

**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 March 31, 2022

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 checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input 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 May 2, 2022, the registrant had 216,703,019 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, the expected impact of the COVID-19 pandemic on our operations, 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, 2021 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)

	March 31, 2022	December 31, 2021
Assets		
Cash and cash equivalents	\$ 62,499	\$ 66,810
Marketable securities	351,988	378,200
Accounts receivable	211	2,341
Inventories	1,926	2,063
Other current assets	8,667	9,070
Total current assets	<u>425,291</u>	<u>458,484</u>
Operating lease right-of-use assets	9,577	10,284
Property, plant and equipment, net	7,279	5,136
Intangible assets, net	4,200	4,425
Other noncurrent assets	860	859
Total assets	<u>\$ 447,207</u>	<u>\$ 479,188</u>
Liabilities, convertible preferred stock and stockholders' equity		
Accounts payable	\$ 6,645	\$ 4,386
Accrued liabilities	2,671	4,110
Accrued employee costs	1,109	2,196
Lease liability, current portion	2,929	2,872
Other current liabilities	234	733
Total current liabilities	<u>13,588</u>	<u>14,297</u>
Lease liability, noncurrent portion	6,702	7,455
Warrant liability	426	1,060
Total liabilities	<u>20,716</u>	<u>22,812</u>
Commitments and contingencies (Note 14)		
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; 216,644 and 214,997 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	22	21
Additional paid-in capital	625,567	619,841
Accumulated other comprehensive loss	(2,979)	(524)
Accumulated deficit	(196,119)	(162,962)
Total stockholders' equity	<u>426,491</u>	<u>456,376</u>
Total liabilities, convertible preferred stock and stockholders' equity	<u>\$ 447,207</u>	<u>\$ 479,188</u>

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

	Three Months Ended March 31,	
	2022	2021
Revenues:		
Product	\$ 211	\$ 293
Professional service	926	15
Total revenues	<u>1,137</u>	<u>308</u>
Cost of revenues:		
Product	920	180
Professional service	455	—
Total cost of revenues	<u>1,375</u>	<u>180</u>
Gross profit	(238)	128
Operating expenses:		
Research and development expenses	25,315	11,379
General and administrative expenses	6,872	8,217
Selling and marketing expenses	1,648	659
Total operating expenses	<u>33,835</u>	<u>20,255</u>
Operating loss	(34,073)	(20,127)
Interest income	283	3
Other income, net	633	666
Loss before income taxes	(33,157)	\$ (19,458)
Income taxes	—	—
Net loss	<u>\$ (33,157)</u>	<u>\$ (19,458)</u>
Unrealized loss on available-for-sale securities	(2,455)	(29)
Total comprehensive loss	<u>(35,612)</u>	<u>(19,487)</u>
Net loss per share, basis and diluted	<u>(0.15)</u>	<u>(0.12)</u>
Weighted-average shares used in computing net loss per share, basic and diluted	<u>216,017,186</u>	<u>163,955,593</u>

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

	<u>Convertible preferred stock</u>		<u>Common stock</u>		<u>Additional paid-in capital</u>	<u>Accumulated Other Comprehensive loss</u>	<u>Accumulated deficit</u>	<u>Total stockholders' equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>				
Balance at December 31, 2021	—	\$ —	214,997,014	\$ 21	\$ 619,841	\$ (524)	\$ (162,962)	\$ 456,376
Share-based compensation	—	—	—	—	5,784	—	—	5,784
Issuance of common stock upon exercise of stock options	—	—	1,029,266	1	185	—	—	186
Issuance of common stock upon release of restricted stock units	—	—	671,621	—	—	—	—	—
Shares withheld for the withholding tax on vesting of restricted stock units	—	—	(53,553)	—	(244)	—	—	(244)
Issuance of common stock upon exercise of warrants	—	—	120	—	1	—	—	1
Unrealized loss on available-for-sale securities	—	—	—	—	—	(2,455)	—	(2,455)
Net loss	—	—	—	—	—	—	(33,157)	(33,157)
Balance as of March 31, 2022	—	\$ —	216,644,468	\$ 22	\$ 625,567	\$ (2,979)	\$ (196,119)	\$ 426,491

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

	Convertible preferred stock		Common stock		Additional paid-in capital	Accumulated Other Comprehensive loss	Accumulated deficit	Total stockholders' equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2020 (as previously reported)	8,606,780	\$ 79,204	8,069,693	\$ 9	\$ 8,784	\$ —	\$ (61,084)	\$ (52,291)
Retroactive application of recapitalization (Note 2)	(8,606,780)	(79,204)	143,295,816	6	79,198	—	—	\$ 79,204
Balance at December 31, 2020, as adjusted (Note 2)	—	—	151,365,509	15	87,982	—	(61,084)	26,913
Share-based compensation	—	—	—	—	4,513	—	—	4,513
Issuance of common stock upon exercise of stock options	—	—	701,139	—	198	—	—	198
Business combination and PIPE financing, net of acquired private placement warrant of \$3,014	—	—	59,343,104	6	557,757	—	—	557,763
Offering cost in connection with Business combination and PIPE financing	—	—	—	—	(47,983)	—	—	(47,983)
Issuance of common stock upon release of restricted stock units	—	—	41,408	—	—	—	—	—
Unrealized loss on available-for-sale securities	—	—	—	—	—	(29)	—	(29)
Net loss	—	—	—	—	—	—	(19,458)	(19,458)
Balance as of March 31, 2021	—	\$ —	211,451,160	\$ 21	\$ 602,467	\$ (29)	\$ (80,542)	\$ 521,917

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

	Three Months Ended March 31,	
	2022	2021
Cash flows from operating activities:		
Net loss	\$ (33,157)	\$ (19,458)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	630	215
Change in fair value of warrant liability	(634)	(668)
Stock-based compensation	5,784	4,513
Impairment of inventories	767	—
Amortization of right-of-use assets	707	223
Amortization of premium on available-for-sale securities	435	—
Changes in operating assets and liabilities:		
Accounts receivable	2,130	(104)
Inventories	(312)	(310)
Other current assets	403	(258)
Other noncurrent assets	(1)	(296)
Accounts payable	1,890	964
Accrued liabilities	(2,653)	872
Accrued employee costs	(1,332)	(358)
Lease liability	(696)	(141)
Other current liabilities	(499)	9
Net cash used in operating activities	<u>(26,538)</u>	<u>(14,797)</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,283)	(669)
Purchase of available-for-sale securities	(82,284)	(53,501)
Proceeds from maturities of available-for-sale securities	105,607	—
Net cash provided by (used in) investing activities	<u>22,040</u>	<u>(54,170)</u>
Cash flows from financing activities:		
Proceeds from business combination and private offering	—	560,777
Transaction costs related to business combination and private offering	—	(47,228)
Proceeds from exercise of warrants	1	—
Proceeds from exercise of stock options	186	198
Net cash provided by financing activities	<u>187</u>	<u>513,747</u>
Net increase (decrease) in cash and cash equivalents	(4,311)	444,781
Beginning cash and cash equivalents	66,810	24,624
Ending cash and cash equivalents	\$ 62,499	\$ 469,405
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ —	\$ —
Cash paid for income taxes	\$ —	\$ —
Supplemental disclosures of non-cash investing and financing activities:		
Changes in purchases of property and equipment recorded in accounts payable and accrued liabilities	\$ 1,265	\$ 215
Taxes withheld on net settled vesting of restricted stock units	\$ 244	\$ —
Offering costs included in accounts payable and accrued liabilities	\$ —	\$ 534
Private placement of warrants acquired as part of merger	\$ —	\$ 3,014
Right-of-use asset obtained in exchange for lease liability	\$ —	\$ 4,692
Non-cash lease adoption	\$ —	\$ 1,665

AEVA TECHNOLOGIES, INC.
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.

On March 12, 2021 (the “Closing Date”), Aeva, Inc. consummated a 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”)) pursuant to the Business Combination Agreement dated as of November 2, 2020 (the “BCA”), by and among IPV, WLLY Merger Sub Corp., a wholly owned subsidiary of IPV, and Aeva, Inc. Immediately upon the consummation of the Business Combination, WLLY Merger Sub Corp. merged with and into Aeva, Inc., with Aeva, Inc. surviving the merger as a wholly owned subsidiary of IPV. IPV changed its name to Aeva Technologies, Inc. and the pre-combination Aeva retained its name of Aeva, Inc. Unless the context otherwise requires, “we,” “us,” “our,” “Aeva,” and the “Company” refers to Aeva Technologies Inc., the combined company and its subsidiaries following the Business Combination.

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

Basis of Presentation

The Business Combination is accounted for as a reverse recapitalization as the pre-combination Aeva was determined to be the accounting acquirer under Financial Accounting Standards Board (“FASB”)’s Accounting Standards Codification (“ASC”) Topic 805, Business Combinations (“ASC 805”). The determination is primarily based on the evaluation of the following facts and circumstances:

- the equity holders of the pre-combination Aeva hold the majority of voting rights in the Company;
- the board of directors of the pre-combination Aeva represent a majority of the members of the board of directors of the Company;
- the senior management of the pre-combination Aeva became the senior management of the Company; and
- the operations of the pre-combination Aeva comprise the ongoing operations of the Company.

In connection with the Business Combination, outstanding capital stock of the pre-combination Aeva was converted into common stock of the Company, par value \$0.0001 per share, representing a recapitalization, and the net assets of the Company were acquired at historical cost, with no goodwill or intangible assets recorded. The pre-combination Aeva was deemed to be the predecessor of the Company, and the consolidated assets and liabilities and results of operations prior to the Closing Date are those of the pre-combination Aeva. The shares and corresponding capital amounts and net loss per share available to common stockholders, prior to the Business Combination, have been retroactively restated as shares reflecting the exchange ratio established in the BCA. The number of shares of preferred stock was also retroactively converted into common shares based on the exchange ratio.

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.

Principal of Consolidation and Liquidity

The condensed consolidated financial statements are prepared in accordance with U.S. GAAP. The consolidated condensed 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 and issuances of stock. As of March 31, 2022, the Company’s existing sources of liquidity included cash and cash equivalents and marketable securities of \$414.5 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 \$196.1 million as of March 31, 2022. 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 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.

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.

The COVID-19 pandemic has disrupted everyday life and markets worldwide, leading to significant business and supply-chain disruption, as well as broad-based changes in supply and demand. While the quarantine, social distancing and other regulatory measures instituted or recommended in response to COVID-19 are expected to be temporary, the duration of the business disruptions, and related financial impact, cannot be estimated at this time. Nevertheless, COVID-19 presents material uncertainty and risk with respect to the Company, its performance, and its financial results and could adversely affect the Company's financial information.

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. Risks associated with cash and cash equivalents are mitigated by banking with creditworthy institutions and the Company's marketable securities having investment-grade ratings when purchased.

The Company's accounts receivable are derived from customers located in the United States, 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 March 31, 2022, four customers accounted for 83% of the accounts receivable. As of December 31, 2021, one customer accounted for 90% of accounts receivable. As of March 31, 2022, two vendors accounted for 33% of accounts payable. As of December 31, 2021, two vendors accounted for 37% of accounts payable.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include professional services revenue, valuation allowance for deferred tax assets, stock-based compensation, useful lives of property and equipment, useful lives of intangible assets, accrued liabilities, incremental borrowing rate for leases, and the valuation of the private warrants. The Company bases its estimates on historical experience and also on assumptions that it believes are reasonable. Actual results could differ from those estimates, and such differences could be material to the Company's financial condition and results of operations.

Fair Value of Financial Instruments

The Company's cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to their short maturities.

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines the fair value of its financial instruments based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2 – Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and

Level 3 – Unobservable inputs that are significant to the measurement of the fair value of the assets or liabilities that are supported by little or no market data.

Leases

The Company adopted Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842) using the modified retrospective approach with a cumulative-effect adjustment as of January 1, 2021. Upon adoption of Topic 842, the Company recorded operating right-of-use assets of \$1.7 million and operating lease liabilities of \$1.7 million and derecognized the deferred rent liability of \$0.1 million. Prior period amounts have not been

adjusted and continue to be reported in accordance with the Company's historical accounting under previous lease guidance, ASC 840: Leases (Topic 840).

The lease liability is determined as the present value of future lease payments using an incremental borrowing rate that the Company would have to pay to borrow equivalent funds on a collateralized basis at the lease commencement date. The right-of-use asset is based on the liability adjusted for any prepaid or deferred rent. The lease term at the commencement date is determined by considering whether renewal options and termination options are reasonably assured of exercise.

Rent expense for operating leases is recognized on a straight-line basis over the lease term and is included in operating expenses on the condensed consolidated statements of operations and comprehensive loss. Variable lease payments include lease operating expenses.

The Company elected to exclude from its balance sheets recognition of leases having a term of 12 months or less (short-term leases) and elected to not separate lease components and non-lease components for its long-term real estate leases.

Cash and Cash Equivalent and Marketable Securities

The Company considers all highly liquid investments purchased with a remaining maturity of three months or less to be cash equivalents. Marketable securities have been classified as available-for-sale and are carried at estimated fair value as determined based upon quoted market prices or pricing models for similar securities. The Company determines the appropriate classification of its investments at the time of purchase.

The Company evaluates, on a quarterly basis, its marketable securities for potential impairment. For marketable securities in an unrealized loss position, the Company assesses whether such declines are due to credit loss based on factors such as changes to the rating of the security by a ratings agency, market conditions and supportable forecasts of economic and market conditions, among others. If credit loss exists, the Company assesses whether it has plans to sell the security or it is more likely than not it will be required to sell any marketable security before recovery of its amortized cost basis. If either condition is met, the security's amortized cost basis is written down to fair value and is recognized through other income, net.

If neither condition is met, declines as a result of credit losses, if any, are recognized as an allowance for credit loss, limited to the amount of unrealized loss, through other income, net. Any portion of the unrealized loss that is not a result of a credit loss, is recognized in other comprehensive loss. Realized gains and losses, if any, on marketable securities are included in other income, net. The cost of investments sold is based on the specific identification method. Interest on marketable securities is included in interest income.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company reviews the need for an allowance for doubtful accounts quarterly based on historical experience with each customer and the specifics of each arrangement. On March 31, 2022, and December 31, 2021, the Company did not have an allowance for doubtful accounts or write-offs.

Inventories

Inventories consist of raw materials and supplies, work in process, and finished goods. Inventories are stated at the lower of cost or net realizable value. Costs are computed under the standard cost method, which approximates actual costs determined on a first-in, first-out basis. Net realizable value is determined as estimated selling prices in the ordinary course of business, less reasonably predictable costs of disposal and transportation. The Company assesses inventories quarterly for slow-moving products and potential impairment, and records write-downs of inventories to cost of revenue.

Deferred Transaction Costs

The Company capitalized qualified legal, accounting, and other direct costs related to the Business Combination which were deferred until completion of the Business Combination. In March 2021, upon the completion of the Business Combination, all deferred costs were offset against the proceeds from the Business Combination and the PIPE financing.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Assets are held as construction in progress until placed into service, upon which date the Company begins to depreciate the assets over their estimated useful lives. The estimated useful lives of the Company's assets are as follows:

	Estimated useful lives
Computer equipment	3 years
Lab equipment	5 years
Manufacturing equipment	4 years
Testing equipment	3 years
Leasehold improvements	Lesser of estimated useful life or remaining lease term
Furniture and fixtures	5 years

Expenditures for repairs and maintenance are charged to expense as incurred. When an asset is sold or otherwise disposed of, the cost and associated accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in the statement of operations.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment and other long-term assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent the carrying amount of the underlying asset exceeds its fair value.

Product Warranty

The Company typically provides a warranty on its products of one year or less. Estimated future warranty costs are accrued to cost of revenue in the period in which the related revenue is recognized. These estimates are based on historical warranty experience and any known or expected changes in warranty exposure, such as trends of product reliability and costs of repairing and replacing defective products. The Company periodically assesses the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary. Provision for product warranties was immaterial for all periods presented.

Revenue Recognition

The Company adopted ASU No. 2014-09, Revenue from Contracts with Customers, and the related amendments ("Topic 606") effective January 1, 2017, using the full retrospective method. Under Topic 606, the Company determines revenue recognition through the following steps:

- Identifying the contract, or contracts, with the customer;
- Identifying the performance obligations in the contract;
- Determining the transaction price;
- Allocating the transaction price to performance obligations in the contract; and
- Recognizing revenue when, or as, the Company satisfies performance obligations by transferring the promised good or services.

Nature of Products and Services and Revenue Recognition

The Company's revenue is derived from the sales of perception solution to direct customers and distributors. Revenue is recognized at a point in time when control of the goods is transferred to the customer, generally occurring upon shipment or delivery dependent upon the terms of the underlying contract. The Company typically provides a warranty of less than a year on its products. If the warranty period is sold or extended beyond the standard term, revenue related to the extended warranty is recognized ratably over the related extended warranty period.

For certain custom products that require engineering and development based on customer specifications, the Company recognizes revenue over time using a cost-to-cost measure of progress which the Company believes faithfully depicts the transfer of control of the goods or services to the customer. Amounts billed to customers for shipping and handling are included in revenue. Some of the Company's arrangements provide software embedded in hardware, and promises to update the Company's software represent immaterial promises in contracts with customers. Taxes collected from customers and remitted to governmental authorities are excluded from revenue.

Arrangements with Multiple Performance Obligations

When a contract involves multiple performance obligations, the Company accounts for individual products and services separately if the customer can benefit from the product or service on its own or with other resources that are readily available to the customer and the product or

service is separately identifiable from other promises in the contract. The consideration is allocated between separate performance obligations in proportion to their estimated standalone selling price.

Other Policies, Judgments and Practical Expedients

Right of return. The Company's general terms and conditions for its contracts contain rights of return. However, the Company does not have a history of returns and therefore estimates of returns are immaterial. As such, the Company generally recognizes revenue at the contract price upon product shipment or delivery.

Contract balances. Contract assets and liabilities represent the differences in the timing of revenue recognition from the receipt of cash from the Company's customers and billings. Contract assets reflect revenue recognized and performance obligations satisfied in advance of customer billing. Contract liabilities relate to payments received in advance of the satisfaction of performance under the contract. Receivables represents the right to consideration that is unconditional. Such rights are considered unconditional if only the passage of time is required before payment of that consideration is due.

Remaining performance obligations. Revenue allocated to remaining performance obligations represents the transaction price allocated to the performance obligations that are unsatisfied or partially unsatisfied. It includes unearned revenue and amounts that will be invoiced and recognized as revenue in future periods and does not include contracts where the customer is not committed. The customer is not considered committed where they can terminate for convenience without payment of a substantive penalty under the contract. Additionally, as a practical expedient, the Company has not disclosed the value of unsatisfied performance obligations for contracts with an original expected length of one year or less. Because the majority of the Company's customer contracts allow customers to terminate for convenience or have an original duration of one year or less, the total amount of the transaction price allocated to unsatisfied performance obligations with a duration of more than 12 months was immaterial as of March 31, 2022 and December 31, 2021.

Significant financing component. In certain arrangements, the Company receives payment from a customer either before or after the performance obligation has been satisfied. However, the Company's contracts are generally one year or less; therefore, the Company applies a practical expedient and does not consider the effects of the time value of money.

Contract modifications. The Company may modify contracts to offer customers additional products or services. Each of the additional products and services are generally considered distinct from those products or services transferred to the customer before the modification. The Company evaluates whether the contract price for the additional products and services reflects the standalone selling price as adjusted for facts and circumstances applicable to that contract. In these cases, the Company accounts for the additional products or services as a separate contract. In other cases where the pricing in the modification does not reflect the standalone selling price as adjusted for facts and circumstances applicable to that contract, the Company accounts for the modification on a prospective basis where the remaining goods and services are distinct from the original items and on a cumulative catch-up basis when the remaining goods and services are not distinct from the original items.

Judgments and estimates. Judgement is required in the identification of performance obligations within the Company's contracts with customers, especially those for certain custom products that require engineering and development. Accounting for contracts recognized over time under Topic 606 involves the use of various techniques to estimate total contract revenue and costs. Due to uncertainties inherent in the estimation process, estimates of costs to complete a performance obligation may be revised. The Company reviews and updates its contract-related estimates regularly, and records adjustments as needed. For those performance obligations for which revenue is recognized using a cost-to-cost method, changes in total estimated costs, and related progress towards complete satisfaction of the performance obligation, are recognized on a cumulative catch-up basis in the period in which the revisions to the estimates are made.

Cost of Revenue

The cost of revenue principally includes direct material, direct labor, and allocation of overhead associated with manufacturing operations, including inbound freight charges and depreciation. Cost of revenue also includes the direct cost and appropriate allocation of overhead costs involved in the execution of service contracts.

Research and Development

Research and development expenses consist primarily of payroll expenses, consulting and contractor expenses, allocated overhead costs, and tooling and prototype materials to the extent no future benefit is expected. Substantially all of the Company's research and development expenses are related to developing new products and services and improving existing products and services. To date, research and development expenses have been expensed as incurred and included in the statements of operations.

Stock-based Compensation

The Company measures the cost of share-based awards granted to employees and directors based on the grant-date fair value of the awards. The grant-date fair value of the stock options is calculated using a Black-Scholes option pricing model. The Black-Scholes pricing model requires the use of subjective assumptions including the option's expected term, the volatility of the underlying stock, the fair value of the stock, dividend yield rate and the risk-free rate. The fair value of the performance based restricted stock units (the "PBRsUs") and restricted stock units (the "RSUs") is equal to the closing price of the Company's common stock on the grant date. The fair value of the stock-based grants except for PBRsUs is recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the award. The fair value of PBRsUs is recognized using the graded-vesting attribution method over the requisite service period.

Income Taxes

Income taxes are accounted under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that these assets are more likely than not to be realized. In making such a determination, all available positive and negative evidence is considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If it is determined that deferred tax assets would be realized in the future, in excess of their net recorded amount, an adjustment would be made to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions in accordance with Topic 740: Simplifying the Accounting for Income Taxes (“Topic 740”) on the basis of a two-step process which includes (1) determination of whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position, and (2) recognition of tax positions that meet the more-likely-than-not recognition threshold. Recognized income tax positions are measured at the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company recognizes interest and penalties related to unrecognized tax benefits on the income tax expense line in the accompanying statement of operations. Accrued interest and penalties are included on the related tax liability line in the balance sheet.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount within a range of loss can be reasonably estimated. When no amount within the range is a better estimate than any other amount, the Company accrues for the minimum amount within the range. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Foreign Currency Translation

Gains and losses resulting from foreign exchange transactions and revaluation of monetary assets and liabilities in non-functional currencies are included in other income (expense) in the statements of operations. Net foreign exchange gain (loss) recorded in the Company’s statements of operations was immaterial for all periods.

Net Loss Attributable Per Share to Common Stockholders

Basic net loss per share attributable to common stockholders is computed by dividing the Company’s net loss attributable per share to common stockholders by the weighted-average number of common shares used in the loss per share calculation during the period. Diluted net loss per share attributable to common stockholders is computed by giving effect to all potentially dilutive securities, including stock options and convertible preferred shares. Basic and diluted net loss per share attributable to common stockholders was the same for all periods presented as the inclusion of all potentially dilutive securities outstanding was anti-dilutive.

Warrant Liabilities

The Company accounts for the private placement warrants issued in connection with our initial public offering in accordance with the guidance contained in ASC 815-40 under which the warrants do not meet the criteria for equity treatment and must be recorded as liabilities. Accordingly, the Company classifies the private placement warrants as liabilities at their fair value and adjusts the warrants to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until the warrants are exercised, and any change in fair value is recognized in the statement of operations. The Company utilizes the Black-Scholes option pricing model to value the warrants at each reporting period. The key assumptions in the option pricing model utilized include the following:

- The expected share-price volatility assumption is based on a blend of the implied volatilities of the Company’s public warrants and a set of comparable publicly traded warrants for other similar companies.
- The expected term of the warrants is assumed to be the expected period until the close of a Business Combination, and the contractual five-year term subsequently.
- The risk-free interest rate is based on the U.S. Treasury rate for the applicable expected terms.
- The dividend yield is based on the historical rate, which the Company anticipates to remain at zero.

Intangible Assets

Intangible assets, consists of purchased patents that are stated at cost less accumulated amortization. Intangible assets have been determined to have finite lives and are amortized on a straight-line basis over their estimated remaining economic lives, which is estimated at five years. Amortization expense is included in general and administrative expenses.

Recent Accounting Pronouncements

In October 2021, the FASB issued Accounting Standards Update No. 2021-08, “Business Combinations (Topic 805), Accounting for Contract Assets and Contract Liabilities from Contracts with Customers” (“ASU 2021-08”), which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured in accordance with ASC 606, Revenue from Contracts with Customers. ASU 2021-08 is effective for interim and annual periods beginning after December 15, 2022 on a prospective basis, with early adoption permitted. The Company is currently evaluating the potential impact of ASU 2021-08 to its consolidated financial statements.

Recently Adopted Accounting Guidance

In June 2016, the FASB issued ASU No. 2016-13, , which amends the incurred loss impairment methodology in current GAAP with a methodology requires measurement and recognition of expected credit losses for most financial assets and certain other instruments, including but not limited to available-for-sale debt securities. Credit losses relating to available-for-sale debt securities will be recorded through an allowance for credit losses rather than as a direct write-down to the security. ASU 2016-13 is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2019, and requires a cumulative effect adjustment to the balance sheet as of the beginning of the first reporting period in which the guidance is effective. In November 2019, the FASB issued ASU No. 2019-10, which defers the effective date of this ASU to fiscal years beginning after December 15, 2022 for all entities except SEC reporting companies that are not smaller reporting companies. The Company adopted ASU 2016-13 utilizing the modified retrospective transition method effective January 1, 2022. The adoption of ASU 2016-13 did not have a material impact on the Company’s condensed consolidated financial statements.

Note 2. Reverse Capitalization

On March 12, 2021, Aeva, Inc. and IPV consummated the merger contemplated by the BCA, with Aeva, Inc. surviving the merger as a wholly-owned subsidiary of IPV. As part of the consummation of the merger, IPV changed its name to Aeva Technologies, Inc.

Upon the closing of the Business Combination, the Company’s certificate of incorporation was amended and restated to, among other things, increase the total number of authorized shares of capital stock to 432,000,000 shares, of which 422,000,000 shares were designated common stock, \$0.0001 par value per share, and of which 10,000,000 shares were designated preferred stock, \$0.0001 par value per share.

Immediately prior to the closing of the Business Combination, each issued and outstanding share of Aeva, Inc.’s redeemable, convertible preferred stock, was converted into shares of common stock based on a one-to-one ratio (see Note 10). The Business Combination is accounted for with a retrospective application of the Business Combination that results in 78,120,214 shares of redeemable convertible preferred stock converting into the same number of shares of Aeva, Inc. common stock.

Upon the consummation of the Business Combination, each share of Aeva, Inc. common stock issued and outstanding was canceled and converted into the right to receive 9.07659 shares (the “Exchange Ratio”) of the Company’s common stock (the “Per Share Merger Consideration”).

Outstanding stock options, whether vested or unvested, to purchase shares of Aeva, Inc. common stock granted under the 2016 Plan (“Legacy Options”) (see Note 12) converted into stock options for shares of the Company’s common stock upon the same terms and conditions that were in effect with respect to such stock options immediately prior to the Business Combination, after giving effect to the Exchange Ratio.

Outstanding warrants to purchase shares of common stock remained outstanding after the closing of the Business Combination. The warrants became exercisable 30 days after the completion of the Business Combination, subject to other conditions, including with respect to the effectiveness of a registration statement covering the shares of common stock underlying such warrants, and will expire five years after the completion of the Business Combination or earlier upon redemption or liquidation.

In connection with the Business Combination,

- certain IPV stockholders exercised their right to redeem certain of their outstanding shares for cash, resulting in the redemption of 30,874 shares of IPV common stock for gross redemption payments of \$0.3 million; and
- a number of investors purchased from the Company an aggregate of 28,318,478 shares of common stock (the “PIPE Shares”), for a purchase price of \$10.00 per share, \$11.50 per share or \$16.00 per share, as applicable, for an aggregate purchase price of \$320.0 million pursuant to separate subscription agreements (the “PIPE”). The PIPE investment closed simultaneously with the consummation of the Business Combination.

In connection with the Business Combination, the Company incurred direct and incremental costs of approximately \$47.7 million related to the equity issuance, consisting primarily of investment banking, legal, accounting and other professional fees, which were recorded to additional paid-in capital as a reduction of proceeds.

The Business Combination is accounted for as a reverse recapitalization in accordance with U.S. GAAP. Under this method of accounting, IPV was treated as the “acquired” company for financial reporting purposes. See Note 1 “Description of Business and Summary of Significant

Accounting Policies" for further details. Accordingly, for accounting purposes, the Business Combination was treated as the equivalent of Aeva, Inc. issuing stock for the net assets of IPV, accompanied by a recapitalization. The net assets of IPV are stated at historical cost, with no goodwill or intangible assets recorded.

Prior to the Business Combination, Aeva, Inc., and IPV filed separate standalone federal, state and local income tax returns. As a result of the Business Combination Aeva, Inc. will file a consolidated income tax return. Although, for legal purposes, IPV acquired Aeva, Inc., and the transaction represents a reverse acquisition for federal income tax purposes. IPV will be the parent of the consolidated group with Aeva, Inc. as a subsidiary, but in the year of the closing of the Business Combination, Aeva, Inc. will file a full-year tax return with IPV joining in the return the day after the Closing Date.

Upon closing of the Business Combination, the Company received gross proceeds of \$560.8 million from the Business Combination and PIPE financing, offset by offerings costs of \$47.7 million. The following table reconciles the elements of the Business Combination to the consolidated statements of cash flows and the consolidated statement of changes in stockholders' equity (in thousands):

Cash - InterPrivate's trust and cash (net of redemption)	\$	240,777
Cash - Private offering		320,000
Less: transaction costs and advisory fees paid		(47,708)
Net Business Combination and Private Offering	\$	<u>513,069</u>

The number of shares of common stock issued immediately following the consummation of the Business Combination were:

Common stock, outstanding prior to Business Combination	24,150,000
Less: redemption of IPV shares	(30,874)
Common stock of IPV Corp	<u>24,119,126</u>
IPV founder shares	6,905,500
Shares issued in PIPE	<u>28,318,478</u>
Business Combination and PIPE shares	59,343,104
Legacy Aeva shares ⁽¹⁾	<u>152,066,648</u>
Total shares of common stock immediately after Business Combination	211,409,752
Aeva exercise of warrants	<u>—</u>
Total shares of common stock at March 12, 2021	<u>211,409,752</u>

⁽¹⁾ The number of Legacy Aeva shares was determined as follows:

	Aeva shares	Aeva shares, effected for Exchange Ratio
Balance at December 31, 2019	8,031,018	72,894,258
Recapitalization applied to Convertible Preferred Stock outstanding at December 31, 2019	8,606,780	78,120,214
Exercise of common stock options - 2020	38,675	351,037
Exercise of common stock options - 2021 (pre-Closing)	77,247	701,139
Total		<u>152,066,648</u>

Note 3. 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 March 31, 2022 and 2021, based on the disaggregation criteria described above are as follows (in thousands):

	Three Months Ended March 31,			
	2022		2021	
	Revenue	% of Revenue	Revenue	% of Revenue
Revenue by primary geographical market:				
North America	\$ 1,111	98 %	\$ 201	65 %
Europe	26	2 %	15	5 %
Asia	—	0 %	92	30 %
Total	\$ 1,137	100 %	\$ 308	100 %
Revenue by timing of recognition:				
Recognized at a point in time	\$ 211	19 %	\$ 293	95 %
Recognized over time	926	81 %	15	5 %
Total	\$ 1,137	100 %	\$ 308	100 %

For the three months March 31, 2022, one customer accounted for 81% of the Company's revenue. For the three months ended March 31, 2021, five customers accounted for 30%, 29%, 12%, 12%, and 11%, respectively, of the Company's revenue.

Contract Assets and Contract Liabilities

As of March 31, 2022, and December 31, 2021, the Company had contract assets of \$5.0 million and \$4.1 million, recognized in other current assets. The Company had no contract liability, as of March 31, 2022 and December 31, 2021.

Note 4. Financial Instruments

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

	March 31, 2022				
	Adjusted Cost	Unrealized Losses	Fair Value	Cash and Cash Equivalent	Marketable Securities
	(in thousands)				
Assets					
Cash	\$ 10,496	\$ —	\$ 10,496	\$ 10,496	\$ —
Level 1					
Money market funds	21,031	—	21,031	21,031	—
Level 2					
U.S. Government securities	51,475	(838)	50,637	—	50,637
U.S. Treasury securities	67,968	(58)	67,910	25,983	41,927
Commercial paper	98,197	(200)	97,997	4,989	93,008
Corporate bonds	167,292	(1,882)	165,410	—	165,410
Municipal securities	1,007	(1)	1,006	—	1,006
Subtotal	385,939	(2,979)	382,960	30,972	351,988
Total assets	\$ 417,466	\$ (2,979)	\$ 414,487	\$ 62,499	\$ 351,988
Liabilities					
Level 3					
Warrant liabilities	426	—	426	—	—
Total liabilities	\$ 426	\$ —	\$ 426	\$ —	\$ —

	December 31, 2021				
	<u>Adjusted Cost</u>	<u>Unrealized Losses</u>	<u>Fair Value</u> (in thousands)	<u>Cash and Cash Equivalent</u>	<u>Marketable Securities</u>
Assets					
Cash	\$ 2,765	\$ —	\$ 2,765	\$ 2,765	\$ —
Level 1					
Money market funds	38,045	—	38,045	38,045	—
Level 2					
U.S. Government securities	45,982	(66)	45,916	—	45,916
U.S. Treasury securities	80,500	(7)	80,493	26,000	54,493
Commercial paper	94,887	(15)	94,872	—	94,872
Corporate bonds	182,338	(435)	181,903	—	181,903
Municipal securities	1,017	(1)	1,016	—	1,016
Subtotal	404,724	(524)	404,200	26,000	378,200
Total assets	<u>\$ 445,534</u>	<u>\$ (524)</u>	<u>\$ 445,010</u>	<u>\$ 66,810</u>	<u>\$ 378,200</u>
Liabilities					
Level 3					
Warrant liabilities	1,060	—	1,060	—	—
Total liabilities	<u>\$ 1,060</u>	<u>\$ —</u>	<u>\$ 1,060</u>	<u>\$ —</u>	<u>\$ —</u>

The fair value of the private placement 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):

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Fair value, beginning balance	\$ 1,060	\$ —
Private placement warrant liability acquired as part of the merger	—	3,014
Change in the fair value included in other income (expense), net	(634)	(1,954)
Fair value, closing balance	<u>\$ 426</u>	<u>\$ 1,060</u>

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Expected term (years)	4.0	4.2
Expected volatility	64.2 %	60.3 %
Risk-free interest rate	2.42 %	1.14 %
Dividend yield	0 %	0 %
Exercise Price	\$ 11.50	\$ 11.50

Note 5. Acquisition and Intangible Assets

On November 23, 2021, the Company entered into an agreement to purchase certain intellectual property for a total consideration of approximately \$4.5 million in cash. The assets acquired primarily consists of intellectual property (patents).

The Company applied a screen test to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets and determine the transaction should be accounted for as an asset acquisition. Since the only substantive assets acquired was intellectual property the entire purchase price was allocated to the intellectual property. The acquired intellectual property has a weighted-average useful life of 5 years. The Company recorded amortization expense related to the acquired intangible assets of \$0.2 million, for the three months ended March 31, 2022.

As of March 31, 2022, expected amortization expense relating to purchased intangible assets for each of the next five years and thereafter was as follows (in thousands):

Remainder of 2022	\$	675
2023		900
2024		900
2025		900
2026		825
Total future amortization	\$	<u>4,200</u>

Note 6. Inventories

Inventories consist of the following (in thousands):

	March 31, 2022	December 31, 2021
Raw materials	\$ 1,578	\$ 1,668
Work-in-progress	—	116
Finished goods	\$ 348	279
Total inventories	<u>\$ 1,926</u>	<u>\$ 2,063</u>

Note 7. Property, Plant and Equipment

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

	March 31, 2022	December 31, 2021
Computer equipment	\$ 1,807	\$ 1,572
Lab equipment	3,084	2,760
Leasehold improvements	2,497	1,330
Construction in progress	1,414	980
Testing equipment	602	521
Manufacturing equipment	667	374
Furniture, fixtures and other equipment	453	439
Total property, plant and equipment	\$ 10,524	\$ 7,976
Less: accumulated depreciation	\$ (3,245)	(2,840)
Total property, plant and equipment, net	<u>\$ 7,279</u>	<u>\$ 5,136</u>

Depreciation related to property, plant, and equipment was \$0.4 million and \$0.2 million for the three months ended March 31, 2022, and March 31, 2021, respectively.

Note 8. Other current assets

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

	March 31, 2022	December 31, 2021
Prepaid expenses	\$ 2,251	\$ 2,819
Contract assets	4,994	4,069
Vendor deposits	536	1,057
Other current assets	886	1,125
Total other current assets	<u>\$ 8,667</u>	<u>\$ 9,070</u>

Note 9. Other current liabilities

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

	March 31, 2022	December 31, 2021
Sales tax payable	\$ 67	\$ 551
Other current liabilities	\$ 167	182
Total other current liabilities	<u>\$ 234</u>	<u>\$ 733</u>

Note 10. Capital Structure

As of March 31, 2022, the Company had authorized a total of 432,000,000 shares for issuance, with 422,000,000 shares designated as common stock and 10,000,000 shares designated as preferred stock.

As discussed in Note 2, *Business Combination*, the Company has retroactively adjusted the shares issued and outstanding prior to March 12, 2021 to give effect to the exchange ratio established in the BCA to determine the number of shares of common stock into which they were converted.

Prior to the Business Combination, Aeva had shares of \$0.001 par value Series Seed, Series A, Series A-1, and Series B preferred stock outstanding, all of which were convertible into shares of common stock of the pre-combination Aeva on a 1:1 basis, subject to certain anti-dilution protections. Upon the Closing, the outstanding shares of preferred stock were converted into common stock of Aeva, Inc., and then into common stock of the Company at a ratio of 1:9.07659, the exchange rate established in the BCA.

	March 12, 2021 (Closing Date)		
	Preferred Stock Shares	Exchange Ratio	Common Stock Shares
Series Seed Convertible Preferred Stock (pre-combination)	3,198,556	9.07659	29,031,982
Series A Convertible Preferred Stock (pre-combination)	2,851,057	9.07659	25,877,876
Series B Convertible Preferred Stock (pre-combination)	1,032,888	9.07659	9,375,100
Series B-1 Convertible Preferred Stock (pre-combination)	1,524,279	9.07659	13,835,256
Total	8,606,780		78,120,214

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 March 31, 2022 and December 31, 2021, no shares of preferred stock were issued and outstanding.

Warrants

As of March 31, 2022, the Company had 12,074,880 public and 384,000 private warrants outstanding. Each warrant entitles the registered holder to purchase one share of common stock at a price of \$11.50 per share.

Note 11. 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 March 31,	
	2022	2021
Numerator:		
Net Loss	\$ (33,157)	\$ (19,458)
Net loss attributable per share to common stockholders	(33,157)	(19,458)
Denominator:		
Weighted average shares of common stock outstanding — Basic	216,017,186	163,955,593
Dilutive effect of potential common stock	—	—
Weighted average shares of common stock outstanding — Diluted	216,017,186	163,955,593
Net loss per share attributable to common stockholders — Basic and Diluted	\$ (0.15)	\$ (0.12)

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:

	Three Months Ended March 31,	
	2022	2021
Common stock options issued and outstanding	12,787,299	17,073,617
Restricted stock units	6,829,309	1,435,217
Total	19,616,608	18,508,834

Note 12. 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 RSUs may be granted to employees. Under the Stock Plans, the Company has 8,427,947 shares available for issuance as of March 31, 2022.

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 though 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 three months ended March 31, 2022, is 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, 2021	13,858,356	\$ 0.39	7.47	\$ 99,406
Exercised	(1,029,266)	0.18	—	—
Forfeited	(41,791)	0.46	—	—
Outstanding as of March 31, 2022	12,787,299	0.40	7.27	50,210
Vested and exercisable as of March 31, 2022	9,203,992	0.36	7.10	36,580
Vested and expected to vest as of March 31, 2022	12,787,299	0.40	7.27	50,210

There were no options granted during the three months ended March 31, 2022. As of March 31, 2022, the Company had \$4.4 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 1.7 years.

Restricted Stock Units and Performance-based Restricted Stock Units

Beginning November 2020, the Company granted RSUs and PBRsUs to certain employees and consultants pursuant to the 2016 and 2020 Stock Plan. RSU's expire in 10 years from the date of grant and typically vest 25 percent upon the one-year anniversary date from the initial vesting date, with 12.5% vesting on each six-month anniversary date over the following three years. The RSUs are subject to a time-based vesting condition and a performance condition tied to the completion of the merger with InterPrivate, both of which must be satisfied in order for the RSUs to be vested and settled for shares of Common Stock. The performance vesting condition for these RSU were met on March 12, 2021. As a result, the Company's outstanding RSUs vested to the extent the applicable service condition was satisfied as of such date. The vesting of these outstanding RSUs resulted in approximately \$2.7 million of incremental stock-based compensation expense for the three months ended March 31, 2021.

The following table summarizes our RSU activity which includes performance-based RSUs for the three months ended March 31, 2022:

	Shares	Weighted Average Grant Date Fair Value per Share
Outstanding as of December 31, 2021	6,631,079	\$ 10.04
Granted	980,697	4.82
Released	(671,621)	10.11
Forfeited	(110,846)	10.86
Outstanding as of March 31, 2022	6,829,309	\$ 9.27

As of March 31, 2022, the Company had \$53.6 million of unrecognized stock-based compensation expense related to the RSUs. This cost is expected to be recognized over a weighted-average period of 2.9 years.

Compensation expense

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

	Three Months Ended March 31,	
	2022	2021
Cost of revenue	\$ 136	\$ —
Research and development expenses	4,323	1,796
General and administrative expenses	1,229	2,696
Sales and marketing expenses	96	21
Total	\$ 5,784	\$ 4,513

Note 13. Income Taxes

Components of Income Before Taxes

For financial reporting purposes, income before income taxes includes the following components (in thousand):

	Three Months Ended March 31,	
	2022	2021
Domestic	\$ (33,157)	\$ (19,458)
Foreign	—	—
Loss before income taxes	\$ (33,157)	\$ (19,458)

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 three months ended March 31, 2022 and 2021, the Company recognized no provision for income taxes.

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, 2021 and doesn't expect any net operating loss carryforwards or tax credit carryforwards to expire due to a limitation.

Note 14. Commitments and Contingencies

Leases

The weighted average incremental borrowing rate used to measure the operating lease liability is 5.25%. Operating lease cost for three months ended March 31, 2022 and 2021, was \$0.8 million and \$0.3 million, respectively.

Short-term costs for the three months ended March 31, 2022 and 2021, were \$29 thousand and \$16 thousand, respectively. The variable lease costs for the three months ended March 31, 2022 and 2021, were \$126 thousand, and \$25 thousand, 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 March 31, 2022 (in thousands):

	Operating Leases
Remainder of 2022	\$ 2,507
2023	2,977
2024	2,748
2025	1,969
2026	290
Total minimum lease payments	10,491
Less: imputed interest	(860)
Total lease liability	\$ 9,631

Non-cancelable purchase commitments

As of March 31, 2022, the Company had non-cancelable purchase commitments of approximately \$0.7 million.

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.

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 15. 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 financial statements.

Long-Lived Assets

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

	March 31, 2022	December 31, 2021
	(in thousands)	
United States	\$ 6,722	\$ 4,676
Thailand	459	351
Germany	98	109
Total	<u>\$ 7,279</u>	<u>\$ 5,136</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 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, 2021 (the "2021 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.

Overview

Our goal is to bring perception to all devices. Through our Frequency Modulated Continuous Wave ("FMCW") sensing technology, we believe we are introducing the world's first 4D LiDAR-on-chip that, along with our proprietary software applications, enables the adoption of LIDAR across broad applications. We believe that our solutions will allow for the wide-scale adoption of autonomous driving. Furthermore, we believe that our proprietary 4D LiDAR technology has the potential to enable new categories for perception across consumer electronics, consumer health, industrial automation and security 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 consumer electronics, consumer health, industrial automation 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.

On March 12, 2021, Aeva, Inc. consummated a 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")) pursuant to the Business Combination Agreement dated as of November 2, 2020 (the "BCA"), by and among IPV, WLLY Merger Sub Corp., a wholly owned subsidiary of IPV, and Aeva, Inc. Immediately upon the consummation of the Business Combination, WLLY Merger Sub Corp. merged with and into Aeva, Inc., with Aeva, Inc. surviving the merger as a wholly owned subsidiary of IPV. IPV changed its name to Aeva Technologies, Inc. and the pre-combination Aeva retained its name of Aeva, Inc.

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 or, the beams 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 to enable autonomous driving at scale. 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 electronics, consumer health, and security markets.

Business Combination and Public Company Costs

The Business Combination on March 12, 2021, was accounted for as a reverse recapitalization, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Under this method of accounting, IPV was treated as the legal acquirer and accounting acquiree. Accordingly, the business combination was treated as the equivalent of Aeva, Inc. issuing stock for the net assets of IPV, accompanied by a recapitalization. The most significant change in the Company's financial position and results of the business combination was an increase in cash of \$513.1 million. Total non-recurring transaction costs incurred for this transaction were \$47.7 million.

Upon the closing of the Business Combination, the Company's common stock and warrants began trading under the ticker symbols "AEVA" and "AEVA.WS" on the New York Stock Exchange ("NYSE"). We anticipate that we will continue to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices. We have incurred and expect to incur additional annual expenses as a public company for, among other things, directors' and officers' liability insurance, director fees and additional internal and external accounting and legal and administrative resources, including increased audit and legal fees.

COVID-19 Impact

The extent of the impact of the pandemic related to the novel coronavirus ("COVID-19") on Aeva's operational and financial performance will depend on various future developments, including the duration and spread of the outbreak and impact on its customers, suppliers, and employees, all of which is uncertain at this time. Aeva expects the COVID-19 pandemic to adversely impact revenue and results of operations, but Aeva is unable to

predict at this time the size and duration of this adverse impact. Aeva is observing a larger trend of automakers shifting course in “make vs buy” decisions as it relates to autonomous solutions and software systems. As cash flows tighten, more automakers are looking to limit the potentially massive investments required to develop autonomous software and systems for which they may not necessarily have substantial expertise. As a result, automakers may be more open to and accepting of a model to incorporate full-stack hardware and software solutions from suppliers, which for autonomy is particularly relevant for Aeva. For more information on Aeva’s operations and risks related to health epidemics, including the COVID-19 pandemic, refer to Part I, Item 1A of the 2021 Form 10-K under the heading “Risk Factors” for more information.

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 on the following opportunities, which in turn is subject to significant risks and challenges, including those discussed in Part I, Item 1A of the 2021 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 with lower product costs to enable industry adoption. Aeva believes its business model is positioned for scalability due to the ability to leverage the same product platform across markets and customer base, relationships with leading foundries and contract manufacturers. Our customers will require that our perception solutions be manufactured and sold at per-unit prices that are affordable. 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.

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 autonomous 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.

Basis of Presentation

Aeva currently conducts its business through one operating segment.

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 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. Revenue from such services is recognized as professional services in the consolidated condensed statement of operations.

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

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 expenses research and development costs as incurred. Aeva expects its research and development costs to increase for the foreseeable future as it continues to invest in research and development activities to achieve its product roadmap.

General and administrative expenses

General and administrative expenses consist of personnel and personnel-related expenses, including stock-based compensation of Aeva's executive, finance, and information systems functions, as well as legal and accounting fees for professional and contract services. Aeva expects its general and administrative expenses to increase for the foreseeable future as it scales headcount with the growth of its business, and as a result of operating as a public company, including compliance with the rules and regulations of the Securities and Exchange Commission (the "SEC"), legal, audit, additional insurance expenses, investor relations activities, and other administrative and professional services.

Selling and marketing expenses

Selling and marketing expenses consist of personnel and personnel-related expenses, including stock-based compensation of Aeva's business development team as well as advertising and marketing expenses. These include the cost of trade shows, promotional materials, public relations, an allocated portion of facilities and depreciation. Aeva expects to increase its sales and marketing activities and expand customer relationships. Aeva also expects that its sales and marketing expenses will increase over time as it continues to grow its sales force and increase marketing efforts.

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 interest rates.

Other income and expense

Other income and expense primarily consist of changes in the fair value of private placement warrants, foreign currency conversion gains and losses, and realized gain/loss on marketable securities.

Results of Operations

Comparison of the Three Months Ended March 31, 2022, and 2021

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 March 31,		Change \$	Change %
	2022	2021		
	(in thousands, except percentages)			
Revenues:				
Product	\$ 211	\$ 293	\$ (82)	(28)%
Professional service	926	15	911	6073%
Total revenues	<u>1,137</u>	<u>308</u>	<u>829</u>	<u>269%</u>
Cost of revenue				
Product	920	180	740	411%
Professional service	455	—	455	100%
Total cost of revenues	<u>1,375</u>	<u>180</u>	<u>1,195</u>	<u>664%</u>
Gross profit	(238)	128	(366)	(286)%
Operating expenses:				
Research and development	25,315	11,379	13,936	122%
General and administrative expenses	6,872	8,217	(1,345)	(16)%
Selling and marketing expenses	1,648	659	989	150%
Total operating expenses	<u>33,835</u>	<u>20,255</u>	<u>13,580</u>	<u>67%</u>
Loss from operations	(34,073)	(20,127)	(13,946)	69%
Interest income	283	3	280	9333%
Other income, net	633	666	(33)	(5)%
Net loss before taxes	(33,157)	(19,458)	(13,699)	70%
Income tax provision	—	—	—	
Net loss	<u>\$ (33,157)</u>	<u>\$ (19,458)</u>	<u>\$ (13,699)</u>	<u>70%</u>

Revenue

Product

Product revenue decreased by \$0.1 million, or 28%, to \$0.2 million during the three months ended March 31, 2022, from \$0.3 million for the three months ended March 31, 2021. This decrease was primarily due to a lower average selling price of prototype units sold in 2022 as compared to 2021.

Professional Service

Professional services revenue increased by \$0.9 million, or 6073%, for the three months ended March 31, 2022. The increase was primarily due to non-recurring engineering services revenue recognized during the three months ended March 31, 2022.

Cost of revenue and gross profit

Cost of product revenues increased by \$0.7 million or 411%, during the three months ended March 31, 2022, from the three months ended March 31, 2021. The increase was primarily due to impairment of inventory for \$0.7 million recorded during the three months ended March 31, 2022.

Cost of professional service revenues increased by \$0.5 million, or 100%, during the three months ended March 31, 2022, the increase was primarily due to the employee costs related to professional services. No professional service cost of revenue recognized for the three months ended March 31, 2021 as the non-recurring engineering service was \$0 during this period.

Operating expenses

Research and development

Total research and development expense increased by \$13.9 million, or 122%, to \$25.3 million for the three months ended March 31, 2022, from \$11.4 million for the three months ended March 31, 2021. Research and development expenses increased primarily due to an increase in material, software licenses and payroll expenses due to continued expansion for product development. Payroll expenses increased by \$5.8 million, material, software licenses, and service related expenses increased by \$2.9 million, stock-based compensation expenses increased by \$2.5 million,

facility expenses increased by \$0.8 million, consulting increased by \$1.3 million, other equipment expenses increased by \$0.3 million, depreciation expense increased by \$0.2 million, and travel expense increased by \$0.1 million.

General and administrative

Total general and administrative expense decreased by \$1.3 million, or 16%, to \$6.9 million for the three months ended March 31, 2022, from \$8.2 million for the three months ended March 31, 2021. General and administrative expense decreased primarily due to decrease in employee related costs. Stock-based compensation expenses decreased by \$1.5 million and payroll expenses decreased by \$1.0 million due to lower bonus expenses, this decrease was offset by increase in insurance expenses by \$0.6 million, other equipment and facility expenses by \$0.2 million, amortization by \$0.2 million, and other employee expenses by \$0.2 million.

Selling and marketing

Total selling and marketing expense increased by \$1.0 million, or 150%, to \$1.6 million for the three months ended March 31, 2022, from \$0.7 million for the three months ended March 31, 2021. The increase in sales and marketing expense was primarily due to an increase in marketing related expense by \$0.6 million, an increase in payroll expenses by \$0.4 million driven by additional headcount, and stock-based compensation expenses increased by \$0.1 million, this increase was offset by a decrease in recruiting expenses by \$0.1 million.

Interest income

Interest income increased by \$0.3 million during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021. The increase is due to the timing of the investment as the majority of balance as of March 31, 2021 was held in cash and not invested in marketable securities.

Other income, net

Other income, decreased by \$33 thousand for the three months ended March 31, 2022, primarily due to decrease in the fair value of private placement warrant liability which was recorded as other income.

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 March 31, 2022, Aeva had cash and cash equivalents and marketable securities totaling \$414.5 million. Prior to the Business Combination, Aeva's principal sources of liquidity have been proceeds received from the issuance of private equity.

Until Aeva can generate sufficient revenue from its sale of products to cover operating expenses, working capital and capital expenditures, Aeva expects the funds raised in the Business Combination, including the funds from PIPE financing, to fund its cash needs. Any additional equity securities issued may provide for rights, preferences or privileges senior to those of holders of the Company's common stock. If Aeva raises funds by issuing debt securities, these debt securities would have rights, preferences and privileges senior to those of common stockholders. The terms of debt securities or borrowings could impose significant restrictions on Aeva's operations. The credit market and financial services industry have in the past, and may in the future, experience periods of uncertainty and other risks detailed in Part I, Item 1A of the 2021 Form 10-K under the heading "Risk Factors" that could impact the availability and cost of equity and debt financing.

Aeva has incurred negative cash flows from operating activities and losses from operations in the past as reflected in its accumulated deficit of \$196.1 million as of March 31, 2022. 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:

	Three Months Ended March 31,	
	2022	2021
	(in thousands)	
Cash used in operating activities	\$ (26,538)	\$ (14,797)
Cash provided by (used in) investing activities	22,040	(54,170)
Cash provided by financing activities	187	513,747
Net increase (decrease) in cash and cash equivalents	<u>\$ (4,311)</u>	<u>\$ 444,781</u>

Operating Activities

For the three months ended March 31, 2022, net cash used in operating activities was \$26.5 million, attributable to a net loss of \$33.2 million and a net change in our net operating assets and liabilities of \$1.1 million, partially offset by non-cash charges of \$7.7 million. Non-cash charges

primarily consisted of \$5.8 million in stock-based compensation, \$0.6 million in depreciation and amortization expense, \$0.7 million in amortization of right of use, \$0.8 million in impairment of inventory and \$0.4 million in amortization of premium on available for sale securities, partially offset by \$0.6 million change in the fair value of warrant liabilities. The change in net operating assets and liabilities was primarily due to a \$2.1 million decrease in accounts receivable, a \$0.4 million decrease in other current assets due to timing of billing and cash collections, a \$2.7 million decrease in accrued liabilities, a \$1.3 million decrease in accrued employee cost due to bonus payment, a \$0.7 million decrease in lease liability and a \$0.5 million decrease on other current liabilities. These changes were partially offset by a \$0.3 million increase in inventory and a \$1.9 million increase in accounts payable resulting primarily from expansion in our operating activities.

For the three months ended March 31, 2021, net cash used in operating activities was \$14.8 million. The primary factors affecting Aeva's operating cash flows during this period were its net loss of \$19.5 million, offset by non-cash expenses of stock-based compensation of \$4.5 million, a \$0.7 million change in fair value of warrant liabilities, depreciation expense of \$0.2 million, and right of use amortization of \$0.2 million. Changes in operating assets in liabilities were \$0.4 million driven by a decrease in accounts payable and accrued liabilities.

Investing Activities

For the three months ended March 31, 2022, net cash used in investing activities was \$22.0 million, attributable to maturity and sale of available-for-sale investments of \$105.6 million, partially offset by purchase of marketable securities investments of \$82.3 million and purchase of property and equipment of \$1.3 million.

For the three months ended March 31, 2021, net cash used in investing activities was \$54.2 million, attributable to the purchase of available-for-sale securities of \$53.5 million and purchase of property and equipment of \$0.7 million.

Financing Activities

For the three months ended March 31, 2022, net cash provided by financing activities was \$0.2 million, attributable to proceeds from stock option exercises.

For the three months ended March 31, 2021, net cash provided by financing activities was \$513.7 million, attributable to net proceeds of \$513.5 million from the Business Combination and PIPE financing and proceeds of \$0.2 million from stock option exercises.

Off-Balance Sheet Arrangements

As of March 31, 2022, 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 us 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.

Stock-Based Compensation

Aeva recognizes the cost of stock-based awards granted to its employees and directors based on the estimated grant-date fair value of the awards. Cost is recognized on a straight-line basis over the service period, which is generally the vesting period of the award. Aeva elected to recognize the effect of forfeitures in the period they occur. The fair value of the RSUs is equal to the closing price of the Company's common stock on the grant date. The fair value of each stock option grant was determined by the Company using the Black-Scholes option-pricing model, which is impacted by the following assumptions:

- **Expected Term** — Expected term is the length of time the grant is expected to be outstanding before it is exercised or terminated. This number is calculated as the midpoint between the vesting term and the original contractual term (contractual period to exercise). If the option contains graded vesting, then the vesting term would be based on the vesting pattern.
- **Expected Volatility** — The volatility is based on a benchmark of comparable companies within the automotive and energy storage industries.
- **Expected Dividend Yield** — The dividend rate used is zero as Aeva has never paid any cash dividends on its common stock and does not anticipate doing so in the foreseeable future.
- **Risk-Free Interest Rate** — The interest rates used are based on the implied yield available on U.S. Treasury zero-coupon issues with an equivalent remaining term equal to the expected life of the award.

The grant date fair value of Aeva common stock, prior to the closing of BCA was determined using valuation methodologies that utilize certain assumptions, including probability weighting of events, volatility, time to liquidation, a risk-free interest rate, and an assumption for a discount for lack of marketability (Level 3 inputs). Subsequent to the closing of BCA the valuation of Aeva common stock was determined using publicly closing price as reported on the NYSE.

Revenue

The most critical accounting policy estimate and judgments required in applying ASC 606, Revenue Recognition of Contracts from Customers, and our revenue recognition policy relate to the identification of performance obligations and accounting for certain contracts recognized over time. In certain contracts, the determination of our distinct performance obligations requires significant judgment. As our business and offerings to customers change over time, the products and services we determine to be distinct performance obligations may change. Such changes may adversely impact the amount of revenue and gross margin we report in a particular period. Revenue from product sales is recognized upon transfer of control of promised products. Revenue is recognized in an amount that reflects the consideration that Aeva expects to receive in exchange for those products and services. Product sales to certain customers may require customer acceptance, in which case revenue recognition is deferred until acceptance takes place. For service projects, revenue is recognized as services are performed and amounts are earned in accordance with the terms of contract at estimated collectible amounts.

For certain custom products that require engineering and development based on customer specifications, the Company recognizes revenue over time using a cost-to-cost measure of progress which the Company believes faithfully depicts the transfer of control of the goods or services to the customer. Amounts billed to customers for shipping and handling are included in revenue. Some of the Company's arrangements provide software embedded in hardware, and promises to update the Company's software represent immaterial promises in contracts with customers. Taxes collected from customers and remitted to governmental authorities are excluded from revenue.

Changes in judgments with respect to these assumptions and estimates could impact the timing or amount of revenue recognition.

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.

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 2021 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 December 31, 2021. 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 March 31, 2022, 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. 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 any such claims may not always be predictive of the outcome and actual results may vary from the Company's current estimates.

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 2021 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 2021 Form 10-K.

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

Unregistered Sales of Equity Securities

None.

Use of Proceeds

On February 6, 2020, IPV consummated its Initial Public Offering of 21,000,000 Units. The Units sold in the Initial Public Offering were sold at an offering price of \$10.00 per unit, generating total gross proceeds of \$210,000,000. EarlyBirdCapital, Inc. acted as sole book-running manager and I-Bankers Securities, Inc acted as co-manager, of the Initial Public Offering. The securities in the offering were registered under the Securities Act on registration statements on Form S-1 (No. 333-235849 and 333-236233). The Securities and Exchange Commission declared the registration statements effective on February 3, 2020. Simultaneous with the consummation of the Initial Public Offering, the Sponsor and EarlyBirdCapital consummated the private placement of an aggregate of 555,000 Units at a price of \$10.00 per Private Unit, generating total proceed of \$5,550,000. The issuance was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act. On February 10, 2020, the underwriters exercised their over-allotment option in full, resulting in an additional 3,150,000 Units for \$31,500,000, less the underwriters' discount of \$630,000. In connection with the underwriters' exercise of their over-allotment option, the Company also consummated the sale of an additional 63,000 Private Units at \$10.00 per Private Unit, generating total proceeds of \$630,000. Of the gross proceeds received from the Initial Public Offering, the exercise of the over-allotment option and the Private Units, \$241,500,000 was placed in the IPV Trust Account.

Any remaining proceeds from the Initial Public Offering will be used for general corporate purposes.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

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
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
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: May 9, 2022

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

Date: May 9, 2022

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

**CERTIFICATION 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**

I, Soroush Salehian Dardashti, certify that:

1. I have reviewed this Quarterly Report of Aeva Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

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

**CERTIFICATION 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**

I, Saurabh Sinha, certify that:

1. I have reviewed this Quarterly Report of Aeva Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

By: _____ /s/ Saurabh Sinha
Saurabh Sinha
Chief Financial Officer
(Principal Financial and Accounting 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 ending March 31, 2022, 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: May 9, 2022

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