, the Company will have the right, but not the obligation, to sell to Sylebra up to \$125.0 million shares of its preferred stock, at the Company's request until November 8, 2026. Each sale the Company requests under the Facility Agreement may be for a number of shares of preferred stock with an aggregate value of at least \$25.0 million but not more than \$50.0 million (except with Sylebra's consent). The Company paid Sylebra a facility fee in the amount of \$2.5 million, an origination fee in the amount of \$0.6 million, and an administrative fee in the amount of \$0.3 million and reimbursed \$0.4 million to Sylebra for its fees and expenses. In addition, the Company issued to Sylebra a Series A Warrants to purchase 3,000,000 shares of Common Stock at an exercise price of \$5.00.

During the period, the Company has accrued a contingent liability of \$14.0 million connection with the settlement of the Delaware Stockholder Litigation, and a \$2.5 million insurance recovery (See Note 15 to our condensed consolidated financial statements).

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Aeva expects current cash, cash equivalents, and marketable securities will be sufficient to fund its near term cash needs but will be required to raise additional capital or draw on the Facility Agreement (see Note 10 to our condensed consolidated financial statements) unless Aeva is able to generate sufficient revenue from the sale of its products to cover operating expense, working capital and capital expenditures.

Aeva has incurred negative cash flows from operating activities and losses from operations in the past as reflected in its accumulated deficit of \$538.3 million as of June 30, 2024. Aeva expects to continue to incur operating losses due to continued investments that it intends to make in its business, including development of products. Aeva believes that existing cash and cash equivalent and marketable securities will be sufficient to fund operating and capital expenditure requirements through at least 12 months from the date of issuance of these financial statements.

Cash Flow Summary

The following table summarizes our cash flows for the periods presented:

	Six Months Ended June 30,	
	2024	2023
	(in thousands)	
Cash used in operating activities	\$ (60,127)	\$ (63,419)
Cash provided by investing activities	45,441	30,580
Net cash (used in) provided by financing activities	(239)	96
Net decrease in cash and cash equivalents	<u>\$ (14,925)</u>	<u>\$ (32,743)</u>

Operating Activities

For the six months ended June 30, 2024, net cash used in operating activities was \$60.1 million, attributable to a net loss of \$78.7 million and a net change in net operating assets and liabilities of \$8.0 million, partially offset by non-cash charges of \$10.6 million. Non-cash charges primarily consisted of \$10.6 million in stock-based compensation, \$2.8 million in depreciation and amortization expense, \$1.7 million in amortization of right of use assets and \$0.7 million in inventory reserves and others, partially offset by \$3.1 million change in the fair value of warrant liability and by a \$2.1 million in amortization of premium and accretion of discount on available for sale securities. The change in net operating assets and liabilities was primarily due to a \$16.5 million increase in other current liabilities is primarily due to a \$14.0 million accrual for litigation settlement cost, a \$0.3 million decrease in other non-current assets, a \$0.2 million increase in accounts payable and \$0.3 million increase in accrued liabilities, partially offset by a \$3.0 million decrease in accrued employee cost, a \$3.2 million increase in other current assets, a \$1.7 million decrease in lease liability, a \$1.2 million increase in inventories and a \$0.2 million increase in accounts receivable.

Investing Activities

For the six months ended June 30, 2024, net cash provided by investing activities was \$45.4 million, attributable to maturity of available-for-sale investments of \$99.9 million, partially offset by purchase of investments of \$52.1 million and purchase of property, plant and equipment of \$2.4 million.

Financing Activities

For the six months ended June 30, 2024, net cash used in financing activities was attributable to payment of taxes withheld on net settled vesting of restricted stock units.

Off-Balance Sheet Arrangements

As of June 30, 2024, Aeva has not engaged in any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Critical Accounting Policies and Estimates

Aeva prepares its financial statements in accordance with U.S. GAAP. The preparation of these financial statements requires the Company to make estimates, assumptions and judgments that can significantly impact the amounts Aeva reports as assets, liabilities, revenue, costs and expenses and the related disclosures. Aeva bases its estimates on historical experience and other assumptions that it believes are reasonable under the circumstances. Aeva's actual results could differ significantly from these estimates under different assumptions and conditions. Aeva believes that the accounting policies discussed below are critical to understanding its historical and future performance as these policies involve a greater degree of judgment and complexity.

For the six months ended June 30, 2024 there were no significant changes to our critical accounting policies and estimates. For a more detailed discussion of our critical accounting policies and estimates, please refer to our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and Note 1 of the notes to condensed consolidated financial statements included in this Form 10-Q.

Recent Accounting Pronouncements

See Note 1 to Aeva's financial statements included elsewhere in this Quarterly Report on Form 10-Q for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of the date of this Quarterly Report on Form 10-Q.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Aeva is exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in interest rates. There has been no material change in our exposure to market risks from that discussed in Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” of the 2023 Form 10-K.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2024. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Based on the evaluation of our disclosure controls and procedures as of June 30, 2024, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in internal control over financial reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent limitation on the effectiveness of internal control

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, the Company may be involved in actions, claims, suits and other proceedings in the ordinary course of business, including assertions by third parties relating to intellectual property infringement, breaches of contract or warranties or employment-related matters. Information regarding legal proceedings is provided in this Quarterly Report in “Notes to Condensed Consolidated Financial Statements, Note 15 Commitments and Contingencies.”

Item 1A. Risk Factors.

The Company’s business, reputation, results of operations and financial condition, as well as the price of the Company’s stock, can be affected by a number of factors, whether currently known or unknown, including those described in Part I, Item 1A of the 2023 Form 10-K under the heading “Risk Factors.” When any one or more of these risks materialize from time to time, the Company’s business, reputation, results of operations and financial condition, as well as the price of the Company’s stock, can be materially and adversely affected. There have been no material changes to the Company’s risk factors since the 2023 Form 10-K.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

10b5-1 Trading Plans

During the fiscal quarter ended June 30, 2024, no Section 16 director or officer adopted, modified, or terminated a “Rule 10b5-1 trading arrangement” (as defined in Item 408 of Regulation S-K of the Exchange Act), except as follows:

On June 4, 2024, Stephen Zadesky, one of our directors, adopted a Rule 10b5-1 Trading Plan. Mr. Zadesky’s Rule 10b5-1 trading arrangement provides for the potential sale of up to 14,851 shares of our common stock, subject to certain conditions. The arrangement’s expiration date is March 31, 2025.

There were no “non-Rule 10b5-1 trading arrangements” (as defined in Item 408 of Regulation S-K of the Exchange Act) adopted, modified or terminated during the fiscal quarter ended June 30, 2024 by our directors and Section 16 officers.

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Item 6. Exhibits.

Exhibit Number	Description
3.1	Second Amended and Restated Certificate of Incorporation of Aeva Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed by the Registrant on March 18, 2021).
3.2	Amended and Restated By-laws of Aeva Technologies, Inc. (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed by the Registrant on March 18, 2021).
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal 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 Principal 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 as its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

Indicates a management contract or any compensatory plan, contract or arrangement.

† Schedules and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(2). The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

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 thereunto duly authorized.

AEVA TECHNOLOGIES, INC.

Date: August 8, 2024

By: _____
/s/Soroush Salehian Dardashti
Soroush Salehian Dardashti
Chief Executive Officer

Date: August 8, 2024

By: _____
/s/ Saurabh Sinha
Saurabh Sinha
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Aeva Technologies, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (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 result of operations of the Company.

Date: August 8, 2024

By: _____
/s/ Soroush Salehian Dardashti
Soroush Salehian Dardashti
Chief Executive Officer and Director
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Aeva Technologies, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (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 result of operations of the Company.

Date: August 8, 2024

By: _____ /s/ Saurabh Sinha
Saurabh Sinha
Chief Financial Officer
(Principal Financial and Accounting Officer)
