

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

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

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

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, based on the closing price of the shares of common stock on The New York Exchange Stock Market on June 30, 2023 was \$111.6 million.

The number of shares of Registrant's Common Stock outstanding as of March 11, 2024, was 263,827,073.

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## PART I

### 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 or other infectious diseases, health epidemics, pandemics and natural disasters 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 our a history of losses, and limited sales; risk our programs are not fully developed and commercialized, or if such programs experience significant delays; our limited operating history; our strategic initiatives designed to grow its business may not be successful or may prove more costly than we currently anticipates; if our products are not selected for inclusion in development programs for assisted driving systems ("ADAS") or autonomous driving systems ("AD"), industrial automation, consumer device and security applications, or are not adopted by customers; the lengthy period of time from a design win to implementation and we are subject to the risks of cancellation or postponement of the contract or unsuccessful implementation; our forward looking estimates of certain financial metrics, including but not limited to Order Book may prove inaccurate; if Aeva is unable to effectively manage its supply chain, its business may be materially and adversely impacted; the complexity of Aeva's products could result in unforeseen delays or expenses from undetected defects, errors or reliability issues in hardware or software which could reduce the market adoption of its new products, damage its reputation with current or prospective customers, expose Aeva to product liability and other claims and adversely affect its operating costs; continued pricing pressures, automotive original equipment manufacturer ("OEM") cost reduction initiatives and the ability of automotive OEMs to re-source or cancel vehicle or technology programs may result in lower than anticipated margins, or losses; Aeva expects to incur substantial R&D costs and devote significant resources to identifying and commercializing new products; market adoption of LiDAR, including Aeva's 4D LiDAR technology, is uncertain; Aeva's transition to an outsourced manufacturing business model may not be successful; Aeva may be subject to product liability or warranty claims that could result in significant direct or indirect costs; Aeva is highly dependent on the services of Soroush Salehian Dardashti and Mina Rezk, its two founders; Aeva may be affected by the interruption or failure of our information technology and communication systems and cybersecurity risks to our operational systems, security systems, infrastructure, integrated software in our LiDAR solutions and those described under "Part I, Item 1A. Risk Factors," and elsewhere in this report. 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.

## Item 1. Business.

### Overview

Our vision is to bring perception to broad applications. 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, have the potential to enable the adoption of LiDAR across broad applications.

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

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 vehicles to see at significantly higher distances of up to 500 meters.

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 enable higher level of automation for vehicles and the potential to drive new categories of perception across industrial automation, consumer device applications, and security markets.

### Technology Overview

With the world's first LiDAR that is integrated onto a silicon photonics chip module, Aeva's proprietary FMCW technology combines instant velocity measurement for each pixel, superior long-range performance, immunity from any LiDAR or sunlight interference, at low optical power.

#### ***Aeva's 4D LiDAR Technology***

Our 4D LiDAR technology is based on an approach that is fundamentally different from 3D ToF technology and traditional FMCW LiDAR technologies. Our technology differentiation is rooted in Aeva's:

- proprietary FMCW design;
- integrated silicon photonics technology;
- custom digital processing application-specific integrated circuit ("ASIC"); and
- 4D Perception software.

#### ***Aeva's Proprietary FMCW Design***

Unlike legacy 3D LiDAR, which relies on ToF technology to transmit high power pulses of light to measure an object's range, Aeva's 4D LiDAR uses a continuous, low power laser beam to measure the change in frequency of the waveform as it reflects off an object. This allows our 4D LiDAR to detect the instant velocity of every point with centimeters per second precision and measure range at distances up to 500 meters.

Aeva's 4D LiDAR is also free of interference from other LiDAR or, the beams and sunlight and operates at fractions of the optical power that is typically required to achieve long range performance in 3D ToF systems.

We believe that Aeva's proprietary 4D LiDAR technology approach addresses some of the critical hurdles that have previously slowed the broad adoption of automotive LiDAR that is based on legacy 3D ToF technology:

Integration on silicon photonics enables compact form factor	Integrating the key optical components of a LiDAR onto one small silicon photonics module allows for compact form factor for volume scale.
Free of interference	By carrying a unique signature for each beam, our 4D LiDAR can block any source of power that does not carry the unique signature, rendering it free of interference from other LiDAR or, the beams and sunlight.
High sensitivity	Aeva's 4D LiDAR is highly sensitive, which allows for long range performance up to 500 meters.
High dynamic range	Aeva's 4D LiDAR is not prone to noise effects observed in ToF technologies when measuring highly reflective objects such as traffic signs on the road.
Higher sensitivity in inclement weather	Aeva's 4D LiDAR has the potential to perform better in inclement weather by taking advantage of the continuous transmission of laser beams as opposed to short pulses in ToF LiDARs.
Instantaneous measurement of velocity	Aeva's 4D LiDAR can directly measure the instantaneous velocity of every pixel by measuring the Doppler effects caused by the dynamic motion of objects.
Laser Safety	Due to a low power continuous beam, Aeva's 4D LiDAR has better laser safety margins by design compared to ToF LiDAR approaches that require high power laser pulses.

Aeva's technology also differs from other FMCW LiDAR technologies across multiple areas:

- Point density and maximum range:** Aeva's implementation of an innovative FMCW technology approach breaks the dependency between maximum range and point density, enabling long range capability at high resolutions simultaneously, which has been a critical limitation of other FMCW LiDAR technologies.
- Highly scalable laser solution:** Aeva's customized laser solution is fiber-less and based on scalable semiconductor manufacturing processes.
- Long range performance:** By leveraging our proprietary digital signal processing and our custom integrated photonics technology, Aeva's technology is designed to achieve superior range performance up to 500 meters.
- Low transceiver count:** Aeva's innovative FMCW technology approach allows for a low number of transceivers required to provide high resolution performance across the entire Field of View ("FOV").
- Integrated photonics built on proven processes:** Aeva's 4D LiDAR leverages proven semiconductor components integrated on scalable Complementary Metal Oxide Semiconductor ("CMOS") based silicon photonics processes and does not rely on any exotic materials that are typically challenging to produce in volume.

#### Integrated Silicon Photonics Technology

Built on existing silicon CMOS and III-V technologies and semiconductor manufacturing processes, our solution measures depth, reflectivity and velocity for every pixel.

We believe that our technologies in the field of integrated photonics have the potential to enable 4D LiDAR-on-chip for broad applications:

- Transmitter:** Aeva uses its own proprietary semiconductor laser based on an existing low-cost III-V process already in production for telecom applications. Our fiber-less laser solution is power efficient and designed for Aeva's proprietary signal processing to provide long range performance.
- Detector:** Aeva's custom detector solution is based on existing and scalable semiconductor processes. Low cost photodetectors are integrated on a silicon photonics platform without the use of any exotic materials that are not producible in volume or higher cost detectors used in other LiDARs such as single-photon avalanche diode ("SPAD") and avalanche photodetectors.
- Silicon photonics platform:** The core optics of Aeva's 4D LiDAR is made of silicon photonics technology that brings together an integrated and mass-manufacturable optical sensing module in a compact form factor.

#### Custom Digital Signal Processing ASIC

Aeva's complex digital signal processing ("DSP") algorithms have been designed and developed to process the returned optical signal to enable our 4D LiDAR to achieve superior performance across all detectable targets. The result of these DSP algorithms is a high fidelity point cloud of 4D data (3D position as {x,y,z} plus instantaneous velocity) for every pixel.

The custom design of DSP algorithms for Aeva's ASIC is the result of extensive development and validation of real-world road data, spanning a variety of road types, geographic and environmental conditions over multiple years. Aeva's proprietary DSP algorithms have been designed to provide the following benefits:

- Optimized detection algorithms custom developed for Aeva's photonics solution enabling long range performance up to 500 meters;
- High point density at low processing power enabled by proprietary detection algorithms that accelerate computationally intensive processing;
- Accurate range and velocity measurements for targets across the entire field of view;
- Low false alarm rates enables high confidence detections and reliable point cloud data; and
- Real-time perception software utilizing 4D point cloud data.

We believe our custom digital signal processing has the potential to enable a high-performance, low-power ASIC solution that can operate across a variety of environmental conditions while meeting the stringent automotive grade safety and security requirements for production.

#### 4D Perception Software

When combined with Aeva's powerful perception software, our product allows for fast object detection and classification as well as precision tracking that is essential for a highly automated driving system. In addition, our vehicle state estimation software produces high quality vehicle dynamics and positioning information without the added inertial motion sensing hardware and software typically used in today's vehicles.

#### Object Detection

With Aeva's instantaneous velocity measurement per pixel, the complex task of finding moving objects, such as vehicles, pedestrians, and bicycles is not only made simple and precise but also fast. Whereas legacy 3D LiDAR systems require accumulating measurements over several samples to determine if an object is moving, Aeva's instantaneous velocity measurement per pixel allows the task of detecting moving objects to be executed on a single sample, reducing the reaction time and improving the overall safety of the system.

### Object Classification and Tracking

We believe our products can enhance our detection capabilities to track and classify dynamic detected objects using 4D LiDAR's instant velocity data.

### Vehicle State Estimation

Through the instantaneous measurement of velocity, Aeva's 4D LiDAR can produce high quality estimates of vehicle positioning and dynamic properties, such as velocity, acceleration, and rate of turn. Whereas high quality vehicle state estimation can be obtained today with expensive hardware solutions, such as fiber optic based gyroscopes and high precision inertial motion sensors, Aeva's 4D LiDAR as an edge device can provide high quality and precise estimates without the use of any additional hardware, thereby further reducing the requirements and costs of such additional hardware. These high quality estimates can be used to produce high fidelity 3D maps of the environment and inform the vehicle computer about the current dynamics state of the vehicle.

### Ground Segmentation and Lane Detection

With Aeva's precise static pixel measurement, the task of estimating where the ground lies in front of the vehicle to determine drivable regions is straightforward. This information can be used by the vehicle to determine drivable regions and lane markings on the road.

## **Our solutions and products**

We provide perception solutions that enable our customers to see the world around them more clearly and in new ways. We believe that our products, based on Aeva's proprietary 4D LiDAR technology have the potential to enable a diverse set of perception applications.

We have below product offerings for different market applications:

- *Aeries II*: a 4D LiDAR solution, consisting of our 4D LiDAR sensing system with embedded software designed for automotive grade production across passenger car, trucking and mobility applications. We believe that our Aeries product meets the stringent long range performance and velocity sensing needs of our automotive customers for their autonomous vehicle development programs. Aeries provides over 120° field of view for distance up to 500 meters and can measure the instant velocity of every pixel with centimeter per second precision. Aeries is also free from any LiDAR or sunlight-based interference.
- *Atlas*: In January 2024, we announced a new high-performance FMCW 4D LiDAR with simultaneous velocity and range detection targeted for the automotive market.

Our solutions are generally expected to be incorporated into final products, such as automobiles, industrial equipment and consumer devices. We expect that, after a rigorous, multi-year product design and engineering validation process, customers would select our solutions to be designed into specific final product models, and our solutions would be sold at agreed rates per unit for the lifetime of the customer's product programs.

Within the automotive sector, we expect our 4D LiDAR solution to be integrated into the vehicle as part of the vehicle integration and production processes to provide perception sensing capability as part of the vehicle's overall autonomous driving stack. We expect our 4D LiDAR solutions to be compatible for integration into passenger vehicles, trucks and new mobility vehicle platforms, and we are engaged with customers in each of these categories for the potential integration of our solutions into such vehicle platforms.

Within industrial applications, we expect our 4D LiDAR solution would be incorporated as part of an industrial automation platform solution (such as industrial metrology products or cargo moving robots used for factory automation). Within security applications, we expect our 4D LiDAR solution would be incorporated as part of security monitoring systems that may use other sensing and computer electronics systems. We expect to leverage the synergies of our supply chain and manufacturing counterparties within automotive applications to sell our solutions directly to industrial automation companies that develop manufacturing automation solutions for other

industrial companies and to manufacture and distribute our products using our existing manufacturing counterparties.

## **Market**

We believe that our innovative products can improve safety, reduce development effort of perception software and reduce costs of automated driving systems. In addition, we believe that our solutions have the potential to address perception problems across a broad set of market applications, including the automotive, consumer devices, industrial automation, and security markets.

### ***Automotive***

The automotive industry is undergoing a transformative change towards advanced levels of automation in driver assistance systems and autonomy that is driven by fundamental shifts in consumer behavior as well as an industry response to environmental, social and governance ("ESG") initiatives. Rising safety and security concerns, increasing demand for a more reliable transportation system, and transition from car ownership to "Mobility as a Service", are expected to also increase the demand for advanced driver assistance systems and autonomous vehicles.

#### ***Advanced driver-assistance systems — Level 1 and Level 2***

**Passenger cars.** Growth in population, urbanization, and rising disposable income have driven higher demand for passenger cars. The autonomous passenger car industry is expected to see steady growth as consumer behavior continues to evolve. Currently, Level 1 passenger vehicles still account for a majority of the global autonomous passenger vehicles market, but automotive OEMs are collaborating with technology providers to provide Level 2 ADAS systems for passenger cars.

#### ***Autonomous driving — Level 3, Level 4 and Level 5***

**Autonomous trucking.** The autonomous trucking industry is expected to grow, with North America currently the largest market, and other geographies such as Europe and Asia still in the early stages of adoption. Growing demand from the logistics and construction sectors and growth from other industrial sectors have contributed to the expansion of the autonomous trucking industry. Additionally, more stringent government rules and safety considerations have also generated demand for automated driving technology in this sector. Many truck OEMs are partnering with AD technology manufacturing companies to produce autonomous truck systems. Suppliers of top truck OEMs have also collaborated with several technology companies to develop autonomous systems.

We believe the autonomous trucking industry has the potential to rely heavily on high performance long range LiDAR sensing solutions for the detection of objects at long distance in order to provide safe braking distance and otherwise achieve safe automated driving functionality on the highway. We believe Aeva 4D LiDAR's long range and fast detection capability can position us to provide attractive solutions for this market.

**Passenger cars.** We expect the transition to Level 3, Level 4 and eventually Level 5 vehicles to be a significant factor for the growth of LiDAR technology and our solutions. Autonomous passenger cars depend on several types of automotive sensors such as camera, radar, and LiDARs, along with comprehensive software technology solutions to provide automated driving function such as highway automation and urban self-driving functionality. We believe automotive OEMs and Tier 1s will continue to partner with the most advanced technology companies to implement the best sensing perception systems that enable safe automated driving function at production scale.

**New mobility.** Over the past several years, a number of emerging mobility and technology players have entered into the autonomous driving market with a vision to develop fully autonomous vehicles. This segment has experienced substantial investments in research and development in anticipation of the roll-out of driverless mobility services to consumers. Some players have focused their research and development efforts on developing Level 4 and Level 5 robo-taxis for the delivery of people and goods. Additionally, autonomous technology providers collaborate with automotive OEMs and Tier 1 component providers to develop autonomous vehicles.



### **Industrial automation**

As manually intensive tasks become more automated, we believe the opportunity for our sensing solutions in industrial workplaces has the potential to expand. Aeva's 4D LiDAR technology has the potential to offer robots, industrial metrology machines and other automation equipment a way to perceive their surroundings in a more clear, accurate and cost-effective manner.

The growth of automation poses numerous benefits for industrial applications, including increased efficiency, lower labor costs, and enabling workers to allocate their time to more productive tasks. We believe that some of the same benefits that our 4D LiDAR technology provides for automotive safety applications are beneficial for increasing safety and improving production efficiencies in industrial manufacturing and factory automation environments.

### **Competition**

Given the emerging nature of the automated driving industry and other industries where LiDAR solutions are applicable, there are a number of companies developing LiDAR technologies for automotive, industrial and other applications, including companies developing ToF LiDAR solutions and other FMCW LiDAR solutions that may be similar to ours. In addition, certain automotive players may have their own internal LiDAR development programs. We believe a significant portion of these other companies are developing legacy 3D LiDAR systems, all of which utilize some variant of ToF technology architectures which we believe have certain limitations in performance, or require high power or are high cost.

There may be new companies that are independently developing FMCW LiDAR solutions that may be similar to ours. However, we believe that our innovative product design, substantial real world collected road data, intellectual property portfolio together with a strong engineering and operations team provide us with certain advantages.

### **Contracts and Customers**

Thus far, we have generally entered into strategic partnership agreements, development agreements and similar agreements with customers in automotive and industrial markets. Pursuant to these agreements, we have sold or otherwise provided product prototypes and non-recurring engineering services for the purpose of research and development and testing of our customers' development programs. Since our inception, these types of arrangements have accounted for nearly all of our revenues. However, there can be no assurance that any of our customers' development programs will ever be developed and commercialized, and even if they are, there can be no assurance that we will receive production purchase orders from our customers.

### **Intellectual Property**

Our success and competitive advantage depends in part upon our ability to develop and protect our core technology and intellectual property. We own a growing portfolio of intellectual property, confidential technical information, and expertise in the development of LiDAR technology, coherent sensing, integrated silicon photonics, algorithms and software.

We have filed patent and trademark applications in order to further secure these rights and strengthen our ability to defend against third parties who may infringe on our rights. The applications cover a broad range of system level and component level aspects of LiDAR technology.

As of December 31, 2023, we have approximately 177 issued patent and 176 pending patent applications worldwide. In addition, we have a number of issued and pending trademarks application. Our patent applications cover a broad range of system level hardware and component level aspects of our key technologies including, among other things, FMCW LiDAR system, integrated photonics, laser solutions and perception software technology.

We also rely on trade secrets, experiences, design and manufacturing know-how, continuing technological innovations, and licensing and exclusivity opportunities to maintain and improve our competitive position. Additionally, we protect our proprietary rights through agreements with our commercial partners, supply-chain vendors, employees and consultants, as well as close monitoring of the developments and products in the industry.

### **Manufacturing Process**

Since inception, we have entered into arrangements with third-party manufacturers to develop and manufacture our products for our customers' development programs. We intend to continue to rely on third-party manufacturers, to commercialize our products for automotive grade production.

We have entered into development agreements, memorandums of understanding and similar agreements with third-party manufacturers that typically include collaborations to develop, assemble, test and distribute our automotive grade 4D LiDAR system to OEMs and automotive customers for their vehicle programs. We intend to utilize our production counterparties' capabilities for the final assembly and test of our products and to produce our products at global manufacturing plants to provide our 4D LiDAR system, including our 4D LiDAR-on-chip, to our customers.

### **Research and Development**

The markets in which Aeva competes are new and rapidly evolving across hardware and software applications. We invest significant resources into ongoing research and development programs because we believe our ability to grow our market position depends, in part, on innovative technologies that offer a unique value proposition for our customers and differentiation from our competitors.

Our research and development activities occur primarily in the United States and India. Our research and development team is responsible for developing our 4D LiDAR technology, creating new technologies and expanding our LiDAR and perception software solutions' functionality. The team also designs our 4D LiDAR products, ensures it is designed for manufacturability and conducts required validation and verification activities. The research and development team also partners with our operations and supply chain teams with the goal of developing scalable commercial and reliable manufacturing processes and direct production material procurement and distribution. Our team consists of engineers, technicians, scientists, operators and professionals with experience from a wide variety of the world's leading sensing, engineering, consumer electronics and automotive organizations.

### **Sales and Marketing**

We take an insight-driven, account-based marketing approach to build and expand our relationships with customers and commercial counterparties. We collect feedback directly from our commercial counterparties to garner insights that help drive our business and products forward.

### **Government Regulation**

As the cars that carry our sensors go into production, we will be subject to existing stringent requirements under the National Traffic and Motor Vehicle Safety Act of 1966, or the Vehicle Safety Act, including a duty to report, subject to strict timing requirements, safety defects with our products. The Vehicle Safety Act imposes potentially significant civil penalties for violations including the failure to comply with such reporting requirements. We are also subject to the existing U.S. Transportation Recall Enhancement, Accountability and Documentation Act, or TREAD, which requires equipment manufacturers, such as us, to comply with "Early Warning"

requirements by reporting certain information to the NHTSA, such as information related to defects or reports of injury related to our products. TREAD imposes criminal liability for violating such requirements if a defect subsequently causes death or bodily injury. In addition, the National Traffic and Motor Vehicle Safety Act authorizes NHTSA to require a manufacturer to recall and repair vehicles that contain safety defects or fail to comply with U.S. federal motor vehicle safety standards. Sales into foreign countries may be subject to similar regulations. As the development of federal and state regulation of autonomous machines and vehicles continues to evolve, we may be subject to additional regulatory schemes.

As a LiDAR technology company, we are subject to the Electronic Product Radiation Control Provisions of the Federal Food, Drug, and Cosmetic Act and related FDA regulations. These requirements are enforced by the FDA. Electronic product radiation includes laser technology. Regulations governing these products are intended to protect individuals from hazardous or unnecessary exposure. Manufacturers are required to certify in product labeling and reports to the FDA that their products comply with applicable performance standards as well as maintain manufacturing, testing, and distribution records for their products.

Like all companies operating in similar industries, we are subject to environmental regulation, including water use; air emissions; use of recycled materials; energy sources; the storage, handling, treatment, transportation and disposal of hazardous materials; and the remediation of environmental contamination. Compliance with these rules may include permits, licenses and inspections of our facilities and products.

## **Facilities**

Our corporate headquarters is located in Mountain View, California, where we lease two buildings with approximately 28,000 and 30,000 of square feet, respectively, pursuant to a lease that expires in June 2026 and July 2025, respectively. Our headquarters contains engineering, research and development, assembly and administrative functions. Additionally, we lease approximately 96,000 square feet located in Fremont, California for our testing facility. This lease expires in April 2026. We believe that our facilities are adequate for our current needs and, should we need additional space, we believe we will be able to obtain additional space on commercially reasonable terms.

## **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.

On November 27, 2023, Anita Wallace ("Plaintiff") filed a Verified Class Action Complaint (the "Complaint") in the Delaware Court of Chancery (the "Court") under the caption Wallace v. Salehian, et al., C.A. No. 2023-1187-PAF (the "Action") on behalf of a putative class of stockholders of Aeva Technologies, Inc. ("Aeva") challenging disclosures made in connection with the then-proposed issuance of shares of Aeva's common stock in proxy solicitation materials submitted to the SEC on November 17, 2023 (the "Preliminary Proxy Statement"). The Action sought, among other things, a preliminary injunction against the vote on the proposed stock issuance.

On December 7, 2023, Aeva filed a proxy statement supplement containing supplemental disclosures that mooted the allegations in the Action. On January 11, 2024, the Court entered an Order dismissing the Action as moot and retaining jurisdiction solely for adjudicating the anticipated application of plaintiff's counsel for an award of attorneys' fees and expenses. Aeva, on behalf of all defendants in the Action, subsequently agreed to pay

\$350,000 in attorneys' fees and expenses in full satisfaction of the claim for attorneys' fees and expenses in the Action.

On January 22, 2024, the Court entered an Order closing the Action, subject to Aeva filing an affidavit with the Court confirming that this notice has been issued. In entering the Order, the Court was not asked to review, and did not pass judgment on, the payment of the attorneys' fees and expenses or their reasonableness.

#### *Litigation – other matters*

On March 7, 2024, a putative class action lawsuit was filed in the Court of Chancery of the State of Delaware against InterPrivate Acquisition Management LLC, InterPrivate LLC, and former directors and officers of InterPrivate Acquisition Corp ("IPV"). The lawsuit is captioned, Louis Smith v. Ahmed M. Fattouh, et al., (Del. Ch. 2024). Among other remedies, the complaint seeks damages and attorneys' fees and costs. In connection with IPV's March 12, 2021, merger transaction with Aeva Inc., Aeva granted certain indemnification rights to IPV's former directors and officers. However, neither Aeva nor its current directors or officers are named as defendants in the complaint.

#### **Human Capital**

Our employees are critical to our success. As of December 31, 2023, we had 301 full-time employees based primarily in Mountain View, California. We also engage numerous consultants and contractors to supplement our permanent workforce. A majority of our employees are engaged in research and development and related functions. To date, we have not experienced any work stoppages and consider our relationship with our employees to be in good standing. None of our employees are subject to a collective bargaining agreement or represented by a labor union.

We recognize that attracting, hiring, motivating, and retaining diverse talent at all levels is vital to continuing our success. The principal purposes of our equity and cash incentive plans are to attract, retain and reward personnel through the granting of stock-based and cash-based compensation awards in order to increase stockholder value and the success of our Company by motivating such individuals to perform the best of their abilities and achieve our objectives. We believe that compensation should not only be competitive, it should be equitable and should enable employees to share in the Company's success as stockholders of the Company. By continuing to foster an engaging work environment and focus on continued improvements to employee retention, we improve our ability to support and protect Aeva's long-term interests. The Company recognizes its people are most likely to thrive when they have the resources to meet their needs and the time and support to succeed in their professional and personal lives.

#### **Corporate Information**

Our principal offices are located at 555 Ellis Street, Mountain View, CA 94043, and our telephone number is (650) 481-7070. Our website address is [www.aeva.com](http://www.aeva.com). The information contained on, or that can be accessed through, our website is not part of this report. Aeva is our registered trademark in the United States and in various international jurisdictions. Aeva, the Aeva logo and all of our product names appearing in this report are our trademarks. Other trademarks appearing in this report are the property of their respective holders.

#### **Available Information**

We make our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports, available free of charge at our website as soon as reasonably practicable after they have been filed with the SEC. Our website address is <https://www.aeva.com>. Information on our website is not part of this report. The SEC maintains a website that contains the materials we file with the SEC at [www.sec.gov](http://www.sec.gov)

## Item 1A. Risk Factors.

### RISK FACTORS

*Our operating and financial results are subject to various risks and uncertainties, you should carefully consider the following risk factors, which could materially affect our business, financial condition or results of operations in future periods. These risks are not the only risks facing the Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or results of operations in future periods.*

#### Summary Risk Factors

Our business is subject to numerous material and other risks that you should be aware of before making an investment decision. These risks are described more fully in the section entitled “Risk Factors.” These risks include, among others:

- Aeva is an early stage company, with a history of losses, and has only sold or otherwise provided prototypes and non-recurring engineering services to customers for the purpose of R&D and testing of such customers' development programs. If such programs are not fully developed and commercialized, or if such programs experience significant delays, Aeva's business, financial condition and results of operations will be materially adversely affected and Aeva may never achieve or sustain profitability.
- Aeva's limited operating history makes it difficult to evaluate its future prospects and the risks and challenges it may encounter.
- Aeva's strategic initiatives designed to grow its business may not be successful or may prove more costly than Aeva currently anticipates.
- If Aeva's products are not selected for inclusion in development programs for ADAS or AD, or are not adopted by customers, Aeva's business will be materially and adversely affected.
- The period of time from a design win to implementation is long, potentially spanning several years, and Aeva is subject to the risks of cancellation or postponement of the contract or unsuccessful implementation.
- Our forward looking estimates of certain financial metrics may prove inaccurate, including but not limited to our “Order Book”.
- If Aeva is unable to effectively manage its supply chain, its business may be materially and adversely impacted.
- The complexity of Aeva's products could result in unforeseen delays or expenses from undetected defects, errors or reliability issues in hardware or software which could reduce the market adoption of its new products, damage its reputation with current or prospective customers, expose Aeva to product liability and other claims and adversely affect its operating costs.
- Continued pricing pressures, automotive OEM cost reduction initiatives and the ability of automotive OEMs to re-source or cancel vehicle or technology programs may result in lower than anticipated margins, or losses, which may adversely affect Aeva's business.
- Aeva expects to incur substantial R&D costs and devote significant resources to identifying and commercializing new products, which could significantly reduce its profitability or increase its losses and may never result in revenue to Aeva.
- Market adoption of LiDAR, including Aeva's 4D LiDAR technology, is uncertain.
- Aeva's transition to an outsourced manufacturing business model may not be successful, which could harm its ability to deliver products and recognize revenue.
- Aeva may be subject to product liability or warranty claims that could result in significant direct or indirect costs, which could adversely affect its business and operating results.

- Aeva is highly dependent on the services of Soroush Salehian Dardashti and Mina Rezk, its two founders.
- We may be affected by the interruption or failure of our information technology and communication systems and cybersecurity risks to our operational systems, security systems, infrastructure, integrated software in our LiDAR solutions.

#### **Risks Related to Aeva's Business and Industry**

***Aeva is an early stage company, with a history of losses, and has only sold or otherwise provided prototypes and non-recurring engineering services to customers for the purpose of R&D and testing of such customers' development programs. If such programs are not fully developed and commercialized, or if such programs experience significant delays, Aeva's business, financial condition and results of operations will be materially adversely affected and Aeva may never achieve or sustain profitability.***

Aeva has incurred net losses on an annual basis since its inception. Aeva incurred a net loss of \$149.3 million, \$147.3 million and \$101.9 million for the years ended December 31, 2023, 2022 and 2021, respectively. Aeva has only sold or otherwise provided prototypes and non-recurring engineering services and believes that it will continue to incur operating and net losses each quarter until at least the time it begins commercial deliveries of its products, which are not expected to occur in 2024 or may not occur at all. Even if Aeva is able to successfully develop and sell its products, there can be no assurance that they will be commercially successful. Aeva's potential profitability is dependent upon the successful development and successful commercial introduction and acceptance of its products, which may not occur. Because Aeva will incur the costs and expenses of developing and commercializing its products before it receives any significant revenues with respect thereto, Aeva's losses in future periods may be significant. Aeva may never achieve or sustain profitability.

Aeva expects the rate at which it will incur losses to be significantly higher in future periods as Aeva:

- utilizes third-party partners for design, testing and commercialization;
- expands its design, development and servicing capabilities;
- incurs expenses related to maintaining increasing levels of inventory; and
- increases its sales and marketing activities and develops its distribution infrastructures.

Aeva's success in developing and commercializing its products depends in large part on its customers' success in developing and commercializing their own products that utilize Aeva's products and services. There can be no guarantee that Aeva's customers will be able to fully develop and commercialize products that utilize Aeva's products or that such customers will continue to utilize Aeva's products. Such customers' development programs may not ever be developed and commercialized or such programs may be delayed. If such customers' development programs are not fully developed and commercialized, experience delays or otherwise do not incorporate Aeva's products, Aeva's business, financial condition and results of operations will be materially adversely affected.

***Aeva's limited operating history makes it difficult to evaluate its future prospects and the risks and challenges it may encounter.***

Aeva began operations in 2017 and has not yet fully developed and commercialized any of its products. This relatively limited operating history makes it difficult to evaluate Aeva's future prospects and the risks and challenges it may encounter. Risks and challenges Aeva has faced or expects to face include its ability to:

- develop and commercialize its products;
- produce and deliver products of acceptable performance;
- forecast its revenue and budget for and manage its expenses;
- attract new customers and retain and expand existing commercial relationships;
- develop and protect intellectual property;
- comply with existing and new or modified laws and regulations applicable to its business;

- plan for and manage capital expenditures for its current and future products, and manage its supply chain and supplier relationships related to its current and future products;
- anticipate and respond to macroeconomic changes and changes in the markets in which it operates;
- maintain and enhance the value of its reputation and brand;
- effectively manage its growth and business operations, including the impacts of the COVID-19 pandemic on its business; and
- hire, integrate and retain talented people at all levels of its organization.

If Aeva fails to address the risks and difficulties that it faces, including those associated with the challenges listed above as well as those described elsewhere in this “Risk Factors” section, its business, financial condition and results of operations could be adversely affected. Further, because Aeva has limited historical financial data and operates in a rapidly evolving market, any predictions about its future revenue and expenses may not be as accurate as they would be if it had a longer operating history or operated in a more predictable market. Aeva has encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If Aeva’s assumptions regarding these risks and uncertainties, which it uses to plan and operate its business, are incorrect or change, or if it does not address these risks successfully, its results of operations could differ materially from its expectations and its business, financial condition and results of operations could be adversely affected.

***Aeva’s strategic initiatives designed to grow its business may not be successful or may prove more costly than Aeva currently anticipates.***

Aeva continues to make investments and implement initiatives designed to grow its business, including:

- partnering with customers and potential customers to develop and commercialize Aeva’s products;
- investing in R&D;
- developing a highly skilled workforce;
- expanding its sales and marketing efforts to attract new customers;
- investing in new applications and markets for its products;
- partnering with third-parties to develop manufacturing processes; and
- investing in legal, accounting, and other administrative functions necessary to support its operations as a public company.

These initiatives may prove more expensive than Aeva currently anticipates, and Aeva may not succeed in increasing its revenue, if at all, in an amount sufficient to offset these higher expenses and to achieve and maintain profitability. The market opportunities Aeva is pursuing are at an early stage of development, and it may be many years before the end markets Aeva expects to serve generate demand for its products at scale, if at all. Aeva’s revenue may be adversely affected for a number of reasons, including the development and/or market acceptance of new technology that competes with its products, failure of Aeva’s customers to develop and commercialize the programs that include Aeva’s products or technology, Aeva’s inability to effectively manage its inventory or manufacture products at scale, Aeva’s inability to enter new markets or help its customers adapt its products for new applications or Aeva’s failure to attract new customers or expand orders from existing customers or increasing competition. Furthermore, it is difficult to predict the size and growth rate of Aeva’s target markets, customer demand for its products, commercialization timelines, developments in autonomous sensing and related technology, the entry of competitive products, or the success of existing competitive products and services. For these reasons, Aeva does not expect to achieve profitability over the near term. If Aeva’s revenue does not grow over the long term, its ability to achieve and maintain profitability will be adversely affected, and the value of its business may significantly decrease.

Aeva’s ability to effectively manage its anticipated growth and expansion of operations will also require it to enhance its operational, financial and management controls and infrastructure, human resources policies and

reporting systems. These enhancements and improvements will require significant capital expenditures, investments in additional headcount and other operating expenditures and allocation of valuable management and employee resources. Aeva's future financial performance and ability to execute on its business plan will depend, in part, on its ability to effectively manage any future growth and expansion. There are no guarantees Aeva will be able to do so in an efficient or timely manner, or at all.

***If Aeva's products are not selected for inclusion in development programs for ADAS or autonomous driving systems ("AD"), or are not adopted by customers, Aeva's business will be materially and adversely affected.***

Aeva is currently developing products for use in its customers' development programs, which are in varying stages of development. In many cases, Aeva's customers and their suppliers are designing and developing these programs and the related technology over several years. Many of these programs, including development programs for ADAS, automotive OEMs, automotive tier 1 companies, mobility or technology or industrial companies or their respective suppliers, require extensive testing or qualification processes prior to the customer placing orders for large quantities of products such as Aeva's products, because such products will function as part of a larger system or platform and must meet certain other specifications. Aeva spends significant time and resources to have its products selected for these programs, which is known as a "design win." In the case of AD and ADAS technology, a design win may mean Aeva's product has been selected for use in a particular vehicle model. If Aeva does not achieve a design win with respect to a particular vehicle model, it may not have an opportunity to supply its products to the automotive OEM for that vehicle model for a period of many years. In many cases, this period can be as long as five to seven or more years. If Aeva fails to win a significant number of vehicle models from one or more automotive OEMs or their suppliers, its business, results of operations and financial condition will be materially and adversely affected. If Aeva's products are not selected for a particular program or if Aeva's products are not successful in such program, it is unlikely that its product will be deployed in other programs of that customer.

Aeva's growth depends on successfully developing and commercializing its products and services. Aeva currently provides prototypes and non-recurring engineering services to customers for purposes of R&D and has not yet commercialized its products or services. Aeva may not be able to develop and commercialize its products or may be delayed in doing so. In addition, the successful commercialization of Aeva's products depends in part on Aeva's collaborators successfully developing and commercializing their own development programs, and such programs may not ultimately be developed or commercialized.

***The period of time from a design win to implementation is long, potentially spanning several years, and Aeva is subject to the risks of cancellation or postponement of the contract or unsuccessful implementation.***

Prospective customers, including those in the automotive industry, generally must make significant commitments of resources to test and validate Aeva's products and confirm that they can integrate with other technologies before including them in any particular system, product or application. The development cycles of Aeva's products with new customers vary widely depending on the application, market, customer and the complexity of the product. In the automotive market, for example, this development cycle can be five to seven or more years. The development cycle in certain other markets can be months to one or two years. These development cycles result in Aeva investing its resources prior to realizing any revenue from the commercialization. Further, Aeva is subject to the risk that customers cancel or postpone implementation of its technology, as well as that it will not be able to integrate its technology successfully into a larger system with other sensing modalities. Further, Aeva's revenue could be less than forecasted if the system, product or application that includes its products is unsuccessful, including for reasons unrelated to its technology. Long development cycles and product cancellations or postponements may adversely affect Aeva's business, results of operations and financial condition.

***Our forward looking estimates of certain financial metrics may prove inaccurate.***

We use various estimates in formulating our business plans. We base our estimates upon a number of assumptions that are inherently subject to significant business and economic uncertainties and contingencies, many of which are beyond our control. Specifically, we use "Order Book" as a metric to measure performance against anticipated achievement of planned key milestones of our business.

"Order Book" is defined as the forward-looking cumulative billings estimate of Aeva's products over the estimated lifetime of given production programs which Aeva expects to be integrated into or provided for, based



primarily on projected pricing terms and our good faith estimates of "take rate" of Aeva's technology on production programs. "Take rates" are the anticipated percentage of new vehicles or products to be equipped with Aeva's technology based on Aeva's projected product offerings and growth rates.

Order Book is a forward-looking statement. There is no assurance or guarantee that any of our customers, including any programs which we included in our Order Book estimates will ever complete such testing and validation with us or that we will receive any billings or revenues forecasted in connection with such program. These risks and uncertainties may cause our future actual sales to be materially different than that implied by the Order Book metric. The Order Book estimate may also be impacted by various factors, as described in "Risk Factors" in Item 1A of Part I of this Annual Report and subsequent filings with the Securities and Exchange Commission, including, but not limited to the following: (i) none of our customers make contractual commitments to use our LiDAR sensors and software until all test and validation activities have been completed, they have finalized plans for integrating our systems, have a positive expectation of the market demand for our features, and unrelated to us, have determined that their vehicles or products are ready for market and there is appropriate consumer demand. Consequently, there is no assurance or guarantee that any of our customers, including any programs which we included in our Order Book estimates will ever complete such testing and validation or enter into a definitive volume production agreement with us or that we will receive any billings or revenues forecasted in connection with such programs; (ii) the development cycles of our products with new customers vary widely depending on the application, market, customer and the complexity of the product. In the automotive market, for example, this development cycle can be as long as seven or more years. Variability in development cycles make it difficult to reliably estimate the pricing, volume or timing of purchases of our products by our customers; (iii) customers cancel or postpone implementation of our technology; (iv) we may not be able to integrate our technology successfully into a larger system with other sensing modalities; and (v) the product or vehicle model that is expected to include our LiDAR products may be unsuccessful, including for reasons unrelated to our technology.

***The period of time from a major commercial win to implementation is long and we are subject to risks of cancellation or postponement of the contract or unsuccessful implementation.***

Prospective customers, including those in the automotive industry, generally must make significant commitments of resources to test and validate our products and confirm that they can integrate with other technologies before including them in any particular system, product or model. None of our customers make contractual commitments to use our products at volume or at all until all test and validation activities have been completed, they have finalized plans for integrating our systems, have a positive expectation of the market demand for our features, and unrelated to us, have determined that vehicle is ready for market and there is appropriate consumer demand. We expect that only after this point will our customers place definitive volume production orders with us.

None of our customers have completed their on-going testing and validation or entered into definitive volume production agreements with us and there is no assurance or guarantee that any of our customers, including any for which we have announced a win will ever complete such testing and validation or enter into a definitive volume production agreement with us or that we will receive any revenues forecasted in connection with such win.

The development cycles of our products with new customers varies widely depending on the application, market, customer and the complexity of the product. In the automotive market, for example, this development cycle can be as long as seven or more years. The development cycle in certain other markets can be several months to a few years. These development cycles result in us investing our resources prior to realizing any revenue from the commercialization or obtaining any firm commitments of pricing, volume or timing of purchases of our products by our customers. Further, we are subject to the risk that customers cancel or postpone implementation of our technology, as well as that we will not be able to integrate our technology successfully into a larger system with other sensing modalities. Additionally, our revenue could be materially less than forecasted estimates if the system, product or vehicle model that includes our LiDAR products is unsuccessful, including for reasons unrelated to our technology. Long development cycles and product cancellations or postponements may adversely affect our business, results of operations and financial condition. Thus, even if we have been successful in obtaining major commercial wins, long development cycles and product cancellations or postponements and failures to successfully integrate our technology may materially and adversely affect our business, results of operations and financial condition.

***If Aeva is unable to effectively manage its supply chain, its business may be materially and adversely impacted.***

Some of the components that go into the manufacture of Aeva's products are sourced from third-party suppliers. To date, Aeva has produced its products in relatively limited quantities for use in development programs. Although Aeva does not have any experience in managing its supply chain to manufacture and deliver its products at scale, its future success will depend on its ability to manage its supply chain to manufacture and deliver its products at scale. Some of the key components used to manufacture Aeva's products come from limited or single-source suppliers. Aeva is therefore subject to the risk of shortages and long lead times in the supply of these components and the risk that its suppliers discontinue or modify components used in its products. Aeva has a global supply chain and pandemics such as COVID-19, other health epidemics and outbreaks may adversely affect its ability to source components in a timely or cost-effective manner from its third-party suppliers due to, among other things, work stoppages or interruptions. For example, Aeva's products depend on external semiconductor foundries. Any disruptions to those foundries could materially adversely affect Aeva's ability to manufacture its products. In addition, the lead times associated with certain components are lengthy and preclude rapid changes in quantities and delivery schedules. Aeva has in the past experienced and may in the future experience component shortages and price fluctuations of certain key components and materials, and the predictability of the availability and pricing of these components may be limited. Component shortages or pricing fluctuations could be material in the future. In the event of a component shortage, supply interruption or material pricing change from suppliers of these components, Aeva may not be able to develop alternate sources in a timely manner or at all in the case of sole or limited sources. Developing alternate sources of supply for these components may be time-consuming, difficult, and costly and Aeva may not be able to source these components on terms that are acceptable to it, or at all, which may undermine Aeva's ability to meet its requirements or to fill customer orders in a timely manner. Any interruption or delay in the supply of any of these parts or components, or the inability to obtain these parts or components from alternate sources at acceptable prices and within a reasonable amount of time, would adversely affect Aeva's ability to meet its scheduled product deliveries to its customers. This could adversely affect Aeva's relationships with its customers and channel partners and could cause delays in shipment of its products and adversely affect its operating results. In addition, increased component costs could result in lower gross margins. Even where Aeva is able to pass increased component costs along to its customers, there may be a lapse of time before it is able to do so such that Aeva must absorb the increased cost. If Aeva is unable to buy these components in quantities sufficient to meet its requirements on a timely basis, it will not be able to deliver products to its customers, which may result in such customers using competitive products instead of Aeva's.

***The complexity of Aeva's products could result in unforeseen delays or expenses from undetected defects, errors or reliability issues in hardware or software which could reduce the market adoption of its new products, damage its reputation with current or prospective customers, expose Aeva to product liability and other claims and adversely affect its operating costs.***

Aeva's products are highly technical and very complex and require high standards to manufacture and have in the past and will likely in the future experience defects, errors or reliability issues at various stages of development. Aeva may be unable to timely release new products, manufacture existing products, correct problems that have arisen or correct such problems to its customers' satisfaction. Additionally, undetected errors, defects or security vulnerabilities, especially as new products are introduced or as new versions are released, could result in serious injury to the end users of technology incorporating Aeva's products, or those in the surrounding area, its customers never being able to commercialize technology incorporating our products, litigation against Aeva, negative publicity and other consequences. These risks are particularly prevalent in the highly competitive AD and ADAS markets. Some errors or defects in Aeva's products may only be discovered after they have been tested, commercialized and deployed by customers. If that is the case, Aeva may incur significant additional development costs and product recall, repair or replacement costs. These problems may also result in claims, including class actions, against Aeva by its customers or others. Aeva's reputation or brand may be damaged as a result of these problems and customers may be reluctant to buy its products, which could adversely affect its ability to retain existing customers and attract new customers and could adversely affect its financial results.

In addition, Aeva could face material legal claims for breach of contract, product liability, fraud, tort or breach of warranty as a result of these problems. Defending a lawsuit, regardless of its merit, could be costly and may divert management's attention and adversely affect the market's perception of Aeva and its products. In addition, Aeva's business liability insurance coverage could prove inadequate with respect to a claim and future coverage may be

unavailable on acceptable terms or at all. These product-related issues could result in claims against Aeva and its business could be adversely affected.

***Continued pricing pressures, automotive OEM cost reduction initiatives and the ability of automotive OEMs to re-source or cancel vehicle or technology programs may result in lower than anticipated margins, or losses, which may adversely affect Aeva's business.***

Cost-cutting initiatives adopted by Aeva's customers often result in increased downward pressure on pricing. Aeva expects that its agreements with automotive OEMs may require step-downs in pricing over the term of the agreement or, if commercialized, over the period of production. In addition, Aeva's automotive OEM customers often reserve the right to terminate their supply contracts for convenience, which enhances their ability to obtain price reductions. Automotive OEMs also possess significant leverage over their suppliers, including Aeva, because the automotive component supply industry is highly competitive, serves a limited number of customers and has a high fixed cost base.

Accordingly, Aeva expects to be subject to substantial continuing pressure from automotive OEMs and Tier 1 suppliers to reduce the price of its products. It is possible that pricing pressures beyond Aeva's expectations could intensify as automotive OEMs pursue restructuring, consolidation and cost-cutting initiatives. If Aeva is unable to generate sufficient production cost savings in the future to offset price reductions, its gross margin and profitability would be adversely affected.

***Aeva expects to incur substantial R&D costs and devote significant resources to identifying and commercializing new products, which could significantly reduce its profitability or increase its losses and may never result in revenue to Aeva.***

Aeva's future growth depends on developing its products, penetrating new markets, adapting existing products to new applications and customer requirements, and introducing new products that achieve market acceptance. Aeva plans to incur substantial, and potentially increasing, R&D costs as part of its efforts to design, develop, manufacture and commercialize new products, and enhance existing products and these costs are likely to grow in the future. Because Aeva accounts for R&D as an operating expense, these expenditures will adversely affect its results of operations in the future. Further, Aeva's R&D program may not produce successful results, and its new products may not achieve market acceptance, create additional revenue or become profitable.

***Market adoption of LiDAR, including Aeva's 4D LiDAR technology, is uncertain. If market adoption of LiDAR, including Aeva's 4D LiDAR technology, does not continue to develop, or develops more slowly than Aeva expects, its business will be adversely affected.***

While Aeva's 4D LiDAR technology can be applied to different use cases across end markets, a significant portion of its revenue is primarily generated from the development of automotive applications. Despite the fact that the automotive industry has engaged in considerable effort to research and test its LiDAR products, including Aeva's 4D LiDAR technology, for ADAS and AD applications, the automotive industry may not introduce LiDAR products in commercially available vehicles. Aeva continually studies emerging and competing sensing technologies and methodologies and it may add new sensing technologies. However, LiDAR products remain relatively new and it is possible that other sensing modalities, or a new disruptive modality based on new or existing technology, including a combination of technology, will achieve acceptance or leadership in the ADAS and AD industries. Even if LiDAR products are used in initial generations of AD technology and certain ADAS products, Aeva cannot guarantee that LiDAR products will be designed into or included in subsequent generations of such commercialized technology. In addition, Aeva expects that initial generations of autonomous vehicles will be focused on limited applications, such as robo-taxis, and that mass market adoption of autonomous technology may lag behind these initial applications significantly. The speed of market growth for ADAS or autonomous vehicles is difficult if not impossible to predict, and it is more difficult to predict this market's future growth in light of the economic consequences of the COVID-19 pandemic. In addition, Aeva expects competition among providers of sensing technology based on LiDAR and other modalities to increase substantially. If commercialization of LiDAR products is not successful, or not as successful as Aeva or the market expects, or if other sensing modalities gain acceptance by market participants, regulators, safety organizations or other market participants, Aeva's business, results of operations and financial condition will be materially and adversely affected.

Aeva is investing in and pursuing market opportunities outside of the automotive markets, industrial automation, consumer device applications, and security markets. Aeva believes that its future revenue growth, if any, will depend in part on its ability to expand within new markets such as these and to enter new markets as they emerge. Each of these markets presents distinct risks and, in many cases, requires Aeva to address the particular requirements of that market.

Addressing these requirements can be time-consuming and costly. The market for LiDAR technology outside of automotive applications is relatively new, rapidly developing and unproven in many markets or industries. Many of Aeva's customers outside of the automotive industry are still in the testing and development phases and it cannot be certain that they will commercialize products or systems with Aeva's 4D LiDAR technology or at all. Aeva cannot be certain that LiDAR will be sold into these markets, or any market outside of automotive market, at scale. Adoption of LiDAR products, including Aeva's products, outside of the automotive industry will depend on numerous factors, including whether the technological capabilities of LiDAR and LiDAR-based products meet users' current or anticipated needs, whether the benefits of designing LiDAR into larger sensing systems outweigh the costs, complexity and time needed to deploy such technology or replace or modify existing systems that may have used other modalities such as cameras and radar, whether users in other applications can move beyond the testing and development phases and proceed to commercializing systems supported by LiDAR technology and whether LiDAR developers such as Aeva can keep pace with rapid technological change in certain developing markets and the global response to the COVID-19 pandemic or other infectious diseases, health epidemics, pandemics and natural disasters and the length of any associated work stoppages. If LiDAR technology does not achieve commercial success outside of the automotive industry, or if the market develops at a pace slower than Aeva expects, its business, results of operation and financial condition will be materially and adversely affected.

***Aeva expects its results of operations to fluctuate on a quarterly and annual basis, which could cause the stock price of the Company to fluctuate or decline.***

Aeva's quarterly results of operations have fluctuated in the past and may vary significantly in the future. As such, historical comparisons of its operating results may not be relevant, meaningful or indicative of future results. In particular, because Aeva's sales to date have primarily been of prototypes and non-recurring engineering services to customers for the purpose of R&D and testing of such customers' development programs, sales in any given quarter can fluctuate based on the timing and success of its customers' development projects. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Aeva's quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of its control and may not fully reflect the underlying performance of Aeva's business. These fluctuations could adversely affect Aeva's ability to meet its expectations or those of securities analysts, ratings agencies or investors. If Aeva does not meet these expectations for any period, the value of its business and its securities could decline significantly. Factors that may cause these quarterly fluctuations to include, without limitation, those listed below:

- the timing and magnitude of orders and shipments of Aeva's products in any quarter;
- the timing and magnitude of sales returns and warranty claims of Aeva's products in any quarter;
- the timing and magnitude of non-recurring engineering services revenue in any quarter;
- pricing changes Aeva may adopt to drive market adoption or in response to competitive pressure;
- Aeva's ability to retain its existing customers and attract new customers;
- Aeva's ability to develop, introduce, manufacture and ship in a timely manner products that meet customer requirements;
- disruptions in Aeva's sales channels or termination of its relationship with important channel partners;
- delays in customers' purchasing cycles or deferments of customers' purchases in anticipation of new products or updates from Aeva or its competitors;
- fluctuations in demand pressures for Aeva's products;
- the mix of products and services sold in any quarter;

- the global pandemic and the time it takes for economic recovery;
- the timing and rate of broader market adoption of autonomous systems utilizing Aeva's products or technology across the automotive and other market sectors;
- market acceptance of LiDAR and further technological advancements by Aeva's competitors and other market participants;
- the ability of Aeva's customers to commercialize systems that incorporate its products;
- any change in the competitive dynamics of Aeva's markets, including consolidation of competitors, regulatory developments and new market entrants;
- Aeva's ability to effectively manage its inventory;
- changes in the source, cost, availability of and regulations pertaining to materials Aeva uses;
- adverse litigation, judgments, settlements or other litigation-related costs, or claims that may give rise to such costs; and
- general economic, industry and market conditions, including trade disputes.

***Aeva's transition to an outsourced manufacturing business model may not be successful, which could harm its ability to deliver products and recognize revenue.***

Aeva is in the initial stages of transitioning from a manufacturing model in which it sources components from third-parties and assembles its final products at its San Francisco Bay Area location, to one where it relies exclusively on third-party manufacturers in foreign and domestic locations for both the manufacturing and assembly of its products. Aeva may not be able to establish relationships with outsourced manufacturers in a timely manner. Aeva believes the use of third-party manufacturers in this manner will have benefits, but in the near term, while it begins working with new counterparties, Aeva may lose revenue, incur increased costs and potentially harm its customer relationships.

Reliance on third-party manufacturers reduces Aeva's control over the production process, including reduced control over quality, product costs and product supply and timing. Aeva may experience delays in shipments or issues concerning product quality from its third-party manufacturers. If any of Aeva's third-party manufacturers experience interruptions, delays or disruptions in supplying its products, including by natural disasters, the pandemics, other health epidemics and outbreaks, or work stoppages or capacity constraints, Aeva's ability to ship products to distributors and customers would be delayed. In addition, unfavorable economic conditions could result in financial distress among third-party manufacturers upon which Aeva relies, thereby increasing the risk of disruption of supplies necessary to fulfill Aeva's production requirements and meet customer demands. Additionally, if any of Aeva's third-party manufacturers experience quality control problems in their manufacturing operations and Aeva's products do not meet customer or regulatory requirements, it could be required to cover the cost of repair or replacement of any defective products. These delays or product quality issues could have an immediate and material adverse effect on Aeva's ability to fulfill orders and could have a negative effect on its operating results. In addition, such delays or issues with product quality could adversely affect Aeva's reputation and its relationship with its channel partners. If third-party manufacturers experience financial, operational, manufacturing capacity or other difficulties, or experience shortages in required components, or if they are otherwise unable or unwilling to continue to manufacture Aeva's products in required volumes or at all, Aeva's supply may be disrupted, it may be required to seek alternate manufacturers and it may be required to re-design its products. It would be time-consuming, and could be costly and impracticable, to begin to use new manufacturers and designs, and such changes could cause significant interruptions in supply and could have an adverse effect on Aeva's ability to meet its scheduled product deliveries and may subsequently lead to the loss of sales. While Aeva takes measures to protect its trade secrets, the use of third-party manufacturers may also risk disclosure of its innovative and proprietary manufacturing methodologies, which could adversely affect Aeva's business.

***Aeva, its outsourcing partners and its suppliers may rely on complex machinery and highly skilled labor for Aeva's production, which involves a significant degree of risk and uncertainty.***

Aeva's outsourcing partners and its suppliers may rely on complex machinery for the production, assembly and installation of Aeva's products, which will involve a significant degree of uncertainty and risk in terms of operational performance and costs. The facilities of its outsourcing partners and suppliers consist of large-scale machinery combining many components. These components may suffer unexpected malfunctions from time to time and will depend on repairs and spare parts to resume operations, which may not be available when needed. Unexpected malfunctions of these components may significantly affect the intended operational efficiency. In addition, Aeva and its outsourcing partners and its suppliers also rely on highly skilled labor for Aeva's assembly and production. If such highly skilled labor is unavailable, Aeva's business could be adversely affected. Operational performance and costs can be difficult to predict and are often influenced by factors outside of Aeva's control, such as, but not limited to, scarcity of natural resources, environmental hazards and remediation, costs associated with decommissioning of machines, labor disputes and strikes, difficulty or delays in obtaining governmental permits, damages or defects in electronic systems, industrial accidents, fire, seismic activity and natural disasters. Should operational risks materialize, it may result in the personal injury to or death of workers, the loss of production equipment, damage to production facilities, monetary losses, delays and unanticipated fluctuations in production, environmental damage, administrative fines, increased insurance costs and potential legal liabilities, all which could have a material adverse effect on Aeva's business, prospects, financial condition or operating results.

***As part of growing its business, Aeva may make acquisitions. If Aeva fails to successfully select, execute or integrate its acquisitions, then its business, results of operations and financial condition could be materially adversely affected, and our stock price could decline.***

From time to time, Aeva may undertake acquisitions to add new products and technologies, acquire talent, gain new sales channels or enter into new markets or sales territories. In addition to possible stockholder approval, Aeva may need approvals and licenses from relevant government authorities for the acquisitions and to comply with any applicable laws and regulations, which could result in increased delay and costs, and may disrupt Aeva's business strategy if it fails to do so. Furthermore, acquisitions and the subsequent integration of new assets, businesses, key personnel, customers, vendors and suppliers require significant attention from Aeva's management and could result in a diversion of resources from Aeva's existing business, which in turn could have an adverse effect on Aeva's operations. Acquired assets or businesses may not generate the financial results Aeva expects. Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business. Moreover, the costs of identifying and consummating acquisitions may be significant.

To date, Aeva has no experience with acquisitions and the integration of acquired technology and personnel. Failure to successfully identify, complete, manage and integrate acquisitions could materially and adversely affect its business, financial condition and results of operations and could cause our stock price to decline.

***Aeva's sales and operations in international markets expose it to operational, financial and regulatory risks, including possible unfavorable regulatory, political, tax and labor conditions, which could harm Aeva's business.***

International sales comprise a significant amount of Aeva's overall revenue. Sales to international customers have grown since 2018. Aeva is committed to growing its international sales, and while it has committed resources to expanding its international operations and sales channels, these efforts may not be successful. International operations are subject to a number of other risks, including:

- exchange rate fluctuations;
- political and economic instability, international terrorism and anti-American sentiment, particularly in emerging markets;
- global or regional health crises, such as the COVID-19 pandemic or other health epidemics and outbreaks;
- potential for violations of anti-corruption laws and regulations, such as those related to bribery and fraud;

- preference for locally branded products, and laws and business practices favoring local competition;
- increased difficulty in managing inventory;
- delayed revenue recognition;
- less effective protection of intellectual property;
- stringent regulation of the autonomous or other systems or products using Aeva's products and stringent consumer protection and product compliance regulations, including but not limited to General Data Protection Regulation in the European Union, European competition law, the Restriction of Hazardous Substances Directive, the Waste Electrical and Electronic Equipment Directive and the European Ecodesign Directive that are costly to comply with and may vary from country to country;
- difficulties and costs of staffing and managing foreign operations;
- import and export laws and the impact of tariffs;
- changes in local tax and customs duty laws or changes in the enforcement, application or interpretation of such laws; and
- U.S. government's restrictions on certain technology transfer to certain countries of concern.

The occurrence of any of these risks could negatively affect Aeva's international business and consequently its business, operating results and financial condition.

***Aeva faces risks associated with manufacturing operations outside the United States.***

Manufacturing outside the United States is subject to several inherent risks, including:

- foreign currency fluctuations;
- local economic conditions;
- political instability;
- import or export requirements;
- foreign government regulatory requirements;
- reduced protection for intellectual property rights in some countries;
- tariffs and other trade barriers and restrictions; and
- potentially adverse tax consequences.

Such risks could increase Aeva's costs and decrease its profit margins.

***Aeva may be subject to product liability or warranty claims that could result in significant direct or indirect costs, which could adversely affect its business and operating results.***

Aeva's customers use its products and technology in various applications, including AD and ADAS applications, which present the risk of significant injury, including fatalities. Aeva may be subject to claims if a product using its technology is involved in an accident and persons are injured or purport to be injured. Any insurance that Aeva carries may not be sufficient or it may not apply to all situations. Similarly, Aeva's customers could be subjected to claims as a result of such accidents and bring legal claims against Aeva to attempt to hold it liable. In addition, if lawmakers or governmental agencies were to determine that the use of Aeva's products, including AD or certain ADAS applications, increased the risk of injury to all or a subset of its customers, they may pass laws or adopt regulations that limit the use of Aeva's products or increase its liability associated with the use of its products or that regulate the use of or delay the deployment the products that use Aeva's technology, including AD and ADAS technology. Any of these events could adversely affect Aeva's brand, relationships with customers, operating results or financial condition.

Aeva typically provides a limited-time warranty on its products. The occurrence of any material defects in its products could make Aeva liable for damages and warranty claims. In addition, Aeva could incur significant costs to correct any defects, warranty claims or other problems, including costs related to product recalls. Any negative publicity related to the perceived quality of Aeva's products could affect its brand image, partner and customer demand, and adversely affect its operating results and financial condition. Also, warranty, recall and product liability claims may result in litigation, including class actions, the occurrence of which could be costly, lengthy and distracting and adversely affect Aeva's business and operating results.

***If Aeva or its suppliers do not maintain sufficient inventory or if they do not adequately manage their respective inventory, Aeva could lose sales or incur higher inventory-related expenses, which could negatively affect Aeva's operating results.***

To ensure adequate inventory supply, Aeva and its suppliers must forecast inventory needs and expenses, place orders sufficiently in advance with their respective suppliers and manufacturing counterparties and manufacture products based on its estimates of future demand for particular products. Fluctuations in the adoption of LiDAR may affect Aeva's ability to forecast its future operating results, including revenue, gross margins, cash flows and profitability. Aeva's ability to accurately forecast demand for its products could be affected by many factors, including the rapidly changing nature of the AD and ADAS markets in which it operates, the uncertainty surrounding the market acceptance and commercialization of LiDAR technology, the emergence of new markets, an increase or decrease in customer demand for Aeva's products or for products and services of its competitors, product introductions by competitors, pandemics, other health epidemics and outbreaks, and any associated work stoppages or interruptions, unanticipated changes in general market conditions and the weakening of economic conditions or consumer confidence in future economic conditions. If Aeva's products are commercialized in industries that are quickly growing, including AD and ADAS applications, both of which are currently experiencing rapid growth in demand, Aeva may face challenges acquiring adequate supplies to manufacture its products and/or Aeva and its manufacturing counterparties may not be able to manufacture its products at a rate necessary to satisfy the levels of demand, which would negatively affect Aeva's revenue. This risk may be exacerbated by the fact that Aeva may not carry or be able to obtain for its manufacturers a significant amount of inventory to satisfy short-term demand increases. If it fails to accurately forecast customer demand, Aeva may experience excess inventory levels or a shortage of products available for sale.

Inventory levels in excess of customer demand may result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which would adversely affect Aeva's financial results, including its gross margin, and have a negative effect on its brand. Conversely, if Aeva underestimates customer demand for its products, Aeva, or its manufacturing counterparties, may not be able to deliver products to meet its requirements, and this could result in damage to Aeva's brand and customer relationships and adversely affect its revenue and operating results.

***The average selling prices of Aeva's products could decrease rapidly over the life of the product, which may negatively affect Aeva's revenue and margins. In addition, the selling prices Aeva is able to ultimately charge in the future for the products it is currently developing or commercializing may be less than what Aeva currently projects, which may cause Aeva's actual operating results to differ materially from its projections.***

The prices that Aeva is able to ultimately charge in the future for the products it is currently developing or commercializing may experience declines for a variety of reasons, many of which are outside of Aeva's control. In order to sell products that have a falling average unit selling price and maintain margins at the same time, Aeva will need to continually reduce product and manufacturing costs. To manage manufacturing costs, Aeva must engineer the most cost-effective design for its products and collaborate with its manufacturing counterparties to reduce manufacturing costs. Aeva also needs to continually introduce new products with higher sales prices and gross margin in order to maintain its overall gross margin. If Aeva is unable to manage the cost of older products or successfully introduce new products with a higher gross margin, its revenue and overall gross margin would likely decline. In addition, the selling prices Aeva is able to ultimately charge in the future for the products it is currently developing or commercializing may be less than what Aeva currently projects, which may cause Aeva's actual operating results to differ materially from its forecasts and projections.



***Adverse conditions in the automotive industry or the global economy more generally could have adverse effects on Aeva's results of operations.***

While Aeva makes its strategic planning decisions based on the assumption that the markets it is targeting will grow, Aeva's business is dependent, in large part on, and directly affected by, business cycles and other factors affecting the global automobile industry and global economy generally. Automotive production and sales are highly cyclical and depend on general economic conditions and other factors, including consumer spending and preferences, changes in interest rates and credit availability, consumer confidence, fuel costs, fuel availability, environmental impact, governmental incentives and regulatory requirements, and political volatility, especially in energy-producing countries and growth markets. In addition, automotive production and sales can be affected by Aeva's automotive OEM customers' ability to continue operating in response to challenging economic conditions and in response to labor relations issues, regulatory requirements, trade agreements and other factors. The volume of automotive production in North America, Europe and the rest of the world has fluctuated, sometimes significantly, from year to year, and Aeva expects such fluctuations to give rise to fluctuations in the demand for its products. Any significant adverse change in any of these factors may result in a reduction in automotive sales and production by Aeva's automotive OEM customers and could have a material adverse effect on its business, results of operations and financial condition.

***The discontinuation, lack of commercial success, or loss of business with respect to a particular vehicle model or technology package, or consumer electronics, consumer health, security or industrial application, for which Aeva is a significant supplier could reduce Aeva's sales and adversely affect its profitability.***

If Aeva is able to secure design wins and its products are included in its customers' applications, including AD and ADAS products or consumer electronics, consumer health, industrial or security applications, it expects to enter into supply agreements with the relevant customer. For AD and ADAS products, market practice dictates that these supply agreements typically require Aeva to supply a customer's requirements for a particular vehicle model or AD or ADAS product, rather than supply a set number of products. These contracts can have short terms and/or can be subject to renegotiation, sometimes as frequently as annually, all of which may affect product pricing, and may be terminated by Aeva's customers at any time. Therefore, even if Aeva is successful in obtaining design wins and the systems into which its products are built are commercialized, the discontinuation of, the loss of business with respect to, or a lack of commercial success of a particular vehicle model or technology package for which Aeva is a significant supplier could mean that the expected sales of Aeva's products will not materialize, materially and adversely affecting its business. In addition, the loss of business with respect to a customer's application in the consumer electronics, consumer health, security or industrial application for which Aeva is a significant supplier could reduce Aeva's sales and adversely affect its profitability.

***We may not be able to anticipate changing customer and consumer preferences or respond quickly enough to changes in technology and standards to be able to develop and introduce commercially viable products.***

Our ability to maintain and improve existing products, anticipate changes in technology, regulatory and other standards, and to successfully develop and introduce new and enhanced technologies and products on a timely basis will be a significant factor in our ability to be competitive and gain market acceptance. If we are unsuccessful or are less successful than our competitors in predicting the course of market development and perceptions of drivers regarding autonomous driving capabilities and solutions, developing innovative products, processes, and/or use of materials, or adapting to new technologies or evolving regulatory, industry or customer requirements, we will suffer from a competitive disadvantage. Further, the global automotive industry is experiencing a period of significant technological change, including the development of combined software and system-on-chip ("SoC") hardware solutions to handle the influx of information coming into vehicles from increasing numbers of sensors and efficiently manage multilevel processing in real time while operating within a system's power budget. As a result, the success of portions of our business requires us to develop, acquire and/or incorporate new technologies. We may need to adjust our strategy and projected timelines based on how these technological challenges evolve over time. There is a risk that these challenges will not be overcome, and that our investments in R&D initiatives will not lead to successful new products and a corresponding increase in revenue, which could have a material adverse effect on our business, results of operations and financial condition.

***Since many of the markets in which Aeva competes are new and rapidly evolving, it is difficult to forecast long-term end-customer adoption rates and demand for Aeva's products.***

Aeva is pursuing opportunities in markets that are undergoing rapid changes, including technological and regulatory changes, and it is difficult to predict the timing and size of the opportunities. For example, AD and LiDAR-based ADAS, and consumer electronics, consumer health and industrial applications require complex technology. Because these products depend on technology from many companies, commercialization of these products could be delayed or impaired on account of certain technological components of Aeva or others not being ready to be deployed. Although Aeva has agreements with commercial counterparties, these companies may not be able to commercialize Aeva's technology immediately, or at all. Regulatory, safety or reliability developments, many of which are outside of Aeva's control, could also cause delays or otherwise impair commercial adoption of these new technologies, which will adversely affect Aeva's growth. Aeva's future financial performance will depend on its ability to make timely investments in the correct market opportunities. If one or more of these markets experience a shift in customer or prospective customer demand, Aeva's products may not compete as effectively, if at all, and they may not be designed into commercialized products. Given the evolving nature of the markets in which Aeva operates, it is difficult to predict customer demand or adoption rates for its products or the future growth of the markets in which it operates. If demand does not develop or if Aeva cannot accurately forecast customer demand, the size of its markets, inventory requirements or its future financial results, its business, results of operations and financial condition will be adversely affected.

***Aeva currently has and targets many customers, suppliers and production counterparties that are large corporations with substantial negotiating power, exacting product, quality and warranty standards and potentially competitive internal solutions. If Aeva is unable to sell its products to these customers or is unable to enter into agreements with customers, suppliers and production counterparties on satisfactory terms, its prospects and results of operations will be adversely affected.***

Many of Aeva's customers, suppliers, and potential customers are large, multinational corporations with substantial negotiating power relative to it and, in some instances, may have internal solutions that are competitive to Aeva's products. Many of these large, multinational corporations that are customers, production counterparties or potential customers also have significant development resources, which may allow them to acquire or develop independently, or in partnership with others, competitive technologies. Meeting the technical requirements and securing design wins with any of these companies will require a substantial investment of Aeva's time and resources. Aeva cannot assure you that its products or technology will secure design wins from these or other companies or that it will generate meaningful revenue from the sales of its products to these key potential customers. If Aeva's products are not selected by these large corporations or if these corporations develop or acquire competitive technology, it will have an adverse effect on Aeva's business.

***Aeva's relies on a small number of customers and its business and financial condition would be adversely effected if these customers terminated or if they were unable to pay their invoices.***

Although Aeva continues to pursue a broad customer base, it is dependent on a small number of customers with strong purchasing power. In fiscal year 2023, Aeva's top two customers accounted for 45%. For fiscal year 2022 one customer accounted for 81% of its revenue. The loss of business from any of Aeva's major customers (whether by lower overall demand for its products, cancellation of existing contracts or product orders or the failure to design in its products or award Aeva new business) could have a material adverse effect on its business.

To the extent AD and ADAS become accepted by major automotive OEMs, Aeva expects that it will rely increasingly on Tier 1 suppliers and contract manufacturers through which automotive OEMs procure components. Aeva expects that these Tier 1 suppliers will be responsible for certain hardware and software development and configuration activities specific to each OEM, and they may not exclusively carry its products or technology.

There is also a risk that one or more of its major customers could be unable to pay Aeva's invoices as they become due or that a customer will simply refuse to make such payments if it experiences financial difficulties. If a major customer were to enter into bankruptcy proceedings or similar proceedings whereby contractual commitments are subject to stay of execution and the possibility of legal or other modification, Aeva could be forced to record a substantial loss.

***If Aeva is unable to establish and maintain confidence in its long-term business prospects among customers and analysts and within its industry or is subject to negative publicity, then Aeva's financial condition, operating results, business prospects and access to capital may suffer materially.***

Aeva has not yet fully developed or commercialized its products or services and the successful commercialization of Aeva's products depends in part on Aeva's collaborators, customers and potential customers committing to use Aeva's technology in their own products. Customers may be less likely to purchase Aeva's products if they are not convinced that Aeva's business will succeed or that its service and support and other operations will continue in the long term. Similarly, suppliers and other third parties will be less likely to invest time and resources in developing business relationships with Aeva if they are not convinced that Aeva's business will succeed. If Aeva is unable to establish and maintain confidence in its long-term business prospects among customers, suppliers, analysts, ratings agencies and analysts and within its industry or is subject to negative publicity, then Aeva's financial condition, operating results, business prospects and access to capital may suffer materially.

***Aeva's investments in educating its customers and potential customers about the advantages of Aeva's 4D LiDAR technology and its applications may not result in sales of Aeva's products or services.***

Educating Aeva's prospective customers, and to a lesser extent, its existing customers, about Aeva's 4D LiDAR technology, its advantages over other sensing technologies and Aeva's 4D LiDAR technology's ability to convey value in different industries and deployments is an integral part of developing new business and the LiDAR market generally. If prospective customers have a negative perception of, or experience with, LiDAR or related technology or a competitor's LiDAR products they may be reluctant to adopt LiDAR in general or specifically Aeva's products or technology. Adverse statements about LiDAR by influential market participants may also deter adoption. Some of Aeva's competitors have significant financial or marketing resources that may allow them to engage in public marketing campaigns about their alternative technology, LiDAR or Aeva's products or technology. Aeva's efforts to educate potential customers and the market generally and to counter any adverse statements made by competitors or other market participants will require significant financial and personnel resources. These educational efforts may not be successful and Aeva may not offset the costs of such efforts with revenue from the new customers. If Aeva is unable to acquire new customers to offset these expenses or if the market accepts such adverse statements, its financial condition will be adversely affected.

***Aeva operates in a highly competitive market and some market participants have substantially greater resources. Aeva competes against a large number of both established competitors and new market entrants with respect to, among other things, cost, product specifications and technology.***

The markets for sensing technology are highly competitive, particularly in the automotive industry. Aeva's future success will depend on its ability to emerge as a leader in its targeted markets by continuing to develop and protect from infringement advanced 4D LiDAR technology in a timely manner and to effectively compete with existing and new competitors. Aeva's competitors are numerous and they compete with it directly by offering LiDAR products and indirectly by attempting to solve some of the same challenges with different technology. Aeva faces competition from camera and radar companies, other developers of LiDAR products, Tier 1 suppliers and other technology and automotive supply companies, some of which have significantly greater resources than it does. In the automotive market, Aeva's competitors have commercialized both LiDAR and non-LiDAR-based ADAS technology that has achieved market adoption, strong brand recognition and may continue to improve. Other competitors are working towards commercializing AD technology and either by themselves, or with a publicly announced partner, have substantial financial, marketing, R&D and other resources. Some of Aeva's customers in the autonomous vehicle and ADAS markets have announced development efforts or made acquisitions directed at creating their own LiDAR-based or other sensing technologies, which would compete with Aeva's products. Aeva does not know how close these competitors are to commercializing AD systems or novel ADAS applications. In markets outside of the automotive industry, its competitors, like Aeva, seek to develop new sensing applications across industries. Even in these emerging markets, Aeva faces substantial competition from numerous competitors seeking to prove the value of their technology.

Additionally, increased competition may result in pricing pressure and reduced margins and may impede Aeva's ability to increase the sales of its products or cause it to lose market share, any of which will adversely affect its business, results of operations and financial condition.

***We may not have sufficient resources to fund our operating costs or all of our future research and development and capital expenditures or possible acquisitions or joint ventures.***

Although we expect our current cash balance, combined with our future cash flows, will address our capital needs through 2024, we cannot be assured that this will be the case. Our operating environment is increasingly challenging, and our business and strategic plans may consume resources faster than we presently anticipate. In order to remain competitive, we must make substantial investments in research and development. Our products may require significant resources to develop both hardware and software solutions. Challenges of integrating new functionality into vehicles and the evolution of our customers' performance requirements during development may also increase R&D costs. Customer demands for changes to our products to meet such performance requirements are difficult to predict both in terms of timing and cost. We may be unable to fund all of our research and development and capital investment needs or possible acquisitions or joint ventures, and we may have to pass on valuable long-term opportunities that arise. An inability to fund our future R&D, capital expenditures and product development needs could have a material adverse effect on our business, results of operations and financial condition.

***The markets in which Aeva competes are characterized by rapid technological change, which requires Aeva to continue to develop new products and product innovations and could adversely affect market adoption of its products.***

While Aeva intends to invest substantial resources to technological development, continuing technological changes in sensing technology, LiDAR and the markets for these products, including the ADAS and AD industries, could adversely affect adoption of LiDAR and/or Aeva's products, either generally or for particular applications. Aeva's future success will depend upon its ability to develop and introduce a variety of new capabilities and innovations to its product offerings, as well as introduce a variety of new product offerings, to address the changing needs of the markets in which Aeva offers its products. Delays in delivering new products that meet customer requirements could damage Aeva's relationships with customers and lead them to seek alternative sources of supply. In addition, Aeva's success to date has been based on the delivery of prototypes and services to R&D programs in which developers are investing substantial capital to develop new systems. Aeva's continued success relies on the success of the R&D phase of these customers as they expand into commercialized projects. As autonomous technology reaches the stage of large-scale commercialization, Aeva will be required to develop and deliver products at price points that enable wider and ultimately mass-market adoption. Delays in introducing products and innovations, the failure to choose correctly among technical alternatives or the failure to offer innovative products or configurations at competitive prices may cause existing and potential customers to purchase Aeva's competitors' products or turn to alternative sensing technology.

If Aeva is unable to devote adequate resources to develop products or cannot otherwise successfully develop products or system configurations that meet customer requirements on a timely basis or that remain competitive with technological alternatives, its products could lose market share, its revenue will decline, it may experience operating losses and its business and prospects will be adversely affected.

***Future issuances of equity or debt securities, including from the issuance of preferred stock to Sylebra or upon Sylebra's exercise of warrants for our common stock, may adversely affect us, including the market price of the common stock and may be dilutive to existing stockholders.***

In the future, we may require additional capital to respond to technological advancements, competitive dynamics or technologies, customer demands, business opportunities, challenges, acquisitions or unforeseen circumstances and we may determine to engage in equity or debt financings or enter into credit facilities for other reasons. In November 2023, the Company entered into a Standby Equity Purchase Agreement (the "Facility Agreement") with entities affiliated with Sylebra. Pursuant to the Facility Agreement, the Company has the right, but not the obligation, to sell to Sylebra up to \$125,000,000 of shares of its preferred stock, at the Company's request until November 8, 2026. Any preferred stock issued under the Facility Agreement will rank senior to our common stock, have priority upon liquidation rights and certain other preferences and privileges more favorable than those of the common stock. Because our decision to draw on the Facility Agreement or issue additional debt or equity in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. Sales of shares of common stock

in the public market or the perception that these sales or conversions might occur may depress the market price of common stock and could impair our ability to raise capital through the sale of additional equity securities.

In addition, as of December 31, 2023, we had common stock warrants to purchase an aggregate of 27.5 million shares of our common stock outstanding. These warrants includes 12.5 million common stock warrants exercisable at exercise price of \$11.50 per warrant and 15.0 million Series A Warrants exercisable at an exercise price of \$1.00 per warrant. To the extent remaining warrants are exercised, additional shares of common stock will be issued, which will result in dilution to the then-existing holders of common stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such warrants may be exercised could adversely affect the market price of our common stock.

***Developments in alternative technology may adversely affect the demand for Aeva's 4D LiDAR technology.***

Significant developments in alternative technologies, such as cameras and radar, may materially and adversely affect Aeva's business, prospects, financial condition and operating results in ways Aeva does not currently anticipate. Existing and other camera and radar technologies may emerge as customers' preferred alternative to Aeva's 4D LiDAR technology. Any failure by Aeva to develop new or enhanced technologies or processes, or to react to changes in existing technologies, could materially delay Aeva's development and introduction of new and enhanced products in the autonomous vehicle industry, which could result in the loss of competitiveness of Aeva's products and technology, decreased revenue and a loss of market share to competitors. Aeva's R&D efforts may not be sufficient to adapt to changes in technology. As technologies change, Aeva plans to upgrade or adapt its products with the latest technology. However, Aeva's products and technology may not compete effectively with alternative systems if Aeva is not able to source and integrate the latest technology into its existing products or technology.

***Because LiDAR is new in most of the markets Aeva is seeking to enter, Aeva's forecasts of market growth may not be accurate.***

Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. Even if these markets experience the forecasted growth, Aeva may not grow its business at similar rates, or at all. Aeva's future growth is subject to many factors, including market adoption of its products, which is subject to many risks and uncertainties. Accordingly, any forecasts and estimates of market size and growth described herein, should not be taken as indicative of Aeva's future growth. In addition, these forecasts do not take into account the impact of the geopolitical uncertainties and Aeva cannot assure you that these forecasts will not be materially and adversely affected as a result.

***We are required to maintain effective internal control over financial reporting. If we are unable to maintain such controls, investor confidence may be adversely affected and, as a result, the value of our common stock.***

A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of its financial statements would not be prevented or detected on a timely basis. These deficiencies could result in material misstatements to its financial statements that could not be prevented or detected on a timely basis.

We have in the past and may in the future identify deficiencies in our internal controls over financial reporting. We cannot be certain that material weaknesses and control deficiencies will not occur in the future or that the measures we have taken to date, and actions we may take in the future, will be sufficient to prevent or avoid potential future material weaknesses. If material weaknesses are identified in the future, or if we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, our reported financial results could be materially misstated and we could be subject to investigations or sanctions by regulatory authorities, which would require additional financial and management resources, and the value of our common stock could decline.

To the extent we identify future weaknesses or deficiencies, there could be material misstatements in our consolidated financial statements and we could fail to meet our financial reporting obligations. The identification of such a material weakness could materially and adversely affect our business, our financial condition and the value of our common stock. If we are unable to assert that our internal control over financial reporting is effective in the

future, investor confidence in the accuracy and completeness of our financial reports could be further eroded, which would have a material adverse effect on the price of our common stock.

***If Aeva fails to maintain an effective system of internal controls, its ability to produce timely and accurate financial statements or comply with applicable regulations could be adversely affected.***

We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act and the rules and regulations of the NYSE. Aeva expects that the requirements of these rules and regulations will continue to increase its legal, accounting and financial compliance costs, make some activities more difficult, time-consuming and costly, and place significant strain on its personnel, systems and resources.

The Sarbanes-Oxley Act requires, among other things, that Aeva maintain effective disclosure controls and procedures and internal control over financial reporting. Aeva is continuing to develop and refine its disclosure controls, internal control over financial reporting and other procedures that are designed to ensure that information required to be disclosed by it in the reports that it will file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to Aeva's principal executive and financial officers.

Aeva's current controls and any new controls that it develops may be inadequate because of changes in conditions in its business. Further, additional weaknesses in Aeva's internal controls may be discovered in the future. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could adversely affect Aeva's operating results or cause it to fail to meet its reporting obligations and may result in a restatement of Aeva's financial statements for prior periods. Any failure to implement and maintain effective internal controls also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of Aeva's internal control over financial reporting that it is required to include in its periodic reports filed with the SEC under Section 404 of the Sarbanes-Oxley Act. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in Aeva's reported financial and other information.

In order to maintain and improve the effectiveness of its disclosure controls and procedures and internal control over financial reporting, Aeva has expended and anticipates that it will continue to expend significant resources, including accounting-related costs, and provide significant management oversight. Any failure to maintain the adequacy of its internal controls, or consequent inability to produce accurate financial statements on a timely basis, could increase Aeva's operating costs and could materially and adversely affect its ability to operate its business. If Aeva's internal controls are perceived as inadequate or that it is unable to produce timely or accurate financial statements, investors may lose confidence in Aeva's operating results and the stock price of the Company could decline.

In addition to Aeva's results determined in accordance with GAAP, Aeva believes certain non-GAAP measures may be useful in evaluating its operating performance. Aeva may present certain non-GAAP financial measures and intends to continue to present certain non-GAAP financial measures in future filings with the SEC and other public statements. Any failure to accurately report and present our non-GAAP financial measures could cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of its common stock.

***Aeva's ability to use its net operating loss carryforwards and certain other tax attributes may be limited.***

As of December 31, 2023, Aeva had \$232.2 million of U.S. federal and \$189.9 million of state net operating loss carryforwards available to reduce future taxable income, of which \$229.0 million will be carried forward indefinitely for U.S. federal tax purposes and the remainder of losses will expire beginning in 2036 for federal and 2031 for state tax purposes. The Company also has federal and California research and development tax credit carryforwards of \$21.2 million and \$13.5 million, respectively. The federal research credit carryforwards will expire in 2036 and California research credits can be carried forward indefinitely. It is possible that Aeva will not generate taxable income in time to use these net operating loss carryforwards before their expiration or at all. In addition, the federal and state net operating loss carryforwards and certain tax credits may be subject to significant limitations under Section 382 and Section 383 of the Internal Revenue Code of 1986, as amended (the "Code"), respectively,

and similar provisions of state law. Under those sections of the Code, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change attributes to offset its post-change income or tax may be limited. In general, an "ownership change" will occur if there is a cumulative change in our ownership by "5-percent shareholders" that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws. Aeva has completed a review of any potential limitation on the use its net operating losses and credits under Sections 382 and 383 through December 31, 2022. Based on such review, Aeva does not believe Section 382 and Section 383 will adversely impact its ability to use its current net operating losses and credits to offset future taxable income, if any. Aeva may experience ownership changes in the future. To the extent Aeva is not able to offset future taxable income with its net operating losses, Aeva's cash flows may be adversely affected. The Company is in the process of preparing a Sec. 382 study through December 31, 2023.

***Aeva is highly dependent on the services of Soroush Salehian Dardashti and Mina Rezk, its two founders.***

Aeva is highly dependent on its co-founders, Soroush Salehian Dardashti and Mina Rezk. Messrs. Salehian and Rezk remain deeply involved in all aspects of Aeva's business, including product development. The loss of either of Messrs. Salehian and Rezk would adversely affect Aeva's business because his loss could make it more difficult to, among other things, compete with other market participants, manage Aeva's R&D activities and retain existing customers or cultivate new ones. Negative public perception of, or negative news related to, either of Messrs. Salehian and Rezk may adversely affect Aeva's brand, relationship with customers or standing in the industry.

***Aeva's business depends substantially on the efforts of its executive officers and highly skilled personnel, and its operations may be severely disrupted if it lost their services.***

Competition for highly-skilled personnel is often intense, especially in the San Francisco Bay Area, where Aeva's office is located, and Aeva may incur significant costs to attract highly-skilled personnel. Aeva may not be successful in attracting, integrating, or retaining qualified personnel to fulfill its current or future needs. Aeva has, from time to time, experienced, and it expects to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications.

In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of Aeva's equity or equity awards declines, it may adversely affect Aeva's ability to retain highly skilled employees. If Aeva fails to attract new personnel or fails to retain and motivate its current personnel, its business and future growth prospects could be adversely affected.

**Legal and Regulatory Risks**

***Aeva is subject to governmental export and import control laws and regulations. Aeva's failure to comply with these laws and regulations could have an adverse effect on its business, prospects, financial condition and results of operations.***

Aeva's products and services are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls. U.S. export control laws and regulations and economic sanctions prohibit the shipment of certain products and services to U.S. embargoed or sanctioned countries, governments and persons. In addition, complying with export control and sanctions regulations for a particular sale may be time-consuming and result in the delay or loss of sales opportunities. Exports of Aeva's products and technology must be made in compliance with these laws and regulations. If Aeva fails to comply with these laws and regulations, Aeva and certain of its employees could be subject to substantial civil or criminal penalties, including the possible loss of export or import privileges, fines, which may be imposed on Aeva and responsible employees or managers and, in extreme cases, the incarceration of responsible employees or managers.

***Changes to trade policy, tariffs and import/export regulations may have a material adverse effect on Aeva's business, financial condition and results of operations.***

Changes in global political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in the territories or countries where Aeva may purchase its components, sell its products or conduct its business could adversely affect Aeva's business. The United States has recently instituted or proposed changes in trade policies that include the negotiation or termination of trade agreements, the imposition of higher tariffs on imports into the United States, economic sanctions on individuals, corporations or countries, and other government regulations affecting trade between the United States and other countries where Aeva conducts its business. A number of other nations have proposed or instituted similar measures directed at trade with the United States in response. As a result of these developments, there may be greater restrictions and economic disincentives on international trade that could adversely affect Aeva's business. For example, such changes could adversely affect the automotive market, Aeva's ability to access key components or raw materials needed to manufacture its products (including, but not limited to, rare-earth metals), Aeva's ability to sell its products to customers outside of the United States and the demand for its products. It may be time-consuming and expensive for Aeva to alter its business operations to adapt to or comply with any such changes, and any failure to do so could have a material adverse effect on its business, financial condition and results of operations.

***Our business may be adversely affected by regulations affecting the automobile safety and autonomous driving markets.***

Government vehicle safety regulations are a key driver in our business. Historically, these regulations have imposed ever more stringent safety regulations for vehicles. Safety regulations have a positive impact on driver awareness and acceptance of active safety products and technology. These more stringent safety regulations often require vehicles to have more safety contents per vehicle and more advanced safety products, including active safety and driver assistance technology, which is a growth driver for the Company.

Changes in legislative, regulatory or industry requirements related to vehicle safety content may also render certain of our technologies or products obsolete or less attractive to our customers. Vehicle safety content requirements are subject to change based on a number of factors that are not within our control, including new scientific or medical data, adverse publicity regarding autonomous vehicles or technology, domestic and foreign political developments or considerations, and litigation relating to our products and our competitors' products. Changes in government regulations in response to these and other considerations could have a severe impact on our business. If government priorities shift and we are unable to adapt to changing regulations, our business may suffer material adverse effects.

The regulatory obligation of complying with safety regulations could increase as federal and local regulators impose more stringent compliance and reporting requirements in response to product recalls, safety issues and product innovations in our industry. In the U.S., we are subject to the existing Transportation Recall Enhancement, Accountability and Documentation (TREAD) Act, which requires manufacturers to comply with "Early Warning" requirements by reporting to the National Highway Traffic Safety Administration ("NHTSA") information related to defects or reports of death related to their products. TREAD imposes criminal liability for violating such requirements if a defect subsequently causes death or bodily injury. In addition, the National Traffic and Motor Vehicle Safety Act authorizes NHTSA to require a manufacturer to recall and repair vehicles that contain safety defects or fail to comply with federal motor vehicle safety standards. In September 2016, United States Department of Transportation issued a Federal Automated Vehicles Policy as agency guidance for comment rather than in a rulemaking in order to enable the delivery of an initial regulatory framework and best practices to guide manufacturers and other entities in the safe design, development, testing, and deployment of highly automated vehicles. Since September 2016, the U.S. Department of Transportation has issued voluntary "guidance" for autonomous vehicle (AV) standards, including "Ensuring American Leadership in Automated Vehicle Technologies – Automated Vehicles 4.0" dated January 2020, to promote autonomous vehicle development. It is unknown when specific U.S. regulations for AVs may be released and what, if any, impact such regulations may have on us or our customers in terms of products, features and performance requirements.



As our technologies advance and develop beyond traditional automotive products, we may be subject to regulatory regimes beyond traditional vehicle safety rules and requirements. As a result, we may not identify all regulatory licenses or permits required for our products, or our products may operate beyond the scope of the licenses and permits we have obtained. Failing to obtain the required licenses, permits or other regulatory authorizations could result in investigations, fines or other penalties or proceedings. If any of the regulatory risks described above materialize, it could have a material adverse effect on our business, results of operations and financial condition.

***Aeva may become involved in legal and regulatory proceedings and commercial or contractual disputes, which could have an adverse effect on its profitability and financial position.***

Aeva may be, from time to time, involved in litigation, regulatory proceedings and commercial or contractual disputes that may be significant. These matters may include, without limitation, disputes with Aeva's suppliers and customers, intellectual property claims, stockholder litigation, government investigations, class action lawsuits, personal injury claims, environmental issues, customs and value-added tax disputes and employment and tax issues. In addition, Aeva could face in the future a variety of labor and employment claims against it, which could include but is not limited to general discrimination, wage and hour, privacy, ERISA or disability claims. In such matters, government agencies or private parties may seek to recover from Aeva very large, indeterminate amounts in penalties or monetary damages (including, in some cases, treble or punitive damages) or seek to limit Aeva's operations in some way. These types of lawsuits could require significant management time and attention or could involve substantial legal liability, adverse regulatory outcomes, and/or substantial expenses to defend. Often these cases raise complex factual and legal issues and create risks and uncertainties. No assurances can be given that any proceedings and claims will not have a material adverse impact on Aeva's operating results and financial position or that its established reserves or its available insurance will mitigate this impact.

***Aeva is subject to, and must remain in compliance with, numerous laws and governmental regulations across various jurisdictions concerning the manufacturing, use, distribution and sale of its products. Some of Aeva's customers also require that it comply with their own unique requirements relating to these matters.***

Aeva manufactures and sells products that contain electronic components, and such components may contain materials that are subject to government regulation in both the locations where Aeva manufactures and assembles its products, as well as the locations where Aeva sells its products. For example, certain regulations limit the use of lead in electronic components. Since Aeva operates on a global basis, this is a complex process which requires continual monitoring of regulations and an ongoing compliance process to ensure that Aeva and its suppliers are in compliance with existing regulations in each market where it operates. If there is an unanticipated new regulation that significantly impacts Aeva's use and sourcing of various components or requires more expensive components, that regulation could materially adversely affect its business, results of operations and financial condition.

Aeva's products are used for AD and ADAS applications, which are subject to complicated regulatory schemes that vary from jurisdiction to jurisdiction. These are rapidly evolving areas where new regulations could impose limitations on the use of LiDAR generally or Aeva's products specifically. If Aeva fails to adhere to these new regulations or fails to continually monitor the updates, it may be subject to litigation, loss of customers or negative publicity and its business, results of operations and financial condition will be adversely affected.

***Aeva is subject to various environmental laws and regulations that could impose substantial costs upon Aeva.***

Concerns over environmental pollution and climate change have produced significant legislative and regulatory efforts on a global basis, and Aeva believes this will continue both in scope and in the number of countries participating. In addition, as climate change issues become more prevalent, foreign, federal, state and local governments and Aeva's customers have been responding to these issues. The increased focus on environmental sustainability may result in new regulations and customer requirements, or changes in current regulations and customer requirements, which could materially adversely impact Aeva's business, results of operations and financial condition. If Aeva is unable to effectively manage real or perceived issues, including concerns about environmental impacts or similar matters, sentiments toward Aeva or its products could be negatively impacted, and its business, results of operations or financial condition could suffer.

Aeva's operations are and will be subject to international, federal, state and local environmental laws and regulations, and such laws and regulations could directly increase the cost of energy, which may have an effect on the way Aeva manufactures products or utilizes energy to produce its products. In addition, any new regulations or laws in the environmental area might increase the cost of raw materials or key components Aeva uses in its products. Environmental regulations may require Aeva to reduce product energy usage, monitor and exclude an expanding list of restricted substances and to participate in required recovery and recycling of its products. Environmental and health and safety laws and regulations can be complex, and Aeva has limited experience complying with them. Capital and operating expenses needed to comply with environmental laws and regulations can be significant, and violations may result in substantial fines and penalties, third-party damages, suspension of production, or cessation of Aeva's operations.

Contamination at properties Aeva operates, Aeva formerly operated or to which hazardous substances were sent by Aeva, may result in liability for Aeva under environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, which can impose liability for the full amount of remediation-related costs without regard to fault, for the investigation and cleanup of contaminated soil and ground water, for building contamination and impacts to human health and for damages to natural resources. The costs of complying with environmental laws and regulations and any claims concerning noncompliance, or liability with respect to contamination in the future, could have a material adverse effect on Aeva's financial condition or operating results. Aeva may face unexpected delays in obtaining the required permits and approvals in connection with its planned production facilities that could require significant time and financial resources and delay its ability to operate these facilities, which would adversely impact Aeva's business, prospects, financial condition and operating results.

***Aeva is subject to U.S. and foreign anti-corruption and anti-money laundering laws and regulations. Aeva can face criminal liability and other serious consequences for violations, which can harm its business.***

Aeva is subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act and possibly other anti-bribery and anti-money laundering laws in countries in which Aeva conducts activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, contractors and other collaborators from authorizing, promising, offering or providing, directly or indirectly, improper payments or anything else of value to recipients in the public or private sector. Aeva can be held liable for the corrupt or other illegal activities of its employees, agents, contractors and other collaborators, even if Aeva does not explicitly authorize or have actual knowledge of such activities. Any violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm and other consequences.

***Aeva's business may be adversely affected by changes in automotive, consumer electronics, LiDAR sensor and laser safety regulations or concerns that drive further regulation of the automobile, consumer electronics, LiDAR sensor and laser markets.***

Government product safety regulations are an important factor for Aeva's business. Historically, these regulations have imposed ever-more stringent safety regulations for vehicles and laser products. These safety regulations often require, or customers demand that, vehicles have more safety features per vehicle and more advanced safety products.

While Aeva believes increasing automotive and laser safety standards will present a market opportunity for its products, government safety regulations are subject to change based on a number of factors that are not within its control, including, among others, new scientific or technological data, adverse publicity regarding the industry recalls and safety risks of AD and ADAS, accidents involving its products, domestic and foreign political developments or considerations, and litigation relating to its products and its competitors' products. Changes in automotive, consumer electronics, LiDAR sensor and laser safety government regulations, especially in the AD and ADAS industries, could adversely affect Aeva's business. If government priorities shift and Aeva is unable to adapt to changing regulations, its business may be materially and adversely affected.

Federal and local regulators impose more stringent compliance and reporting requirements in response to product recalls and safety issues in the automotive and laser industry. As cars that carry Aeva's sensors go into production, the obligations of complying with safety regulations and reporting requirements could increase and it could require increased resources and adversely affect Aeva's business.

***Autonomous and ADAS features may be delayed in adoption by OEMs, and Aeva's business impacted, as additional emissions and safety requirements are imposed on vehicle manufacturers.***

Vehicle regulators globally continue to consider new and enhanced emissions requirements, including electrification, to meet environmental and economic needs as well as pursue new safety standards to address emerging traffic risks. To control new vehicle prices, among other concerns, OEMs may need to dedicate technology and cost additions to new vehicle designs to meet these emissions and safety requirements and postpone the consumer cost pressures of new autonomous and ADAS features.

***Aeva's business may be adversely affected if it fails to comply with the regulatory requirements under the Federal Food, Drug, and Cosmetic or the Food and Drug Administration (the "FDA").***

As a LiDAR technology company, Aeva is subject to the Electronic Product Radiation Control Provisions of the Federal Food, Drug, and Cosmetic Act. These requirements are enforced by the FDA. Electronic product radiation includes laser technology. Regulations governing these products are intended to protect the public from hazardous or unnecessary exposure. Manufacturers are required to certify in product labeling and reports to the FDA that their products comply with applicable performance standards as well as maintain manufacturing, testing, and distribution records for their products. Failure to comply with these requirements could result in enforcement action by the FDA, which could require Aeva to cease distribution of its products, recall or remediate products already distributed to customers, or subject Aeva to FDA enforcement.

***Failures, or perceived failures, to comply with privacy, data protection, and information security requirements in the variety of jurisdictions in which Aeva operates may adversely impact its business, and such legal requirements are evolving, uncertain and may require improvements in, or changes to, Aeva's policies and operations.***

Aeva's current and potential future operations and sales subject it to laws and regulations addressing privacy and the collection, use, storage, disclosure, transfer and protection of a variety of types of data. For example, the European Commission has adopted the General Data Protection Regulation and California recently enacted the California Consumer Privacy Act of 2018, both of which provide for potentially material penalties for non-compliance. These regimes may, among other things, impose data security requirements, disclosure requirements, and restrictions on data collection, uses, and sharing that may impact Aeva's operations and the development of its business. Aeva has limited access to, collect, store, process, or share certain information collected by its products, and Aeva's products may evolve to collect additional information. Therefore, the full impact of these privacy regimes on Aeva's business is rapidly evolving across jurisdictions and remains uncertain at this time.

Aeva may also be affected by cyber-attacks and other means of gaining unauthorized access to its products, systems, and data. For instance, cybercriminals or insiders may target Aeva or third parties with which it has business relationships to obtain data, or in a manner that disrupts Aeva's operations or compromises its products or the systems into which its products are integrated.

Aeva is assessing the continually evolving privacy and data security regimes and measures it believes are appropriate in response. Since these data security regimes are evolving, uncertain and complex, especially for a global business like Aeva's, it may need to update or enhance its compliance measures as its products, markets and customer demands further develop, and these updates or enhancements may require implementation costs. In addition, Aeva may not be able to monitor and react to all developments in a timely manner. The compliance measures Aeva does adopt may prove ineffective. Any failure, or perceived failure, by Aeva to comply with current and future regulatory or customer-driven privacy, data protection, and information security requirements, or to prevent or mitigate security breaches, cyber-attacks, or improper access to, use of, or disclosure of data, or any security issues or cyber-attacks affecting Aeva, could result in significant liability, costs (including the costs of mitigation and recovery), and a material loss of revenue resulting from the adverse impact on its reputation and

brand, loss of proprietary information and data, disruption to its business and relationships, and diminished ability to retain or attract customers and business partners. Such events may result in governmental enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity, and could cause customers and business partners to lose trust in Aeva, which could have an adverse effect on its reputation and business.

***Regulations related to conflict minerals may cause Aeva to incur additional expenses and could limit the supply and increase the costs of certain metals used in the manufacturing of its products.***

Aeva is subject to the requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, that will require it to determine, disclose and report whether its products contain conflict minerals. The implementation of these requirements could adversely affect the sourcing, availability and pricing of the materials used in the manufacture of components used in Aeva's products. In addition, Aeva will incur additional costs to comply with the disclosure requirements, including costs related to conducting diligence procedures to determine the sources of conflict minerals that may be used in or necessary to the production of its products and, if applicable, potential changes to products, processes or sources of supply as a consequence of such verification activities. It is also possible that its reputation may be adversely affected if Aeva determines that certain of its products contain minerals not determined to be conflict-free or if Aeva is unable to alter its products, processes or sources of supply to avoid use of such materials.

**Risks Related to Aeva's Intellectual Property**

***Despite the actions Aeva is taking to defend and protect its intellectual property, Aeva may not be able to adequately protect or enforce its intellectual property rights or prevent unauthorized parties from copying or reverse engineering its products or technology. Aeva's efforts to protect and enforce its intellectual property rights and prevent third parties from violating its rights may be costly.***

The success of Aeva's products and its business depend in part on Aeva's ability to obtain patents and other intellectual property rights and maintain adequate legal protection for its products in the United States and other international jurisdictions. Aeva relies on a combination of patent, service mark, trademark and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect its proprietary rights, all of which provide only limited protection.

Aeva cannot assure you that any patents will be issued with respect to its currently pending patent applications or that any trademarks will be registered with respect to its currently pending applications in a manner that gives Aeva adequate defensive protection or competitive advantages, if at all, or that any patents issued to Aeva or any trademarks registered by it will not be challenged, invalidated or circumvented. Aeva may file for patents and trademarks in the United States and in certain international jurisdictions, but such protections may not be available in all countries in which it operates or in which Aeva seeks to enforce its intellectual property rights, or may be difficult to enforce in practice. For example, the legal environment relating to intellectual property protection in certain emerging market countries where Aeva may operate in the future is relatively weaker, often making it difficult to create and enforce such rights. Aeva's currently-registered trademarks and any patents and trademarks that may be issued or registered, as applicable, in the future with respect to pending or future applications may not provide sufficiently broad protection or may not prove to be enforceable in actions against alleged infringers. Aeva's foreign intellectual property portfolio is not as comprehensive as its U.S. intellectual property portfolio and may not protect its intellectual property in some countries where its products are sold or may be sold in the future. Aeva cannot be certain that the steps it has taken will prevent unauthorized use of its technology or the reverse engineering of its technology. Moreover, others may independently develop technologies that are competitive to Aeva or infringe Aeva's intellectual property.

Protecting against the unauthorized use of Aeva's intellectual property, products and other proprietary rights is expensive and difficult, particularly internationally. Aeva believes that its intellectual property is foundational in the area of LiDAR products and intends to enforce the intellectual property portfolio it has built over the years. Unauthorized parties may attempt to copy or reverse engineer Aeva's LiDAR technology or certain aspects of Aeva's products that it considers proprietary. Litigation may be necessary in the future to enforce or defend Aeva's intellectual property rights, to prevent unauthorized parties from copying or reverse engineering its products or technology to determine the validity and scope of the proprietary rights of others or to block the importation of infringing products into the United States.

Any such litigation, whether initiated by Aeva or a third party, could result in substantial costs and diversion of management resources, either of which could adversely affect Aeva's business, operating results and financial condition. Even if it obtains favorable outcomes in litigation, Aeva may not be able to obtain adequate remedies, especially in the context of unauthorized parties copying or reverse engineering its products or technology.

Further, many of Aeva's current and potential competitors have the ability to dedicate substantially greater resources to defending intellectual property infringement claims and to enforcing their intellectual property rights than Aeva has. Attempts to enforce its rights against third parties could also provoke these third parties to assert their own intellectual property or other rights against Aeva or result in a holding that invalidates or narrows the scope of Aeva's rights, in whole or in part. Effective patent, trademark, service mark, copyright and trade secret protection may not be available in every country in which Aeva's products are available and competitors based in other countries may sell infringing products in one or more markets. Failure to adequately protect Aeva's intellectual property rights could result in Aeva's competitors offering similar products, potentially resulting in the loss of some of Aeva's competitive advantage and a decrease in its revenue, which would adversely affect Aeva's business, operating results, financial condition and prospects.

***Third-party claims that Aeva is infringing intellectual property, whether successful or not, could subject Aeva to costly and time-consuming litigation or expensive licenses, and its business could be adversely affected.***

Although Aeva has applied for patents related to its products, a number of companies, both within and outside of the LiDAR industry, hold patents covering aspects of LiDAR products. In addition to these patents, participants in this industry typically also protect their technology, especially embedded software, through copyrights and trade secrets. As a result, there is frequent litigation based on allegations of infringement, misappropriation or other violations of intellectual property rights. Aeva may in the future receive inquiries from other intellectual property holders and may become subject to claims that it infringes their intellectual property rights, particularly as Aeva expands its presence in the market, expands to new use cases and faces increasing competition. In addition, parties may claim that the names and branding of Aeva's products infringe their trademark rights in certain countries or territories. If such a claim were to prevail, Aeva may have to change the names and branding of its products in the affected territories and it could incur other costs.

Aeva currently has a number of agreements in effect pursuant to which it has agreed to defend, indemnify and hold harmless its customers, suppliers, and channel partners and other counterparties from damages and costs which may arise from the infringement by Aeva's products of third-party patents or other intellectual property rights. The scope of these indemnity obligations varies, but may, in some instances, include indemnification for damages and expenses, including attorneys' fees. Aeva's insurance may not cover all intellectual property infringement claims. A claim that its products infringe a third party's intellectual property rights, even if untrue, could adversely affect Aeva's relationships with its customers, may deter future customers from purchasing its products and could expose Aeva to costly litigation and settlement expenses. Even if Aeva is not a party to any litigation between a customer and a third party relating to infringement by its products, an adverse outcome in any such litigation could make it more difficult for Aeva to defend its products against intellectual property infringement claims in any subsequent litigation in which it is a named party. Any of these results could adversely affect Aeva's brand and operating results.

Aeva may in the future need to initiate infringement claims or litigation in order to try to protect its intellectual property rights. In addition to litigation where Aeva is a plaintiff, Aeva's defense of intellectual property rights claims brought against it or its customers, suppliers and channel partners, with or without merit, could be time-consuming, expensive to litigate or settle, divert management resources and attention and force Aeva to acquire intellectual property rights and licenses, which may involve substantial royalty or other payments and may not be available on acceptable terms or at all. Further, a party making such a claim, if successful, could secure a judgment that requires Aeva to pay substantial damages or obtain an injunction and also Aeva may lose the opportunity to license its technology to others or to collect royalty payments. An adverse determination also could invalidate or narrow Aeva's intellectual property rights and adversely affect its ability to offer its products to its customers and may require that Aeva procure or develop substitute products that do not infringe, which could require significant effort and expense. Any of these events could adversely affect Aeva's business, reputation, operating results, financial condition and prospects.

***Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.***

Our Second Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law.

In addition, as permitted by Section 145 of the Delaware General Corporation Law ("DGCL"), the Amended and Restated Bylaws and the indemnification agreements that we have entered into with our directors and officers provide that:

- we will indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful;
- we may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law;
- we will be required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if we are ultimately determined that such person is not entitled to indemnification;
- we will not be obligated pursuant to our Amended and Restated Bylaws to indemnify a person with respect to proceedings initiated by that person against us or our other indemnitees, except with respect to proceedings authorized by our Board or brought to enforce a right to indemnification;
- the rights conferred in the Amended and Restated Bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons; and we may not retroactively amend our Amended and Restated Bylaw provisions to reduce our indemnification obligations to directors, officers, employees and agents.

***Aeva's intellectual property applications, including patent applications, may not be approved or granted or may take longer than expected to result in approval or grant, which may have a material adverse effect on Aeva's ability to prevent others from commercially exploiting products similar to Aeva's.***

Aeva cannot be certain that it is the first inventor of the subject matter to which it has filed a particular patent application, or if it is the first party to file such a patent application. If another party has filed a patent application to the same subject matter as Aeva has, Aeva may not be entitled to the protection sought by the patent application. Aeva also cannot be certain whether the claims included in a patent application will ultimately be allowed in the applicable issued patent or the timing of any approval or grant of a patent application. Further, the scope of protection of issued patent claims is often difficult to determine. As a result, Aeva cannot be certain that the patent applications that it files will issue, or that its issued patents will afford protection against competitors with similar technology. In addition, Aeva's competitors may design around Aeva's registered or issued intellectual property, which may adversely affect Aeva's business, prospects, financial condition and operating results.

***In addition to patented technology, Aeva relies on its unpatented proprietary technology, trade secrets, designs, experiences, workflows, data, processes, software and know-how.***

Aeva relies on proprietary information (such as trade secrets, designs, experiences, workflows, data, know-how and confidential information) to protect intellectual property that may not be patentable or subject to copyright, trademark, trade dress or service mark protection, or that Aeva believes is best protected by means that do not require public disclosure. Aeva generally seeks to protect this proprietary information by entering into confidentiality agreements, or consulting, services or employment agreements that contain non-disclosure and non-use provisions with its employees, consultants, contractors and third parties. However, Aeva may fail to enter into the necessary agreements, and even if entered into, these agreements may be breached or may otherwise fail to

prevent disclosure, third-party infringement or misappropriation of its proprietary information, may be limited as to their term and may not provide an adequate remedy in the event of unauthorized disclosure or use of proprietary information. Aeva has limited control over the protection of trade secrets used by its current or future manufacturing counterparties and suppliers and could lose future trade secret protection if any unauthorized disclosure of such information occurs. In addition, Aeva's proprietary information may otherwise become known or be independently developed by its competitors or other third parties. To the extent that its employees, consultants, contractors, advisors and other third parties use intellectual property owned by others in their work for Aeva, disputes may arise as to the rights in related or resulting know-how and inventions. Costly and time-consuming litigation could be necessary to enforce and determine the scope of Aeva's proprietary rights, and failure to obtain or maintain protection for its proprietary information could adversely affect its competitive business position. Furthermore, laws regarding trade secret rights in certain markets where Aeva operates may afford little or no protection to its trade secrets.

Aeva also relies on physical and electronic security measures to protect its proprietary information, but it cannot provide assurance that these security measures will not be breached or provide adequate protection for its property. There is a risk that third parties may obtain and improperly utilize Aeva's proprietary information to its competitive disadvantage. Aeva may not be able to detect or prevent the unauthorized use of such information or take appropriate and timely steps to enforce its intellectual property rights.

***Aeva may be subject to damages resulting from claims that it or its current or former employees have wrongfully used or disclosed alleged trade secrets of its current or former employees' former employers. Aeva may be subject to damages if its current or former employees wrongfully use or disclose Aeva's trade secrets.***

Aeva may be subject to claims that it or its current or former employees have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of a current or former employee's former employers. Litigation may be necessary to defend against these claims. If Aeva fails in defending such claims, in addition to paying monetary damages, it may lose valuable intellectual property rights or personnel. A loss of key personnel or their work product could hamper or prevent Aeva's ability to commercialize its products, which could severely harm its business. Even if Aeva is successful in defending against these claims, litigation could result in substantial costs and demand on management resources.

#### **Risks Related to Being a Public Company**

***The Company is incurring, and will continue to incur, significant increased expenses and administrative burdens as a public company, which could have an adverse effect on its business, financial condition and results of operations.***

As a public company, the Company is facing, and will continue to face, increased legal, accounting, administrative and other costs and expenses as a public company that Aeva does not incur as a private company. The Sarbanes-Oxley Act, including the requirements of Section 404, as well as rules and regulations subsequently implemented by the SEC, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations promulgated and to be promulgated thereunder, the PCAOB and the securities exchanges, impose additional reporting and other obligations on public companies. Compliance with public company requirements will increase costs and make certain activities more time-consuming. A number of those requirements mandate the Company to carry out activities Aeva has not done previously. In addition, expenses associated with SEC reporting requirements are being incurred. Furthermore, if any issues in complying with those requirements are identified (for example, if the auditor identifies a material weakness or significant deficiency in the internal control over financial reporting), the Company could incur additional costs rectifying those issues, and the existence of those issues could adversely affect the Company's reputation or investor perceptions of it. It may also be more expensive to maintain director and officer liability insurance. Risks associated with the Company's status as a public company may make it more difficult to attract and retain qualified persons to serve on the Board or as executive officers. The additional reporting and other obligations imposed by these rules and regulations will increase legal and financial compliance costs and the costs of related legal, accounting and administrative activities. These increased costs will require the Company to divert a significant amount of money that could otherwise be used to expand the business and achieve strategic objectives. Advocacy efforts by stockholders and third parties may also prompt additional changes in governance and reporting requirements, which could further increase costs.

***The Company's failure to effectively implement controls and procedures required by Section 404(a) and 404(b) of the Sarbanes-Oxley Act could have a material adverse effect on its business.***

The Company is required to provide management's attestation on internal controls. The standards required for a public company under Sections 404(a) and 404(b) of the Sarbanes-Oxley Act are significantly more stringent than those that were required of Aeva as a privately-held company. If the Company is not able to continue to adequately comply with the regulatory compliance and reporting requirements of Sections 404(a) and 404(b), it may be subject to adverse regulatory consequences that could harm investor confidence and the market price of its securities.

***The Company's ability to successfully operate the business will be largely dependent upon the efforts of certain key personnel of Aeva. The loss of such key personnel could negatively impact the operations and financial results of the combined business.***

The Company's ability to successfully operate the business is dependent upon the efforts of certain key personnel of Aeva. It is possible that Aeva will lose some key personnel, the loss of which could negatively impact the operations and profitability of the Company. Furthermore, certain of the key personnel of Aeva may be unfamiliar with the requirements of operating a company regulated by the SEC, which could cause the Company to have to expend time and resources helping them become familiar with such requirements.

***Aeva's management team has limited experience managing and operating a public company.***

Most of the members of Aeva's management team have limited experience managing and operating a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. Aeva's management team may not successfully or efficiently manage their new roles and responsibilities. Aeva's transition to being a public company subjects it to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from Aeva's senior management and could divert their attention away from the day-to-day management of Aeva's business. Aeva may not have adequate personnel with the appropriate level of knowledge, experience, and training in the accounting policies, practices or internal controls over financial reporting required of public companies. The development and implementation of the standards and controls necessary for the Company to achieve the level of accounting standards required of a public company may require costs greater than expected. It is possible that the Company will be required to expand its employee base and hire additional employees to support its operations as a public company which will increase its operating costs in future periods. These factors could adversely affect the Company's business, financial condition, and operating results.

***The Company may be subject to litigation, which is expensive and could divert management attention.***

The Company's share price may be volatile and, in the past, companies that have experienced volatility in the market price of their stock have been subject to securities litigation, including class action litigation. The Company has been and may be the target of this type of litigation in the future. Litigation of this type could result in substantial costs and diversion of management's attention and resources, which could have a material adverse effect on the Company's business, financial condition, and results of operations. Any adverse determination in litigation could also subject the Company to significant liabilities. For additional information about litigation matters, see the section entitled "Business - Legal Proceedings."

#### **Risks Related to Our Common Stock**

***If the Company does not meet the expectations of investors or securities analysts, the market price of the Company's securities may decline.***

If Company does not meet the expectations of investors or securities analysts, the market price of the Company's securities may decline. In addition, fluctuations in the price of the Company's securities could contribute to the loss of all or part of your investment. Prior to the Business Combination, there has not been a public market for Aeva capital stock. Accordingly, the valuation ascribed to Aeva may not be indicative of the price that will prevail in the trading market following the Business Combination. If an active market for the Company's securities



develops and continues, the trading price of the Company's securities could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond the Company's control. Any of the factors listed below could have a material adverse effect on your investment in the Company's securities and the Company's securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of the Company's securities may not recover and may experience a further decline. Factors affecting the trading price of the Company's securities may include:

- actual or anticipated fluctuations in the Company's quarterly financial results or the quarterly financial results of companies perceived to be similar to it;
- changes in the market's expectations about the Company's operating results;
- the success of competitors;
- the Company's operating results failing to meet the expectation of securities analysts or investors in a particular period;
- changes in financial estimates and recommendations by securities analysts concerning the Company or the transportation industry in general;
- operating and share price performance of other companies that investors deem comparable to the Company;
- the Company's ability to market new and enhanced products and technologies on a timely basis;
- changes in laws and regulations affecting the Company's business;
- the Company's ability to meet compliance requirements;
- commencement of, or involvement in, litigation involving the Company;
- changes in the Company's capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of the Company's shares of common stock available for public sale;
- any major change in the Board or management;
- sales of substantial amounts of the Company's shares of common stock by our directors, executive officers or significant stockholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations and acts of war or terrorism.

Broad market and industry factors may materially harm the market price of the Company's securities irrespective of the Company's operating performance. The stock market in general, and the NYSE in particular, have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of the Company's securities, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to be similar to the Company could depress the Company's share price regardless of the Company's business, prospects, financial conditions or results of operations. A decline in the market price of the Company's securities also could adversely affect the Company's ability to issue additional securities and the Company's ability to obtain additional financing in the future.

***The market price and trading volume of our common stock may fluctuate widely.***

The market price of our common stock may fluctuate significantly, depending upon many factors, some of which may be beyond our control, including:

- a shift in our investor base;
- our quarterly or annual earnings, or those of comparable companies;

- actual or anticipated fluctuations in our operating results;
- our ability to obtain financing as needed;
- changes in laws and regulations affecting our business;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions or dispositions;
- the failure of securities analysts to cover our common stock;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating performance and stock price of comparable companies;
- overall market fluctuations;
- a decline in the automotive and industrial markets; and
- general economic conditions and other external factors.

***Future issuances of common stock by us may cause the market price of our common stock to decline.***

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales could occur, could substantially decrease the market price of our common stock.

***Your ownership in our common stock may be diluted by additional equity issuances.***

Your percentage ownership in our common stock could be diluted in the future as a result of equity issuances for acquisitions, capital market transactions or otherwise, including any equity awards that we grant to our directors, officers and employees. Such awards could have a dilutive effect on our earnings per share, which could adversely affect the market price of our common stock. In addition, our certificate of incorporation authorizes us to issue, without the approval of our stockholders, one or more classes or series of preferred shares having such designation, powers, preferences and relative, participating, optional and other special rights as our board of directors generally may determine. The terms of one or more classes or series of preferred shares could dilute the voting power or reduce the value of our common stock.

***There can be no assurance that we will be able to comply with the continued listing standards of the NYSE.***

If we fail to satisfy the continued listing requirements of NYSE such as the corporate governance requirements or the minimum closing bid price requirement, NYSE may take steps to delist our securities. Such a delisting would likely have a negative effect on the price of the securities and would impair the ability of stockholders to sell or purchase their securities. On March 11, 2024, we announced 1-for-5 reverse stock split in order to cure our notice of deficiency under NYSE Marketplace Rule 802.01C but there can be no assurance that we will be able to do or will fall out of compliance with other continued listing standards.

If the NYSE delists the Company's shares from trading on its exchange for failure to meet the listing standards, the Company and its stockholders could face significant material adverse consequences including:

- a limited availability of market quotations for the Company's securities;
- reduced liquidity for the Company's securities;
- a determination that the Company's common stock is a "penny stock" which will require brokers trading in the Company's common stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for shares of the Company's common stock;
- a limited amount of analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

***Our second amended and restated certificate of incorporation contains anti-takeover provisions that could adversely affect the rights of our stockholders.***

Our second amended and restated certificate of incorporation contains provisions to limit the ability of others to acquire control of the Company or cause it to engage in change-of-control transactions, including, among other things:

- provisions that authorize its board of directors, without action by its stockholders, to issue additional shares of Common Stock and preferred stock with preferential rights determined by its board of directors;
- provisions that permit only a majority of its board of directors, the chairperson of the board of directors or the chief executive officer to call stockholder meetings and therefore do not permit stockholders to call special meetings of the stockholders;
- provisions limiting stockholders' ability to act by written consent; and
- a staggered board whereby our directors are divided into three classes, with each class subject to retirement and re-election once every three years on a rotating basis.

These provisions could have the effect of depriving our stockholders of an opportunity to sell their Common Stock at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. With its staggered board of directors, at least two annual or special meetings of stockholders will generally be required in order to effect a change in a majority of its directors. Our staggered board of directors can discourage proxy contests for the election of its directors and purchases of substantial blocks of its shares by making it more difficult for a potential acquirer to gain control of its board of directors in a relatively short period of time.

***Our second amended and restated certificate of incorporation provides, subject to limited exceptions, that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain stockholder litigation matters, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders.***

Our second amended and restated certificate of incorporation requires, to the fullest extent permitted by law, that (i) derivative actions brought in our name, (ii) asserting a claim of breach of fiduciary duty owed by any director, officer or stockholder of the Company, (iii) actions asserting a claim pursuant to the DGCL, the Certificate of Incorporation and the bylaws of the Company, or (iv) any actions asserting claims governed by the internal affairs doctrine, may be brought only in the Court of Chancery in the State of Delaware (or, in the event that the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware). Subject to the preceding sentence, the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. However, such forum selection provisions will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts of the United States have exclusive jurisdiction.

The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers, and other employees. Alternatively, if a court were to find the choice of forum provision contained in the second amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition.

Additionally, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. As noted above, the second amended and restated certificate of incorporation will provide that the federal district courts of the United States of America will have jurisdiction over any action arising under the Securities Act. Accordingly, there is uncertainty as to whether a court would enforce such provision. Our

stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our second amended and restated certificate of incorporation.

***Because we have no current plans to pay cash dividends on our Common Stock for the foreseeable future, you may not receive any return on investment unless you sell the Common Stock for a price greater than that which you paid for it.***

We may retain future earnings, if any, for future operations, expansion and debt repayment and have no current plans to pay any cash dividends for the foreseeable future. Any decision to declare and pay dividends as a public company in the future will be made at the discretion of our Board and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that our board of directors may deem relevant. In addition, our ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness we or our subsidiaries incur. As a result, you may not receive any return on an investment in our Common Stock unless you sell the Common Stock for a price greater than that which you paid for it. See the section entitled "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities."

#### **General Risk Factors**

***Aeva's business is subject to the risks of earthquakes, fires, floods and other natural catastrophic events, global pandemics and interruptions by man-made problems, such as terrorism. Material disruptions of Aeva's business or information systems resulting from these events could adversely affect its operating results.***

A significant natural disaster, such as an earthquake, fire, flood, hurricane or significant power outage or other similar events, such as infectious disease outbreaks or pandemic events, could have an adverse effect on Aeva's business and operating results. Such natural disasters and pandemics may have the effect of heightening many of the other risks described in this "Risk Factors" section, such as the demand for Aeva's products, its ability to achieve or maintain profitability and its ability to raise additional capital in the future. Aeva's corporate headquarters and R&D and current manufacturing and assembly base are located in the San Francisco Bay Area, is a region known for seismic activity. In addition, natural disasters, acts of terrorism or war could cause disruptions in Aeva's remaining manufacturing operations, Aeva's or its customers' or channel partners' businesses, Aeva's suppliers' or the economy as a whole. Aeva also relies on information technology systems to communicate among its workforce and with third parties. Any disruption to Aeva's communications, whether caused by a natural disaster or by manmade problems, such as power disruptions, could adversely affect its business. Aeva does not have a formal disaster recovery plan or policy in place and does not currently require that its suppliers' partners have such plans or policies in place. To the extent that any such disruptions result in delays or cancellations of orders or impede its suppliers' ability to timely deliver product components, or the deployment of its products, Aeva's business, operating results and financial condition would be adversely affected.

***Interruption or failure of Aeva's information technology and communications systems could impact Aeva's ability to effectively provide its products and services.***

Aeva plans to include services and functionality that utilize data connectivity to monitor performance and timely capture opportunities to enhance performance and functionality. The availability and effectiveness of Aeva's services depend on the continued operation of information technology and communications systems. Aeva's systems will be vulnerable to damage or interruption from, among others, physical theft, fire, terrorist attacks, natural disasters, power loss, war, telecommunications failures, viruses, denial or degradation of service attacks, ransomware, social engineering schemes, insider theft or misuse or other attempts to harm Aeva's systems. Aeva utilizes reputable third-party service providers or vendors for all of its data other than its source code, and these providers could also be vulnerable to harms similar to those that could damage Aeva's systems, including sabotage and intentional acts of vandalism causing potential disruptions. Some of Aeva's systems will not be fully redundant, and Aeva's disaster recovery planning cannot account for all eventualities. Any problems with Aeva's third-party

cloud hosting providers could result in lengthy interruptions in Aeva's business. In addition, Aeva's services and functionality are highly technical and complex technology which may contain errors or vulnerabilities that could result in interruptions in Aeva's business or the failure of its systems.

***Aeva is subject to cybersecurity risks to operational systems, security systems, infrastructure, integrated software in its LiDAR products and customer data processed by Aeva or third-party vendors or suppliers and any material failure, weakness, interruption, cyber event, incident or breach of security could prevent Aeva from effectively operating its business.***

Aeva is at risk for interruptions, outages and breaches of: operational systems, including business, financial, accounting, product development, data processing or production processes, owned by Aeva or its third-party vendors or suppliers; facility security systems, owned by Aeva or its third-party vendors or suppliers; in-product technology owned by Aeva or its third-party vendors or suppliers; the integrated software in Aeva's products; or customer or driver data that Aeva processes or its third-party vendors or suppliers process on its behalf. Such cyber incidents could materially disrupt operational systems; result in loss of intellectual property, trade secrets or other proprietary or competitively sensitive information; compromise certain information of customers, employees, suppliers, drivers or others; jeopardize the security of Aeva's facilities; or affect the performance of in-product technology and the integrated software in Aeva's products. A cyber incident could be caused by disasters, insiders (through inadvertence or with malicious intent) or malicious third parties (including nation-states or nation-state supported actors) using sophisticated, targeted methods to circumvent firewalls, encryption and other security defenses, including hacking, fraud, trickery or other forms of deception. The techniques used by cyber attackers change frequently and may be difficult to detect for long periods of time. Although Aeva maintains information technology measures designed to protect itself against intellectual property theft, data breaches and other cyber incidents, such measures will require updates and improvements, and Aeva cannot guarantee that such measures will be adequate to detect, prevent or mitigate cyber incidents. The implementation, maintenance, segregation and improvement of these systems requires significant management time, support and cost. Moreover, there are inherent risks associated with developing, improving, expanding and updating current systems, including the disruption of Aeva's data management, procurement, production execution, finance, supply chain and sales and service processes. These risks may affect Aeva's ability to manage its data and inventory, procure parts or supplies or produce, sell, deliver and service its products, adequately protect its intellectual property or achieve and maintain compliance with, or realize available benefits under, applicable laws, regulations and contracts. Aeva cannot be sure that the systems upon which it relies, including those of its third-party vendors or suppliers, will be effectively implemented, maintained or expanded as planned. If Aeva does not successfully implement, maintain or expand these systems as planned, its operations may be disrupted, its ability to accurately and timely report its financial results could be impaired, and deficiencies may arise in its internal control over financial reporting, which may impact Aeva's ability to certify its financial results. Moreover, Aeva's proprietary information or intellectual property could be compromised or misappropriated and its reputation may be adversely affected. If these systems do not operate as Aeva expects them to, Aeva may be required to expend significant resources to make corrections or find alternative sources for performing these functions.

A significant cyber incident could impact production capability, harm Aeva's reputation, cause Aeva to breach its contracts with other parties or subject Aeva to regulatory actions or litigation, any of which could materially affect Aeva's business, prospects, financial condition and operating results. In addition, Aeva's insurance coverage for cyber-attacks may not be sufficient to cover all the losses it may experience as a result of a cyber incident.

***Aeva may need to raise additional capital in the future in order to execute its business plan, which may not be available on terms acceptable to Aeva, or at all.***

In the future, Aeva may require additional capital to respond to technological advancements, competitive dynamics or technologies, customer demands, business opportunities, challenges, acquisitions or unforeseen circumstances and it may determine to engage in equity or debt financings or enter into credit facilities for other reasons. In order to further business relationships with current or potential customers or partners, Aeva may issue equity or equity-linked securities to such current or potential customers or partners. Aeva may not be able to timely secure additional debt or equity financing on favorable terms, or at all. If Aeva raises additional funds through the issuance of equity or convertible debt or other equity-linked securities or if it issues equity or equity-linked securities to current or potential customers to further business relationships, its existing stockholders could

experience significant dilution. Any debt financing obtained by Aeva in the future could involve restrictive covenants relating to its capital-raising activities and other financial and operational matters, which may make it more difficult for Aeva to obtain additional capital and to pursue business opportunities, including potential acquisitions. If Aeva is unable to obtain adequate financing or financing on terms satisfactory to Aeva, when Aeva requires it, Aeva's ability to continue to grow or support its business and to respond to business challenges could be significantly limited.

***If securities or industry analysts do not publish or cease publishing research or reports about the Company, its business, or its market, or if they change their recommendations regarding the Company's securities adversely, the price and trading volume of the Company's securities could decline.***

The trading market for the Company's securities depends, to some extent, on the research and reports that industry or securities analysts may publish about the Company, its business, market or competitors. If securities or industry analysts commence coverage of the Company and publish research reports that are interpreted negatively by the investment community, or have a negative tone regarding the Company's business, financial condition, operating performance, industry, or end-markets, or downgrade the Company's common stock, the Company's share price and trading volume would likely be negatively impacted. If any of the analysts who may cover the Company change their recommendation regarding the Company's price of common stock adversely, or provide more favorable relative recommendations about the Company's competitors, the price of the Company's shares of common stock would likely decline. If any analyst who may cover the Company were to cease coverage of the Company or fail to regularly publish reports on it, the Company could lose visibility in the financial markets, which in turn could cause its share price or trading volume to decline.

#### **Item 1B. Unresolved Staff Comments.**

Not applicable.

#### **Item 1C. Cybersecurity.**

##### *Risk Management and Strategy*

The Company's Information Technology team has established an information security management system to safeguard the confidentiality, integrity, and availability of the Company's products, infrastructure, and data. This system is integrated with our Quality and Business Management Systems and, aims to identify, assess, and address cybersecurity risks affecting our business. It features an Incident Response Procedure ("IRP") that specifies roles and responsibilities during security incidents, detailing incident detection, investigation, mitigation, and prompt incident reporting procedures.

The IT Director leads and coordinates cybersecurity efforts at Aeva, providing regular updates on cybersecurity progress to the senior leadership team. The Information Security team actively shares updates on the status of cybersecurity efforts and risks, evaluates our information security programs, and monitors the evolving threat landscape on a company-wide level.

Additionally, we conduct regular internal assessments and audits, complemented by insights from external experts. The outcomes of these evaluations are communicated to senior leadership. Based on these risk assessments, we redesign, implement, and maintain adequate safeguards to reduce identified risks, address gaps, and continuously assess the efficacy of these measures. Our engagement with our key partners, vendors, customers, industry stakeholders, and government bodies is relentless, aiming to improve our information security policies and procedures over time. We aim to diligently manage risks related to cybersecurity threats from third-party service providers, including, when possible, requesting our service providers to report incidents that may compromise the Company's data.

##### *Risks from Threats and Incidents*

Our IT infrastructure, encompassing operational and security systems, integrated software, and data processed by us or our third-party vendors, is vulnerable to cybersecurity threats and incidents. As of December 31, 2023,

these risks have not significantly impacted the Company, including our business strategy, or operational results, or financial results.

#### *Governance*

Our Chief Technology Officer is tasked with assessing and managing significant cybersecurity risks across the Company based on the assessments of our IT Director. Our IT Director brings a wealth of IT and Information Security expertise from various roles in the technology industry.

The Audit Committee has recently been assigned responsibility for overseeing our cybersecurity, including assessment, prevention, detection, and remediation of cyber risks, threats and incidents. When incidents occur, depending on the nature and severity, the Audit Committee is notified, and incidents are further reviewed with the Audit Committee. Material cybersecurity matters will be reviewed with the full Board of Directors.

#### **Item 2. Properties.**

Our corporate headquarters is located in Mountain View, California, where we lease two buildings with approximately 28,000 and 30,000 of square feet, respectively, pursuant to a lease that expires in June 2026 and July 2025, respectively. Our headquarters contains engineering, research and development, assembly and administrative functions. Additionally, we lease approximately 96,000 square feet located in Fremont, California for our testing facility. This lease expires in April 2026. We believe that our facilities are adequate for our current needs and, should we need additional space, we believe we will be able to obtain additional space on commercially reasonable terms.

#### **Item 3. Legal Proceedings.**

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

#### **Item 4. Mine Safety Disclosures.**

Not applicable.

## **PART II**

### **Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

#### **Market Information for Common Stock**

The Company's common stock and warrants are traded on the New York Stock Exchange under the symbols "AEVA" and "AEVA.WS", respectively.

#### **Dividend Policy**

We have never declared or paid, and do not anticipate declaring or paying in the foreseeable future, any cash dividends on our capital stock. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors, subject to applicable laws and will depend on then existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects, and other factors our board of directors may deem relevant.

#### **Holders of Records**

As of March 11, 2024, there were 131 holders of record of our common stock and 21 holders of record of our private and public warrants.

#### **Securities Authorized for Issuance under Equity Compensation Plans**

The information called for by this item is incorporated by reference to our Proxy Statement for the Annual Meeting of Stockholders to be held in 2024 (the "Proxy Statement"). See Part III, Item 12 "Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information."

#### **Item 6. [Reserved]**



## Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

*You should read the following discussion and analysis of our financial condition and results of operations together with the Consolidated Financial Statements and related notes that are included elsewhere in this report. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" or in other parts of this report.*

*A discussion and analysis regarding our financial condition, results of operations and cash flows for the year ended December 31, 2023 compared to the year ended December 31, 2022 is presented below. Discussion regarding our financial condition and results of operations for the year ended December 31, 2022 as compared to the year ended December 31, 2021 is not included in this Form 10-K, and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K filed with the SEC on March 24, 2023.*

### Overview

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

Founded in 2017 by former Apple engineers Soroush Salehian and Mina Rezk and led by a multidisciplinary team of engineers and operators experienced in the field of sensing and perception, Aeva's mission is to bring the next wave of perception technology to broad applications from automated driving to industrial automation, consumer device and security applications. 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 and sunlight, and our core innovations within FMCW are intended to enable autonomous vehicles to see at significantly higher distances of up to 500 meters.

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

On January 9, 2024, Aeva announced that Daimler Truck AG ("Daimler Truck") had selected Aeva as the supplier of long and ultra-long range LiDAR for its series production autonomous commercial vehicle program. The multi-year collaboration begins in the first quarter of 2024 with Aeva's start of production expected by 2026 and Daimler Truck's production ramping up anticipated by 2027.

## Business Combination and Public Company Costs

The Business Combination 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 (the "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.

## Key Factors Affecting Aeva's Operating Results

Aeva believes that its future performance and success depends to a substantial extent on its ability to capitalize opportunities, which in turn is subject to significant risks and challenges, including those discussed below and in the section of this Annual Report on Form 10-K entitled "Risk Factors."

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

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

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

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

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

Such delays could result in Aeva requiring to raise additional debt or equity capital, which may not be available or may only be available on terms that are onerous to Aeva's stockholders.

### **Basis of Presentation**

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

#### **Cost of revenue and gross profit**

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

#### **Operating expenses**

##### *Research and development*

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.

##### *General and administrative expenses*

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

##### *Selling and marketing expenses*

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

Aeva's operating expenses will remain similar to the fiscal 2023 or slightly increase in 2024 as we continue to execute on our goals and product roadmap.

### Interest income and Interest expense

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

### Other income and expense

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

## Results of Operations

### Comparison of Year Ended December 31, 2023 and 2022

The following table sets forth Aeva's results of operations data for the periods presented:

	Year Ended December 31,		Change	Change
	2023	2022	\$	%
	(in thousands, except percentages)			
Revenue	\$ 4,312	\$ 4,192	\$ 120	3%
Cost of revenue	10,198	8,447	1,751	21%
Gross loss	(5,886)	(4,255)	(1,631)	38%
Operating expenses:				
Research and development expenses	102,503	109,587	(7,084)	(6)%
General and administrative expenses	31,761	31,070	691	2%
Selling and marketing expenses	7,638	7,043	595	8%
Total operating expenses	141,902	147,700	(5,798)	(4)%
Net loss before income taxes	(147,788)	(151,955)	4,167	(3)%
Interest income	8,925	3,707	5,218	141%
Other income (expense), net	(10,470)	943	(11,413)	(1210)%
Net loss before taxes	(149,333)	(147,305)	(2,028)	1%
Income tax provision	—	—	—	
Net loss	<u>\$ (149,333)</u>	<u>\$ (147,305)</u>	<u>\$ (2,028)</u>	1%

### Revenue

Revenue increased by \$0.1 million, or 3%, to \$4.3 million during the year ended December 31, 2023, from \$4.2 million for the year ended December 31, 2022. This increase was primarily due to an increase in the sale of prototype units sold in 2023 as compared to 2022; this was partially offset by a decrease in the activity related to non-recurring engineering services which is dependent upon the timing of the work performed for our customers.

### Cost of revenue

Cost of revenue increased by \$1.8 million, or 21%, to \$10.2 million during the year ended December 31, 2023, from \$8.4 million for the year ended December 31, 2022. The increase in manufacturing overhead costs is due to the scaling of third-party contract manufacturing, and an increase in the number of units sold during the year ended December 31, 2023 as compared to the year ended December 31, 2022. This was partially offset by the lower cost related to the non-recurring services revenue and due to an inventory impairment of \$1.7 million recorded during year ended December 31, 2022.

**Operating expenses***Research and development*

Total research and development expense decreased by \$7.1 million, or 6%, to \$102.5 million during the year ended December 31, 2023, from \$109.6 million for the year ended December 31, 2022. Research and development expenses decreased primarily due to a decrease in research and development material cost by \$8.0 million, consulting cost decreased by \$3.8 million, stock-based compensation expenses decreased by \$0.8 million, lab supplies decreased by \$0.5 million. This was partially offset by an increase in payroll cost by \$4.1 million due to headcount increase and annual salary adjustment, facility expenses increased by \$1.1 million, service expense increased by \$0.5 million and depreciation expense increase by \$0.3 million.

*General and administrative*

Total general and administrative expense increased by \$0.7 million, or 2%, to \$31.8 million during the year ended December 31, 2023, from \$31.1 million for the year ended December 31, 2022. General and administrative expense increased primarily due to an increase in legal expenses. Legal expense increased by \$2.1 million, depreciation and amortization increased by \$0.4 million, other professional expense increased by \$0.3 million, subscription expenses increased by \$0.5 million, property and other taxes increased by \$0.2 million and travel expense increased by \$0.1 million; this was partially offset by decreases in payroll and other employee related expense by \$1.0 million, insurance expense by \$1.4 million, other expense by \$0.3 million, recruiting expense by \$0.2 million.

*Selling and marketing*

Total selling and marketing expense increased by \$0.6 million, or 8%, to \$7.6 million during the year ended December 31, 2023, from \$7.0 million for the year ended December 31, 2022. Selling and marketing expense increased as we continued to grow our sales force and increase our marketing efforts. Marketing program cost increased by \$0.5 million, payroll and other employee related expense increased by \$0.2 million; this was partially offset by decrease in travel expenses by \$0.1 million,

**Interest income**

Interest income increased by \$5.2 million during the year ended December 31, 2023. The increase is due to the timing of the investment and increase in the interest rate in 2023 as compared to 2022.

**Other income (expense), net**

Other income (expense), net increased by \$11.4 million for the year ended December 31, 2023, primarily due to fair value of Series A Warrants issued in 2023 of \$6.8 million and payment of financing transaction fees of \$3.8 million paid for the preferred financing agreement.

**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 December 31, 2023, Aeva had cash and cash equivalents and marketable securities totaling \$221.0 million.

On November 8, 2023, the Company entered into Subscription Agreements providing for the purchase of an aggregate of 36,802,299 shares of common stock resulting in net proceeds of \$20.6 million ("November PIPE"). Also on November 8, 2023, the Company entered into a Standby Equity Purchase Agreement (the "Facility Agreement") with entities affiliated with Sylebra. Pursuant to the Facility Agreement, the Company will have the right, but not the obligation, to sell to Sylebra up to \$125.0 million shares of its preferred stock, at the Company's request until November 8, 2026. Each sale the Company requests under the Facility Agreement may be for a number

of shares of preferred stock with an aggregate value of at least \$25.0 million but not more than \$50.0 million (except with Sylebra's consent). The Company paid Sylebra a facility fee in the amount of \$2.5 million, an origination fee in the amount of \$0.6 million, and an administrative fee in the amount of \$0.3 million and reimbursed \$0.4 million to Sylebra for its fees and expenses. In addition, the Company issued to Sylebra a Series A Warrants to purchase 15,000,000 shares of Common Stock at an exercise price of \$1.00.

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

Aeva has incurred negative cash flows from operating activities and losses from operations in the past as reflected in its accumulated deficit of \$459.6 million as of December 31, 2023. 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:

	Year ended December 31,	
	2023	2022
	(in thousands)	
Cash used in operating activities	\$ (118,826)	\$ (109,911)
Cash provided by investing activities	69,277	110,890
Cash provided by (used in) financing activities	20,676	(369)
Net increase (decrease) in cash and cash equivalents	<u>\$ (28,873)</u>	<u>\$ 610</u>

### **Operating Activities**

Net cash used in operating activities during the year ended December 31, 2023 of \$118.8 million, was primarily attributable to a net loss of \$149.3 million and a net change in net operating assets and liabilities of \$4.8 million, partially offset by non-cash charges of \$35.3 million. Non-cash charges primarily consisted of \$23.7 million in stock-based compensation, \$6.5 million in fair value at issuance of Series A Warrants, \$4.6 million in depreciation and amortization of intangibles, \$3.1 million in amortization of right-of-use assets, \$0.2 million in change in the fair value of warrant liabilities, \$0.2 million in impairment of inventory, partially offset by \$3.0 million in accretion of discount on available for sale securities. The decrease in net operating assets and liabilities of \$4.8 million was primarily due to a \$6.4 million decrease in accrued liability, a \$3.1 million decrease in lease liability, a \$1.6 million decrease in accounts payable, and a \$0.3 million increase in other noncurrent assets, partially offset by a \$2.3 million decrease in accounts receivable due to timing of billing and cash collections, a \$2.3 million increase in other current liabilities, a \$1.3 million increase in accrued employee cost, a \$0.4 million decrease in inventory, and a \$0.3 million decrease in other current assets.

### **Investing Activities**

Net cash provided by investing activities during the year ended December 31, 2023, was attributable to \$232.7 million of cash received from the maturity and sale of available-for-sale investments, partially offset by cash used in purchase of investments of \$152.4 million, \$6.1 million used for purchase property, plant and equipment and \$5.0 million used for purchase of non-marketable equity investments.

### *Financing Activities*

Net cash provided by financing activities during the year ended December 31, 2023, was attributable to a \$20.6 million, net received from the private placement of common shares and a \$0.2 million of proceeds from stock option exercises, partially offset by \$0.2 million payment of taxes withheld on net settled vesting of restricted stock units.

### **Off-Balance Sheet Arrangements**

As of December 31, 2023, Aeva has not engaged in any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

### **Critical Accounting Policies and Estimates**

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

### *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 Company also grants performance based restricted stock units (the "PBRsUs") to executives and leadership team. PBRsUs have vesting conditions either based on pre-established performance goals of the Company or the performance of the Company's total shareholder return. For the former, the fair value is determined based on the closing quoted price of the Company's common stock on the grant date and the fair value is recognized using the graded-vesting attribution method over the requisite service period. For the latter, the Company uses a Monte Carlo simulation model to determine the fair value on the grant date and the fair value is recognized using the graded-vesting attribution method over the requisite service period.

## 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.

## Warrant Liabilities

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in Financial Accounting Standards Board ("FASB") ASC 480, *Distinguishing Liabilities from Equity* ("ASC 480"), and ASC 815, *Derivatives and Hedging* ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own common stock, among other conditions for equity classification. This assessment, requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded as a liability at fair value on the date of issuance, and each balance sheet date thereafter.

The Company utilizes the Black-Scholes option pricing model to value the liabilities classified warrants at each reporting period. The key assumptions in the option pricing model utilized include the following:

- The expected volatility assumption is based on a blend of Aeva's historical equity volatility and guideline public companies equity volatility.
- The expected term of the warrants is assumed to be the expected period until the expiry of the contractual term.
- 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.



## Recent Accounting Pronouncements

See "Note 1. Description of Business and Summary of Significant Accounting Policies" of the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data" for a full description of recent accounting pronouncements including the respective expected dates of adoption and estimated effects, if any, on our Consolidated Financial Statements.

## Item 7A. 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.

### Interest rate risk

We maintain an investment portfolio of various holdings, types, and maturities. These securities are generally classified as available for sale and consequently, are recorded on the balance sheet at fair value with unrealized gains and losses reported as a separate component of accumulated other comprehensive loss. At any time, a sharp rise in interest rates could have a material adverse impact on the fair value of our investment portfolio. Conversely, declines in interest rates could have a material positive impact on interest earnings for our portfolio. We do not currently hedge these interest rate exposures.

The following table presents the hypothetical change in fair values in the financial instruments we held at December 31, 2023 that are sensitive to changes in interest rates. The modeling technique used measures the change in fair values arising from selected potential changes in interest rates on our investment portfolio, which had a fair value of \$198.9 million at December 31, 2023. Market changes reflect immediate hypothetical parallel shifts in the yield curve of plus or minus 100 and 50 basis points ("BPS").

(in thousands)	Decrease in interest rate		Increase in interest rate	
	-100 BPS	-50 BPS	50 BPS	100 BPS
Total fair market value	\$ 199,849	\$ 199,389	\$ 198,469	\$ 198,009
Percentage change in fair market value	0.5%	0.2%	-0.2%	-0.5%

### Foreign Currency Exchange Risk

There was no material foreign currency risk for the year ended December 31, 2023.

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Aeva Technologies, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Aeva Technologies, Inc. and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, consolidated statements of stockholders' equity, and consolidated statements of cash flows, for each of the three years in the period ended December 31, 2023, and the related notes (collectively, referred to as, the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the US federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### ***Warrant Liability – Series A Warrants – Refer to Notes 1, 4, 10, and 11 to the financial statements***

##### *Critical Audit Matter Description*

The Company issued Series A Warrants to purchase 15,000,000 shares of Common Stock at an exercise price of \$1.00 per share on December 18, 2023 (the "Series A Warrants"). The Company accounts for the Series A Warrants in accordance with Accounting Standards Codification (ASC) 815, *Derivatives and Hedging* and ASC 480, *Distinguishing Liabilities from Equity*. The Company analyzed the Series A Warrants and determined that they are

freestanding and do not exhibit any of the characteristics within ASC 480, and as such do not meet the characteristics of a liability under ASC 480. However, Series A Warrants do not meet all requirements for equity classification under ASC 815, and therefore they are accounted for as a warrant liability at fair value on the Company's consolidated balance sheet, with subsequent changes in fair value recognized in the consolidated statement of operations at each reporting date.

The Company uses the Black-Scholes option pricing model ("BS model") to determine the fair value of the Series A Warrants. Estimates and assumptions affecting the fair value measurement as of December 31, 2023 include the risk-free interest rate; the expected volatility of common stock; the fair value per share of the underlying shares of common stock; the expected term of Series A Warrants; and a zero dividend yield. A significant assumption impacting the fair value of the Series A Warrants is the expected volatility of common stock, which the Company based on the blended equity volatilities of the Company and guideline public companies, which were selected based on the similarity of their operations to those of the Company as well as their tenure as a public company. As of December 31, 2023, the fair value of the Series A warrant liability was \$6.8 million.

Given the significant assumptions made by the Company in determining the fair value of the Series A warrant liability, performing audit procedures to evaluate the reasonableness of the Company's expected volatility of common stock, including the Company's selection of the guideline public companies used in making this significant assumption, required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

#### *How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to the accounting and the fair value of the Series A warrant liability included the following, among others:

- Evaluated adequacy of Company's accounting assessment and conclusion to classify Series A Warrants as a liability considering ASC 815, *Derivatives and Hedging* and ASC 480, *Distinguishing Liabilities from Equity*.
- We tested the design and implementation of internal controls over the Company's process for capturing and accounting for the Series A Warrants and determining the fair value measurements of the warrant liability, including the Company's estimates and assumptions used in the BS model.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the fair value measurement of the Series A warrant liability, as follows:
  - oEvaluating the Company's selection of the BS model to determine fair value measurements of the Series A warrant liability
  - oEvaluating the incorporation of the applicable estimates and assumptions into the BS model and testing the model's mathematical accuracy
  - oTesting the underlying source information used by the Company in making estimates and assumptions, including the selection of the guideline public companies used in the expected volatility of common stock
  - oDeveloping a range of independent estimates and comparing our estimates to those used by the Company
  - oRecalculating the fair value of the Series A warrant liability based on our independent estimates and comparing our calculation to the Company's fair value calculation

We evaluated the Company's disclosures of the fair value measurements of the Series A warrant liability.

/s/ Deloitte & Touche LLP

San Jose, California

March 15, 2024

We have served as the Company's auditor since 2020.

**AEVA TECHNOLOGIES, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except per share data)

	As of December 31,	
	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$ 38,547	\$ 67,420
Marketable securities	182,481	256,392
Accounts receivable	628	2,887
Inventories	2,374	2,951
Other current assets	5,195	5,473
Total current assets	229,225	335,123
Operating lease right-of-use assets	7,289	7,402
Property, plant, and equipment, net	12,114	9,720
Intangible assets, net	2,625	3,525
Other noncurrent assets	6,132	862
Total assets	<u>\$ 257,385</u>	<u>\$ 356,632</u>
<b>Liabilities and stockholders' equity</b>		
Accounts payable	\$ 3,602	\$ 5,182
Accrued liabilities	2,648	9,063
Accrued employee costs	6,043	4,721
Lease liability, current portion	3,587	2,667
Other current liabilities	2,524	194
Total current liabilities	18,404	21,827
Lease liability, noncurrent portion	3,767	4,789
Warrant liabilities	6,772	90
Total liabilities	28,943	26,706
Commitments and contingencies (Note 15)		
Preferred stock \$0.0001 par value, 10,000 shares authorized; no shares issued and outstanding as of December 31, 2023 and December 31, 2022	—	—
Common stock \$0.0001 par value; 422,000 shares authorized; 261,945 and 218,748 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	26	22
Additional paid-in capital	688,103	643,756
Accumulated other comprehensive loss	(87)	(3,585)
Accumulated deficit	(459,600)	(310,267)
Total stockholders' equity	228,442	329,926
Total liabilities and stockholders' equity	<u>\$ 257,385</u>	<u>\$ 356,632</u>

The accompanying notes are an integral part of these consolidated financial statements.

**AEVA TECHNOLOGIES, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except share and per share data)

	Year Ended December 31,		
	2023	2022	2021
Revenue	\$ 4,312	\$ 4,192	\$ 9,265
Cost of revenue	10,198	8,447	5,833
Gross profit (loss)	(5,886)	(4,255)	3,432
Operating expenses:			
Research and development expenses	102,503	109,587	74,768
General and administrative expenses	31,761	31,070	28,407
Selling and marketing expenses	7,638	7,043	4,443
Total operating expenses	141,902	147,700	107,618
Operating loss	(147,788)	(151,955)	(104,186)
Interest income	8,925	3,707	372
Other income (expense), net	(10,470)	943	1,936
Net loss before income taxes	(149,333)	(147,305)	(101,878)
Income tax provision	—	—	—
Net loss	<u>\$ (149,333)</u>	<u>\$ (147,305)</u>	<u>\$ (101,878)</u>
Unrealized gain (loss) on available-for-sale securities	3,498	(3,061)	(524)
Total comprehensive loss	<u>(145,835)</u>	<u>(150,366)</u>	<u>(102,402)</u>
Net loss per share, basis and diluted	<u>\$ (0.66)</u>	<u>\$ (0.68)</u>	<u>\$ (0.51)</u>
Weighted-average shares used in computing net loss per share, basic and diluted	<u>227,060,773</u>	<u>217,307,896</u>	<u>200,849,663</u>

The accompanying notes are an integral part of these consolidated financial statements.

**AEVA TECHNOLOGIES, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(In thousands, except share data)

	Common stock			Additional paid-in		Other	Accumulated	Total
	Shares	Amount		capital		Comprehensive loss	deficit	stockholders equity
Balance at December 31, 2020	151,365,509	\$ 15	\$	87,982	\$	—	\$ (61,084)	\$ 26,913
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	—	—		(47,708)		—	—	(47,708)
Stock-based compensation	—	—		22,237		—	—	22,237
Issuance of common stock upon exercise of stock options	3,701,243	—		911		—	—	911
Issuance of common stock upon release of restricted stock units	758,945	—		—		—	—	—
Shares withheld for the withholding tax on vesting of restricted stock units	(171,787)	—		(1,338)		—	—	(1,338)
Unrealized loss on available-for-sale securities	—	—		—		(524)	—	(524)
Net loss	—	—		—		—	(101,878)	(101,878)
Balance as of December 31, 2021	214,997,014	\$ 21	\$	619,841	\$	(524)	\$ (162,962)	\$ 456,376
Stock-based compensation	—	—		24,285		—	—	24,285
Issuance of common stock upon exercise of stock options	1,464,760	1		349		—	—	350
Issuance of common stock upon release of restricted stock units	2,521,081	—		—		—	—	—
Shares withheld for the withholding tax on vesting of restricted stock units	(234,552)	—		(720)		—	—	(720)
Issuance of common stock upon exercise of warrants	120	—		1		—	—	1
Unrealized loss on available-for-sale securities	—	—		—		(3,061)	—	(3,061)
Net loss	—	—		—		—	(147,305)	(147,305)
Balance as of December 31, 2022	218,748,423	\$ 22	\$	643,756	\$	(3,585)	\$ (310,267)	\$ 329,926
Issuance of common stock in private placement, net of issuance cost of \$818	36,802,299	4		20,633		—	—	20,637
Stock-based compensation	—	—		23,675		—	—	23,675
Issuance of common stock upon exercise of stock options	657,242	—		238		—	—	238
Issuance of common stock upon release of restricted stock units	6,027,613	—		—		—	—	—
Shares withheld for the withholding tax on vesting of restricted stock units	(290,773)	—		(199)		—	—	(199)
Unrealized gain on available-for-sale securities	—	—		—		3,498	—	3,498
Net loss	—	—		—		—	(149,333)	(149,333)
Balance as of December 31, 2023	<u>261,944,804</u>	<u>\$ 26</u>	<u>\$</u>	<u>688,103</u>	<u>\$</u>	<u>(87)</u>	<u>(459,600)</u>	<u>\$ 228,442</u>

The accompanying notes are an integral part of these consolidated financial statements.

**AEVA TECHNOLOGIES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	2023	Year Ended December 31, 2022	2021
<b>Cash flows from operating activities:</b>			
Net loss	\$ (149,333)	\$ (147,305)	\$ (101,878)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	4,622	3,265	1,147
Impairment of inventories	224	1,664	—
Loss on write down of fixed assets	—	—	52
Fair value at issuance of Series A warrants	6,500	—	—
Change in fair value of warrant liabilities	182	(970)	(1,954)
Stock-based compensation	23,675	24,247	22,237
Amortization of right-of-use assets	3,108	2,882	1,901
Realized loss on available-for-sale securities	—	29	—
Amortization of premium and accretion of discount on available-for-sale securities, net	(2,973)	389	1,498
Changes in operating assets and liabilities:			
Accounts receivable	2,259	(546)	(2,200)
Inventories	353	(2,552)	(844)
Other current assets	279	3,634	(7,285)
Other noncurrent assets	(270)	(3)	(795)
Accounts payable	(1,592)	1,287	2,667
Accrued liabilities	(6,415)	4,953	3,202
Accrued employee costs	1,322	2,525	1,474
Lease liability	(3,097)	(2,871)	(1,785)
Other current liabilities	2,330	(539)	458
Net cash used in operating activities	(118,826)	(109,911)	(82,105)
<b>Cash flows from investing activities:</b>			
Purchase of property, plant, and equipment	(6,104)	(7,439)	(3,850)
Purchase of non-marketable equity investments	(5,000)	—	—
Purchase of available-for-sale securities	(152,364)	(210,197)	(571,925)
Proceeds from sale of available-for-sale securities	—	—	20,123
Proceeds from maturities of available-for-sale securities	232,745	328,526	171,580
Purchase of intangible assets	—	—	(4,500)
Net cash provided by (used in) investing activities	69,277	110,890	(388,572)
<b>Cash flows from financing activities:</b>			
Proceeds from business combination and private offering	—	—	560,777
Transaction costs related to business combination and private offering	—	—	(47,487)
Proceeds from issuance of stock in private placement	21,455	—	—
Transaction costs related to issuance of stock in private placement	(818)	—	—
Payments of taxes withheld on net settled vesting of restricted stock units	(199)	(720)	(1,338)
Proceeds from exercise of stock options	238	350	911
Proceeds from exercise of warrants	—	1	—
Net cash provided by (used in) financing activities	20,676	(369)	512,863
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(28,873)</b>	<b>610</b>	<b>42,186</b>
<b>Beginning cash and cash equivalents</b>	<b>67,420</b>	<b>66,810</b>	<b>24,624</b>
<b>Ending cash and cash equivalents</b>	<b>\$ 38,547</b>	<b>\$ 67,420</b>	<b>\$ 66,810</b>
<b>Supplemental disclosures of cash flow information:</b>			
Cash paid for interest	\$ —	\$ —	\$ —
Cash paid for income taxes	\$ —	\$ —	\$ —
<b>Supplemental disclosure of noncash investing and financing activities:</b>			
Unpaid property, plant and equipment purchases	\$ 90	\$ 79	\$ 796
Private placement of warrants acquired as part of merger	\$ —	\$ —	\$ 3,014
Right-of-use asset obtained in exchange for lease liability	\$ 2,995	\$ —	\$ 10,515
Non-cash lease adoption	\$ —	\$ —	\$ 1,671

The accompanying notes are an integral part of these consolidated financial statements.



**AEVA TECHNOLOGIES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**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 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 commons shares based on the exchange ratio.

**Principle of Consolidation and Liquidity**

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

The Company has funded its operations primarily through the Business Combination and issuances of stock. As of December 31, 2023, the Company's existing sources of liquidity included cash and cash equivalents and marketable securities of \$221.0 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 \$459.6 million as of December 31, 2023. 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.

### ***Concentration of Credit Risk***

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

The Company's accounts receivable are derived from customers located in 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 December 31, 2023 and 2022, one customer accounted for 42% and 66% of accounts receivable, respectively. As of December 31, 2023, three vendors accounted for 34% accounts payable and as of December 31, 2022, two vendors accounted for 20% 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 but not limited to revenue recognition, valuation allowance for deferred tax assets, product warranty reserves, stock-based compensation, useful lives of property and equipment, inventory valuation and reserves, useful lives of intangible assets, accrued liabilities, incremental borrowing rate for leases, impairment of long-lived assets, allowance for expected credit losses, fair value estimates and impairment of investments, loss contingencies and the valuation of the 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.

#### ***Non-Marketable Equity Investments Measured Using the Measurement Alternative***

The Company holds non-marketable equity investment without readily determinable market values for which the Company does not have the ability to exercise significant influence. The Company accounts for investments in non-marketable equity securities using the measurement alternative. As such, the Company records its investment in these securities at cost minus impairment, if any, plus or minus changes resulting from qualifying observable price changes for an identical or similar investment of the same issuer.

#### ***Leases***

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 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 credit loss quarterly based on historical experience with each customer and the specifics of each arrangement. As of December 31, 2023 and 2022, the Company did not have any significant allowance for credit losses or write-offs. The Company does not have any off-balance sheet credit exposure related to its customers.

#### **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, 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. There was no impairment of long-lived assets during the years ended December 31, 2023 or 2022.

**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**

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 one year or less 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**

**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.

*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. The Company's contracts with customer prepayment terms do not include a significant financing component because the primary purpose is not to receive or provide financing from or to the customer.

*Contract modifications.* The Company may modify contracts to change the scope or price (or both) of a contract. When a modification results in an increase to the scope or price of a contract 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 to determine whether and when a contract modification is approved by the parties or implied by customary business practices. Judgement is also 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.

The Company evaluates variable consideration in arrangements with contract terms such as price concessions and acceptance clauses. The Company generally uses the expected value method, primarily relying on its history, to estimate variable consideration. However, when the Company believes it to provide a better estimate, it uses the most likely amount method. In either case, the Company considers variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Reassessments of its variable consideration may occur as historical information changes.

#### **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 service condition based 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 these stock-based grants 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.

Performance based restricted stock units (the "PBRsUs") have vesting conditions either based on pre-established performance goals of the Company or the performance of the Company's total shareholder return. For the former, the fair value is determined based on the closing quoted price of the Company's common stock on the grant date and the fair value is recognized using the graded-vesting attribution method over the requisite service period. For the latter, the Company uses a Monte Carlo simulation model to determine the fair value on the grant date and the fair value 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 warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in FASB ASC 480, *Distinguishing Liabilities from Equity* ("ASC 480"), and ASC 815, *Derivatives and Hedging* ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own common stock, among other conditions for equity classification. This assessment, requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded as a liability at fair value on the date of issuance, and each balance sheet date thereafter.

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

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



## **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 11). 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 11) 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. filed 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 for the year ended December 31, 2021 (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	24,119,126
IPV founder shares	6,905,500
Shares issued in PIPE	28,318,478
Business Combination and PIPE shares	59,343,104
Legacy Aeva shares <sup>(1)</sup>	152,066,648
Total shares of common stock immediately after Business Combination	211,409,752
Aeva exercise of warrants	—
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 disaggregate 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 years ended December 31, 2023, 2022 and 2021, based on the disaggregation criteria described above are as follows (in thousands):

	2023		Year Ended December 31, 2022		2021	
	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue
<b>Revenue by primary geographical market:</b>						
North America	\$ 2,815	65 %	\$ 2,965	71 %	\$ 8,816	95 %
EMEA	728	17 %	1,085	26 %	232	3 %
Asia	769	18 %	142	3 %	217	2 %
Total	\$ 4,312	100 %	\$ 4,192	100 %	\$ 9,265	100 %
<b>Revenue by timing of recognition:</b>						
Recognized at a point in time	\$ 3,877	90 %	\$ 2,735	65 %	\$ 1,776	19 %
Recognized over time	435	10 %	1,457	35 %	7,489	81 %
Total	\$ 4,312	100 %	\$ 4,192	100 %	\$ 9,265	100 %

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

For the year ended December 31, 2023 two customers accounted for 23% and 22% of the Company's revenue. For the year ended December 31 2022 and 2021, one customer accounted for 81% and 80% of the Company's revenue, respectively.

#### Contract Assets and Contract Liabilities

As of December 31, 2023 and 2022, the Company had contract assets of \$0.1 million and \$0.2 million, respectively, recognized in other current assets. As of December 31, 2023, the Company had contract liability of \$2.1 million, recognized in other current liability. The Company had no contract liability, as of December 31, 2022.

#### Remaining Performance Obligations

The majority of the Company's customer contracts allow customers to terminate for convenience or have an original duration of one year or less.

As of December 31, 2023, the total amount of the transaction price allocated to unsatisfied performance obligations for contracts with an original duration greater than one year was \$25.0 million, of which approximately 20% is expected to be recognized as revenue over the next 12 months, and the remainder thereafter.

As of December 31, 2022, the total amount of the transaction price allocated to unsatisfied performance obligations for contracts with an original duration greater than one year was immaterial.

#### Note 4. Financial Instruments

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

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

  

		December 31, 2022					
	Adjusted Cost	Unrealized Losses	Fair Value	Cash and Cash Equivalent	Marketable Securities		
(in thousands)							
<b>Assets</b>							
Cash	\$ 17,980	\$ —	\$ 17,980	\$ 17,980	\$ —		
Level 1							
Money market funds	44,443	—	44,443	44,443	—		
Level 2							
U.S. Government securities	65,493	(1,518)	63,975	—	63,975		
U.S. Treasury securities	14,953	(111)	14,842	—	14,842		
Commercial paper	40,859	(100)	40,759	4,997	35,762		
Corporate bonds	143,669	(1,856)	141,813	—	141,813		
Subtotal	264,974	(3,585)	261,389	4,997	256,392		
Total assets	<u>\$ 327,397</u>	<u>\$ (3,585)</u>	<u>\$ 323,812</u>	<u>\$ 67,420</u>	<u>\$ 256,392</u>		
<b>Liabilities</b>							
Level 3							
Warrant liabilities	90	—	90	—	—		
Total liabilities	<u>\$ 90</u>	<u>\$ —</u>	<u>\$ 90</u>	<u>\$ —</u>	<u>\$ —</u>		

The fair value of the private placement warrants and Series A Warrants 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 thousands):

	December 31, 2023	December 31, 2022
Fair value, beginning balance	\$ 90	\$ 1,060
Fair value at issuance of Series A warrants	6,450	—
Change in the fair value of Series A warrants included in other income (expense), net	300	—
Change in the fair value of private placement warrants included in other income (expense), net	(68)	(970)
Fair value, closing balance	<u>\$ 6,772</u>	<u>\$ 90</u>

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

	December 31, 2023	December 31, 2022
Expected term (years)	2.2	3.2
Expected volatility	94.1%	88.2%
Risk-free interest rate	4.23%	4.22%
Dividend yield	0%	0%
Exercise Price	\$ 11.50	\$ 11.50

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

	December 31, 2023	December 18, 2023
Expected term (years)	4.0	4.0
Expected volatility	87.2%	86.4%
Risk-free interest rate	3.89%	4.00%
Dividend yield	0%	0%
Exercise Price	\$ 1.00	\$ 1.00

#### Note 5. Acquisition and Intangible Assets

During the year ended December 31, 2021, the Company purchased 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 \$0.9 million, \$0.9 million and \$0.1 million, for the years ended December 31, 2023, 2022 and 2021, respectively.

As of December 31, 2023, expected amortization expense relating to purchased intangible assets over the remaining life was as follows (in thousands):

	Intangibles
2024	\$ 900
2025	900
2026	825
Total future amortization	<u>\$ 2,625</u>

**Note 6. Inventories**

Inventories consist of the following (in thousands):

	As of December 31,	
	2023	2022
Raw materials	\$ 2,178	\$ 2,743
Work-in-progress	136	42
Finished goods	60	166
Total inventories	<u>\$ 2,374</u>	<u>\$ 2,951</u>

**Note 7. Property, Plant and Equipment**

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

	As of December 31,	
	2023	2022
Computer equipment	\$ 2,795	\$ 2,363
Lab equipment	7,151	5,055
Leasehold improvements	3,148	2,961
Construction in progress	1,434	1,488
Testing equipment	1,455	692
Manufacturing equipment	4,269	1,831
Furniture, fixtures and other equipment	458	535
Total property, plant and equipment	20,710	14,925
Less: accumulated depreciation	(8,596)	(5,205)
Total property, plant and equipment, net	<u>\$ 12,114</u>	<u>\$ 9,720</u>

Depreciation related to property, plant and equipment was \$3.7 million, \$2.4 million and \$1.1 million for the years ended December 31, 2023, 2022 and 2021, respectively.

**Note 8. Other current assets**

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

	As of December 31,	
	2023	2022
Prepaid expenses	\$ 2,228	\$ 2,343
Contract assets	140	247
Vendor deposits	1,104	1,398
Other current assets	1,723	1,485
Total other current assets	<u>\$ 5,195</u>	<u>\$ 5,473</u>

**Note 9. Other non-current assets**

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

	As of December 31,	
	2023	2022
Non-marketable equity investments	\$ 5,000	\$ —
Security deposits	1,116	854
Other non-current assets	16	8
Total other non-current assets	<u>\$ 6,132</u>	<u>\$ 862</u>

In November 2023, the Company made an investment in 700,440 Preferred Stock of a private company for a cash consideration of \$5.0 million. The Company's investment in the private company represents less than 1% of

total capitalization. The Company neither has significant influence over the private company nor does the investment amount to a controlling financial interest in the private company. The Company elected to apply the measurement alternative, and as such, records the investment at cost minus impairment, if any, plus or minus changes resulting from qualifying observable price changes in orderly transactions. During the fiscal year ended December 31, 2023, the Company did not identify any impairment or observable price changes for this non-marketable equity investment.

#### **Note 10. Financing transaction**

##### *Private Investment*

On November 8, 2023, the Company entered into Subscription Agreements (the "Subscription Agreements") with entities affiliated with Sylebra Capital Limited ("Sylebra") and Adage Capital Management, providing for the purchase of an aggregate of 36,802,299 shares of the Company's common stock, \$0.0001 par value per share (the "PIPE Shares"), at a price of \$0.58 per PIPE Share for an aggregate purchase price of approximately \$21.4 million (the "Private Placement"). The PIPE Shares are recorded as outstanding common stock.

##### *Standby Equity Purchase Agreement*

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

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

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

The Company's right to request Advances is conditioned upon the Company achieving a minimum of one new passenger auto-original equipment manufacturer ("OEM") or commercial OEM program award with at least a 50,000 unit volume, the trading price of the Common Stock being below \$3.00 at the time of the Advance request and other customary conditions. Prior to any Advance, the Company will assess its capital needs and other factors, including the impact of an Advance on the Company's outstanding executive pledge arrangements.

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

The Company shall pay dividends on each share of Preferred Stock in cash or in kind through issuance of shares of common stock with an aggregate value equal to the amount of the dividend to have been paid divided by the dividend conversion price. The board of directors of the Company may at its sole discretion elect to pay the

dividends in cash in lieu of shares of common stock. The Convertible Redeemable Preferred Stock have no voting rights unless they are converted into shares of common stock.

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

In connection with this financing, the Company also paid the entities affiliated with Sylebra, (a) a facility fee in the amount of \$2.5 million, (b) an origination fee in the amount of \$0.6 million, (c) an administrative fee in the amount of \$0.3 million and (d) reasonable fees and expenses of the investor and its counsel, up to approximately \$0.4 million. The issuance costs related to the Facility Agreement were expensed as incurred as it failed to meet the equity classification guidance under ASC 815-40, and were deemed to be a derivative asset. The fair value of the derivative asset was not material as of and for the period ended December 31, 2023.

In addition, upon receipt of stockholder approval in December 2023, the Company issued to Sylebra 15,000,000 Series A Warrants to purchase shares of Common Stock at an exercise price of \$1.00.

As of December 31, 2023, the Company had 15,000,000 Series A Warrants outstanding. The Series A Warrants were issued as consideration for entering into the Facility Agreement as discussed above. Each Series A Warrant entitles the holder to purchase one share of the Company's common stock at a price of \$1.00 per share. Each Series A Warrant is currently exercisable and expires in December 2027. Holders shall not have the right to exercise the Series A Warrants to the extent that after giving effect to such exercise, such person would beneficially own in excess of 19.9% of the Company's outstanding common stock immediately after giving effect to such exercise.

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

The Company analyzed the Series A Warrants and determined that they are freestanding and do not exhibit any of the characteristics within ASC 480, and as such do not meet the characteristics of a liability under ASC 480. However, Series A Warrants do not meet all requirements for equity classification under ASC 815, and therefore are classified as a liability on the Company's consolidated balance sheets.

#### **Note 11. Capital Structure**

As of December 31, 2023, 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.

	Preferred Stock Shares	Exchange Ratio	Shares Issued and Outstanding
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	<u>8,606,780</u>		<u>78,120,214</u>

### 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 December 31, 2023, no shares of preferred stock were issued and outstanding.

### Warrants

As of December 31, 2023, the Company had 12,074,876 public and 384,000 private warrants outstanding. These warrants were issued pursuant in the Initial Public Offering and each warrant entitles the registered holder to purchase one share of common stock at an exercise price of \$11.50 per share.

In addition, 15,000,000 Series A Warrants are outstanding as of December 31, 2023 which were issued in connection with the facility agreement. Each Series A Warrants entitles the registered holder to purchase one share of common stock at an exercise price of \$1.00 per share and expire in December 2027.

### Note 12. Earnings (Loss) Per Share

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

	Year ended December 31,		
	2023	2022	2021
Numerator:			
Net loss	\$ (149,333)	\$ (147,305)	\$ (101,878)
Net loss attributable per share to common stockholders	(149,333)	(147,305)	(101,878)
Denominator:			
Weighted average shares of common stock outstanding – Basic	227,060,773	217,307,896	200,849,663
Dilutive effect of potential common stock	—	—	—
Weighted average shares of common stock outstanding – Diluted	227,060,773	217,307,896	200,849,663
Net loss per share attributable to common stockholders – Basic and Diluted	<u>\$ (0.66)</u>	<u>\$ (0.68)</u>	<u>\$ (0.51)</u>

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:

	Year ended December 31,		
	2023	2022	2021
Common stock options issued and outstanding	12,073,577	13,434,083	13,858,356
Restricted stock units	26,020,886	11,945,375	6,631,079
Performance-based restricted stock units	9,558,823	—	—
Common stock warrants	12,458,876	12,458,876	12,458,876
Series A warrants	15,000,000	—	—
Total	<u>75,112,162</u>	<u>37,838,334</u>	<u>32,948,311</u>

### Note 13. Stock-based Compensation

#### Stock Options

The Company maintains the 2016 Stock Incentive Plan and the 2021 Incentive Award Plan (the "Stock Plans") under which incentive stock options, non-qualified stock options and RSUs may be granted to employees. Under the Stock Plans, the Company has 8,684,181 shares available for issuance as of December 31, 2023.

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.

The fair value of stock option awards was determined on the grant date using the Black-Scholes option-pricing model. No new options were granted during the year ended December 31, 2023 and 2021. The assumptions for the Black-Scholes model for options granted during the period ended December 31, 2022 were as follows:

Expected term (years)(1)	6.02
Expected volatility(2)	48.7% - 49.0%
Common Stock Value	2.92 - 3.28
Risk-free interest rate(3)	2.73% - 2.93%
Dividend yield(4)	0%

(1) 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.

(2) Expected volatility was estimated based on comparable companies' reported volatilities.

(3) The risk-free rate is an interpolation of yields on U.S. Treasury securities with maturities equivalent to the expected term.

(4) The Company has assumed a dividend yield of zero as they have no plans to declare dividends in the foreseeable future.

The following table summarized the stock option activity and related information under all stock option plans:

	Number of Options	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2020	17,801,986	\$ 0.36	8.27	\$ 140,560
Exercised	(3,701,243)	0.25	—	—
Forfeited	(242,387)	0.41	—	—
Outstanding as of December 31, 2021	13,858,356	\$ 0.39	7.47	\$ 99,406
Granted	1,335,000	3.08	—	—
Exercised	(1,464,760)	0.24	—	—
Forfeited	(294,513)	0.51	—	—
Outstanding as of December 31, 2022	13,434,083	\$ 0.67	6.77	\$ 11,593
Exercised	(657,242)	0.36	—	—
Forfeited	(703,264)	2.85	—	—
Outstanding as of December 31, 2023	12,073,577	\$ 0.56	5.73	\$ 4,004
Vested and exercisable as of December 31, 2023	11,538,928	\$ 0.48	5.64	\$ 3,972
Vested and expected to vest as of December 31, 2023	12,073,577	\$ 0.56	5.73	\$ 4,004

The intrinsic value of options exercised during years ended December 31, 2023, 2022 and 2021 was \$0.5 million, \$7.2 million, and \$32.0 million, respectively.

As of December 31, 2023, the Company had \$0.6 million of unrecognized stock-based compensation expense related to the stock options. This cost is expected to be recognized over a weighted-average period of 1.4 years.

As of December 31, 2021, the Company recognized \$1.1 million of the additional compensation expense for certain stock option grants that had a performance vesting condition that was satisfied as of the Closing of the BCA.

#### *Restricted Stock Units ("RSUs") and Performance-based Restricted Stock Units ("PBRsUs")*

Beginning November 2020, the Company granted RSUs and PBRsUs to certain employees and consultants pursuant to the 2016 and 2020 Stock Plan. RSU's 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. PBRsUs 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 PBRsUs to be vested and settled for shares of Common Stock. The performance vesting condition for these PBRsUs were met on March 12, 2021. As a result, the Company's outstanding PBRsUs and RSUs vested to the extent the applicable service condition was satisfied as of such date.

In May 2023, the Company granted a total of 5,882,353 PBRsUs to certain executives that vest on achieving certain operational milestones as defined in the individual grant agreements subject to continued employment through 2025. Stock-based compensation expense is recognized over the expected performance achievement period of individual performance milestones when the achievement of each individual performance milestone becomes probable. If satisfaction of the performance condition is not probable, stock-based compensation cost recognition is deferred until it becomes probable. The Company reassesses the probability as to whether satisfaction of the performance condition is probable on a quarterly basis, and stock-based compensation cost is adjusted based on the portion of the requisite service provided. These PBRsUs neither carry rights to dividends nor voting rights until the shares are issued or transferred to the recipient. Awards are forfeited if an employee leaves the Company before the PBRsUs vest or the performance period lapses. The weighted-average grant date PBRsUs fair value of \$1.02 per share is determined based upon the market closing price of the Company's common stock on the date of grant. As of December 31, 2023, the total unrecognized compensation expense related to the performance-based PBRsUs was \$1.5 million, which is expected to be amortized over a weighted-average period of 2.0 years.

In May 2023, the Company also granted a total of 3,676,470 market-based PBRsUs to certain executives that vest over a multi-year period, upon continue service and when the volume-weighted average price per share ("VWAP Average") of the Company's common stock for the preceding 30 consecutive trading days equals or exceeds the target stock price for the indicated year. The Company recognizes stock-based compensation based upon the grant date fair value on an accelerated attribution basis over the requisite service period of the award. Provided that the requisite service is rendered, the total fair value of the market-based PBRsUs at the date of grant is recognized as compensation expense even if the market condition is not achieved. However, the number of shares that ultimately vest can vary significantly with the achievement of the specified market criteria. These PBRsUs neither carry rights to dividends nor voting rights until the shares are issued or transferred to the recipient. Awards are forfeited if an employee leaves the Company before the PBRsUs vest. The weighted-average grant date fair value of the market-based PBRsUs was \$0.28 per share. The Company estimated the fair value of the market-based PBRsUs award on the grant date using the Monte Carlo simulation model with the following assumptions:

Expected term (years)	0.5 - 4.7
Expected volatility	70.9%
Risk-free interest rate	3.29%
Dividend yield	0%
Share price	\$ 1.02

As of December 31, 2023, the total unrecognized compensation expense related to the market-based PBRsUs was \$0.8 million, which is expected to be amortized over a weighted-average period of 3.2 years.

The following table summarizes our RSU activity (includes performance-based restricted stock units) for the year ended December 31, 2023:

	Shares		Weighted Average Grant Date Fair Value per Share
Outstanding as of December 31, 2020	1,536,195	\$	7.74
Granted	6,206,975		10.51
Released	(758,945)		9.34
Forfeited	(353,146)		9.83
Outstanding as of December 31, 2021	6,631,079	\$	10.04
Granted	9,200,047		3.20
Released	(2,521,081)		8.75
Forfeited	(1,364,670)		8.45
Outstanding as of December 31, 2022	11,945,375	\$	5.22
Granted	25,715,759		1.21
Released	(6,027,613)		3.77
Forfeited	(5,612,635)		3.64
Outstanding as of December 31, 2023	26,020,886	\$	1.93

The total fair value of restricted stock and performance based restricted stock awards vested for the years ended December 31, 2023, 2022 and 2021, was \$6.2 million \$8.3 million and \$6.6 million, respectively.

As of December 31, 2023, the Company had \$41.9 million of unrecognized stock-based compensation expense related to the RSUs. This cost is expected to be recognized over a weighted average period of 3.0 years.

#### Employee Stock Purchase Plan

In November 2022, the Board and the Company's stockholders adopted the 2022 Employee Stock Purchase Plan ("ESPP") under which 1,831,812 shares were authorized for issuance. The ESPP permits eligible employees to purchase the Company's common stock through payroll deduction with up to 15% of their pre-tax earnings subject to certain Internal Revenue Code limitations. The purchase price of shares is 85% of the lower of the fair market value of the Company's common stock on the first day of a six-month offering period, or the relevant purchase date. In addition, participants are subject to \$25,000 annual purchase restriction. No ESPP shares were purchased during 2023.

#### Compensation expense

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

	Year ended December 31,		
	2023	2022	2021
Cost of revenue	\$ 965	\$ 1,161	\$ 1,483
Research and development expenses	16,760	17,197	12,754
Sales and marketing expenses	819	917	371
General and administrative expenses	5,131	4,972	7,629
Total	<u>\$ 23,675</u>	<u>\$ 24,247</u>	<u>\$ 22,237</u>

Stock-based compensation of \$38 thousand was capitalized in deferred cost for the year ended December 31, 2022. Stock-based compensation capitalized will be recognized as cost when the related non-recurring service revenue is recognized.

#### Note 14. Income Taxes

##### Components of Income Before Taxes

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

	Year ended December 31,		
	2023	2022	2021
Domestic	\$ (149,540)	\$ (147,314)	\$ (101,878)
Foreign	207	9	—
Income (loss) before income taxes	<u>(149,333)</u>	<u>(147,305)</u>	<u>(101,878)</u>

##### Components of Tax Expense

There has historically been no federal, state or foreign 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 years ended December 31, 2023, 2022 and 2021, the Company recognized no provision related to income taxes.

##### Effective Tax Rate

Reconciliation between the effective tax rate on income from continuing operations and the statutory tax rate of 21% is as follows:

	Year ended December 31,		
	2023	2022	2021
U.S. federal provision at statutory rate	21.0 %	21.0 %	21.0 %
Tax credits	3.0 %	2.7 %	2.2 %
Stock-based compensation	(2.7) %	1.9 %	3.9 %
Section 162(m)	(0.1) %	(0.6) %	(1.4) %
Change in valuation allowance	(19.6) %	(25.1) %	(26.2) %
Other	(1.6) %	0.1 %	0.5 %
Effective tax rate	0.0 %	0.0 %	0.0 %

The Company's effective tax rates differ from the federal statutory rate primarily due to the change in valuation allowance.

## Deferred Taxes

The Company's deferred income tax assets and liabilities as of December 31, 2023 and 2022 were as follows (in thousands):

	Year ended December 31,	
	2023	2022
Deferred tax assets:		
Net operating loss carry forward	\$ 62,346	\$ 59,613
Tax credits	18,261	11,473
Intangibles	3,499	3,718
Other	28	923
Stock-based compensation	1,998	2,759
Lease liability	1,542	1,912
Research and development costs	33,341	20,091
Accruals and reserves	1,364	1,190
<b>Total deferred tax assets before valuation allowance</b>	<b>122,379</b>	<b>101,679</b>
<b>Valuation allowance</b>	<b>(120,779)</b>	<b>(99,711)</b>
<b>Total deferred tax assets</b>	<b>1,600</b>	<b>1,968</b>
Deferred tax liabilities:	—	—
Right of use assets	(1,528)	(1,899)
Fixed assets	(72)	(69)
<b>Total deferred tax liabilities</b>	<b>(1,600)</b>	<b>(1,968)</b>
<b>Net deferred tax assets (liabilities)</b>	<b>\$ —</b>	<b>\$ —</b>

The Company assesses the realizability of deferred tax assets based on the available evidence, including a history of taxable income and estimates of future taxable income. In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that all or some portion of deferred tax assets will not be realized. Due to the losses the Company generated in the current and prior years; the Company believes it is not more likely than not that all of the deferred tax assets can be realized. Accordingly, the Company established and recorded a full valuation allowance on its net deferred tax assets of \$120.8 million as of December 31, 2023 and a net valuation allowance on its deferred tax assets of \$99.7 million as of December 31, 2022. The valuation allowance increased by \$21.1 million for the year ended December 31, 2023.

As of December 31, 2023, the Company had \$232.2 million of U.S. federal and \$189.9 million of state net operating loss carryforwards available to reduce future taxable income, of which \$229.0 million will be carried forward indefinitely for U.S. federal tax purposes and the remainder of losses will expire beginning in 2036 for federal and 2031 for state tax purposes.

The Company also has federal and California research and development tax credit carryforwards of \$21.2 million and \$13.5 million, respectively. The federal research credit carryforwards will expire in 2036 and California research credits can be carried forward indefinitely.

The federal and state net operating loss carryforwards may be subject to significant limitations under Section 382 and Section 383 of the Internal Revenue Code of 1986, as amended, and similar provisions under state law. The Tax Reform Act of 1986 contains provisions that limit the federal net operating loss carryforwards that may be used in any given year in the event of special occurrences, including significant ownership changes. The Company has completed an analysis as of December 31, 2022 and doesn't expect any net operating loss carryforwards or tax credit carryforwards to expire due to a limitation. The Company is in the process of preparing a Sec. 382 study through December 31, 2023.

## Unrecognized Tax Benefits

The Company accrues for uncertain tax positions identified, which are not deemed more likely than not to be sustained if challenged, and recognizes interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. The Company has not accrued any interest on uncertain tax benefits associated with unrecognized tax benefits and had immaterial cumulative interest and penalties as of December 31, 2023, 2022 and 2021.

The Company does not expect that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the reporting date.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits (in thousands):

	Year ended December 31,		
	2023	2022	2021
Unrecognized tax benefits as of the beginning of the year	\$ 8,872	\$ 4,702	\$ 1,934
Increase related to prior year tax provisions	—	(100)	107
Decrease related to prior year tax provisions	—	—	—
Increase related to current year tax provisions	4,937	4,270	2,661
Statute lapse	—	—	—
Unrecognized tax benefits as of the end of the year	<u>\$ 13,809</u>	<u>\$ 8,872</u>	<u>\$ 4,702</u>

Included in the balance of unrecognized tax benefits as of December 31, 2023, 2022 and 2021, are no amounts that, if recognized, would affect the effective tax rate.

The Company's major tax jurisdictions are the United States, various states and India. Due to the net operating loss carryforward since inception, all tax years are open for examination. There have been no examinations of our income tax returns by any tax authority.

## Note 15. Commitments and Contingencies

### Leases

The weighted-average remaining lease terms were 2.0 years and 1.9 years as of December 31, 2023 and 2022, respectively. The weighted-average discount rates were 6.04% and 5.25% as of December 31, 2023 and 2022, respectively. Operating lease costs for the year ended December 31, 2023, 2022 and 2021, were \$3.7 million, \$3.3 million and \$2.3 million, respectively.

Short-term lease costs for the years ended December 31, 2023 and 2022, were \$0.1 million and \$0.1 million, respectively.

Variable lease costs for the years ended December 31, 2023 and 2022, were \$0.5 million and \$0.5 million, respectively.

The following is a maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the operating lease liabilities as of December 31, 2023 (in thousands):

	Operating Leases
2024	\$ 3,949
2025	3,157
2026	729
Total minimum lease payments	7,835
Less: imputed interest	(481)
Total lease liability	<u>\$ 7,354</u>

### 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.

On November 27, 2023, Anita Wallace ("Plaintiff") filed a Verified Class Action Complaint (the "Complaint") in the Delaware Court of Chancery (the "Court") under the caption Wallace v. Salehian, et al., C.A. No. 2023-1187-PAF (the "Action") on behalf of a putative class of stockholders of Aeva Technologies, Inc. ("Aeva") challenging disclosures made in connection with the then-proposed issuance of shares of Aeva's common stock in proxy solicitation materials submitted to the U.S. Securities and Exchange Commission (the "SEC") on November 17, 2023 (the "Preliminary Proxy Statement"). The Action sought, among other things, a preliminary injunction against the vote on the proposed stock issuance.

On December 7, 2023, Aeva filed a proxy statement supplement containing supplemental disclosures that mooted the allegations in the Action. On January 11, 2024, the Court entered an Order dismissing the Action as moot and retaining jurisdiction solely for adjudicating the anticipated application of plaintiff's counsel for an award of attorneys' fees and expenses. Aeva, on behalf of all defendants in the Action, subsequently agreed to pay \$350,000 in attorneys' fees and expenses which was recorded as accrued liabilities for the year ended December 31, 2023, in full satisfaction of the claim for attorneys' fees and expenses in the Action.

On January 22, 2024, the Court entered an Order closing the Action, subject to Aeva filing an affidavit with the Court confirming that this notice has been issued. In entering the Order, the Court was not asked to review, and did not pass judgment on, the payment of the attorneys' fees and expenses or their reasonableness.

#### *Litigation – other matters*

On March 7, 2024, a putative class action lawsuit was filed in the Court of Chancery of the State of Delaware against InterPrivate Acquisition Management LLC, InterPrivate LLC, and former directors and officers of InterPrivate Acquisition Corp ("IPV"). The lawsuit is captioned, Louis Smith v. Ahmed M. Fattouh, et al., (Del. Ch. 2024). Among other remedies, the complaint seeks damages and attorneys' fees and costs. In connection with IPV's March 12, 2021, merger transaction with Aeva Inc., Aeva granted certain indemnification rights to IPV's former directors and officers. However, neither Aeva nor its current directors or officers are named as defendants in the complaint.

#### *Indemnifications*

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

### **Note 16. Segment Information**

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

#### *Revenues from External Customers*

Revenues from customers outside the United States were 35%, 29%, and 5% of total revenues for the fiscal years ended December 31, 2023, 2022 and 2021, respectively.



### Long-Lived Assets

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

	Year Ended December 31,			
	2023		2022	
United States	\$	8,675	\$	8,236
Thailand		3,154		1,379
EMEA		285		105
Total	\$	<u>12,114</u>	\$	<u>9,720</u>

### Note 17. Subsequent Events

On March 11, 2024, the Company issued a press release announcing that the Board of Directors of the Company has determined to set a reverse stock split ratio of 1-for-5 for a reverse stock split of the Company's outstanding shares of common stock. The Company anticipates the reverse stock split to be effective as of March 18, 2024 at approximately 4:01 p.m. Eastern Time. The Company's common stock will continue trading on the New York Stock Exchange under the existing symbol (AEVA) and will begin trading on a split-adjusted basis when the market opens on March 19, 2024, with the new CUSIP number 00835Q202. Following this proposed Reverse Stock Split, the Company's issued and outstanding shares of common stock will decrease from approximately 263.8 million pre-split shares to 52.8 million post-split shares, subject to adjustment for fractional shares. Proportionate adjustments will be made to the number of shares of common stock underlying the Company's outstanding equity awards, warrants, the number of shares issuable under its equity incentive plans and other existing agreements, as well as the exercise or conversion price, as applicable. This proposed reverse stock split will result in proportionate adjustment to the basic and diluted earnings per share. The reverse stock split will not affect the number of authorized shares of common stock or the par value of the common stock.

**Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.**

None

**Item 9A. 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, 2023. 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 December 31, 2023, 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.

***Management’s Annual Report on internal control over financial reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2023, using the criteria established in *Internal Control—Integrated Framework* (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

Based on our evaluation under the COSO framework, our management has concluded that our internal control over financial reporting was effective as of December 31, 2023, 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.

This Annual Report on Form 10-K does not include an attestation report of the Company’s registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by the Company’s registered public accounting firm pursuant to the rules of the SEC that permit non-accelerated filers such as our company to provide only management’s report in the Annual Report on Form 10-K.

***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 Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended December 31, 2023, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

***Inherent limitations on effectiveness of controls***

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.

**Item 9B. Other Information.**

During the quarter ended December 31, 2023, the following directors and officers, as defined in Rule 16a-1(f) of the Exchange Act, adopted a “Rule 10b5-1 trading arrangement” as defined in Regulation S-K Item 408, as follows:

On December 15, 2023, Soroush Salehian, our Chief Executive Officer and a member of our Board of Directors, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense conditions of Exchange Act Rule 10b5-1(c) (a “Rule 10b5-1 Trading Plan”). Mr. Salehian's Rule 10b5-1 Trading Plan provides for the sale of up to 4,000,000 shares of our Common Stock from the third business day after filing of the annual report on Form 10-K for the year ended December 31, 2023, until February 25, 2025, or earlier if all transactions under the trading arrangement are completed.

On December 15, 2023, Mina Rezk, our Chief Technology Officer and a Chairman of our Board of Directors, adopted a Rule 10b5-1 Trading Plan. Mr. Rezk's Rule 10b5-1 Trading Plan provides for the sale of up to 4,650,000 shares of our Common Stock from June 17, 2024 until April 18, 2025, or earlier if all transactions under the trading arrangement are completed.

On March 11, 2024, we announced a 1-for-5 reverse stock split of our outstanding shares of common stock expected to be effective as of March 18, 2024, at approximately 4:01 p.m. Eastern Time.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

None.

### **PART III**

#### **ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.**

The information required by this item is incorporated by reference from our definitive Proxy Statement to be filed with the Securities and Exchange Commission in connection with our 2024 Annual Meeting of Stockholders within 120 days after the end of the fiscal year ended December 31, 2023 (the "Proxy Statement").

#### **ITEM 11. EXECUTIVE COMPENSATION.**

The information required by this item will be included in the Proxy Statement and is incorporated herein by reference.

#### **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.**

The information required by this item will be included in the Proxy Statement and is incorporated herein by reference.

#### **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE.**

The information required by this item will be included in the Proxy Statement and is incorporated herein by reference.

#### **ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.**

The information required by this item will be included in the Proxy Statement and is incorporated herein by reference.

## **PART IV**

### **Item 15. Exhibits, Financial Statement Schedules.**

(a) Financial Statements and Schedules List the following documents filed as a part of the report:

All financial statements are set forth under Item 8 of this Annual Report on Form 10-K. Financial statement schedules have been omitted since they are either not required, not applicable, or the information is otherwise included.

(b) Exhibits: The exhibits listed in the accompanying index to exhibits are filed or incorporated by reference as part of this Annual Report on Form 10-K.

### **Item 16. Form 10-K Summary**

None.

## Exhibit Index

Exhibit Number	Description
2.1†	<a href="#"><u>Business Combination Agreement, dated as of November 2, 2020, by and among InterPrivate Acquisition Corp., WILLY Merger Sub Corp., and Aeva, Inc. (incorporated by reference to Annex A to the Proxy Statement/Prospectus/Consent Solicitation Statement).</u></a>
3.1	<a href="#"><u>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).</u></a>
3.2	<a href="#"><u>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).</u></a>
4.1	<a href="#"><u>Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.2 to the Registration Statement on Form S-1 filed by the Registrant on January 24, 2020).</u></a>
4.2	<a href="#"><u>Specimen Warrant Certificate (incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-1 filed by the Registrant on January 24, 2020).</u></a>
4.3	<a href="#"><u>Warrant Agreement, dated February 3, 2020, by and between the Registrant and Continental Stock Transfer &amp; Trust Company, as warrant agent (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed by the Registrant on February 6, 2020).</u></a>
4.4*	<a href="#"><u>Description of Registrant's Securities.</u></a>
4.5	<a href="#"><u>Registration Rights Agreement, dated as of November 8, 2023, by and among investment entities affiliated with Sylebra Capital Limited and the Company (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed by the Registrant on November 8, 2023).</u></a>
4.6	<a href="#"><u>Shareholder Agreement, dated as of November 8, 2023, by and among the Company and investment entities affiliated with Sylebra Capital Limited (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed by the Registrant on November 8, 2023).</u></a>
10.1	<a href="#"><u>Standby Equity Purchase Agreement, dated as of November 8, 2023 by and among the Company and investment entities affiliated with Sylebra Capital Limited (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed by the Registrant on November 8, 2023).</u></a>
10.2	<a href="#"><u>Stockholders Agreement, dated as of March 12, 2021, by and among the Company and certain stockholders of the Company named therein (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by the Registrant on March 18, 2021).</u></a>
10.3	<a href="#"><u>Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.12 to the Registration Statement on Form S-4/A filed by the Registrant on January 13, 2021).</u></a>
10.4#	<a href="#"><u>Aeva, Inc. 2016 Stock Incentive Plan (incorporated by reference to Exhibit 10.13 to the Registration Statement on Form S-4 filed by the Registrant on December 3, 2020).</u></a>
10.5#	<a href="#"><u>Form of Stock Option Award Agreement under Aeva, Inc. 2016 Stock Incentive Plan (incorporated by reference to Exhibit 10.14 to the Registration Statement on Form S-4 filed by the Registrant on December 3, 2020).</u></a>
10.6#	<a href="#"><u>Form of Restricted Stock Purchase Award Agreement under Aeva, Inc. 2016 Stock Incentive Plan. (incorporated by reference to Exhibit 10.15 to the Registration Statement on Form S-4 filed by the Registrant on December 3, 2020).</u></a>
10.7#	<a href="#"><u>Aeva, Inc. 2020 Incentive Award Plan (incorporated by reference to Exhibit 10.16 to the Registration Statement on Form S-4 filed by the Registrant on December 3, 2020).</u></a>
10.8#	<a href="#"><u>Employment Agreement by and between the Aeva Technologies, Inc. and Soroush Salehian Dardashti dated May 27, 2022 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by the Registrant on May 27, 2022).</u></a>
10.9#	<a href="#"><u>Employment Agreement by and between the Aeva Technologies, Inc. and Mina Rezk dated May 27, 2022 (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by the Registrant on May 27, 2022).</u></a>
10.10#	<a href="#"><u>Employment Agreement by and between the Aeva Technologies, Inc. and Saurabh Sinha dated May 27, 2022 (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed by the Registrant on May 27, 2022).</u></a>
10.11#	<a href="#"><u>Aeva Technologies, Inc. 2021 Incentive Award Plan (incorporated by reference to Exhibit 10.13 to the Current Report on Form 8-K filed by the Registrant on March 18, 2021).</u></a>

10.12#	<a href="#"><u>Form of Stock Option Award Agreement under Aeva Technologies, Inc. 2021 Stock Incentive Plan (incorporated by reference to Exhibit 10.14 to the Current Report on Form 8-K filed by the Registrant on March 18, 2021).</u></a>
10.13#	<a href="#"><u>Form of Restricted Stock Purchase Award Agreement under Aeva Technologies, Inc. 2021 Incentive Plan (incorporated by reference to Exhibit 10.15 to the Current Report on Form 8-K filed by the Registrant on March 18, 2021).</u></a>
16.1	<a href="#"><u>Letter dated March 18, 2021 from Marcum to the SEC (incorporated by reference to Exhibit 16.1 to the Current Report on Form 8-K filed by the Registrant on March 18, 2021).</u></a>
21.1*	<a href="#"><u>List of subsidiaries of Aeva Technologies, Inc.</u></a>
23.1*	<a href="#"><u>Consent of Deloitte &amp; Touche LLP independent registered accounting firm for Aeva.</u></a>
31.1*	<a href="#"><u>Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>
31.2*	<a href="#"><u>Certification of Principal Financial and Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>
32.1*	<a href="#"><u>Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>
32.2*	<a href="#"><u>Certification of Principal Financial and Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>
97.1*	<a href="#"><u>Incentive Compensation Clawback Policy</u></a>
101.INS	Inline XBRL Instance Document-the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data File ((formatted as Inline XBRL and contained in Exhibit 101)

\*Filed herewith.

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

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

## SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Mountain View, California, on March 15, 2024.

AEVA TECHNOLOGIES, INC.

By: /s/ Soroush Salehian Dardashti  
Name: Soroush Salehian Dardashti  
Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dated indicated.

Signature	Title	Date
<u>/s/ Soroush Salehian Dardashti</u> Soroush Salehian Dardashti	Chief Executive Officer and Director (Principal Executive Officer)	March 15, 2024
<u>/s/ Saurabh Sinha</u> Saurabh Sinha	Chief Financial Officer (Principal Financial and Accounting Officer)	March 15, 2024
<u>/s/ Mina Rezk</u> Mina Rezk	President, Chief Technology Officer and Director	March 15, 2024
<u>/s/ Stefan Sommer</u> Stefan Sommer	Director	March 15, 2024
<u>/s/ Hrach Simonian</u> Hrach Simonian	Director	March 15, 2024
<u>/s/ Christopher Eberle</u> Christopher Eberle	Director	March 15, 2024
<u>/s/ Erin Polek</u> Erin Polek	Director	March 15, 2024
<u>/s/ Stephen Zadesky</u> Stephen Zadesky	Director	March 15, 2024



**DESCRIPTION OF AEVA TECHNOLOGIES, INC.'S SECURITIES****REGISTERED PURSUANT TO SECTION 12 OF THE****SECURITIES EXCHANGE ACT OF 1934**

As of December 31, 2021, Aeva Technologies, Inc. had two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): common stock, \$0.0001 par value per share ("Common Stock"), and warrants to purchase Common Stock.

Unless the context otherwise requires, all references to "we", "us", the "Company", or "Aeva" in this Exhibit 4.4 refer to Aeva Technologies, Inc.

**Authorized and Outstanding Capital Stock**

The Company's amended and restated certificate of incorporation authorizes the issuance of 422,000,000 shares of Common Stock, \$0.0001 par value per share and 10,000,000 shares of preferred stock, \$0.0001 par value. The following description of our Common Stock and our warrants to purchase Common Stock does not purport to be complete and is subject to, and qualified in its entirety by, our amended and restated certificate of incorporation and amended and restated bylaws, each of which is incorporated by reference as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2021.

*Voting Power*

Except as otherwise required by law or as otherwise provided in any Preferred Stock Designation, the holders of the Common Stock possess all voting power for the election of the Company's directors and all other matters submitted to a vote of stockholders of the Company. Holders of the Common Stock have one vote in respect of each share of stock held by such holder on matters to be voted on by stockholders. Except as otherwise required by law, holders of the Common Stock, as such, are not be entitled to vote on any amendment to the Company's amended and restated certificate of incorporation (including any resolutions adopted by the Company's Board of Directors approving the issue of preferred stock (a "Preferred Stock Designation")) that relates solely to the rights, powers, preferences or other terms of one or more outstanding series of Company's preferred stock if the holders of such affected series of Company's preferred stock are entitled to vote on such amendment pursuant to the Company's amended and restated certificate of incorporation (including any Preferred Stock Designation) or pursuant to the Delaware General Corporation Law (the "DGCL").

*Dividends*

Subject to applicable law and the rights and preferences of any holders of any outstanding series of preferred stock of the Company, holders of the Common Stock are entitled to receive dividends when, as and if declared by the Company's Board of Directors, payable either in cash, in property or in shares of capital stock.

*Liquidation, Dissolution and Winding Up*

Upon the Company's liquidation, dissolution or winding up and after payment in full of all amounts required to be paid to creditors and to any holders of Company's preferred stock having liquidation preferences, if any, the holders of the Common Stock are entitled to receive pro rata the Company's remaining assets available for distribution.

*Preemptive or Other Rights*

Subject to the preferential rights of any other class or series of stock, all shares of Common Stock have equal dividend, distribution, liquidation and other rights, and have no preference or appraisal rights, except for any appraisal rights provided by the DGCL. Furthermore, holders of Common Stock have no preemptive rights

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and there are no conversion, sinking fund or redemption rights, or rights to subscribe for any of the Company's securities. The rights, powers, preferences and privileges of holders of the Common Stock are subject to those of the holders of any shares of Company's preferred stock that the Company's Board of Directors may authorize and issue in the future.

#### *Election of Directors*

The Company's Board of Directors is divided into three classes, each of which generally serve for a term of three years with only one class of directors being elected in each year. There is no cumulative voting with respect to the election of directors, with the result that the holders of more than 50% of the shares voted for the election of directors can elect all of the directors.

#### **Preferred Stock – Limitations on Rights of Holders of Common Stock**

The Company's amended and restated certificate of incorporation provides that shares of the Company's preferred stock may be issued from time to time in one or more series. The Company's Board of Directors is authorized to establish the voting rights, if any, designations, preferences and relative, participating, optional or other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof, applicable to the shares of each series of Company's preferred stock. The Company's Board of Directors is able to, without stockholder approval, issue Company preferred stock with voting and other rights that could adversely affect the voting power and other rights of the holders of the Common Stock and could have anti-takeover effects. The ability of the Company's Board of Directors to issue Company preferred stock without stockholder approval could have the effect of delaying, deferring or preventing a change of control of the Company or the removal of existing management.

#### **Warrants**

Each whole Company warrant entitles the registered holder to purchase one share of Common Stock at a price of \$11.50 per share, subject to adjustment as discussed below, at any time commencing on April 11, 2021. The Company warrants will expire on the fifth anniversary of April 11, 2021, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

Holders of Company warrants will not be exercisable for cash unless the Company has an effective and current registration statement covering the shares of Common Stock issuable upon exercise of the Company warrants and a current prospectus relating to such shares of Common Stock.

The Company may call the Company warrants for redemption, in whole and not in part, at a price of \$0.01 per warrant, (i) at any time after the Company warrants become exercisable, (ii) upon not less than 30 days' prior written notice of redemption to each holder of Company warrants after the warrants become exercisable, (iii) if, and only if, the reported last sale price of the shares of Common Stock equals or exceeds \$18.50 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations), for any 20 trading days within a 30 trading day period commencing after the Company warrants become exercisable and ending on the third business day prior to the notice of redemption to holders of Company warrants, and (iv) if, and only if, there is a current registration statement in effect with respect to the shares of Common Stock underlying such warrants.

The right to exercise will be forfeited unless the Company warrants are exercised prior to the date specified in the notice of redemption. On and after the redemption date, a record holder of a Company warrant will have no further rights except to receive the redemption price for such holder's warrant upon surrender of such warrant.

If the Company calls the Company warrants for redemption as described above, the Company's management will have the option to require all holders that wish to exercise warrants to do so on a "cashless basis." In such event, each holder would pay the exercise price by surrendering the Company warrants for that number of shares of Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of Common Stock underlying the Company warrants, multiplied by the difference between the exercise price of the warrants and the "fair market value" (as defined below) by (y) the fair market value. The "fair market value" for this purpose means the average reported last sale price of the shares of Common Stock for

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the five trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of Company warrants.

The exercise price and number of shares of Common Stock issuable on exercise of the Company warrants may be adjusted in certain circumstances including in the event of a stock dividend, extraordinary dividend or our recapitalization, reorganization, merger or consolidation. However, except as described below, the Company warrants will not be adjusted for issuances of shares of Common Stock at a price below their respective exercise prices.

No fractional shares will be issued upon exercise of the Company warrants. If, upon exercise of the Company warrants, a holder would be entitled to receive a fractional interest in a share, the Company will, upon exercise, round up to the nearest whole number the number of shares of Common Stock to be issued to the warrant holder.

#### **Listing of Securities**

The Company's Common Stock and warrants are currently listed on the NYSE under the symbols "AEVA" and "AEVA.WS", respectively.

#### **Transfer Agent and Registrar**

The transfer agent and registrar for the Company's common stock is Continental Stock Transfer & Trust Company.

#### **Certain Anti-Takeover Provisions of Delaware Law**

##### *Classified Board of Directors*

The Company's amended and restated certificate of incorporation provides that the Company's Board of Directors is divided into three classes of directors, with the classes to be as nearly equal in number as possible, and with each director serving a three-year term. As a result, approximately one-third of the Company's Board of Directors is elected each year. The classification of directors has the effect of making it more difficult for stockholders to change the composition of the Company's Board of Directors.

##### *Authorized but Unissued Shares*

The authorized but unissued shares of Common Stock and preferred stock are available for future issuance without stockholder approval, subject to any limitations imposed by the listing standards of the NYSE. These additional shares may be used for a variety of corporate finance transactions, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved Common Stock and preferred stock could make more difficult or discourage an attempt to obtain control of the Company's by means of a proxy contest, tender offer, merger or otherwise.

##### *Stockholder Action; Special Meetings of Stockholders*

The Company's amended and restated certificate of incorporation provides that stockholders may not take action by written consent, but may only take action at annual or special meetings of stockholders. As a result, a holder controlling a majority of the Company's capital stock would not be able to amend the Company's Bylaws or remove directors without holding a meeting of stockholders called in accordance with the Company's Bylaws. This restriction does not apply to actions taken by the holders of any series of preferred stock of the Company's to the extent expressly provided in the applicable Preferred Stock Designation. Further, the Company's amended and restated certificate of incorporation provides that, subject to any special rights of the holders of preferred stock, only the Company's Board of Directors, the chairperson of the Company's Board of Directors or the chief executive officer of the Company's may call special meetings of stockholders, thus prohibiting a holder of the Company's common stock from calling a special meeting. These provisions might delay the ability of stockholders to force consideration of a proposal or for stockholders controlling a majority of the Company's capital stock to take any action, including the removal of directors.

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#### *Advance Notice Requirements for Stockholder Proposals and Director Nominations*

The Company's Bylaws provide that stockholders seeking to bring business before the Company's annual meeting of stockholders, or to nominate candidates for election as directors at its annual meeting of stockholders, must provide timely notice. To be timely, a stockholder's notice will need to be delivered to, or mailed and received at, the Company's principal executive offices not less than 90 days nor more than 120 days prior to the one-year anniversary of the preceding year's annual meeting, except in the case of a special meeting to nominate candidates for election as directors, timely notice shall not less than the later of 90 days prior to the special meeting or the 10th day following the day on which public disclosure of the date of the special meeting is first made by the Company). In the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, to be timely, a stockholder's notice must be so delivered, or mailed and received, not later than the 90<sup>th</sup> day prior to such annual meeting or, if later, the 10<sup>th</sup> day following the day on which public disclosure of the date of such annual meeting was first made by the Company. The Company's bylaws also specify certain requirements as to the form and content of a stockholders' notice. These provisions may preclude the Company's stockholders from bringing matters before its annual meeting of stockholders or from making nominations for directors at its annual meeting of stockholders.

#### *Amendment of Charter or Bylaws*

The Company's Bylaws may be amended or repealed by the Company's Board of Directors or by the affirmative vote of the holders of at least 66<sup>2</sup>/<sub>3</sub>% of the voting power of all of the shares of the capital stock of the Company's entitled to vote in the election of directors, voting as one class. The affirmative vote of the holders of at least 66<sup>2</sup>/<sub>3</sub>% of the voting power of the then outstanding shares of capital stock of the Company's entitled to vote generally in the election of directors, voting together as a single class, is required to amend certain provisions of the Company's amended and restated certificate of incorporation.

#### *Board Vacancies*

Any vacancy on the Company's Board of Directors may be filled by a majority vote of the directors then in office, although less than a quorum, or by a sole remaining director, subject to any special rights of the holders of preferred stock. Any director chosen to fill a vacancy will hold office until the expiration of the term of the class for which he or she was elected and until his or her successor is duly elected and qualified or until their earlier resignation, removal from office, death or incapacity. Except as otherwise provided by law, the Stockholders Agreement or the Company's Bylaws, in the event of a vacancy in the Company's Board of Directors, the remaining directors may exercise the powers of the full Company's Board of Directors until the vacancy is filled.

#### *Exclusive Forum Selection*

The Company's amended and restated certificate of incorporation provides that unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for: (i) any derivative action brought by a stockholder on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of the Company's directors, officers or stockholders, (iii) any action arising under the Company's amended and restated certificate of incorporation, the Company's Bylaws or the DGCL or (iv) any action asserting a claim against the Company's governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of the Company's capital stock is deemed to have notice of and consented to the exclusive forum provisions in the Company's amended and restated certificate of incorporation. In addition, the Company's amended and restated certificate of incorporation designates the federal district courts of the United States of America as the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision in the Company's amended and restated certificate of incorporation will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

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Although the Company believes these provisions benefit the Company by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, a court may determine that these provisions are unenforceable, and to the extent they are enforceable, the provisions may have the effect of discouraging lawsuits against our directors and officers, although the Company's stockholders shall not be deemed to have waived its compliance with federal securities laws and the rules and regulations thereunder.

#### *Section 203 of the Delaware General Corporation Law*

The Company is, and the Company shall be, subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a Delaware corporation that is listed on a national securities exchange or held of record by more than 2,000 stockholders from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that such stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes, among other things, certain mergers, asset or stock sales or other transactions resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested stockholder status, 15% or more of the corporation's outstanding voting stock. Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- before the stockholder became interested, the board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or
- at or after the time the stockholder became interested, the business combination was approved by the board of directors of the corporation and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least  $66\frac{2}{3}\%$  of the outstanding voting stock which is not owned by the interested stockholder.

Under certain circumstances, Section 203 of the DGCL will make it more difficult for a person who would be an "interested stockholder" to effect various business combinations with a corporation for a three-year period. This provision may encourage companies interested in acquiring the Company to negotiate in advance with the Company's Board of Directors because the stockholder approval requirement would be avoided if the Company's Board of Directors approves either the business combination or the transaction which results in the stockholder becoming an interested stockholder. Section 203 of the DGCL also may have the effect of preventing changes in the Company's Board of Directors and may make it more difficult to accomplish transactions which stockholders may otherwise deem to be in their best interests.

#### **Limitation on Liability and Indemnification of Directors and Officers**

The Company's amended and restated certificate of incorporation provides that the Company's directors and officers are indemnified and advanced expenses by the Company to the fullest extent authorized or permitted by the DGCL as it now exists or may in the future be amended. In addition, the Company's amended and restated certificate of incorporation provides that the Company's directors will not be personally liable to the Company or its stockholders for monetary damages for breaches of their fiduciary duty as directors to the fullest extent permitted by the DGCL.

The Company's amended and restated certificate of incorporation also permits the Company to purchase and maintain insurance on behalf of any officer, director, employee or agent of the Company for any liability arising out of his or her status as such, regardless of whether the DGCL would permit indemnification.

These provisions may discourage stockholders from bringing a lawsuit against the Company's directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of

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derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit the Company and its stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent the Company pays the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. The Company believes that these provisions, the insurance and the indemnity agreements are necessary to attract and retain talented and experienced directors and officers.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to the Company's directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

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SUBSIDIARIES OF AEVA TECHNOLOGIES, INC.

Name	Jurisdiction of Incorporation
Aeva, Inc.	Delaware, USA
Aeva Perception Private Limited	Bangalore, India
Shanghai Aeva Technology Co., Ltd.	Shanghai, China
Aeva Gmbh	Hamburg, Germany

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement Nos. 333-276441 and 333-256919 on Form S-3 and Registration Statement Nos. 333-256917 and 333-270845 on Form S-8 of our report dated March 15, 2024, relating to the financial statements of Aeva Technologies, Inc. appearing in this Annual Report on Form 10-K for the year ended December 31, 2023.

/s/ Deloitte & Touche LLP

San Jose, California  
March 15, 2024

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**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 Annual Report on Form 10-K for the fiscal year ended December 31, 2023 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: March 15, 2024

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 Annual Report on Form 10-K for the fiscal year ended December 31, 2023 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: March 15, 2024

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 Annual Report of Aeva Technologies, Inc. (the "Company") on Form 10-K for the year ended December 31, 2023 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, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 15, 2024

By:

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

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**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 Annual Report of Aeva Technologies, Inc. (the "Company") on Form 10-K for the year ended December 31, 2023 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, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 15, 2024

By:

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

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## AEVA TECHNOLOGIES, INC.

**Incentive Compensation  
Clawback Policy**

(As Adopted on November 28, 2023 Pursuant to NYSE Rule 303A.14)

**1. Overview.** The Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Aeva Technologies, Inc. (the “**Company**”) has adopted this Incentive Compensation Clawback Policy (the “**Policy**”) which requires the recoupment of certain incentive-based compensation in accordance with the terms herein and is intended to comply with Section 303A.14 of The New York Stock Exchange Listed Company Manual, as such section may be amended from time to time (the “**Listing Rules**”). Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms under Section 12 of this Policy.

**2. Interpretation and Administration.** The Committee shall have full authority to interpret and enforce the Policy; provided, however, that the Policy shall be interpreted in a manner consistent with its intent to meet the requirements of the Listing Rules. As further set forth in Section 10 below, this Policy is intended to supplement any other clawback policies and procedures that the Company may have in place from time to time pursuant to other applicable law, plans, policies or agreements.

**3. Covered Executives.** The Policy applies to each current and former Executive Officer of the Company who serves or served as an Executive Officer at any time during a performance period in respect of which Incentive Compensation is Received, to the extent that any portion of such Incentive Compensation is (a) Received by the Executive Officer during the last three completed Fiscal Years or any applicable Transition Period preceding the date that the Company is required to prepare a Restatement (regardless of whether any such Restatement is actually filed) and (b) determined to have included Erroneously Awarded Compensation. For purposes of determining the relevant recovery period referenced in the preceding clause (a), the date that the Company is required to prepare a Restatement under the Policy is the earlier to occur of (i) the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement. Executive Officers subject to this Policy pursuant to this Section 3 are referred to herein as “**Covered Executives**.”

**4. Recovery of Erroneously Awarded Compensation.** If any Erroneously Awarded Compensation is Received by a Covered Executive, the Company shall reasonably promptly take steps to recover such Erroneously Awarded Compensation in a manner described under Section 5 of this Policy.

**5. Forms of Recovery.** The Committee shall determine, in its sole discretion and in a manner that effectuates the purpose of the Listing Rules, one or more methods for recovering any Erroneously Awarded Compensation hereunder in accordance with Section 4 above, which may include, without limitation: (a) requiring cash reimbursement; (b) seeking recovery or forfeiture of any gain realized on the vesting, exercise, settlement, sale, transfer or other disposition

of any equity-based awards; (c) offsetting the amount to be recouped from any compensation otherwise owed by the Company to the Covered Executive; (d) cancelling outstanding vested or unvested equity awards; or (e) taking any other remedial and recovery action permitted by law, as determined by the Committee. To the extent the Covered Executive refuses to pay to the Company an amount equal to the Erroneously Awarded Compensation, the Company shall have the right to sue for repayment and/or enforce the Covered Executive's obligation to make payment through the reduction or cancellation of outstanding and future compensation. Any reduction, cancellation or forfeiture of compensation shall be done in compliance with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

**6.No Indemnification.** The Company shall not indemnify any Covered Executive against the loss of any Erroneously Awarded Compensation for which the Committee has determined to seek recoupment pursuant to this Policy.

**7.Exceptions to the Recovery Requirement.** Notwithstanding anything in this Policy to the contrary, Erroneously Awarded Compensation need not be recovered pursuant to this Policy if the Committee (or, if the Committee is not composed solely of Independent Directors, a majority of the Independent Directors serving on the Board) determines that recovery would be impracticable as a result of any of the following:

(a) the direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered; provided that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Company must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange; or

(b) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

**8.Committee Determination Final.** Any determination by the Committee with respect to the Policy shall be final, conclusive and binding on all interested parties.

**9.Amendment.** The Policy may be amended by the Committee from time to time, to the extent permitted under the Listing Rules.

**10.Non-Exclusivity.** Nothing in the Policy shall be viewed as limiting the right of the Company or the Committee to pursue additional remedies or recoupment under or as required by any similar policy adopted by the Company or under the Company's compensation plans, award agreements, employment agreements or similar agreements or the applicable provisions of any law, rule or regulation which may require or permit recoupment to a greater degree or with respect to additional compensation as compared to this Policy (but without duplication as to any recoupment already made with respect to Erroneously Awarded Compensation pursuant to this Policy). This Policy shall be interpreted in all respects to comply with the Listing Rules.

**11.Successors.** The Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

## 12. Defined Terms.

**“Covered Executives”** shall have the meaning set forth in Section 3 of this Policy.

**“Erroneously Awarded Compensation”** shall mean the amount of Incentive Compensation actually Received that exceeds the amount of Incentive Compensation that otherwise would have been Received had it been determined based on the restated amounts, and computed without regard to any taxes paid. For Incentive Compensation based on stock price or total shareholder return, where the amount of erroneously awarded Incentive Compensation is not subject to mathematical recalculation directly from the information in a Restatement:

(A) The calculation of Erroneously Awarded Compensation shall be based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Incentive Compensation was Received; and

(B) The Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to the Exchange.

**“Exchange”** shall mean The New York Stock Exchange.

**“Executive Officer”** shall mean the Company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. Executive officers of the Company’s parent(s) or subsidiaries shall be deemed executive officers of the Company if they perform such policy-making functions for the Company.

**“Financial Reporting Measures”** shall mean measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures, including, without limitation, stock price and total shareholder return (in each case, regardless of whether such measures are presented within the Company’s financial statements or included in a filing with the Securities and Exchange Commission).

**“Fiscal Year”** shall mean the Company’s fiscal year; provided that a Transition Period between the last day of the Company’s previous fiscal year end and the first day of its new fiscal year that comprises a period of nine (9) to twelve (12) months will be deemed a completed fiscal year.

**“Incentive Compensation”** shall mean any compensation (whether cash or equity-based) that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure, and may include, but shall not be limited to, performance bonuses and long-term incentive awards such as stock options, stock appreciation rights, restricted stock, restricted stock units, performance share units or other equity-based awards. For the avoidance of doubt, Incentive Compensation does not include awards that vest exclusively upon completion of a specified employment period, without any performance condition, and bonus awards that are

discretionary or based on subjective goals or goals unrelated to Financial Reporting Measures. Notwithstanding the foregoing, compensation amounts shall not be considered “Incentive Compensation” for purposes of the Policy unless such compensation is Received (1) while the Company has a class of securities listed on a national securities exchange or a national securities association and (2) on or after October 2, 2023, the effective date of the Listing Rules.

“**Independent Director**” shall mean a director who is determined by the Board to be “independent” for Board or Committee membership, as applicable, under the rules of the Exchange, as of any determination date.

“**Listing Rules**” shall have the meaning set forth in Section 1 of this Policy.

Incentive Compensation shall be deemed “**Received**” in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

“**Restatement**” shall mean an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the Company’s previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

“**Transition Period**” shall mean any transition period that results from a change in the Company’s Fiscal Year within or immediately following the three completed Fiscal Years immediately preceding the Company’s requirement to prepare a Restatement.



### Acknowledgment of Incentive Compensation Clawback Policy

Reference is made to the Aeva Technologies, Inc. Incentive Compensation Clawback Policy (as adopted on November 28, 2023 pursuant to NYSE Rule 303A.14) (the “**Policy**”). Capitalized terms used herein without definition have the meanings assigned to such terms under the Policy.

By signing below, the undersigned acknowledges, confirms and agrees that:

- the undersigned has received and reviewed a copy of the Policy;
- the undersigned is, and will continue to be, subject to the Policy to the extent provided therein;
- the Policy may apply both during and after termination of the undersigned's employment with the Company and its affiliates; and
- the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation to the Company pursuant to the Policy.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

