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

FORM 10-K/A
(Amendment No. 1)

(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, 2021

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 001-40216

Aurora Innovation, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**98-1562265**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1654 Smallman St., Pittsburgh, Pennsylvania	**15222**
(Address of Principal Executive Offices)	(Zip Code)

(888) 583-9506

Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value $0.00001 per share	AUR	The Nasdaq Stock Market LLC
Redeemable warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of $11.50	AUROW	The Nasdaq Stock Market LLC

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 Section 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 and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

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

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☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of June 30, 2021, the last day of the registrant's most recently completed second fiscal quarter, 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 Nasdaq, was approximately $966,747,500. Shares of common stock beneficially owned by each executive officer, director, and holder of more than 10% of our common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The registrant had outstanding 724,030,853 shares of Class A common stock and429,706,298 shares of Class B common stock as of July 29, 2022.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates by reference information from certain portions of the registrant’s definitive proxy statement filed with the Securities and Exchange Commission on April 7, 2022.

EXPLANATORY NOTE

Aurora Innovation, Inc. (the "Company") filed its Annual Report on Form 10-K for the fiscal year ended December 31, 2021 with the U.S. Securities and Exchange Commission ("SEC") on March 11, 2022 (the "Original Form 10-K"). This Amendment No. 1 on Form 10-K (this "Amendment" or "Form 10-K/A") is solely for the purpose of reissuing the Company's previously filed consolidated financial statements for the year ended December 31, 2019 and related financial information which were inadvertently omitted from the Original Form 10-K.

This Amendment sets forth the following items from the Original Form 10-K, as modified and superseded where necessary to reflect the consolidated financial statements for the year ended December 31, 2019 and related financial information.

- Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations
- Part II, Item 8, Financial Statements and Supplementary Data

Additionally, in accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended, the Company is including with this Amendment currently dated certifications from its Chief Executive Officer and Chief Financial Officer. These certifications are filed or furnished, as applicable, as Exhibits 31.1, 31.2, 32.1 and 32.2.

Except as described above, this Amendment does not amend, update or change any other disclosures in the Original Form 10-K. In addition, the information contained in this Amendment does not reflect events occurring after the Original Form 10-K and does not modify or update the disclosures therein, except to reflect the effects of the reverse recapitalization on share and per share financial information presented in the consolidated financial statements for the year ended December 31, 2019, as disclosed in Note 3, *Reverse Recapitalization*, under Item 8 of this Form 10-K/A.. This Amendment should be read in conjunction with the Company's other filings with the SEC, including the Original Form 10-K.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this "Annual Report") contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "might," "possible," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this Annual Report include statements about:

- our ability to recognize anticipated benefits of the Business Combination (defined below), which may be affected by, among other things, our ability to grow and manage growth profitably following the closing of the Business Combination;
- our ability to commercialize the Aurora Driver safely, quickly, and broadly on the timeline we expect;
- the market for autonomous vehicles and our market position;
- our ability to compete effectively with existing and new competitors;
- the ability to maintain the listing of our Class A Common Stock and warrants on Nasdaq;
- our ability to raise financing in the future;
- anticipated trends, growth rates, and challenges in our business and in the markets in which we operate;
- our ability to effectively manage our growth and future expenses;
- the sufficiency of our cash and cash equivalents to meet our operating requirements;
- our success in retaining or recruiting, or changes required in, our officers, key employees or directors;
- the impact of the regulatory environment and complexities with compliance related to such environment;
- our ability to successfully collaborate with business partners;
- our ability to obtain, maintain, protect and enforce our intellectual property;
- economic and industry trends or trend analysis;
- the impact of the COVID-19 pandemic; and
- other factors detailed under the section entitled "Risk Factors."

We caution you that the foregoing list does not contain all of the forward-looking statements made in this Annual Report.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report primarily on our current expectations and projections about future events and trends that we believe may affect our business, operating results, financial condition and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors, including those described in the section titled "Risk Factors" and elsewhere in this Annual Report. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Annual Report. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

Neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Moreover, the forward-looking statements made in this Annual Report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Annual Report to reflect events or circumstances after the date of this Annual Report or to reflect new information or the occurrence of unanticipated events, except as required by law. You should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

Part II

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

The following discussion and analysis of the financial condition and results of operations of Aurora should be read together with Aurora's audited financial statements as of and for the years ended December 31, 2021, 2020, and 2019 together with related notes thereto, included elsewhere in this Annual Report. The discussion and analysis should also be read together with the section entitled "Information about Aurora". The following discussion contains forward-looking statements that reflect future plans, estimates, beliefs and expected performance. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside of Aurora's control. Aurora's actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ materially from those projected in the forward-looking statements include, but are not limited to, those discussed in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" included elsewhere in this Annual Report.

Percentage amounts included in this Annual Report have not in all cases been calculated on the basis of such rounded figures, but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this Annual Report may vary from those obtained by performing the same calculations using the figures in our consolidated financial statements included elsewhere in this Annual Report. Certain other amounts that appear in this Annual Report may not sum due to rounding.

Unless otherwise indicated or the context otherwise requires, references in this Management's Discussion and Analysis of Financial Condition and Results of Operations section to "Aurora," "we," "us," "our" and other similar terms refer to Legacy Aurora prior to the Business Combination and to Aurora and its consolidated subsidiaries after giving effect to the Business Combination.

Aurora's Business

Aurora is developing the Aurora Driver based on what it believes to be the most advanced and scalable suite of self-driving hardware, software, and data services in the world to fundamentally transform the over $9 trillion global transportation market. The Aurora Driver is designed as a platform to adapt and interoperate amongst vehicle types and applications. To date, it has been successfully integrated into eight different vehicle platforms: from passenger vehicles to light commercial vehicles to Class 8 trucks. By creating one driver system for multiple vehicle types and use cases, Aurora's capabilities in one market reinforce and strengthen its competitive advantages in others. For example, highway driving capabilities developed for trucking will carry to highway segments driven by passenger vehicles in ride hailing applications. We believe this approach will enable us to target and transform multiple massive markets, including the $4 trillion global trucking market, the $5 trillion global passenger mobility market, and the $400 billion U.S. local goods delivery market.

We expect that the Aurora Driver will ultimately be commercialized in a Driver as a Service ("DaaS") business model, in which we will supply self-driving technology. We do not intend to own nor operate a large number of vehicles ourselves. Throughout commercialization, we expect to earn revenue on a fee per mile basis. We intend to partner with OEMs, fleet operators, and other third parties to commercialize and support Aurora-powered vehicles. We expect that these strategic partners will support activities such as vehicle manufacturing, financing and leasing, service and maintenance, parts replacement, facility ownership and operation, and other commercial and operational services as needed. We expect this DaaS model to enable an asset-light and high margin revenue stream for Aurora, while allowing us to scale more rapidly through partnerships. During the start of commercialization, though, we expect to briefly operate our own logistics and mobility services, where we own and operate a small fleet of vehicles equipped with our Aurora Driver. This level of control is useful during early commercialization as we will define operational processes and playbooks for our partners.

We plan to first launch Aurora Horizon, our driverless trucking product, as we believe that is where we can make the largest impact the fastest, given the massive industry demand, attractive unit economics, and the ability to deploy on high volume highway-focused routes. Future success will be dependent on our ability to execute against our product roadmap to launch Aurora Horizon. From there, we plan to leverage the extensibility of the Aurora Driver to deploy and scale into the passenger mobility market with Aurora Connect, our driverless ride hailing product, and longer-term the local goods delivery market.

Our Business Model

The Aurora Driver will be delivered as a service. We intend to partner with our ecosystem of OEMs, fleet operators, and mobility and logistics services, and other third parties to commercialize and support Aurora-powered vehicles. Our business model is for fleet owners to purchase Aurora Driver-powered vehicles from our OEM partners, subscribe to the Aurora Driver, and utilize Aurora-certified fleet service partners to operate autonomous mobility and logistics services. In many instances, the same party may play multiple roles: for example, our OEM partners will in certain cases also provide maintenance services and act as a fleet operator. We expect this DaaS model to enable an asset-light and high margin revenue stream for Aurora, while allowing us to scale more rapidly through partnerships.

Significant Events and Transactions

RTPY Business Combination

On November 3, 2021 (the "Closing Date"), Aurora Innovation Holdings, Inc. merged with and into Merger Sub, a wholly owned subsidiary of RTPY pursuant to the terms of Agreement and Plan of Merger dated July 14, 2021, with RTPY, now known as Aurora Innovation Inc., (the "Business Combination"). Aurora was deemed the accounting predecessor and the post-combination company will be the successor SEC registrant, which means that Aurora's financial statements for previous periods will be disclosed in our future periodic reports filed with the SEC.

The Business Combination was accounted for as a reverse recapitalization. Under this method of accounting, RTPY was treated as the acquired company for financial statement reporting purposes. The most significant impact of the Business Combination on our reported financial position was an increase in cash and cash equivalents of $1.1 billion including $1.0 billion in proceeds from the PIPE investment that was consummated with the closing of the Business Combination. Transaction costs incurred by both parties to the Business Combination totaled $88.2 million.

As a consequence of the Business Combination, we became the successor to a SEC-registered and Nasdaq-listed company which requires us to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices. We 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.

Apparate Business Combination

On January 19, 2021, Aurora acquired 100% of the voting interests of Apparate USA LLC ("Apparate"), the self-driving technology division of Uber. The acquisition date fair value of the consideration transferred was approximately $1.9 billion, which consisted of both preferred and common stock issued to the shareholders of Apparate. Aurora accounted for the acquisition as a business combination and recognized the assets acquired and liabilities assumed at fair value on the date of acquisition. The excess of purchase consideration over the fair value of the assets acquired was recorded as goodwill.

COVID-19 Impact

The spread of COVID-19 caused us to modify our business practices (including reducing employee travel, recommending that all non-essential personnel work from home and cancelling or reducing physical participation in activities, meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, suppliers, and business partners. Aurora has implemented a voluntary return to office policy for its employees.

All of our products and services are in a research phase of development and do not involve physical customer interaction. Therefore, our ability to meet our business expectations and customers' needs has not been materially impaired due to this COVID-19 pandemic. Even though the global economic implications remain uncertain, this pandemic has not yet had any measurable material impact on our operating results. At the same time, we will continue to actively monitor the pandemic situation and may take further actions to modify our business practices as may be required by federal, state, or local authorities or that we determine are in the best interests of our employees and customers.

Key Factors Affecting Our Results

Our financial position and results of operations depend to a significant extent on the following factors:

Development of Our Technology

Since Aurora's inception, we have focused on attracting and retaining best-in-class talent to solve self-driving's most difficult challenges. We continue to invest heavily in employee recruitment and retention to advance our technology. Additionally, our team has made purposeful and foundational technological investments in key aspects of self-driving hardware and software. We believe these early investments in our technology will enable us to move toward commercialization more safely and quickly than would otherwise be possible. When we have deemed it to be beneficial, we have entered into strategic acquisitions to expand and accelerate our technology development.

We believe that our developmental approach provides us with meaningful technological advantages in areas such as our lidar technology, fusion of machine learning and engineered approaches, common driver platform, virtual testing, and high definition maps. The successful execution of these details of self-driving technology is what we believe will allow us to differentiate ourselves by developing leading self-driving technology that can safely and reliably navigate its environment. By developing a substantial part of this technology in-house, we ensure that the various inputs and components of our autonomy stack integrate successfully and reduce our reliance on third parties for key aspects of our commercial product offering. While we believe we are best positioned to address advanced autonomous solutions in trucking and passenger mobility, potential competition may exist from other autonomous technology providers using other approaches.

Commercialization and Strategic Partnerships

We anticipate robust demand for the Aurora Driver. We intend to launch first in trucking, a $700 billion industry in the U.S.. Further, we have multiple levers for sustained growth and adjacent market opportunities, with a core strategy to focus on attractive markets with significant growth and profitability potential. We expect to penetrate into other verticals such as the ride hailing market, $35 billion in the U.S., and local goods delivery market, $100 billion in the U.S, both of which have significant growth potential. Each such market also has a potentially significant global opportunity that we intend to address over time.

Key customers in trucking include for-hire carriers and private fleets. To meet these customers' needs, we have formed strategic partnerships with two leading truck OEMs who together represent approximately 50% of the U.S. Class 8 truck sales. Aurora's strategic partnerships with truck OEMs include PACCAR (representing Peterbilt & Kenworth brands) and Volvo Trucks. Our OEM partnerships represent an ability to deploy self-driving trucks at scale, allowing the Aurora Driver to expand quickly. Currently, there is a significant driver shortage and we expect to provide access to safe, efficient, and consistent operation at an attractive total cost of ownership ("TCO"). We see our existing partner base as a substantial competitive advantage.

Our second commercial use case will be passenger mobility. In this space, we have formed strategic partnerships with Uber and Toyota, which will be key enablers to our growth in this segment. Currently, our ten-year agreement with Uber provides us access to Uber network data to refine market selection, to enable better roadmap prioritization, and to optimize commercial fleet operations in an effort to further develop and monetize our Aurora Driver for passenger mobility. We are collaborating with Toyota to integrate the Aurora Driver into driverless-capable Toyota Sienna minivans. Over time, we anticipate the Aurora Driver will allow ride hailing to be offered at price points that are more cost-competitive with personal vehicle ownership.

Economies of Scale, Sales and Marketing, & Competition

We believe that our DaaS model will give us the opportunity to establish high margin unit economics when operating at scale. Our future performance will depend on our ability to deliver on these economies of scale with higher volume. We believe our business model is positioned for scalability by leveraging third party partnerships so that Aurora can focus its efforts on core technology development. We expect revenue will be based on miles traveled for each truck equipped with the Aurora Driver. For the first two years of commercial operations we expect our product will primarily consist of our own fleet that we own and operate. Over those two years, we plan to transition to our DaaS model wherein we will provide the Aurora Driver to external fleet owners on a per mile subscription basis. Once we have transitioned to DaaS, we plan to operate in a capital light model and do not expect that we will require significant capital expenditures as revenues grow.

While we expect to achieve and maintain high margins on the Aurora Driver technology for trucking and passenger mobility, emergence of competition in advanced autonomous driving technologies may negatively impact pricing, margins, and market share. As we operate on a fee per mile basis, it is possible that competition may lead to pricing pressure and lower margins that negatively impact operating results. However, we believe our unique technology provides a compelling value proposition for favorable margins and unit economics in industries with increasing demand for driver supply. If we do not generate the margins we expect upon commercialization of our DaaS model, we 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 our stockholders.

Key Components of Sales and Expenses

Basis of Presentation

Currently, we conduct business through one operating segment. Substantially all our property and equipment are maintained in, and our losses are attributable to, the United States. The consolidated financial statements include the accounts of Aurora Innovation, Inc., and its wholly owned subsidiaries. See Note 2 to Aurora's financial statements for more information on the basis of presentation and operating segments.

Revenue

In 2019, Aurora recognized development services revenue based on contracts in force at the time. Development services revenue was derived from revenue earned on non-recurring development service agreements to research, design, and implement the Aurora Driver. Development services are recognized over time as we perform the underlying services and satisfy the performance obligations. Revenue allocable to hardware design and development services are recognized over time based on the hours incurred.

In January 2021, we entered into a collaboration framework agreement with Toyota Motor Corporation with the intention of deploying the Aurora Driver into a fleet of Toyota Sienna vehicles, subject to further agreement of a collaboration project plan that was agreed and signed in August 2021. The agreement includes $150 million of total payments of which we had received $50 million as of December 31, 2021 and expect to receive the remaining payments in 2022. Revenue recognition is measured by applying an input measure of hours expended as a percentage of total estimated hours to complete the project against total consideration. $82.5 million was recognized in the twelve months ended December 31, 2021.

Once we reach commercialization, our DaaS business model will become our primary revenue source. We expect to derive recurring revenue from per-mile fees charged to users of the Aurora Driver. Recognition of this future revenue will be subject to the terms of any arrangements with our partners or users, which have not yet been negotiated. To date, we have not recorded any revenue under this model.

Cost of Revenue

Cost of revenue consists of costs related to development services revenue, which is comprised of costs associated with delivering customer hardware design and development services for operating a customer's vehicle platform with the Aurora Driver. These costs consist primarily of payroll, payroll-related expense, stock-based compensation and allocated overhead incurred as the Company performs the underlying services related to satisfying the performance obligations under the development services agreements.

As we transition towards commercialization, we expect cost of revenue to increasingly be comprised of costs needed to support the Aurora Driver. We expect these costs may include, but not be limited to, insurance, teleassistance service, telecom connectivity, cloud services, hardware, and OEM licensing fees. In early commercialization, where we will operate a fleet, we expect we will incur additional cost of revenue, for example fuel costs, that we do not expect to continue significantly as we transition to our DaaS model. As this represents a new offering, we will evolve the specifics of our service bundle in partnership with our customers.

Research and Development

Research and development costs are expensed as incurred. Research and development costs consist of payroll, hardware and electrical engineering prototyping, cloud computing, data labeling, and third-party development services, as well as costs associated with vehicle operations for our test fleet of vehicles. These costs are included within research and development within the statement of operations. We expect our research and development expenses to increase in absolute dollars as we increase our investment in scaling our proprietary technologies.

Selling, General and Administrative

Selling, general and administrative costs consist primarily of personnel-related expenses such as salaries, wages and benefits as well as stock-based compensation. Selling, general and administrative also includes professional service fees, marketing and other general corporate expenses.

Following the closing of the Business Combination, we expect to incur additional selling, general and administrative expenses as a result of operating as a public company, including expenses related to compliance with the rules and regulations of the SEC and stock exchange listing standards, additional insurance expenses, investor relations activities, and other administrative and professional services. We also expect to increase the size of our selling, general and administrative function to support the growth of our business. As a result, we expect that our selling, general and administrative expenses will increase in absolute dollars.

Interest and Other Income

Aurora earns interest income through investments in money market securities, which are classified as cash and cash equivalents on the statement of financial position.

Change in Fair Value of Derivative Liabilities

Concurrent with the Closing of the Business Combination, we assumed and effectively issued for financial reporting purposes public warrants, private placement warrants, and Earnout Shares (as defined below). These financial instruments are liability classified and measured at fair value at each reporting period with the resulting change in fair value recognized as other income (expense).

Transaction Costs

Transaction costs incurred in connection with the Business Combination consisting of banking, legal and other professional fees are allocated on a relative fair value basis between the equity and liability classified issued financial instruments. Costs allocated to the liability classified financial instruments are recognized as other expense in the consolidated statement of operations.

Income Tax Expense (Benefit)

Provision for income taxes consists of U.S. federal and state income taxes and income taxes. Since inception, we have incurred operating losses. We have a valuation allowance for net deferred tax assets, including federal and state net operating loss carryforwards and research and development credit carryforwards. We expect to maintain this valuation allowance until it becomes more likely than not that the benefit of our federal and state deferred tax assets will be realized by way of expected future taxable income.

Results of Operations

Comparison of Year Ended December 31, 2021, to Year Ended December 31, 2020

The following table sets forth a summary of our consolidated results of operations for the years indicated, and the changes between periods.

	Year Ended December 31,			
(in thousands, except for percentages)	2021	2020	$ Change	% Change
Collaboration revenue	$ 82,538	$ —	$ 82,538	n/m[1]
Operating expenses:				
Research and development	697,276	179,426	517,850	288.61 %
Selling, general, and administrative	115,925	38,693	77,232	199.60 %
Loss from operations	(730,663)	(218,119)	(512,544)	234.98 %
Other income (expense):				
Interest and other income	525	3,717	(3,192)	(85.88 %)
Change in fair value of derivative liabilities	(20,116)	—	(20,116)	n/m[1]
Transaction costs	(4,516)	—	(4,516)	n/m[1]
Other expense	(5,184)	(45)	(5,139)	n/m[1]
Loss before income taxes	(759,954)	(214,447)	(545,507)	254.38 %
Income tax expense (benefit)	(4,501)	2	(4,503)	n/m[1]
Net loss	$ (755,453)	$ (214,449)	$ (541,004)	252.28 %

[1] Not meaningful

Collaboration Revenue

Collaboration revenue increased by $82.5 million in 2021 due to the collaboration framework agreement and project plan signed in 2021 with Toyota Motor Corporation.

Research and Development

Research and development increased by $517.9 million in 2021, or 288.61%, to $697.3 million in 2021 from $179.4 million in 2020, primarily driven by an increase in headcount from continued hiring to effectively scale the growth of our business. Payroll costs related to research and development increased $246.2 million, stock-based compensation increased $195.9 million, non-payroll software development costs increased $52.2 million, and non-payroll hardware development costs increased $24.2 million.

Selling, General and Administrative

Selling, general, and administrative expense increased by $77.2 million in 2021, or 199.60%, to $115.9 million in 2021 from $38.7 million in 2020, primarily driven by an increase in headcount from both acquisitions and from continued hiring to effectively support the growth of our business. This change is primarily driven by an increase in payroll costs of $34.3 million, and an increase in professional services costs of $23.2 million.

Interest and Other Income

Interest and other income decreased by $3.2 million in 2021, or 85.88%, to $0.5 million in 2021 from $3.7 million in 2020, primarily driven by lower market interest rates.

Change in fair value of derivative liabilities

Expense recognized for the change in fair value of derivative liabilities increased by $20.1 million in 2021 due to the $12.5 million increase in the fair value of the warrant liabilities and the $7.7 million increase in the Earnout Shares liability. These liability classified financial instruments were recognized in connection with the Business Combination when the Company effectively issued public and private placement warrants as well as shares to the Sponsor of RTPY that contain price-based vesting criteria. The $98.0 million fair value of the liabilities at Closing was re-measured as of December 31, 2021 to $118.1 million.

Transaction costs

Expensed transaction costs increased by $4.5 million in 2021 due to amounts incurred in connection with the Business Combination. Total transaction costs incurred by Legacy Aurora were $40.6 million and $4.5 million of the total was recognized as an expense in 2021. The amount expensed was determined through an allocation based on the relative fair value of the equity and liability classified financial instruments issued or deemed issued in the Business Combination.

Other expense

Other expense increased by $5.1 million in 2021 primarily driven by the loss on disposal of computers and equipment of $3.3 million and a $1.7 million impairment of acquisition related assets that are no longer in use.

Income Tax Expense (Benefit)

An income tax benefit of $4.5 million was recognized in 2021 due to the release of a deferred tax asset valuation allowance as a result of deferred tax liabilities incurred from acquisitions.

Comparison of Year Ended December 31, 2020, to Year Ended December 31, 2019

The following table sets forth a summary of our consolidated results of operations for the years indicated, and the changes between periods.

	Year Ended December 31,			
(in thousands, except for percentages)	**2020**	**2019**	**$ Change**	**% Change**
Development services revenue	$ —	$ 19,601	$ (19,601)	n/m[1]
Operating expenses:				
Cost of revenue	—	160	$ (160)	n/m[1]
Research and development	179,426	107,368	$ 72,058	67.11 %
Selling, general, and administrative	38,693	25,591	$ 13,102	51.20 %
Loss from operations	(218,119)	(113,518)	$ (104,601)	92.14 %
Other income (expense):				
Interest income	3,717	11,701	$ (7,984)	(68.23 %)
Other expense	(45)	(31)	$ (14)	45.16 %
Loss before income taxes	(214,447)	(101,848)	$ (112,599)	110.56 %
Income tax expense (benefit)	2	(7,771)	$ 7,773	n/m[1]
Net loss	$ (214,449)	$ (94,077)	$ (120,372)	127.95 %

[1] Not meaningful

Development Services Revenue

Development and services revenue decreased by $19.6 million in 2020 to $0 in 2020 from $19.6 million from 2019. In 2019, we had nonrecurring development and service contracts which resulted in the generation of $19.6 million in revenue that did not reoccur in 2020.

Research and Development

Research and development increased by $72.1 million in 2020, or 67.1%, to $179.4 million in 2020 from $107.4 million in 2019, primarily driven by an increase in headcount from continued hiring to effectively scale the growth of our business. Payroll costs related to research and development increased $49.2 million, non-payroll hardware development costs increased $12.7 million, and non-payroll software development costs increased $7.8 million.

Selling, General and Administrative

Selling, general, and administrative expense increased by $13.1 million in 2020, or 51.2%, to $38.7 million in 2020 from $25.6 million in 2019, primarily driven by an increase in headcount from both acquisitions and from continued hiring to effectively support the growth of our business. This change is primarily driven by an increase in payroll costs of $8.5 million, and an increase in professional services costs of $4.2 million.

Interest and Other Income

Interest income decreased by $8.0 million in 2020, or 68.2%, to $3.7 million in 2020 from $11.7 million in 2019, primarily driven by a decrease in the balance of short-term investments of $349.9 million.

Income Tax Expense (Benefit)

Income tax expense (benefit) changed to an insignificant income tax expense in 2020 from an income tax benefit of $7.8 million in 2019, primarily due to 2019 including the release of a deferred tax asset valuation allowance as a result of deferred tax liabilities incurred from the acquisition of Blackmore.

Liquidity and Capital Resources

We have financed our operations primarily through the issuance of equity securities, which has historically been sufficient to meet our working capital and capital expenditure requirements. As of December 31, 2021, our principal sources of liquidity were $1,610.1 million of cash and cash equivalents, exclusive of short-term restricted cash of approximately $0.3 million and long-term restricted cash of approximately $15.8 million. Cash and cash equivalents consist primarily of money market funds.

In 2021, we sold Series U-2 redeemable convertible preferred stock for net proceeds of approximately $397.9 million in January. In November of 2021, we received proceeds of $1,175 million, net of RTPY's liabilities, in the Business Combination.

We have incurred negative cash flows from operating activities and significant losses from operations in the past. We expect to continue to incur operating losses and that we will need to opportunistically raise additional capital to support the continued development and commercialization of the Aurora Driver. We believe our cash on hand and short-term investments will be sufficient to meet our working capital and capital expenditure requirements for a period of at least twelve months from the date of this Annual Report.

Cash Flows

The following table summarizes our cash flows for the periods indicated (in thousands):

	Years ended December 31,		
(in thousands)	2021	2020	2019
Net cash used in operating activities	$ (563,288)	$ (191,879)	$ (94,726)
Net cash provided by (used in) investing activities	249,885	343,289	(372,534)
Net cash provided by financing activities	1,539,822	1,446	634,702
Net increase in cash, cash equivalents, and restricted cash	$ 1,226,419	$ 152,856	$ 167,442

Cash Flows Used in Operating Activities

Net cash used in operating activities increased by $371.4 million from the year ended December 31, 2020 to the year ended December 31, 2021 due to increases in spending on research and development and selling, general, and administrative expenses, primarily driven by increases in payroll related expenses due to an increase in headcount. Net cash used in operating activities increased by $97.2 million from the year ended December 31, 2019 to the year ended December 31, 2020 due to a decrease in collections from contracts with customers given the completion of development service contracts and increases in spending on research and development and selling, general, and administrative expenses, primarily driven by increases in payroll related expenses due to an increase in headcount.

Net cash used in operating activities was $563.3 million for the year-ended December 31, 2021 and was primarily comprised of normal cash operating expenses, including research and development and selling, general and administrative expenses. Changes in operating assets and liabilities decreased cash flows from operations by $104.1 million, primarily due to a $35.8 million decrease in accrued expenses and other current and non-current liabilities and a $32.5 million increase in contract asset.

Net cash used in operating activities of $191.9 million for the year-ended December 31, 2020 was primarily comprised of normal cash operating expenses, including research and development and selling, general and administrative expenses. Changes in operating assets and liabilities decreased cash flows from operations by $11.4 million, primarily due to an increase in prepaid expenses and other current assets and in other assets of $11.7 million and $14.0 million, respectively. The decrease from changes in operating assets and liabilities was partially offset by an increase in accrued expenses and other current and non-current liabilities of $13.7 million.

Net cash used in operating activities of $94.7 million for the year-ended December 31, 2019, was primarily related to normal cash operating expenses, including research and development and selling, general and administrative expenses. Changes in operating assets and liabilities decreased cash flows from operations by $23.0 million, primarily due to a decrease in deferred revenue of $16.6 million, a decrease in operating lease liability of $3.5 million, and an increase in prepaid expenses and other current assets of $6.3 million. The decrease from changes in operating assets and liabilities was partially offset by a decrease in accounts receivable of $3.3 million and an increase in accrued expenses and other current and non-current liabilities of $1.4 million.

Cash Flows Provided by (Used in) Investing Activities

Net cash provided by investing activities decreased by $93.4 million from the year ended December 31, 2020 to the year ended December 31, 2021, due to a decrease of $350.0 million in the maturities, net of purchases, of short-term investments, and an increase in purchases of property and equipment of $41.4 million, partially offset by net cash acquired in the purchase of businesses in 2021 of $294.4 million. Net cash provided by investing activities increased by $715.8 million from the year ended December 31, 2019 to the year ended December 31, 2020, due to a decrease of $625.5 million in the purchases of short-term investments, a $70.0 million increase in the maturities of short-term investments, and a decrease in acquisition activity of $23.1 million.

Net cash provided by investing activities was $249.9 million for the year-ended December 31, 2021 primarily due to net cash acquired in the purchase of businesses of $294.4 million, partially offset by purchases of property and equipment of $41.4 million.

Net cash provided by investing activities was $343.3 million for the year-ended December 31, 2020, primarily due to maturities of short-term investments of $470.0 million, partially offset by purchases of short-term investments of $120.0 million.

Net cash used in investing activities is $372.5 million for the year-ended December 31, 2019, primarily due to purchases of short-term investments of $745.6 million and purchase of business, net of cash acquired, of $23.1 million, partially offset by maturities of short-term investments of $400.0 million.

Cash Flows Provided by Financing Activities

Net cash provided by financing activities increased by $1,538.4 million from December 31, 2020 to December 31, 2021, due to net proceeds from the Business Combination of $1,134.0 million and net proceeds from the issue of Series U-2 preferred stock of $397.9 million in 2021. Net cash provided by financing activities decreased by $633.3 million from December 31, 2019 to December 31, 2020, due to net proceeds from the issuance of Series B preferred stock of $634.0 million in 2019.

Net cash provided by financing activities was $1,539.8 million for the year-ended December 31, 2021, primarily due to net proceeds from the Business Combination of $1,134 million and net proceeds from issuance of series U-2 preferred stock of $397.9 million.

Net cash provided by investing activities was $1.4 million for the year-ended December 31, 2020, primarily due to proceeds from the issuance of common stock of $2.7 million, partially offset by payments to repurchase Series B preferred stock of $0.5 million and payments to repurchase unvested early exercised stock options of $0.8 million.

Net cash provided by financing activities is $634.7 million for the year-ended December 31, 2019, primarily due to net proceeds from the issuance of Series B preferred stock of $634.0 million.

Contractual Obligations, Commitments and Contingencies

We may be party to various claims within the normal course of business. Legal fees and other costs associated with such actions are expensed as incurred. We assess the need to record a liability for litigation and other loss contingencies, with reserve estimates recorded if we determine that a loss related to the matter is both probable and reasonably estimable. We did not record any material losses for 2020 or 2021.

Our future contractual commitments related to future minimum payments for purchase obligations at December 31, 2021 are $52.6 million in 2022, $62.8 million in 2023, $62.4 million in 2024, $64.0 million in 2025, and $27.1 million in 2026. Our future contractual commitments related to future minimum payments under non-cancelable operating leases at December 31, 2021 are $24.2 million in 2022, $24.9 million in 2023, $24.4 million in 2024, $22.7 million in 2025, $20.6 million in 2026 and $60.8 million thereafter.

Critical Accounting Estimates

Our consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles, or "U.S. GAAP". Preparation of the financial statements requires our management to make judgments, estimates and assumptions that impact the reported amount of net sales and expenses, assets and liabilities and the disclosure of contingent assets and liabilities. We consider an accounting judgment, estimate or assumption to be critical when (1) the estimate or assumption is complex in nature or requires a high degree of judgment and (2) the use of different judgments, estimates and assumptions could have a material impact on our consolidated financial statements. Our significant accounting policies are described in Note 2 to our audited consolidated financial statements included elsewhere in this Annual Report. Our critical accounting policies are described below.

Stock-Based Compensation

We measure and record the cost of stock-based awards granted to its employees and directors based on the estimated grant-date fair value of the awards. Cost for awards with only a service condition is recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the award. Costs for awards with a service and performance condition are recognized on a graded-vesting basis over the requisite service period. We elected to recognize the effect of forfeitures in the period they occur. We determine the fair value of stock options using the Black-Scholes-Merton option pricing model, which is impacted by the following assumptions:

- Expected Term—we use the simplified method when calculating the expected term due to insufficient historical exercise data to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior.
- Expected Volatility—the volatility is based on the average historical stock volatilities of a peer group of comparable companies within the automotive and energy storage industries.
- Expected Dividend Yield—The dividend rate used is zero as we have never paid any cash dividends on its common stock and does not anticipate doing so in the foreseeable future.
- Risk-Free Interest Rate—The interest rates used are based on the implied yield available on U.S. Treasury zero-coupon issues with an equivalent remaining term equal to the expected life of the award.

The grant date fair value of our common stock prior to the Business Combination was determined with the assistance of an independent third-party valuation specialist. The grant date fair value of our common stock was determined using valuation methodologies which utilize certain assumptions, including probability weighting of events, volatility, time to liquidation, a risk-free interest rate, and an assumption for a discount for lack of marketability (Level 3 inputs). Based on Aurora's early stage of development and other relevant factors, it determined that an Option Pricing Model ("OPM") was the most appropriate method for allocating its enterprise value to determine the estimated fair value of our common stock before the Business Combination. We have historically used the OPM back solve analysis to estimate the fair value of our common stock, which derives the implied equity value for one type of equity security from a contemporaneous transaction involving another type of security, shares of our convertible preferred stock in this instance. The estimates utilized in determining the grant date fair value for new awards will not be necessary once our shares are publicly traded.

Business Combinations

We allocate the fair value of the purchase consideration to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates and assumptions in valuing certain intangible assets include, but are not limited to, estimated replacement cost, profit margin, opportunity cost, useful lives, and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

Valuation of Intangible Assets

Intangible assets with indefinite lives consist of in-process research and development ("IPR&D"). We test these assets for potential impairment annually as of December 31 of each fiscal year. These assets are tested annually for impairment until completion. If potential impairment is identified, the process of evaluating the potential impairment of these assets involve significant judgment regarding estimates of the future cash flows associated with each asset.

No intangible asset impairments were recorded during the years ended December 31, 2021, 2020 or 2019.

Valuation of Earnout Shares Liability

Shares held by Reinvent Sponsor Y LLC (the "Sponsor" not forfeited under the terms of the Merger Agreement and subject to price based vesting terms (the "Earnout Shares") are accounted for as a derivative liability that is measured at fair value at Closing and remeasured in subsequent periods with changes reflected in earnings until the vesting conditions are met or the shares expire.

Recently Adopted and Issued Accounting Pronouncements

See Note 2 to our financial statements included elsewhere in this Annual Report for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of the date of this Annual Report.

Emerging Growth Company Accounting Election

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable. We are an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended, and has elected to take advantage of the benefits of this extended transition period. This may make it difficult to compare our financial results with the financial results of other public companies that are either not emerging growth companies or emerging growth companies that have chosen not to take advantage of the extended transition period.

Item 8. Financial Statements and Supplementary Data

AURORA INNOVATION, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Aurora Innovation, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Aurora Innovation, Inc. (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive loss, redeemable convertible preferred stock and stockholders’ equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years in the three-year period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated 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 U.S. 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 consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company’s auditor since 2018.

Santa Clara, California
March 11, 2022, except for Note 3 as to which the date is August 12, 2022.

AURORA INNOVATION, INC.
Consolidated Balance Sheets
(in thousands, except share data)

	December 31, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 1,610,135	$ 387,346
Restricted cash	280	182
Contract asset	32,538	—
Related party receivable	10,726	—
Prepaid expenses and other current assets	23,765	18,918
Total current assets	1,677,444	406,446
Property and equipment, net	93,517	10,897
Operating lease right-of-use assets	151,278	90,864
Restricted cash, long term	15,832	12,300
Other assets	21,050	15,631
Acquisition related intangible assets	617,200	52,700
Goodwill	1,113,766	30,047
Total assets	$ 3,690,087	$ 618,885
Liabilities, Redeemable Convertible Preferred Stock, and Stockholders' Equity (Deficit)		
Current liabilities		
Accounts payable	$ 7,901	$ 6,502
Related party payable	540	—
Accrued expenses and other liabilities	70,006	18,768
Operating lease liabilities, current	12,274	6,681
Total current liabilities	90,721	31,951
Operating lease liabilities, long-term	134,551	97,153
Deferred tax liability	3,905	3,052
Warrant liabilities	65,678	—
Earnout Shares liability	52,380	—
Other long-term liabilities	1,150	25
Total liabilities	348,385	132,181
Redeemable convertible preferred stock		
Redeemable convertible preferred stock, $0.00001 par value; nil and 290,300,547 shares issued and outstanding as of December 31, 2021, and December 31, 2020, respectively	—	763,283
Stockholders' equity (deficit)		
Common stock - Class A shares, $0.00001 par value, 641,721,837 and 278,810,627 shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively; Class B shares, $0.00001 par value, 481,107,977 and nil shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively	11	—
Additional paid-in capital	4,432,907	59,184
Accumulated deficit	(1,091,216)	(335,763)
Total stockholders' equity (deficit)	3,341,702	(276,579)
Total liabilities, redeemable convertible preferred stock, and stockholder's equity (deficit)	$ 3,690,087	$ 618,885

See accompanying notes to the consolidated financial statements

AURORA INNOVATION, INC.
Consolidated Statements of Operations
(in thousands, except share and per share data)

	For the years ended December 31,		
	2021	2020	2019
Collaboration revenue	$ 82,538	$ —	$ —
Development services revenue	—	—	19,601
Total revenue	82,538	—	19,601
Operating expenses:			
Cost of revenue	—	—	160
Research and development	697,276	179,426	107,368
Selling, general and administrative	115,925	38,693	25,591
Total operating expenses	813,201	218,119	133,119
Loss from operations	(730,663)	(218,119)	(113,518)
Other income (expense):			
Interest and other income	525	3,717	11,701
Change in fair value of derivative liabilities	(20,116)	—	—
Transaction costs	(4,516)	—	—
Other expense	(5,184)	(45)	(31)
Loss before income taxes	(759,954)	(214,447)	(101,848)
Income tax expense (benefit)	(4,501)	2	(7,771)
Net loss	$ (755,453)	$ (214,449)	$ (94,077)
Basic and diluted net loss per share - Class A and Class B	$ (1.22)	$ (0.79)	$ (0.37)
Basic and diluted weighted-average shares outstanding - Class A and Class B	620,816,420	270,940,197	254,398,417

See accompanying notes to the consolidated financial statements

AURORA INNOVATION, INC.
Consolidated Statements of Comprehensive Loss
(in thousands)

	For the years ended December 31,		
	2021	2020	2019
Net loss	$ (755,453)	$ (214,449)	$ (94,077)
Other comprehensive income:			
Net unrealized (loss) gain	—	(125)	125
Other comprehensive (loss) income	—	(125)	125
Comprehensive loss	$ (755,453)	$ (214,574)	$ (93,952)

See accompanying notes to the consolidated financial statements

AURORA INNOVATION, INC.
Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity
(in thousands, except share amounts)

	Redeemable convertible preferred stock		Common stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total stockholders' equity (deficit)
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2018	59,780,210	$ 89,639	112,740,624	$ 11	$ 2,966	$ —	$ (27,237)	$ (24,260)
Recapitalization	69,993,028	—	132,001,349	(9)	9	—	—	—
Balance as of December 31, 2018	129,773,238	$ 89,639	244,741,973	$ 2	$ 2,975	$ —	$ (27,237)	$ (24,260)
Issuance of Series B redeemable convertible preferred stock at $4.26 per share net of issuance costs of $4,969	150,105,995	633,966	—	—	—	—	—	—
Issuance of Series B redeemable convertible preferred stock at $4.26 per share in relation to acquisition	4,994,432	21,259	—	—	—	—	—	—
Issuance of Series B-1 redeemable convertible preferred stock at $3.41 per share in relation to acquisition	5,551,965	18,951	—	—	—	—	—	—
Issuance of common stock in relation to acquisition	—	—	3,984,965	—	6,933	—	—	6,933
Issuance of common stock upon exercise of stock options	—	—	1,469,408	—	318	—	—	318
Vesting of early exercised stock options	—	—	3,381,311	—	603	—	—	603
Vesting of restricted stock	—	—	10,537,369	1	(1)	—	—	—
Cancellation of restricted stock	—	—	(542,710)	—	—	—	—	—
Stock-based compensation	—	—	—	—	28,133	—	—	28,133
Unrealized gain on held for sale investment	—	—	—	—	—	125	—	125
Net loss	—	—	—	—	—	—	(94,077)	(94,077)
Balance as of December 31, 2019	290,425,630	$ 763,815	263,572,316	$ 3	$ 38,961	$ 125	$ (121,314)	$ (82,225)

AURORA INNOVATION, INC.
Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (continued)
(in thousands, except share amounts)

	Redeemable convertible preferred stock		Common stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total stockholders' equity (deficit)
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2019	290,425,630	$ 763,815	263,572,316	$ 3	$ 38,961	$ 125	$ (121,314)	$ (82,225)
Issuance of common stock upon exercise of stock options	—	—	3,433,498	—	2,952	—	—	2,952
Vesting of early exercised stock options	—	—	2,262,645	—	388	—	—	388
Vesting of restricted stock	—	—	9,542,168	—	—	—	—	—
Repurchase of series B redeemable convertible preferred stock at $4.26	(125,083)	(532)	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	16,880	—	—	16,880
Unrealized loss on held for sale investments	—	—	—	—	—	(125)	—	(125)
Net Loss	—	—	—	—	—	—	(214,449)	(214,449)
Balance as of December 31, 2020	290,300,547	$ 763,283	278,810,627	$ 3	$ 59,181	$ —	$ (335,763)	$ (276,579)
Issuance of series U-1 redeemable convertible preferred stock at $9.06 per share in relation to acquisition	110,437,359	1,000,000	—	—	—	—	—	—
Issuance of series U-2 redeemable convertible preferred stock at $9.06 per share, net of issuance costs of $2,138	44,174,944	397,862	—	—	—	—	—	—
Issuance of common stock in relation to acquisitions	—	—	257,863,127	3	937,665	—	—	937,668
Purchase consideration allocated to non-cash compensation expense	—	—	—	—	7,873	—	—	7,873
Conversion of convertible preferred stock into common stock in connection with the reverse recapitalization	(444,912,850)	(2,161,145)	444,912,850	4	2,161,141	—	—	2,161,145
Issuance of common stock upon the reverse recapitalization, net of issuance costs	—	—	129,294,175	1	1,040,520	—	—	1,040,521
Issuance of common stock upon exercise of stock options	—	—	8,393,301	—	7,847	—	—	7,847
Issuance of common stock upon vesting of restricted stock units	—	—	917,959	—	—	—	—	—
Common stock withheld for net share settlement of equity awards	—	—	(302,418)	—	(3,705)	—	—	(3,705)
Vesting of early exercised stock options	—	—	1,271,075	—	182	—	—	182
Vesting of restricted stock	—	—	1,669,118	—	—	—	—	—
Stock-based compensation	—	—	—	—	222,203	—	—	222,203
Net loss	—	—	—	—	—	—	(755,453)	(755,453)
Balance as of December 31, 2021	—	$ —	1,122,829,814	$ 11	$ 4,432,907	$ —	$ (1,091,216)	$ 3,341,702

See accompanying notes to the consolidated financial statements

AURORA INNOVATION, INC.
Consolidated Statements of Cash Flows
(in thousands)

	For the years ended December 31, 2021	2020	2019
Cash flows from operating activities:			
Net loss	$ (755,453)	$ (214,449)	$ (94,077)
Adjustments to reconcile to net cash used in operating activities:			
Depreciation and amortization	15,581	3,117	1,837
Reduction in the carrying amount of ROU assets	25,424	14,109	4,299
Accretion of discount on short-term investments	—	(143)	(4,267)
Loss on disposal of equipment	3,338	—	127
Non-cash severance	7,873	—	
Stock based compensation	220,058	16,880	28,133
Change in deferred tax asset valuation allowance	(4,504)	—	(7,778)
Change in fair value of derivative liabilities	20,116	—	—
Transaction costs associated with warrants	4,516	—	—
Other	3,836	—	—
Changes in operating assets and liabilities:			
Contract asset	(32,538)	—	—
Accounts receivable	—	—	3,316
Prepaid expenses and other current assets	(9,901)	(11,692)	(6,249)
Other assets	(5,566)	(14,038)	(506)
Accounts payable	444	2,189	(852)
Accrued expenses and other liabilities	(35,845)	13,674	1,367
Operating lease liability	(20,667)	(1,526)	(3,475)
Contract liability	—	—	(16,601)
Net cash used in operating activities	(563,288)	(191,879)	(94,726)
Cash flows from investing activities:			
Purchases of property and equipment	(48,054)	(6,689)	(3,826)
Proceeds from sale of property and equipment	3,500	—	2
Net cash acquired (paid) in purchase of businesses	294,439	—	(23,144)
Purchase of short-term investments	—	(120,022)	(745,566)
Maturities of short-term investments	—	470,000	400,000
Net cash provided by (used in) investing activities	249,885	343,289	(372,534)
Cash flows from financing activities:			
Proceeds from early exercised stock options	—	79	435
Payments to repurchase unvested early exercised stock options	—	(763)	(17)
Proceeds from issuance of (payments to repurchase) series B preferred stock	—	(532)	633,966
Proceeds from issuance of common stock	7,999	2,662	318
Proceeds from issuance of Series U-2 preferred stock, net	397,862	—	—
Proceeds from the reverse recapitalization, net of transaction costs	1,133,961	—	—
Net cash provided by financing activities	1,539,822	1,446	634,702
Net increase in cash, cash equivalents, and restricted cash	1,226,419	152,856	167,442
Cash, cash equivalents, and restricted cash at beginning of the period	399,828	246,972	79,530
Cash, cash equivalents, and restricted cash at end of the period	$ 1,626,247	$ 399,828	$ 246,972

See accompanying notes to the consolidated financial statements

AURORA INNOVATION, INC.
Notes to the Consolidated Financial Statements
(in thousands, except share data)

(1) Overview and Organization

Aurora Innovation, Inc. and its wholly-owned subsidiaries (the “Company” or “Aurora”) was initially incorporated as a Cayman Islands exempted company on October 2, 2020 and formerly known as Reinvent Technology Partners Y (“RTPY”). The Company was incorporated for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses.

On November 3, 2021 (the “Closing Date” or “Closing”), the Company filed a notice of deregistration with the Cayman Islands Registrar of Companies, domesticated as a Delaware corporation, and change its name to Aurora Innovation, Inc. As contemplated by the Agreement and Plan or Merger dated July 14, 2021 (the “Merger Agreement”), Aurora consummated the merger transaction (the “Merger”) whereby RTPY Merger Sub, Inc., a direct wholly owned subsidiary of the Company, merged with and into Aurora Innovation Holdings, Inc. (“Legacy Aurora”), a Delaware corporation f/k/a Aurora, Innovation, Inc. The Company’s common stock is listed on the NASDAQ under the symbol “AUR” and the Company’s warrants to purchase shares of Class A common stock are listed on the NASDAQ under the symbol “AUROW”.

The Company is headquartered in Pittsburgh, Pennsylvania and has offices ineight additional cities: Palo Alto, Mountain View, and San Francisco, California; Bozeman, Montana; Coppell, Texas; Wixom, Michigan; Seattle, Washington; and Louisville, Colorado . The Company designs and develops the Aurora Driver, which is the hardware, software, and data services that allow vehicles to drive themselves.

(2) Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The Company’s consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles. The Merger was accounted for as a reverse recapitalization and operations prior to the Closing presented are those of Legacy Aurora (see “Note 3 - Reverse Recapitalization”). All intercompany transactions and balances are eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates 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 revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of property and equipment; valuation allowance for deferred income tax assets, valuation of intangible assets, fair value of options granted under the Company’s stock-based compensation plans, present value of the lease liability, total estimated hours used in determining the recognition of revenue, the valuation of the warrant liabilities, and the valuation of the Earnout Shares liability.

Segment Information

The Company has one reportable segment. The Company’s chief operating decision maker (the “CODM”) manages the operations of the Company on a consolidated basis when allocating resources and all significant operating decisions are based on analysis of the Company as a single business.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity, when purchased, of 90 days or less to be cash equivalents. The recorded carrying value of cash equivalents approximates their fair value.

Restricted Cash

Restricted cash consists of funds that are contractually restricted as to usage or withdrawal due to the signing of the Company’s operating lease agreements. The Company has presented restricted cash separately from cash and cash equivalents on the balance sheet.

Short-term Investments

The company typically invests in U.S. Treasury securities and classifies its short-term investments as available-for-sale. In general, these investments are free of trading restrictions. The Company carries these at fair value, based on quoted market prices or other readily available market information. Unrealized gains and losses, net of taxes are included in accumulated other comprehensive loss, which is reflected as a separate component of stockholders' equity in the Company's balance sheets. Gains and losses are recognized when realized in the Company's statements of operations. When the Company has determined that an other-than-temporary decline in fair value has occurred, the amount of the decline that is related to a credit loss is recognized in income. Gains and losses are determined using the specific identification method.

The Company may sell its short-term investments at any time, without significant penalty, for use in current operations or for other purposes, even if they have not yet reached maturity. As a result, the Company has classified its investments as current assets in the accompanying balance sheets. Securities with original or remaining maturities of 90 days or less on the purchase date are considered to be cash equivalents and are reflected in cash and cash equivalents in the accompanying balance sheets.

Revenue Recognition

The Company accounts for the collaboration framework agreement and project plan with a major customer using the input measure of hours expended as a percentage of total estimated hours to complete the project commencing with initial recognition in August 2021 when a collaboration project plan was signed.

The Company generated development revenue from nonrecurring development service agreements and determines revenue recognition in accordance with Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers.*

The excess of revenue recognized over cash collected is recognized as a contract asset.

Cost of Development Services Revenue

Cost of development service revenue is comprised primarily of the costs associated to deliver custom hardware design and development services for operating a customer's vehicle platform with the Aurora Driver. These costs consist primarily of payroll, payroll related expense, stock-based compensation and allocated overhead that are incurred as the Company performs the underlying services related to satisfying the performance obligations under the development service agreements.

Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets ofthree to five years except for leasehold improvements depreciated over the lesser of the asset's useful life (seven years) or the remaining lease term and buildings are depreciated overtwenty years.

Leases

The Company determines if an arrangement is a lease at inception. All leases are assessed for classification as an operating lease or a finance lease. Operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the lease commencement date. The interest rate used to determine the present value of future payments is the Company's incremental borrowing rate because the rate implicit in the Company's leases is not readily determinable. The incremental borrowing rate, calculated based on available information at the lease commencement date, is a hypothetical rate for collateralized borrowings in economic environments where the leased asset is located based on credit rating factors. The Company's right of use (ROU) assets are also recorded at the applicable lease commencement date. The ROU assets equals the amount of the related lease liability, adjusted for prepaid lease payments made prior to the lease commencement date, lease incentives and initial direct costs.

Certain lease contracts include obligations to pay for other services, such as operations and maintenance. The Company elected the practical expedient whereby the Company records all lease components and the related minimum non-lease components as a single lease component. Cash payments made for variable lease costs, such as maintenance and tenant improvements, are not included in the measurement of the Company's operating lease assets and liabilities as of the lease commencement date. The Company does not include variable payments in the calculation of the ROU asset at the commencement of the lease, however if the variable payments are based on a contingent event, and that contingent event is ultimately resolved, the ROU asset is re-measured and all such variable payments are then included. Many of the Company's lease terms include one or more options to renew. The Company does not assume renewals in the determination of the lease term unless it is reasonably certain that the Company will exercise that option. Lease costs for minimum lease payments for operating leases is recognized on a straight-line basis over the lease term. The Company's lease agreements do not contain any residual value guarantees.

The Company has elected to not recognize a lease liability or right-of-use (ROU) asset for short-term leases, which are defined as leases with a term of twelve months or less that do not include an option to purchase the underlying asset.

Business Combinations

The Company allocates the fair value of purchase consideration to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, estimated replacement cost, profit margin, opportunity cost, useful lives, and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, the Company may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

Goodwill, Acquired Intangible Assets, and Impairment of Long-Lived Assets

(i) Goodwill

Goodwill represents the excess purchase consideration of acquired businesses over the estimated fair value of the net assets acquired and is not amortized. Goodwill is evaluated for impairment annually on December 31, or whenever events or circumstances indicate that the carrying amount may not be recoverable. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of the goodwill. The Company did not record any impairment to goodwill in any of the periods presented.

(ii) Acquired Intangible Assets

Acquired Intangible Assets consist of in-process research and development (IPR&D) from the Company's acquisitions of Apparate USA LLC ("Uber Advanced Technologies Group" or "ATG"), Blackmore Sensors and Analytics, and OURS Technology ("OURS"). Each IPR&D has an indefinite useful life and is tested for impairment annually until completion. As of December 31, 2021 the IPR&D have not been completed.

(iii) 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 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 that the carrying amount exceeds its fair value. Fair value is determined using various valuation techniques, including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary. No impairment losses were recognized in the years ended December 31, 2021, 2020 and 2019.

Research and Development Costs

Research and development costs are expensed as incurred. Research and development costs consist primarily of payroll, hardware and electrical engineering prototyping, cloud computing, data labeling, and third-party development services and are included in research and development in the accompanying statement of operations.

Advertising Costs

Advertising costs are expensed as incurred and are included in selling, general, and administrative in the accompanying statement of operations.There were no advertising costs incurred in 2021, 2020 and 2019.

Software Development Costs

The Company follows the provisions of ASC 985-20, *Software - Costs of Software to be Sold, Leased, or Marketed* (“ASC 985-20”). Costs have not yet met the criteria for capitalization as technological feasibility has not been established as defined by ASC 985-20.

Income Taxes

The Company accounts for income taxes using the asset-and-liability method. ASC 740, *Accounting for Income Taxes (“ASC 740”)*, requires the recognition of deferred tax assets and liabilities based upon the temporary differences between the financial reporting and tax bases of assets and liabilities and using enacted rates in effect for the years in which the differences are expected to reverse. Valuation allowances are established when necessary to reduce the deferred tax assets when it is more likely than not that a portion or all of the deferred tax assets will not be realized.

ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Company records uncertain tax positions on the basis of a two-step process in which: (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of technical merits of the position, and (2) for those tax positions that meet the more likely than not recognition threshold, the Company recognizes the tax benefit as the largest amount that is cumulatively more than 50% likely to be realized upon ultimate settlement with the related tax authority.

Stock-based Compensation

The Company recognizes share-based compensation cost using the fair value method of accounting. The fair value of the Company’s stock options are measured based on the grant-date fair value which is calculated using a Black-Scholes option pricing model and the fair value of restricted stock units are measured as the fair value of Aurora common stock.

The fair value of the stock-based compensation for awards with only service conditions is recognized on a straight-line basis over the requisite service period, which is generally the vesting period. Expense for awards with service and performance conditions is recognized on a graded-vesting basis over the requisite service period. The Company recognizes the effect of forfeitures in the period they occur.

Public and Private Placement Warrants

The Company accounts for the public and private placement stock purchase warrants (collectively “the warrants”) as derivative liabilities under ASC 815 D*erivatives and Hedging*. The liabilities are measured at fair value on Closing and in subsequent periods with any changes in fair value reflected in the statement of operations until the warrants are exercised, redeemed, or expire.

Earnout Shares

The Company accounts for shares held by Reinvent Sponsor Y LLC (the “Sponsor”) not forfeited under the terms of the Merger Agreement and subject to price based vesting terms (the “Earnout Shares”) as a derivative liability under ASC 815 D*erivatives and Hedging*. The Earnout Shares are accounted for as a liability as the shares are not indexed to our common stock. The liability is measured at fair value on Closing and in subsequent periods with any changes in fair value reflected in the statement of operations until the vesting conditions are met or the shares expire.

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 can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Significant Risks and Uncertainties Including Business and Credit Concentrations

The Company's principal operations are the research, design, and implementation of the Aurora Driver. The Company is currently researching and developing its proprietary technology with the goal of commercializing the Aurora Driver. The Company expects that it will need to raise additional capital to support its development and commercialization activities. Significant risks and uncertainties to the Company's operations include failing to secure additional funding and the threat of other companies developing and bringing to market similar technology at an earlier time than the Company. However, given the amount of available cash and cash equivalents, management believes available capital resources are sufficient to meet working capital and capital expenditure needs for at least twelve months following the issuance date of these financial statements.

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash and cash equivalents. The Company maintains its cash and cash equivalents at U.S. commercial banks. Cash and cash equivalents deposited with domestic commercial banks generally exceed the Federal Deposit Insurance Corporation insurable limit. To date, the Company has not experienced any losses on its deposits of cash and cash equivalents.

In 2021, the Company reported $82,538 in collaboration revenue from an agreement with an automotive original equipment manufacturers (OEM). The commercial relationship with this OEM was governed by a collaboration framework agreement and a project plan agreement that specify the work that was to occur and payments that were to be made. The revenue arrangement is nonrecurring, and, as of December 31, 2021, the Company does not have any long-term contracts with customers that are expected to provide recurring revenue streams.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus, COVID-19, a global pandemic and recommended containment and mitigation measures worldwide. As of the date of these financial statements, the Company has not experienced a negative impact to its financial position, results of operations, and operating cash flows. The Company cannot accurately predict the length or severity of this pandemic and the impact it might have on the world and domestic economies. However, the Company believes that for the foreseeable future, based on its current capital resources and its operations and cash flows, it will not be materially nor negatively affected.

Recently Issued Accounting Standards – Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, that replaces the incurred loss impairment methodology in current GAAP. The new impairment model requires immediate recognition of estimated credit losses expected to occur for most financial assets and certain other instruments. Entities will apply the standard's provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first effective reporting period. The standard will be effective for the Company on January 1, 2022. The Company is currently evaluating the impact of the new guidance.

In December 2020, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes*, which simplifies accounting for income taxes by revising or clarifying existing guidance in ASC 740, Income Taxes, as well as removing certain exceptions within ASC 740. The standard will be effective for the Company on January 1, 2022. The Company is currently evaluating the impact of the new guidance.

Recently Issued Accounting Standards – Adopted in Fiscal 2021

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles—Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*, which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The new standard requires capitalized costs to be amortized on a straight-line basis generally over the term of the arrangement, and the financial statement presentation for these capitalized costs would be the same as that of the fees related to the hosting arrangements. The Company adopted the standard effective January 1, 2021. The adoption did not have a material impact on the financial statements.

(3) Reverse Recapitalization

On November 3, 2021, Legacy Aurora consummated the merger with RTPY Merger Sub, Inc., a direct wholly owned subsidiary of Aurora.

Prior to the Merger, holders of 75,459,006 shares of RTPY ordinary Class A shares exercised their right to redeem such shares at a price of approximately $10.00 per share. The remaining 22,291,089 public shares converted to Aurora Class A common stock with the consummation of the Merger.

In connection with the Closing, issued and outstanding shares of Legacy Aurora common stock (including converted preferred stock), options to purchase Legacy Aurora common stock, and awards of restricted stock units based on shares of Legacy Aurora common stock were converted into rights to receive shares, options, or awards of Aurora at the Exchange Ratio of approximately 2.1708. Transactions in Legacy Aurora capital stock and equity incentive plans included:

- 204,949,573 shares of Legacy Aurora preferred stock were converted to 204,949,573 shares of Legacy Aurora common stock.
- 458,202,021 shares of Legacy Aurora common stock, including shares resulting from the conversion of Legacy Aurora preferred stock, were converted to 513,575,278 shares of Aurora Class A common stock and 481,107,977 shares of Aurora Class B common stock.
- 37,972,693 outstanding options to purchase shares of Legacy Aurora common stock ("Legacy Aurora Options") were converted into 82,432,681 options to purchase shares of Aurora Class A common stock ("Aurora Options").
- 15,984,012 awards of restricted stock units based on shares of Legacy Aurora common stock ("Legacy Aurora RSU Awards") were converted into 34,698,749 awards of restricted stock units based on shares of Aurora Class A common stock ("Aurora RSU Awards").

Concurrently with the merger, certain institutional and accredited investors entered into subscription agreements pursuant to which the investors agreed to purchase 100,000,000 shares of Aurora Class A common stock at $10.00 per share for aggregate proceeds of $1,000,000.

RTPY Class B ordinary shares held by Reinvent Sponsor Y LLC (the "Sponsor") converted into 120,000 shares of Aurora Class A common stock in connection with the merger. In connection with the Sponsor Agreement entered into on July 14, 2021, RTPY Class A ordinary shares held by the Sponsor which were not forfeited due to redemption activity prior to the merger are deemed to be effectively issued on the Closing Date for financial reporting purposes. 6,883,086 shares are effectively issued with 1,720,772 of these shares subject to lock up provisions and 5,162,314 of these shares subject to price based vesting conditions (the "Earnout Shares").

Each of the then issued and outstanding 12,218,750 redeemable warrants of RTPY converted automatically into a redeemable warrant to purchase one share of Aurora Class A common stock (the "Public Warrants"). Additionally, each of the then issued and outstanding 8,900,000 private placement warrants of RTPY converted automatically into an Aurora warrant (the "Private Placement Warrants").

The number of shares of Aurora Class A and Class B common stock issued and outstanding following the consummation of the merger was as follows:

	Shares
RTPY public shares	97,750,095
Less: redemptions of RTPY public shares	(75,459,006)
RTPY public shares, net of redemptions	22,291,089
RTPY Sponsor shares	7,003,086
PIPE shares	100,000,000
Total shares of RTPY common stock outstanding prior to the merger	129,294,175
Legacy Aurora shares	994,683,255
Total shares of Aurora common stock outstanding subsequent to the merger	1,123,977,430

The Business Combination is accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, RTPY is treated as the acquired company and the Merger is treated as the equivalent of Legacy Aurora issuing shares for the net assets of RTPY, accompanied by a recapitalization. The accounting acquirer was primarily determined based on Legacy Aurora shareholders having the largest voting interest in the post-combination company and the ability to appoint the majority of the members of the Board of Directors as well as Legacy Aurora management holding executive management roles in the post-combination company and are responsible for the day-to-day operations which are comprised of Legacy Aurora activities.

The net assets of RTPY were recognized at historical cost as of the Closing, with no goodwill or other intangible assets recorded. Operations prior to the merger presented are those of Legacy Aurora and the accumulated deficit of Legacy Aurora has been carried forward after Closing. Share and per share information presented within the consolidated financial statements and related notes have been adjusted to reflect the recapitalization on a retrospective basis for all periods presented.

In connection with the merger, the Company raised proceeds of $1,223,156 including $1,000,000 from the PIPE investment, $222,911 cash held in RTPY's trust account from its initial public offering, and $245 in cash held in RTPY's operating cash account. The proceeds were net of $754,590 paid to redeem RTPY public shares and $48,577 in costs incurred by RTPY prior to Closing. Legacy Aurora incurred $40,617 in transaction costs consisting of banking, legal, and other professional fees. Of this total, $36,101 was recorded as a reduction to additional paid-in capital and $4,516 was expensed in the consolidated statements of operations. Total net cash proceeds to the Company was $1,133,961.

(4) Balance Sheet Detail

(a) *Fair Value of Financial Instruments*

The Company uses a three-level hierarchy, which prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information for fair value measurement based on the nature of inputs used in the valuation of an asset or liability as of the measurement date. Fair value focuses on an exit price and is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risk associated with those financial instruments.

The three-level hierarchy for fair value measurements is defined as follows:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology included quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Inputs to the valuation methodology, which are significant to the fair value measurement, are unobservable.

An asset or liability's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following table summarizes the Company's fair value hierarchy for its financial assets measured at fair value on a recurring bases as of December 31, 2021 and 2020:

	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	$ 1,609,919	$ —	$ —	$ 1,609,919
Total cash equivalents	$ 1,609,919	$ —	$ —	$ 1,609,919
Liabilities:				
Public warrants	37,999	—	—	37,999
Private placement warrants	—	27,679	—	27,679
Earnout Shares liability	—	—	52,380	52,380
Total liabilities	$ 37,999	$ 27,679	$ 52,380	$ 118,058

	As of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	$ 387,464	$ —	$ —	$ 387,464
Total cash equivalents	$ 387,464	$ —	$ —	$ 387,464

The Public Warrants and Private Placement Warrants (see Note 8: *Derivative Liabilities*) are measured at fair value on a recurring basis. The Public Warrants are valued based on the closing price of the publicly traded instrument. The Private Placement Warrants are valued using observable inputs for similar liabilities resulting in Level 2 classification.

The Earnout Shares liability (see Note 8: *Derivative Liabilities*) are measured at fair value on a recurring basis. The fair value was determined using a Monte Carlo simulation with a risk free rate of 1.60% and 1.52% and volatility of 50% and 50% as of November 3, 2021 and December 31, 2021, respectively.

(b) *Property and Equipment*

Property and equipment consist of the following at December 31:

	2021	2020
Land	$ 13,503	$ —
Furniture and fixtures	10,893	4,209
Test and lab equipment	11,984	3,787
Leasehold improvements	61,173	3,609
Computers and equipment	7,839	2,121
Computer software	3,321	1,941
Automobile	3,444	520
Buildings	1,040	—
	113,197	16,187
Less accumulated depreciation and amortization	(19,680)	(5,290)
Total property and equipment, net	$ 93,517	$ 10,897

(c) *Other Assets*

Other assets consist of the following at December 31:

	2021	2020
Long-term prepaid expenses and other assets	$ 4,631	$ 15,507
Equity method investment	16,088	—
Security deposits	331	124
Total other assets	$ 21,050	$ 15,631

(d) *Accrued Expenses and Other Current Liabilities*

Accrued expenses and other current liabilities consist of the following at December 31:

	2021	2020
Accrued expenses	$ 16,074	$ 3,412
Accrued compensation	51,401	13,938
Other	2,531	1,418
Total accrued expenses and other current liabilities	$ 70,006	$ 18,768

(5) Collaboration and Development Services Revenue

Collaboration revenue

In January 2021, the Company entered into a collaboration framework agreement with Toyota Motor Corporation ("Toyota") with the intention of deploying the Aurora Driver into a fleet of Toyota Sienna vehicles, subject to further agreement of a collaboration projection plan that was signed in August 2021. The Company received $50,000 in cash consideration in April 2021 and expects the remaining $100,000 in 2022.

Revenue is recognized using the input measure of hours expended as a percentage of total estimated hours to complete the project commencing with initial recognition in August 2021 when the project plan was signed.

$32,538 is recognized as a contract asset as of December 31, 2021 as a result of revenue of $82,538 and cash receipts of $50,000.

Development services revenue

The Company derived its revenue from nonrecurring development service agreements to research, design, and implement the Aurora Driver. The agreements are negotiated with billing schedules that align with the delivery of performance obligations, and customers are invoiced with net 30-to 60-day payment terms. The Company's customer agreements include multiple performance obligations, which include customer hardware design and development services, and other services.

Custom hardware design and development services often involve supplying a hardware reference design to the customer, which provides for various technical specifications for operating a customer's vehicle platform with the Aurora Driver. Development services are recognized over time as the Company performs the underlying services and satisfies the performance obligations. Revenue allocable to hardware design and development services are recognized over time based on the hours incurred.

In the Company's contract with a customer, the Company provided a commercialization credit, which provided the customer with the option to receive a credit of a certain amount under the contract, when and if the customer launches vehicles integrated with the Company's Aurora Driver. The Company had accounted for the commercialization credit as a material right, and significant judgment was required to determine the stand-alone selling price of the performance obligation. The Company performed a valuation of the stand-alone selling price, using a Black-Scholes-Merton option pricing model, which estimated the likelihood that the customer would exercise its option. In 2019 the option to receive the credit under the contract expired and as such the resulting credit was recognized in 2019.

(6) Acquisitions

Apparate USA LLC

On January 19, 2021, the Company acquired 100% of the voting interests of ATG, which was a company developing self-driving technology.

The acquisition date fair value of the consideration transferred for ATG was approximately $1,915,708 which consisted of stock consideration. The stock consideration transferred comprised 110,437,359 shares of the Company's Series U-1 preferred stock and 252,194,518 shares of the Company's common stock. The preferred stock was valued referencing the concurrent purchase of the Company's Series U-2 redeemable convertible preferred stock. The common stock was valued based on the fair value as of January 19, 2021, as determined by a third-party valuation expert using an Option Pricing Method model.

The transaction costs associated with the acquisition were approximately $15,113 and were recorded in general and administrative expense in the year ended December 31, 2021.

The Company has accounted for the ATG acquisition as a business combination, and therefore the assets acquired and liabilities assumed were recognized at their fair values on the date of the ATG acquisition.

We recorded a measurement period adjustment to the preliminary purchase price allocation which included an $21,652 decrease in property and equipment, an $3,342 increase in deferred tax liability and an $24,994 increase in goodwill. This measurement period adjustment was made to reflect facts and circumstances that existed as of the acquisition date.

The following table summarizes the fair values of assets acquired and liabilities assumed as of the date of the ATG acquisition:

	Fair Value
Cash and cash equivalents	$ 310,540
Prepaid expenses and other current assets	6,229
Property and equipment	63,395
Operating lease right-of-use assets	41,915
Other assets	18,351
Acquisition related intangible assets	545,500
Goodwill	1,060,159
Accounts payable	(1,860)
Related party payable	(46,970)
Accrued expenses and other current liabilities	(37,796)
Operating lease liabilities	(40,413)
Deferred tax liability	(3,342)
Total	$ 1,915,708

The sole identifiable intangible asset acquired in the ATG acquisition was in-process research and development (IPR&D) and has an indefinite useful life as of the date of the acquisition. The fair value of the IPR&D intangible asset was determined through a replacement cost approach, which identifies the costs that would be necessary to recreate the asset if the Company were to internally develop the acquired technology. Significant unobservable inputs include overhead costs, profit margin, opportunity cost, and obsolescence.

The asset has not been placed into service and there have been no impairment charges related to the intangible asset as of December 31, 2021.

The excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired was recorded as goodwill, which is primarily attributed to the assembled workforce, and is not deductible for tax purposes.

Separately, the Company recognized $7,873 in non-cash compensation expense for severance payments by the former parent of ATG. This amount was allocated from total equity consideration transferred.

The following supplemental pro forma information combines the historical results of Aurora and ATG as if the ATG acquisition had occurred on January 1, 2020, the beginning of the earliest period presented and includes pro forma adjustments related to depreciation and amortization of acquired property, plant and equipment, share-based compensation expense, and severance expense.

	Twelve months ended December 31, 2021	Twelve months ended December 31, 2020
Revenue	$ 82,538	$ —
Net loss	(626,964)	(1,033,727)

OURS Technology, Inc.

On March 5, 2021, the Company acquired 100% of the voting interests in OURS, a silicon photonics company. The Company has included the financial results of OURS in the condensed consolidated financial statements prospectively from the date of acquisition. The OURS acquisition date fair value of the consideration transferred for OURS was approximately $40,821, which consisted of the following

	Fair Value
Cash	$ 16,107
Stock Consideration	24,105
Assumed liabilities related to third-party expenses	609
Total	$ 40,821

As part of the OURS acquisition, the Company assumed certain OURS compensation agreements, including the conversion of certain shares of OURS restricted stock into rights to receive the Company's restricted stock, and assuming certain stock options with an estimated fair value of $3,789. For the stock options assumed, based on the service period related to the period prior to the OURS acquisition date, $2,145 was allocated to the purchase price, and $1,644 relating to post-acquisition services which will be recorded as operating expenses over the remaining requisite service periods.

The stock consideration transferred comprised 6,064,675 shares of the Company's common stock including 396,067 shares of restricted stock granted. The restricted stock awards (RSAs) were valued based on the March 5, 2021 fair value, as determined by a third party valuation expert using an Option Pricing Method model, and the estimated fair value of the stock options assumed by the Company was determined using the Black-Scholes option pricing model. The RSAs vest monthly over a 2-year period starting on the vesting commencement date and expire once the holder ceases to be a service provider of the Company.

The transaction costs associated with the OURS acquisition were approximately $262 and were recorded in general and administrative expense in the twelve months ended December 31, 2021.

The Company has accounted for the OURS acquisition as a business combination, and therefore the assets acquired and liabilities assumed were recognized at their fair values on the date of the OURS acquisition.

We recorded a measurement period adjustment to the preliminary purchase price allocation which included an $774 decrease in deferred tax liability and an $774 decrease in goodwill. This measurement period adjustment was made to reflect facts and circumstances that existed as of the acquisition date.

The following table summarizes the fair values of assets acquired and liabilities assumed as of the date of the OURS acquisition:

	Fair Value
Cash and cash equivalents	$ 153
Prepaid expenses and other current assets	23
Property and equipment	218
Other assets	9
Acquisition related intangible assets	19,000
Goodwill	23,477
Accounts payable	(46)
Deferred tax liability	(2,013)
Total	$ 40,821

The sole identifiable intangible asset acquired in the OURS acquisition was in-process research and development (IPR&D) and has an indefinite useful life as of the date of the acquisition. The fair value of the IPR&D intangible asset was determined through a replacement cost approach, which identifies the costs that would be necessary to recreate the asset if the Company were to internally develop the acquired technology. Significant unobservable inputs include profit margin and opportunity cost.

The asset has not been placed into service and there have been no impairment charges related to the intangible asset as of December 31, 2021.

The excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired was recorded as goodwill, which is primarily attributed to the assembled workforce, and is not deductible for tax purposes.

Pro forma results for the OURS acquisition are not presented as the financial impact is immaterial.

Blackmore Sensors and Analytics, Inc.

On August 26, 2019, the Company acquired 100% of the voting interests in Blackmore Sensors and Analytics, Inc. ("Blackmore") which was developing light detection and ranging radar. The Company has included the financial results of Blackmore in the consolidated financial statements prospectively from the date of acquisition. The transaction costs associated with the acquisition were approximately $1,676 and were recorded in general and administrative expense in 2019.

The acquisition date fair value of the consideration transferred for Blackmore was approximately $74,712, which consisted of the following:

		Fair Value
Cash	$	25,569
Stock Consideration		47,143
Assumed liabilities related to third-party expenses		2,000
Total	$	74,712

As part of the acquisition, the Company assumed certain Blackmore compensation agreements, including the conversion of certain shares of Blackmore restricted stock into rights to receive the Company's restricted stock, and assuming certain stock options with an estimated fair value of $1,537. For the stock options assumed, based on the service period related to the period prior to the acquisition date, $692 was allocated to the purchase price, and $845 relating to post-acquisition services which will be recorded as operating expenses over the remaining requisite service periods. The stock consideration transferred comprised 4,994,334 shares of the Company's Series B preferred stock, 5,551,860 shares of the Company's Series B-1 preferred stock, and 3,984,890 shares of the Company's common stock. The preferred stock and restricted stock awards (RSAs) were valued based on the August 26, 2019 fair value, as determined by a third party valuation expert using an Option Pricing Method model, and the estimated fair value of the stock options assumed by the Company was determined using the Black-Scholes option pricing model. The RSAs vest monthly over a 4-year period starting on the vesting commencement date and expire once the holder ceases to be a service provider of the Company. The weighted average vesting term for these RSAs was 1.1 years.

The Company has accounted for this acquisition as a business combination, and therefore the assets acquired and liabilities assumed were recognized at their fair values on the date of acquisition. The following table summarizes the fair values of assets acquired and liabilities assumed as of the date of acquisition:

		Fair Value
Cash and cash equivalents	$	2,649
Prepaid expenses and other current assets		268
Goodwill		30,047
Intangible assets		52,700
Fixed assets, net		623
Right-of-use assets		2,479
Accrued payroll and related liabilities		(332)
Accounts payable and accrued liabilities		(413)
Deferred tax liability		(10,830)
Operating lease liabilities		(2,479)
Total	$	74,712

The excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired was recorded as goodwill, which is primarily attributed to the assembled workforce, and is not deductible for tax purposes. The fair values assigned to tangible assets acquired and liabilities assumed are based on management's estimates and assumptions.

The sole identifiable intangible asset acquired in the Blackmore acquisition was in-process research and development (IPR&D) and has an indefinite useful life as of the date of the acquisition. The fair value of the IPR&D intangible asset was determined through a replacement cost approach, which identifies the costs that would be necessary to recreate the asset if the Company were to internally develop the acquired technology.

The asset has not been placed into service and there have been no impairment charges related to the intangible asset as of December 31, 2021.

(7) Stockholders' Equity (Deficit)

2019 Forward Stock Split

On May 7, 2019, the Company effected a 10-for-1 forward stock split of its outstanding common stock, preferred stock and stock options. All share and per share amounts for year-ended 2019 in the financial statements and notes thereto have been adjusted retrospectively, where applicable, to reflect this forward stock split. These share and per share amounts were subsequently adjusted for the Exchange Ratio as discussed in Note 3, *Reverse Recapitalization.*

Preferred Stock

The Company is authorized to issue 1,000,000,000 shares, par value of $0.00001 per share of preferred stock.

Common Stock

Concurrently with the consummation of the Merger on November 3, 2021, 458,202,021 shares of Legacy Aurora common stock were cancelled and reissued as 513,575,278 shares of par value $0.00001 Aurora Class A common stock and 481,107,977 shares of par value $0.00001 Aurora Class B common stock. Shares were converted by the exchange ratio of approximately 2.1708.

In November 2021, the Company authorized 51,000,000,000 shares of common stock to be issued, 50,000,000,000 shares are designated Class A common stock and 1,000,000,000 shares are designated Class B common stock. Class A common stock holders are entitled to one vote for each share and Class B common stock holders are entitled to ten votes for each share. Class A and Class B have identical liquidation and dividend rights. Class B shares are convertible into Class A upon election by the holder or upon transfer (except for certain permitted transfers).

At December 31, 2021, the Company had 641,721,837 shares of Class A common stock and 481,107,977 shares of Class B common stock issued and outstanding.

Common Stock Reserved for Issuance

Common stock reserved for future issuance at December 31, 2021, and December 31, 2020 was as follows. December 31, 2020 balances have been converted using the exchange ratio of 2.1708.

	December 31, 2021	December 31, 2020
Redeemable convertible preferred stock	—	290,300,547
Outstanding stock options	81,405,867	76,067,205
Outstanding restricted stock units	34,054,713	—
Outstanding Public Warrants	12,218,420	—
Outstanding Private Placement Warrants	8,900,000	—
Shares available for issuance under the equity incentive plans	122,487,648	12,386,940
Total shares of common stock reserved	259,066,648	378,754,692

(8) Derivative Liabilities

Common Stock Warrants

On the consummation of the Merger on November 3, 2021, 12,218,750 publicly traded warrants for Class A common stock at an exercise price of $11.50 (the "Public Warrants") and 8,900,000 warrants held by the Sponsor with an exercise price of $11.50 (the "Private Placement Warrants") converted automatically into warrants of Aurora common stock.

During the year ended December 31, 2021, 330 Public Warrants were exercised for total cash proceeds of $4. The estimated fair value of the warrant liabilities was $53,219 at Closing and $65,678 at December 31, 2021. For the year-ended December 31, 2021, an expense of $12,459 was recognized in changes in fair value of derivative liabilities in the consolidated statements of operations.

As of December 31, 2021, issued and outstanding warrants were as follows:

Warrant Type	December 31, 2021
Public Warrants	12,218,420
Private Placement Warrants	8,900,000
Total	21,118,420

i. Public Warrants

Public Warrants were exercisable beginning on December 3, 2021. The Company may redeem the Public Warrants when the last reported sales price of Class A common stock for any 20 trading days within a 30 trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders (the "Reference Value") exceeds $10.00 or $18.00. Warrants are redeemable in whole and upon a minimum of 30 days' prior written notice.

If the Reference Value exceeds $18.00, warrants are redeemable at $0.01 per warrant, in whole and upon a minimum of 30 days prior written notice

If the Reference Value exceeds $10.00, warrants are redeemable at $0.10 per warrant, in whole and upon a minimum of 30 days prior written notice that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to an agreed table based on the redemption date and the fair market value of Class A ordinary shares. Fair market value of Class A common stock is the volume-weighted average price of Class A ordinary shares for the 10 trading days following the date on which the notice of redemption is sent. The number of ordinary shares received upon exercise is capped at 0.361 shares of Aurora Class A common stock per warrant.

ii. Private Placement Warrants

Private Placement Warrants are not redeemable by the Company as long as they are held by a Sponsor or its permitted transferees. If the Reference value exceeds $18.00 per share and the Company elects to redeem the Public Warrants, the Private Placement Warrants are exercised.

If the Public Warrants are redeemed by the Company when the Reference Value equals or exceeds $10.00, the Private Placement Warrants are also concurrently called for redemption on the same terms as of the Public Warrants.

If the Public Warrants are redeemed by the Company when the Reference Value exceeds $18.00 per share, the Sponsor will exercise the Private Placement Warrants for cash or on a cashless basis.

Earnout Shares liability

In connection with the execution of the Merger Agreement, the Company, Legacy Aurora and the Sponsor entered into the Sponsor Agreement on July 14, 2021. Under the agreement, existing Sponsor shares not forfeited due to redemptions are subject to lock-up and price-based vesting. 1,720,772 shares are subject to a lock-up provision but not price-based vesting. 5,162,314 shares are subject to time-based lock-up provisions as well as price-based vesting as follows:

- 1,720,772 shares vest when it has been at least 2 years since the Closing and the volume weighted average price ("VWAP") of the Company's class A common stock equals or exceeds $15.00 for 20 trading days of any consecutive 30 trading day period.
- 1,720,771 shares vest when it has been at least 3 years since the Closing and the VWAP equals or exceeds $17.50 for 20 trading days of any consecutive 30 trading day period.
- 1,720,771 shares vest when it has been at least 4 years since the Closing and the VWAP equals or exceeds $20.00 for 20 trading days of any consecutive 30 trading day period

The estimated fair value of the Earnout Shares liability at Closing was $44,723 at Closing and $52,380 at December 31, 2021. For the year ended December 31, 2021, an expense of $7,657 was recognized in changes in fair value of derivative liabilities in the consolidated statements of operations. No Earnout Shares vested as of December 31, 2021.

(9) Redeemable Convertible Preferred Stock

In January 2021, Legacy Aurora issued 50,873,075 shares of Series U-1 in connection with the ATG acquisition and issued 20,349,230 shares of Series U-2 in exchange for cash proceeds of $397,862, net of transaction costs of $2,138.

Prior to the Closing of the Merger on November 3, 2021, Legacy Aurora had 20,177,530 shares of Seed 1, 9,653,930 shares of Seed 2, 29,948,750 shares of Series A, 71,389,540 shares of Series B, 2,557,518 shares of Series B-1, 50,873,075 shares of Series U-1, and 20,349,230 shares of Series U-2 issued and outstanding.

Concurrent with Closing of the Merger, the 204,949,573 shares of redeemable convertible preferred stock issued and outstanding automatically converted into 204,949,573 shares of Legacy Aurora common stock. The Legacy Aurora common stock converted into 444,912,850 shares of Aurora common stock in connection with the Merger. As of December 31, 2021, no shares of redeemable convertible preferred stock were issued and outstanding.

The significant rights and preferences of the redeemable convertible preferred stock until the Closing of the Merger are as follows:

(i) Dividends

The holders of Seed 1, Seed 2, Series A, and Series B (collectively, the "Senior Preferred Stock") were entitled to receive dividends, when, as and if declared by the board of directors of the Company, out of any available assets of the Company. The annual dividend rate was $0.014 per share per annum for Seed 1, $0.026 per share per annum for Seed 2, $0.222 per share per annum for Series A, and $0.739 per share per annum for Series B (subject to adjustment from time to time for recapitalization with respect to each such series of preferred stock). The right to receive dividends on shares of Senior Preferred Stock was not cumulative, and payment of any dividends to the holders of Senior Preferred Stock would have been on a pro rata pari passu basis in proportion to the dividend rates for each series of Senior Preferred Stock.

Subject to the prior dividend rights of the Senior Preferred Stock, the holders of outstanding shares of Series B-1 were entitled to receive dividends, when, as and if declared by the board of directors of the Company, out of any available assets of the Company. The annual dividend rate was $0.739 per share per annum for Series B-1 (subject to adjustment from time to time for recapitalization with respect to each such series of redeemable convertible preferred stock). The right to receive dividends on shares of Series B-1 was not cumulative and payment of any dividends to the holders of Series B-1 would have been on a pro rata pari passu basis in proportion to the dividend rates for Series B-1.

After dividends in the full preferential amounts specified for the preferred stock had been paid or set aside, any additional dividends would have been paid among the holders of the redeemable convertible preferred stock and common stock in proportion to the greatest whole number of shares of common stock, which would be held by each holder if all shares of redeemable convertible preferred stock were converted at the then effective conversion rate. The Company has not declared any dividends as of December 31, 2021 and 2020.

(ii) Conversion

At the option of the holder, each share of redeemable convertible preferred stock was convertible, at any time after the date of issuance of such share, into the number of shares of common stock determined by dividing the original issue price for the redeemable convertible preferred stock by the applicable conversion price, determined at the time of conversion. The original issue price and the conversion price would have been adjusted for any stock dividends, stock splits, combination of shares, reorganizations, recapitalizations, reclassifications, or other similar events. The conversion price of each series of redeemable convertible preferred stock was also subject to broad-based weighted average anti-dilution adjustments in the event that the Company issued certain securities at a price per share less than the then applicable conversion price of such series of redeemable convertible preferred stock.

Each share of redeemable convertible preferred stock was automatically converted into common stock at the then effective conversion rate (i) immediately prior to the closing of a firm commitment underwritten initial public offering of common stock under the Securities Act of 1933, as amended, provided that the aggregate gross proceeds to the Company are not less than $100,000 or (ii) upon the written consent for such conversion from (A) the holders of a majority of the outstanding redeemable convertible preferred stock (voting together as a single class and on an as-converted basis) outstanding and (B) the holders of a majority off outstanding of Series B (voting as a separate class) outstanding.

(iii) Liquidation

In the event of any liquidation, dissolution, or winding up of the Company, the holders of then outstanding Senior Preferred Stock were entitled to be paid on a pari passu basis, and prior and in preference to any distribution on any share of Series B-1 and common stock, an amount per share equal to (1) the greater of (a) the sum of (i) the liquidation preference specified for such share of Senior Preferred Stock ($0.175 for Seed 1, $0.322 for Seed 2, $2.776 for Series A, and $9.240 for series B) and (ii) all declared but unpaid dividends on such share of Senior Preferred Stock or (b) the amount that would have been payable if such share of Senior Preferred Stock had converted to common stock immediately prior to such liquidation, dissolution or winding up, or (2) with respect to a particular series of Senior Preferred Stock, such lesser amount as may be approved by the holders of a majority of the outstanding shares of such series, voting as a separate series.

Subject to the prior liquidation rights of the Senior Preferred Stock, in the event of any liquidation, dissolution, or winding up of the Company, the holders of the then outstanding Series B-1, were entitled to be paid on a pari passu basis, and prior and in preference to any distribution on any share of common stock, an amount per share equal to (1) the greater of (a) the sum of (i) the liquidation preference specified for such share of Series B-1 (previously $9.240) and (ii) all declared but unpaid dividends on such share of Series B-1 or (b) the amount that would have been if such shares of series B-1 had converted to common stock immediately prior to such liquidation, dissolution or winding up, or (2) such lesser amount as may be approved by the holders of a majority of the outstanding shares of Series B-1, voting as a separate series.

After the payment of the full liquidation preference to the holders of preferred stock described above, the assets of the Company legally available for distribution, if any, would have been distributed pro rata to holders of the common stock of the Company in proportion to the number of shares of common stock held by them.

The liquidation preferences were deemed to be contingent redemption features exercisable on certain deemed liquidation events which includes a merger, change of control, or a sale of substantially all of the Company's assets. The deemed liquidation event would have constituted a redemption event not solely within the control of the Company. Redeemable convertible preferred stock was presented outside of permanent equity in mezzanine equity on the balance sheets prior to conversion to common stock upon consummation of the Merger.

(iv) Voting

The holders of shares of redeemable convertible preferred stock were entitled to the number of votes equal to the number of shares of common stock into which the shares were then convertible. As long as any shares of Seed 1 remained outstanding, the holders of Seed 1, voting as a separate class, were entitled to elect one member of the board of directors (the Series Seed Director). As long as any shares of Series B preferred stock remained outstanding, the holders of Series B preferred stock, voting as a separate class, were entitled to elect one member of the board of directors. The holders of Legacy Aurora common stock, voting as a separate class, were entitled to elect five members of the board of directors. Any additional members of the board of directors were to be elected by the holders of common stock and redeemable convertible preferred stock.

So long as the holders of Seed 1 were entitled to elect a director, the Series Seed Director was entitled to casttwo votes on all matters that come before the board of directors. All remaining directors were entitled to cast one vote on all matters.

(v) Protective Provision

As long as any shares of redeemable convertible preferred stock were issued and outstanding, the holders of a majority of outstanding shares of redeemable convertible preferred stock, voting together as a single class on an as-converted basis, must have approved certain transactions. Such actions included adversely amending the rights, preferences, privileges, or restrictions of preferred stock; purchasing, redeeming, paying, or declaring any dividend or making any distribution on any shares of capital stock (subject to limited exceptions); and creating or authorizing the issuance of any debt security or other indebtedness for borrowed money in excess of $250,000 (subject to limited exceptions); and creating or holding capital stock in a subsidiary that is not wholly owned.

(10) Equity Incentive Plans

We maintain four equity compensation plans: the 2021 Equity Incentive Plan (the 2021 Plan), the 2017 Equity Incentive Plan (the 2017 Plan), the 2016 Blackmore Sensors & Analytics, Inc. Equity Incentive Plan (the Blackmore Plan), and the OURS Technologies Inc Equity Incentive Plan (the OURS Plan). The Company assumed stock options under the Blackmore Plan in 2019 and the OURS Plan in 2021 to the extent such employees continued as employees of the Company.

In connection with the Merger, holders of Legacy Aurora options and restricted stock units received an equivalent award at the Exchange Ratio that vest in accordance with the original terms of the award.

2021 Equity Incentive Plan

On November 2 2021, shareholders of RTPY approved and adopted the Aurora Innovation, Inc 2021 Equity Incentive Plan. The 2021 plan makes available for issuance Class A common shares equal to 120,900,000 shares plus any shares subject to awards assumed in the Merger. Additionally, the 2021 Plan includes an annual increase on the first day of each fiscal year beginning in fiscal 2022 and ending in fiscal 2031 equal to the lesser of (i) 120,900,000, (ii) 5% of total shares outstanding on the last day of the preceding fiscal year, and (iii) a lesser number of shares determined by the Plans' administrator.

Under the 2021 Plan, equity-based compensation in the form of restricted stock units (RSUs), restricted stock awards, incentive stock options, nonqualified stock options, stock appreciation rights, and performance units may be granted to employees, officers, directors, consultants, and others. As of December 31, 2021, no awards were granted under the 2021 Plan. 122,487,648 shares of common stock were available for grant.

2017 Equity Incentive Plan

Under the Company's 2017 Equity Incentive Plan (the 2017 Plan), equity-based compensation in the form of restricted stock units (RSUs), restricted stock awards, incentive stock options, and nonqualified stock options may be granted to employees, officers, directors, consultants, and others.

i. Stock Options

Stock options under the 2017 Plan may be outstanding for periods of up to10 years following the grant date. The exercise price of stock options for the purchase of shares of common stock under the 2017 Plan may not be less than 100% of the fair value of the Company's common stock on the date of the grant, as determined by the board of directors. In the case of an incentive stock option granted to an employee who owns stock representing more than 10% of the voting shares, the price of each share will be at least 110% of the fair value on the date of grant. Stock options generally vest over4 years starting on the vesting commencement date (with a one-year cliff) and expire, if not exercised, 10 years from the date of grant or, if earlier, 3 months after the option holder ceases to be a service provider of the Company. Stock options granted to a stockholder that owns greater than 10% of the company expire, if not exercised, 5 years from the date of grant.

The fair value of each award granted to employees in 2021, 2020 and 2019 has been estimated on the date of grant using the Black-Scholes-Merton option pricing model with the following weighted average assumptions: expected life of 5.93 years, 5.93 years and 6.08 years, respectively; risk-free interest rate of0.59%, 0.87% and 2.02%, respectively; expected volatility of55.00%, 55.00% and 55.00%, respectively; and no dividends during the expected life. Expected volatility is based on the Company's review of historical volatilities of comparable public companies and an expected future volatility based upon this evidence over the expected term of the award. The expected life of the options represents the period of time options are expected to be outstanding and is estimated considering vesting terms, employees' historical exercise, and post vesting employment termination behavior. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. The Company records forfeitures on the date occurred.

Stock option activity under the 2017 Plan is as follows:

	Options outstanding			
	Number of shares	Weighted average exercise price	Weighted average remaining contractual term (in years)	Aggregate Intrinsic value[(1)]
Balance, December 31, 2019	69,990,959	$ 0.80		
Granted	13,940,467	1.44		
Exercised	(3,263,193)	0.89		
Forfeited	(5,584,769)	1.20		
Balance, December 31, 2020	75,083,464	$ 0.88		
Granted	19,480,375	3.67		
Exercised	(8,210,529)	0.95		
Forfeited	(6,708,760)	2.28		
Balance, December 31, 2021	79,644,550	$ 1.44		
Exercisable at December 31, 2021	50,613,778	$ 0.95	6.93	$ 521,957

(1) Calculated as the closing stock price on December 31, 2021 of $ 11.26 less the option exercise price.multiplied by the number of options.

Stock-based compensation related to options granted to employees was $23,421, $16,569 and $10,764 in 2021, 2020 and 2019, respectively. The unrecognized deferred compensation expense for future years' compensation expense related to unvested options was approximately $36,989 at December 31, 2021. Unrecognized deferred compensation will be recognized over an estimated weighted average amortization period of approximately 2.07 years.

In April 2019 the Company facilitated a third-party tender offer (the ("Secondary Transaction") to provide certain existing investors (the "Participating Investors") with an opportunity to purchase additional shares of common stock from certain employees of the Company at an agreed upon purchase price. Eligible employees were given the option to sell 10% of their vested shares (whether such shares were held by the employees prior to the tender offer or purchased pursuant to option exercises in connection with the tender offer). A total of 7,830,901 shares were sold to the Participating Investors in the Secondary Transaction,263,991 of which were tendered pursuant to the exercise of vested stock options. The Company recognized $17,257 in stock-based compensation in relation to the Secondary Transaction.

ii. Restricted Stock Units

The vesting of the initial RSU grants was based on the satisfaction of 2 separate vesting requirements on or before the expiration date: (1) a time-based vesting requirement, and (2) a liquidity event. The liquidity event was the earlier of a (i) an initial public offering through a registration statement filed by the Company declared effective or the closing of a transaction with a special purpose acquisition company, or (ii) a change in control. Generally, the time-based vesting requirement is four years starting on the vesting commencement date (with a one-year cliff).

Beginning in July 2021, 5,700,406 RSUs were granted which have only a time-based vesting requirement.

RSU activity under the Plan is as follows:

	Unvested RSUs outstanding		
	Number of shares		Weighted average grant date fair value
Balance, December 31, 2020	—	$	—
Granted	44,635,346		4.56
Vested	(917,959)		4.98
Forfeited	(9,662,674)		3.93
Balance, December 31, 2021	34,054,713	$	4.72

The aggregate intrinsic value of outstanding RSUs at December 31, 2021 was $383,456. The intrinsic value was determined using the closing trading price of our common stock on December 31, 2021 of $11.26.

Stock-based compensation related to RSUs granted to employees was $66,044, $0 and $0 in 2021, 2020 and 2019, respectively. The unrecognized deferred compensation expense for future years' compensation expense related to unvested RSUs was approximately $99,652 at December 31, 2021. Unrecognized deferred compensation will be recognized over an estimated weighted average amortization period of approximately 1.68 years.

Stock-based payments awarded by a related party

Prior to the ATG acquisition, employees of ATG received grants of RSUs in the former ultimate parent company of ATG, a related party after the closing of the transaction. These awards were modified after the transaction to allow the awards to continue to vest for the first year subsequent to the closing of the acquisition as long as personnel remain employees of the Company. These awards are compensation for services provided to the Company and are accounted for as stock-based compensation.

Awards representing 2,928,854 shares were modified on the acquisition date. 537,576 shares were forfeited as of December 31, 2021. The fair value of these awards is equal to the market value of the related party's common stock on the date of modification. $128,397 in stock-based compensation expense was recognized in the twelve months ended December 31, 2021.

The unrecognized deferred compensation expense for future years' compensation expense is $6,232 as of December 31, 2021. Unrecognized deferred compensation will be recognized over an estimated weighted average amortization period of approximately 0.05 years.

Stock-based compensation expense

Stock-based compensation is allocated on a departmental basis, based on the classification of the option holder or grant recipient. No income tax benefits have been recognized in the statement of operations for stock-based compensation arrangements and no stock-based compensation has been capitalized as of December 31, 2021.

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

	Twelve months ended December 31,					
	2021		2020		2019	
Research and Development	$	206,879	$	14,082	$	24,451
General and Administrative		13,179		2,798		3,682
Total	$	220,058	$	16,880	$	28,133

(11) Income Taxes

The Company only has operations in the United States.Loss from operations before income taxes is categorized geographically as follows:

	2021	2020	2019
United States	$ (759,954)	$ (214,447)	$ (101,848)
Total loss from operations before income taxes	$ (759,954)	$ (214,447)	$ (101,848)

The federal and state income tax provision is summarized as follows:

	2021	2020	2019
Current income tax expense:			
Federal	$ —	$ —	$ —
State	2	2	7
Total current income tax expense	2	2	7
Deferred income tax benefit:			
Federal	(3,805)	—	(5,012)
State	(698)	—	(2,766)
Total deferred income tax benefit	(4,503)	—	(7,778)
Total tax benefit (expense)	$ (4,501)	$ 2	$ (7,771)

The effective tax rate of the Company's provision for income taxes differs from the federal statutory rate as follows:

	2021	2020	2019
Tax at federal statutory rate	21.0 %	21.0 %	21.0 %
State income tax, net of federal tax benefit	0.1	—	2.7
Stock-based compensation	(0.4)	(1.5)	(5.6)
Research and development credits	2.5	3.5	3.5
Liability classified financial instruments	(0.7)	—	—
Other	(0.1)	0.2	(0.2)
Change in valuation allowance	(21.8)	(23.2)	(13.8)
Total provision for income taxes	0.6 %	— %	7.6 %

The tax effects of significant items comprising the Company's deferred taxes are as follows:

	2021	2020
Deferred tax assets:		
Net operating losses	$ 244,401	$ 70,125
Tax credits	44,610	21,461
Stock-based compensation	41,462	324
Accrued compensation and related expenses	9,272	2,293
Lease liability	31,466	24,521
Other	1,928	236
Total deferred tax assets	373,139	118,960
Valuation allowance	(330,623)	(87,241)
Total deferred tax assets, net of valuation allowance	42,516	31,719
Deferred tax liabilities:		
Depreciation and amortization	(6,529)	(11,040)
Right of use asset	(32,172)	(23,253)
Other	(7,720)	(478)
Total deferred tax liabilities	(46,421)	(34,771)
Total net deferred tax liabilities	$ (3,905)	$ (3,052)

As of December 31, 2021, the Company had federal and state net operating losses of $913,578 and $728,261, respectively. If not utilized, the federal and state net operating loss carryforwards will begin to expire starting in 2036 and 2029, respectively.

As of December 31, 2021, the Company had federal research and development credits of $41,623, which will begin to expire in 2037 and state research and development credits of $21,358, which will begin to expire in 2032.

Assessing the realizability of the Company's deferred tax assets is dependent upon several factors, including the likelihood and amount, if any, of future taxable income in relevant jurisdictions during the periods in which those temporary differences become deductible. The Company has evaluated the criteria for realization of deferred tax assets and, as a result, has determined that certain deferred tax assets are not realizable on a more likely than not basis. The valuation allowance increased by $243,382, $56,716 and $19,700 in the years ended December 31, 2021, 2020 and 2019, respectively.

Internal Revenue Code Section 382 and similar state provisions limit the use of net operating losses and tax credit carryforwards in certain situations where changes occur in the stock ownership of a company. In the event the Company has a change of ownership, utilization of net operating losses and tax credit carryforwards may be limited. Certain acquired net operating losses and tax credits are subject to limitations.

The Company recorded cumulative unrecognized tax benefits pursuant to ASC Subtopic 740-30 in the amount of $17,834, $5,256, and $2,360, respectively, during the years ended December 31, 2021, 2020, and 2019.

The Company's policy is to recognize interest and penalties related to unrecognized tax benefits within the provision for income taxes. Amounts accrued for interest and penalties were not significant during the years ended December 31, 2021, 2020, and 2019.

Changes in balances during 2021, 2020, and 2019 and ending balances as of December 31, 2021, 2020, and 2019 in gross unrecognized tax benefits were as follows:

	2021	2020	2019
Beginning balance	$ 5,256	$ 2,360	$ 982
Increases related to tax positions taken during a prior year	750	202	24
Increases related to tax positions taken during the current year	11,962	2,772	1,553
Decreases related to tax positions taken during a prior year	(134)	(78)	(199)
Decreases related to tax settlements with taxing authorities	—	—	—
Ending balance	$ 17,834	$ 5,256	$ 2,360

The Company does not anticipate that the amount of existing unrecognized tax benefits will significantly increase or decrease within the next 12 months. None of the unrecognized tax benefits, if recognized, would have a material effect on the effective tax rate.

The Company files U.S. federal and state income tax returns. The Company is not currently under examination by income tax authorities in any jurisdiction. All tax returns will remain open for examination by the federal and state authorities for three and four years, respectively, from the date of utilization of any net operating losses or credits.

(12) Leases

The Company leases office facilities in Palo Alto, California; Mountain View, California; San Francisco, California; Pittsburgh, Pennsylvania; Bozeman, Montana; Coppell, Texas; Wixom, Michigan; Seattle, Washington; and Louisville, Colorado under non cancelable operating lease agreements that expire between 2021 through 2035. One acquired lease in Pittsburgh has renewal options the Company is reasonably certain to exercise which result in a lease term to 2042.

As of December 31, 2021, the Company’s operating leases had a weighted average remaining lease term of9.32 years and a weighted average discount rate of6.22%.

Future minimum payments under non cancellable operating leases (with initial or remaining lease terms in excess of one year) and other contractual commitments as of December 31, 2021 were as follows:

	Operating leases
Year ending December 31,	
2022	$ 24,155
2023	24,877
2024	24,353
2025	22,670
2026	20,645
Thereafter	60,822
Total	$ 177,522

Rent expense under operating leases was $25,424, $14,109, and $4,487, respectively, in 2021, 2020 and 2019.

In March 2021, the Company remeasured the right of use asset for the Mountain View office which included reclassifying $16,998 from other current assets related to variable payments to construct landlord owned assets. These payments were treated as variable payments as the total amount to be paid for these assets was unknown at the lease commencement date. As the project was completed in March 2021 and the total amounts to be paid by the Company were known, the right of use asset was remeasured and the adjustment was recorded during the period ended March 31, 2021.

(13) Commitments and Contingencies

From time to time the Company may be party to various claims in the normal course of business. Legal fees and other costs associated with such actions are expensed as incurred. The Company assesses the need to record a liability for litigation and loss contingencies. Reserve estimates are recorded when and if it is determined that a loss related to certain matters is both probable and reasonably estimable. No material losses were recorded for the years ended December 31, 2021, 2020 and 2019.

Future minimum payments for contractual commitments related to purchase obligations as of December 31, 2021 were as follows:

	Purchase obligation
Year ending December 31,	
2022	$ 52,599
2023	62,780
2024	62,430
2025	63,958
2026	27,083
Thereafter	—
Total	$ 268,850

(14) Employee Benefit Plan

The Company sponsors the Aurora 401(k) plan. All employees are eligible to participate in the plans after meeting eligibility requirements. Participants may elect to have a portion of their salary deferred and contributed to the plan up to the limit allowed by applicable income tax regulations. The Company may make a matching contribution at the discretion of the board of directors. The Company recognized $0 matching contributions in the years ended December 31, 2021, 2020 and 2019.

(15) Supplemental Cash Flow Information

Cash paid for income taxes was $2, $7 and $2 in 2021, 2020 and 2019, respectively. Cash paid for interest and noncash investing and financing activities were as follows:

	2021	2020	2019
Noncash investing and financing activities:			
Property and equipment included in accounts payable	$ 4,532	$ 1,454	$ 168
Vesting of early exercised stock options	182	388	602
Non-cash acquisition	1,939,813	—	(29,905)
Cash, cash equivalents, and restricted cash at end of year:			
Cash and cash equivalents	$ 1,610,135	$ 387,346	$ 246,490
Restricted cash	16,112	12,482	482
Total cash, cash equivalents, and restricted cash	$ 1,626,247	$ 399,828	$ 246,972

(16) Earnings Per Share

The Company computes earnings per share of common stock using the two-class method required for participating securities and does not apply the two-class method in periods of net loss. Basic earnings per share is computed using the two-class method required for participating securities but is not applied in fiscal periods with a net loss. The computation of basic and diluted earnings per share is the same as the inclusion of all potential common stock would have been anti-dilutive in a period of net loss.

The Company has two classes of common stock subsequent to the Merger: Class A and Class B. As both classes have identical liquidation and dividend rights, the net loss is allocated to the classes on a proportionate basis and results in an identical net loss per share for each class under the two class method.

Redeemable convertible preferred stock, unvested Restricted Stock Awards (RSAs), unvested Restricted Stock Units (RSUs) and unvested early exercised stock options are participating securities in periods of income as the securities participate in undistributed earnings. The securities do not share in losses.

Share amounts and net loss per share have been retrospectively restated to reflect the Exchange Ratio from the Merger.

	2021		2020		2019	
	Class A	Class B	Class A	Class B	Class A	Class B
Numerator:						
Net Loss	$ (354,415)	$ (401,038)	$ (9,041)	$ (205,408)	$ (94,077)	$ —
Net loss per share:						
Basic and diluted	$ (1.22)	$ (1.22)	$ (0.79)	$ (0.79)	$ (0.37)	$ —
Denominator:						
Weighted average common shares outstanding - basic and diluted	291,251,127	329,565,292	11,423,175	259,517,022	254,398,417	—

The following table presents the potential common stock outstanding excluded from the computation of diluted loss per share because including them would have had an antidilutive effect:

	2021		2020		2019	
	Class A	Class B	Class A	Class B	Class A	Class B
Redeemable Convertible Preferred Stock	—	—	68,709,583	221,591,059	68,709,583	221,716,143
Stock Options	81,478,914	—	77,417,673	—	90,016,659	—
Restricted stock	35,140,985	—	2,382,969	—	11,661,120	—
Private placement warrants	8,900,000	—	—	—	—	—
Public warrants	12,218,420	—	—	—	—	—
Earnout Shares	5,162,314	—	—	—	—	—
Total	142,900,633	—	148,510,225	221,591,059	170,387,362	221,716,143

(17) Related Parties

In January 2021, the Company paid $10,000 relating to financial advisory fees with a former related party for a contract that was entered into by the Company in December 2020. $8,250 was recognized in selling, general and administrative expenses and $1,750 was recognized as a reduction to redeemable convertible preferred stock for issuance costs in the twelve months ended December 31, 2021. No amounts were due as of December 31, 2021. In November 2021, the Company paid $34,200 relating to financial advisory fees to this former related party for services in the RTPY merger.

The Company assumed a net liability of $46,970 from the ATG acquisition for an obligation due to the former owner of ATG who is a related party of the Company subsequent to the acquisition. The net obligation was a $54,776 related party payable offset by a $7,806 related party receivable for certain services performed by the former owner of ATG on behalf of ATG, and vice versa, prior to the closing of the acquisition. The services include administering an employee equity incentive plan, shared personnel, and other centralized services. No amounts were due as of December 31, 2021.

In January 2021, the former owner of ATG made payment of $7,873 in severance to former employees of ATG which was reimbursed by the Company. Expense of $6,321 was recognized in research and development expenses and $1,552 was recognized in selling, general, and administrative expenses in the consolidated statement of operations. No amounts were due as of December 31, 2021.

The Company recognized $5,662 in the consolidated statement of operations in selling, general, and administrative expenses for the transition service agreement with the former owner of ATG. As of December 31, 2021, $540 of related party payables was recorded on the consolidated balance sheet.

In December 2021, the Company made withholding tax payments for equity compensation for former employees of ATG and recorded a $10,726 receivable as of December 31, 2021 for amounts to be reimbursed by the former owner of ATG.

Part IV

Item 15. Exhibits and Financial Statement Schedules

Documents filed as part of this report are as follows:

(1) Consolidated Financial Statements: Our consolidated financial statements are listed in the "Index to Consolidated Financial Statements" under Part II, Item 8 of this Form 10-K.

(2) Financial Statement Schedules: Financial statement schedules have been omitted because they are not applicable or the required information is shown in the Consolidated Financial Statements or Notes thereto.

(3) Exhibits: The documents listed below are incorporated by reference or are filed with this report, in each case as indicated therein.

		Incorporated by reference				
Exhibit No.	**Description**	**Form**	**File No.**	**Exhibit No.**	**Filing Date**	**Filed or Furnished Herewith**
2.1†	Agreement and Plan of Merger, dated as of July 14, 2021, by and among Reinvent Technology Partners Y, RTPY Merger Sub Inc., and Aurora Innovation, Inc.	8-K	001-40216	2.1	July 15, 2021	
2.2†	Plan of Domestication, dated as of September 28, 2021	S-4/A	333-257912	2.2	September 29, 2021	
2.3†	Stock Purchase and Agreement and Plan of Merger, dated as of January 19, 2021, by and between Aurora Innovation, Inc., Avian U Merger Holdco Corp., Avian U Merger Sub Corp., Avian U Merger Sub LLC, Blocker U Merger Sub LLC, SVF Yellow (USA) Corporation, Apparate USA LLC and Uber Technologies, Inc.	S-4/A	333-257912	2.3	September 29, 2021	
3.1	Certificate of Incorporation of the Company	8-K	001-40216	3.1	November 4, 2021	
3.2	Bylaws of the Company	8-K	001-40216	3.2	November 4, 2021	
4.1	Specimen Class A Common Stock Certificate	8-K	001-40216	4.1	November 4, 2021	
4.2	Specimen Warrant Certificate	8-K	001-40216	4.1	March 18, 2021	
4.3	Warrant Agreement, dated as of March 15, 2021, by and between Reinvent Technology Partners Y and Continental Stock Transfer & Trust Company, as warrant agent	8-K	001-40216	4.1	March 18, 2021	
4.4	Amendment of Warrant Agreement, dated as of February 28, 2022, by and among Aurora Innovation, Inc., Continental Stock Transfer & Trust Company and American Stock Transfer & Trust Company	10-K	001-40216	4.4	March 11, 2022	
4.5	Description of Capital Stock	10-K	001-40216	4.5	March 11, 2022	
10.1	Sponsor Support Agreement, dated as of July 14, 2021, by and among the Sponsor Holdco, the Sponsor Parties, the Sponsor Independent Directors, Reinvent Technology Partners Y, and Aurora Innovation, Inc.	8-K	001-40216	10.2	July 15, 2021	
10.2	Sponsor Agreement, dated as of July 14, 2021, between Sponsor, Reinvent Technology Partners Y, and Aurora Innovation, Inc.	8-K	001-40216	10.3	July 15, 2021	

10.3	Form of Company Holders Support Agreement (Voting and Support Agreement)	8-K	001-40216	10.4	July 15, 2021	
10.4	Form of PIPE Subscription Agreement (Subscription Agreement)	8-K	001-40216	10.1	July 15, 2021	
10.5	Form of Lock-Up Agreement	S-4	333-257912	10.5	July 15, 2021	
10.6	Amended and Restated Registration Rights Agreement, dated as of November 3, 2021, by and among Aurora Innovation, Inc. and the other parties thereto	8-K	001-40216	10.4	November 4, 2021	
10.7	Letter Agreement, dated as of March 15, 2021, by and among Reinvent Technology Partners Y, Reinvent Sponsor Y LLC and the other parties thereto	S-4	333-257912	10.6	July 15, 2021	
10.8	Investment Management Trust Agreement, dated as of March 15, 2021, by and between the Registrant and Continental Stock Transfer & Trust Company, as trustee	S-4	333-257912	10.7	July 15, 2021	
10.9#	Employee Incentive Compensation Plan	S-4	333-257912	10.22	September 29, 2021	
10.10#	OURS Technology, Inc. 2017 Stock Incentive Plan	S-4	333-257912	10.23	September 29, 2021	
10.11#	Aurora Innovation, Inc. 2021 Equity Incentive Plan	8-K	001-40216	10.12	November 4, 2021	
10.12#	Aurora Innovation, Inc. 2017 Equity Incentive Plan	S-4	333-257912	10.21	September 29, 2021	
10.13#	Blackmore Sensors & Analytics, Inc. 2016 Equity Incentive Plan	S-4	333-257912	10.24	September 29, 2021	
10.14#	Aurora Innovation, Inc. form of Indemnification Agreement	S-4	333-257912	10.19	September 29, 2021	
10.15#	Outside Director Compensation Policy	10-K	001-40216	10.15	March 11, 2022	
16.1	Letter from WithumSmith+Brown, PC as to the change in certifying accountant, dated as of November 4, 2021	8-K	001-40216	16.1	November 4, 2021	
21.1	List of Subsidiaries	10-K	001-40216	21.1	March 11, 2022	
23.1	Consent of Independent Registered Public Accounting Firm					X
24.1	Power of Attorney (included in the signature page to this Annual Report on Form 10-K)	10-K	001-40216	24.1	March 11, 2022	
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X

32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X
101.INS	Inline XBRL Instance Document	X
101.SCH	Inline XBRL Taxonomy Extension Schema Document	X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	X

† Schedules and exhibits to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the SEC upon request.
# Indicates management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

AURORA INNOVATION, INC.

	By:	/s/ Chris Urmson
	Name:	Chris Urmson
Date: August 12, 2022	Title:	Chairman and Chief Executive Officer

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statement (No. 333-263498) on Form S-8 and (No. 333-260835) on Form S-1 of our report dated March 11, 2022, except as to Note 3 which is as of August 12, 2022, with respect to the consolidated financial statements of Aurora Innovation, Inc.

/s/ KPMG LLP

Santa Clara, California
August 12, 2022

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, Chris Urmson, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K of Aurora Innovation, 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) [Omitted];

(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: August 12, 2022

AURORA INNOVATION, INC.

By:	/s/ Chris Urmson
Name:	Chris Urmson
Title:	Chairman and Chief Executive Officer (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, Richard Tame, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K of Aurora Innovation, 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) [Omitted];

(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: August 12, 2022

AURORA INNOVATION, INC.

By:	/s/ Richard Tame
Name:	Richard Tame
Title:	Chief Financial Officer (Principal Financial Officer)

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

In connection with the Amendment No. 1 to the Annual Report of Aurora Innovation, Inc. (the "Company") on Form 10-K for the period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 12, 2022

AURORA INNOVATION, INC.

By:	/s/ Chris Urmson
Name:	Chris Urmson
Title:	Chairman and Chief Executive Officer (Principal Executive Officer)

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

In connection with the Amendment No. 1 to the Annual Report of Aurora Innovation, Inc. (the "Company") on Form 10-K for the period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 12, 2022

AURORA INNOVATION, INC.

By:	/s/ Richard Tame
Name:	Richard Tame
Title:	Chief Financial Officer (Principal Financial Officer)