

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

FORM 8-K

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

Date of report (Date of earliest event reported): November 2, 2022

AURORA INNOVATION, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-40216
(Commission File Number)

98-1562265
(I.R.S. Employer
Identification Number)

1654 Smallman St, Pittsburgh, PA
(Address of principal executive offices)

15222
(Zip Code)

(888) 583-9506
(Registrant's telephone number, including area code)

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

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.00001 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 whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2).

Emerging growth company ☒

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

Item 2.02 Results of Operations and Financial Condition.

On November 2, 2022, Aurora Innovation, Inc. (the “Company”) announced its financial results for its quarter ended September 30, 2022. A copy of the Company’s Shareholder Letter is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information contained in this Item 2.02 and in the accompanying Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

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

Exhibit No.	Description
99.1	<u>Letter to Shareholders, dated November 2, 2022.</u>
104	Cover Page Interactive Data File.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Dated: November 2, 2022

AURORA INNOVATION, INC.

By:	<u>/s/ Richard Tame</u>
Name:	Richard Tame
Title:	Chief Financial Officer



THIRD QUARTER 2022 SHAREHOLDER LETTER



NOVEMBER 2, 2022

A letter to shareholders

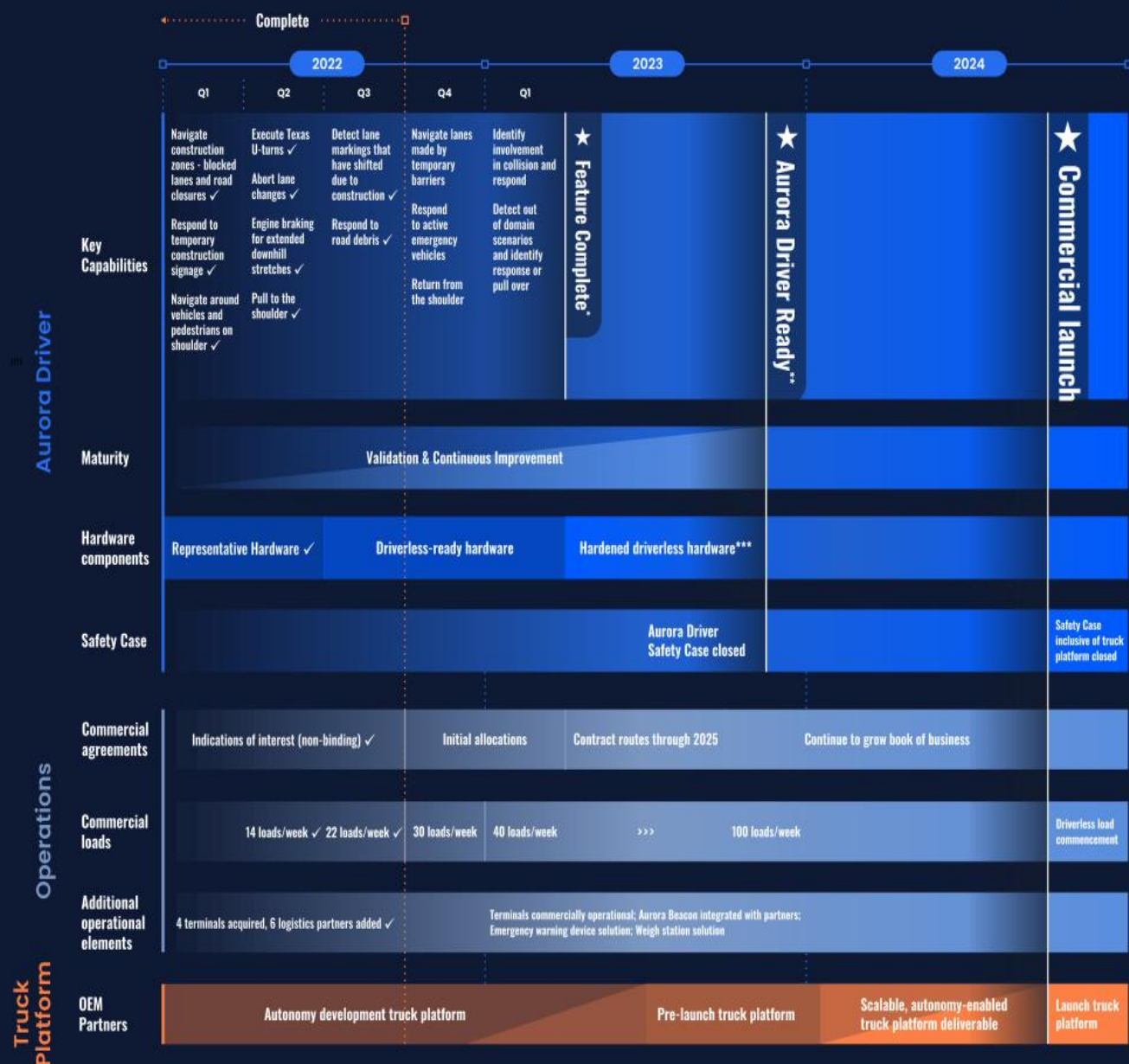
During the third quarter, we continued to make strong progress across the three elements of our business - the Aurora Driver, operations & service delivery, and the truck platform - on our roadmap to launch Aurora Horizon, our autonomous trucking service. We released the fourth beta version of our flagship product, the Aurora Driver, which includes new capabilities to navigate unexpected obstacles that vehicles can face on roads every day, moving us another step closer to our Feature Complete milestone. We continued to scale our operations - achieving our commercial load booking target and expanding our pilot with Uber Freight. And we built and deployed our next-generation fleet of autonomy-development trucks with the latest generation of the Aurora Driver hardware.

We were also honored to host our first Analyst & Investor Day as a public company. We shared our progress toward Aurora Horizon's commercial launch and attendees experienced Aurora Driver-operated autonomous truck rides along Texas Interstate 45 near Dallas and from Dallas to Houston.





Aurora Horizon Roadmap to Launch



* Aurora Driver Feature Complete is defined as having implemented all of the capabilities necessary for launch and all policy interventions removed.

** Aurora Driver Ready is defined as validation complete and Aurora Driver Safety Case closed.

*** Hardened driverless hardware is engineered for extreme environments and enhanced reliability.

AURORA DRIVER

On the road to Feature Complete

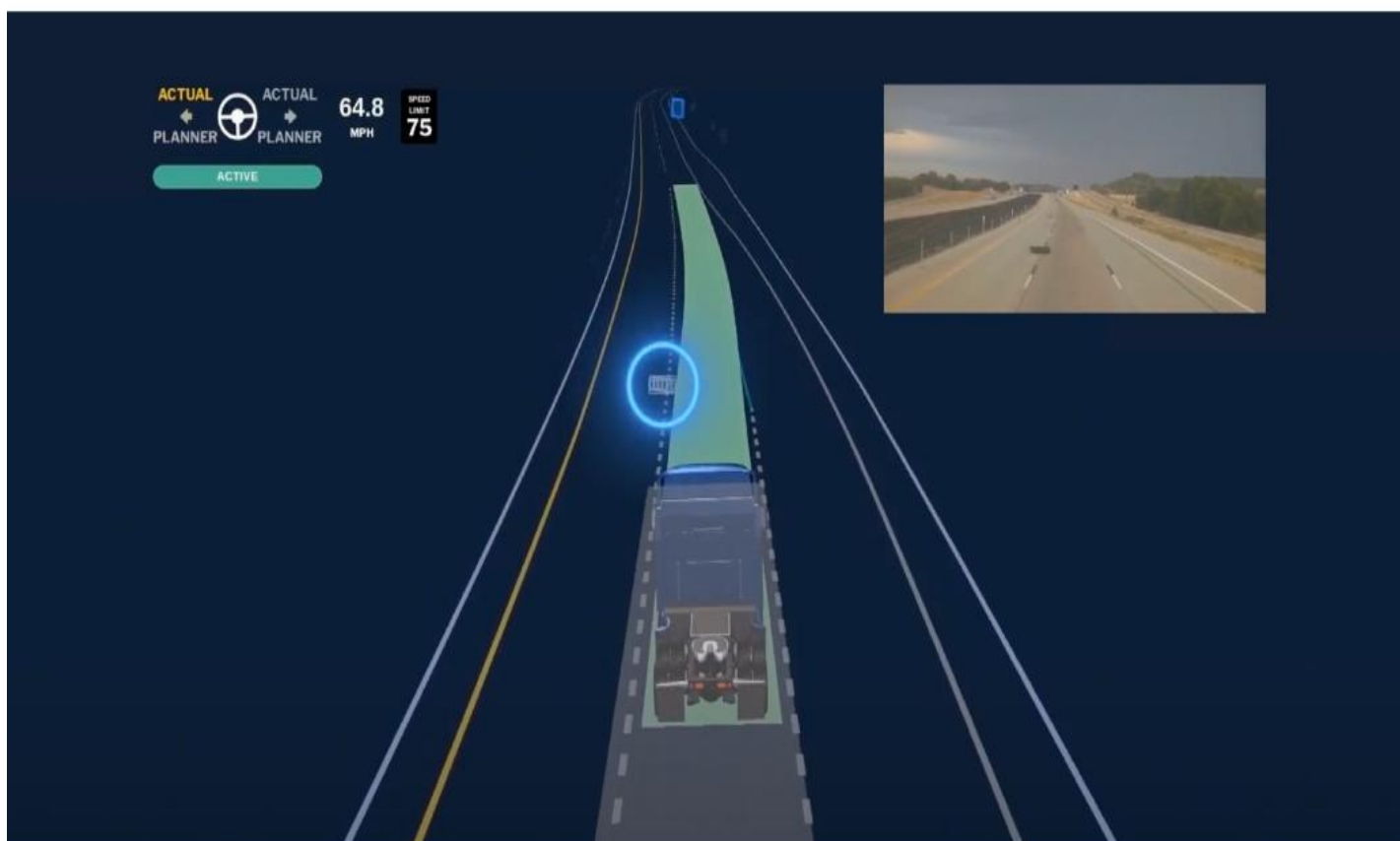
During the third quarter, we released Aurora Driver Beta 4.0, which contains new capabilities and improvements to many of the capabilities we've released in past betas. Each of our releases builds on the ones that came before, advancing toward Feature Complete, which we expect to achieve by the end of the first quarter of 2023.

As illustrated on our roadmap, we committed to releasing two new collections of capabilities in the third quarter: detecting lane markings that have shifted due to construction and responding to road debris.

Construction is common on many of our nation's major freight corridors, and navigating the variety of types of construction zones autonomously is critical for commercial launch. Because temporary lane lines due to construction zones appear frequently along our commercial routes in Texas, we've been working to enable the Aurora Driver to perceive the new lane lines in real-time and understand when it should follow that new path instead of the path that exists in the Aurora Atlas, our HD map. When triggered by the appearance of new alternative lane lines, the Aurora Driver can deviate from the Aurora Atlas and autonomously navigate through the zone.



We also introduced the ability for the Aurora Driver to detect the road debris we encounter while hauling goods on public roads across Texas for our commercial pilots, such as tire shreds, garbage, fallen boxes, vegetation, and even abandoned furniture. Road debris is extremely common and can be dangerous, especially when vehicles are moving at highway speeds. After establishing initial development in simulation, we exposed the Aurora Driver to over 10,000 virtual road debris tests, then validated its performance on private test tracks before launching on the road.

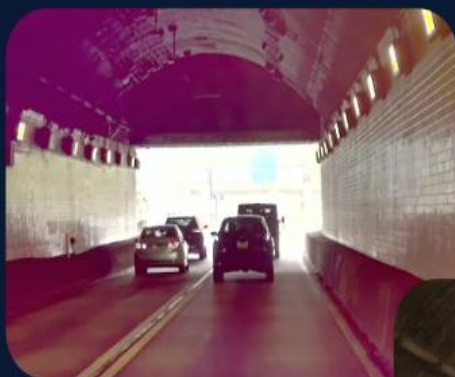


During the fourth quarter, we plan to expand on the shifted lane markings capability to launch another complex construction capability: navigating lanes made by temporary barriers. We also expect to introduce the ability to respond to active emergency vehicles and return from the shoulder after recovering from a fault, which will build on the fault management capabilities we released during the second quarter.

As we are advancing our software, we are simultaneously maturing the Aurora Driver's hardware to support our commercial launch. During the third quarter, we entered the driverless-ready phase of our hardware roadmap and we're already making rapid progress in hardening both our sensors and computer, meaning we are preparing our hardware for manufacturability and high-reliability in an automotive setting. In the process, we have enabled our hardware to monitor its own health, fall back on key redundancies when needed, and operate in the demanding environments it will be exposed to, all while also improving its performance in measurable ways.

Specifically, we have extended the technological lead of our proprietary FirstLight Lidar, which through its use of frequency modulated continuous wave (FMCW) technology is a cornerstone of our perception sensor suite. We have designed the latest generation for increased reliability and ruggedness, incorporated systems that allow it to monitor and report problems with its health, and integrated both liquid cooling and cleaning directly into the unit. In the process, we have not only produced a highly reliable and manufacturable sensor, but also increased its already-extraordinary range and probability of detection. To put this into perspective, our FirstLight Lidar previously had an approximately 7-second lead time in detection relative to traditional time-of-flight lidar sensors at highway speeds. With these improvements, that lead time is now approximately 8.5 seconds, which is the equivalent to being able to see nearly three football fields further than conventional lidar, giving the Aurora Driver even more time to respond.

Our next-generation computer not only has redundant processing, self-health monitoring and reporting, and liquid cooling, but has also been designed to meet ISO 16750-3 mechanical reliability targets. We have also upgraded the Aurora Driver's camera system, including quadrupling its resolution and significantly increasing its dynamic range.



24-bit with previous
generation computer
& 2MP cameras



32-bit HDR with
new computer
& 8MP cameras

AUTONOMY READINESS MEASURE

Progress toward a commercial-ready Aurora Driver

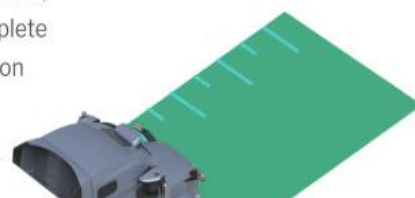
For the balance of this year and through 2023, we will continue to mature both our software and hardware to realize a commercial-ready Aurora Driver. By the end of the first quarter of 2023, we expect the Aurora Driver to be Feature Complete, which means we will have implemented all of the capabilities necessary for Aurora Horizon's launch lane and removed all policy interventions. Once we achieve that milestone, we will begin sharing an Autonomy Readiness Measure that quantifies our progress toward the commercial launch of Aurora Horizon. The launch bar for the Aurora Driver is a closed Safety Case, which is our evidence-based approach to demonstrate that our self-driving vehicles are acceptably safe to operate on public roads. Each quarter via the Autonomy Readiness Measure, we will share the percentage of completeness of our Safety Case (taking into account weighting that has been applied to individual pieces of evidence supporting the claims).

Autonomy Readiness Measure

At "Feature Complete" we plan to begin sharing our progress against closing our Safety Case.



We expect to achieve our Aurora Driver Ready milestone, which is defined as validation complete and Aurora Driver Safety Case closed, at the end of 2023. With the completion of the Aurora Driver Ready milestone, we will have closed the Aurora Driver Safety Case for our launch lane, with all relevant claims implemented with their corresponding evidence. At this time, we expect approximately 95% of our commercial launch safety case to be complete. We expect to receive the scalable, autonomy-enabled truck platforms in the first half of 2024 and plan to complete the remaining approximately 5% of our Safety Case that requires integration testing of the Aurora Driver with the final, autonomy-enabled truck platform. We anticipate launching commercially by the end of 2024.





When the Aurora Driver is Feature Complete, we will also provide quarterly a supplemental measure of the Aurora Driver's on-road autonomy performance as an indicator of its progress in everyday driving scenarios. The Aurora Driver's autonomy performance indicator will be reflected as a percentage of total commercially-representative miles driven over the quarter, that incorporates three components:

- ▶ Miles driven during the quarter that did not require support, with support meaning human assistance via a vehicle operator touch or other on-site support
- ▶ Miles driven in autonomy with remote input from Aurora Beacon
- ▶ Miles where the vehicle received support but where it is determined, through internal analysis including simulation, that the support received was not required by the Aurora Driver



Safety is our top priority across our organization, and we fundamentally believe it is important to build and maintain a strong safety culture. Conducting internal analysis after a vehicle has received support is one of the ways we further this culture, empowering our vehicle operators to intervene in the autonomous system without fear of reprisal, including how such support would affect perceived performance.

As we have said previously, we believe there are significant limitations to the data that on-road driving can provide for autonomous development and validation. On-road driving performance alone will not determine when Aurora Horizon launches and we do not anticipate that this indicator will be 100% even at launch, because certain situations (e.g. flat tires) will always require on-site support. To reiterate, the launch bar for the Aurora Driver is a closed Safety Case. Our commitment to safety is reflected in our approach to both autonomy development and our commercial pilot operations.



AURORA HORIZON

Strengthening our commercial operations

To successfully deliver innovative and scalable technology into the logistics industry requires a compelling value proposition and, equally important, the ability to seamlessly integrate this technology into customers' networks. Through our pilots with our freight customers, including FedEx, Werner, Schneider, and Uber Freight, we continue to develop and employ the operational services, processes, and infrastructure required by both Aurora and our customers to deploy Aurora-powered vehicles at scale.

We have deliberately structured our pilot programs to exercise the complete, terminal-to-terminal model we will operate upon commercial launch of Aurora Horizon. By doing so, we refine our product and our joint operational model to best integrate into existing operations at launch. Cumulative to-date through October 31st, we have autonomously delivered (under the supervision of vehicle operators) 660 loads, driving more than 180,000 miles, with nearly 100% on-time performance. We also achieved our end of quarter commercial load booking target of 22 loads/week, up 50% versus the second quarter.



Cumulative to-date
through 10/31/22,
we've delivered:

660
loads

across
180k+
miles

nearly
100%
on time



In 2021, we launched our commercial pilot with Uber Freight to not only autonomously haul loads for customers between Dallas and Houston, but also to explore integrating access to Uber Freight's digital freight network within Aurora Horizon. In October, we expanded our pilot with Uber Freight to also autonomously haul freight on the 600-mile Fort Worth to El Paso lane. The combination of Aurora Horizon and Uber Freight's digital freight network is expected to provide carriers with powerful tools to further maximize the utilization of their Aurora-powered trucks, broaden opportunities to haul goods, and streamline supply chain operations.





AURORA DRIVERLESS TRUCKS

Vehicle platform progress

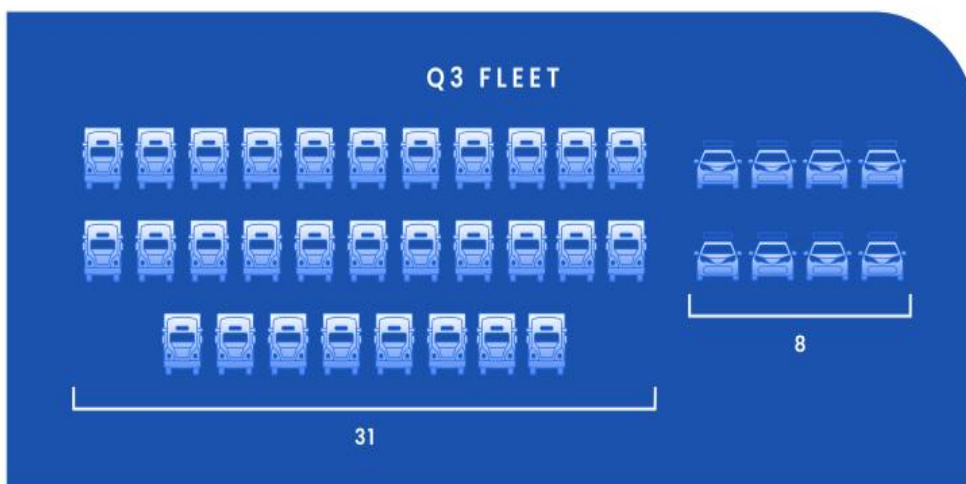
While we push forward advancing our autonomy development and the infrastructure to support our operations and service delivery, we continue to collaborate closely with our OEM partners, PACCAR and Volvo Trucks, in preparation for the delivery of scalable, autonomy-enabled truck platforms to support our commercial launch.



As we shared in our second quarter shareholder letter, key supplier contracts for these truck platforms have been awarded. Since then, we have received a set of vehicles with one of the key systems needed to achieve the reliability necessary for safe driverless operations, integrated by the OEM, and have begun testing in preparation for our pre-launch truck platform that we expect to come online next year.



In the meantime, we made meaningful progress scaling our fleet during the third quarter. We built, brought up, and integrated 21 new Peterbilt 579 trucks with the latest generation of our commercial hardware. These vehicles include a dual-lane, liquid-cooled computer designed for enhanced levels of ruggedness and reliability, as well as redundancy and fallback capabilities – a critical component of our Fault Management System (FMS), which is the Aurora Driver's ability to detect system issues and respond safely without any human involvement.



These trucks will be integral in scaling up the loads we are autonomously hauling in our pilots and validating the commercial readiness of the Aurora Driver.

In addition to our work with PACCAR on the Peterbilt 579, in October we debuted the first autonomous Kenworth T680 prototype designed for the Aurora Driver's sensor suite, which rounds out PACCAR's Autonomous Vehicle Platform (AVP).

We also began integration testing with a Volvo truck built with critical driverless systems in place.



Moving ahead

Over the arc of history, we have witnessed incredible evolution in transportation - from walking, to the horse, to the wagon, to the internal combustion engine, and now electric powertrains. We continue to believe autonomous technology will be the next fundamental change in ground transportation and that Aurora is positioned for success in this new market.

The enthusiasm for our technology is palpable among our customers and other stakeholders. In fact, we were honored to host U.S. Secretary of Transportation, Pete Buttigieg, and other transportation officials for a test track ride in an Aurora Driver-powered truck at the end of the third quarter. This was a valuable demonstration of Aurora's commitment to safety and an opportunity to share our mission and roadmap to commercial deployment.

To deliver any transformational change in the world, it's essential to be "all-in." That's why Aurora's position as an independent company is a strategic advantage. It enables us to have a singular focus on our mission and on what we do best. Independence has enabled us to build a differentiated technology stack, a diversified set of incredible partners, and a compelling commercialization strategy. In turn, this has allowed us to raise what we believe to be enough capital to drive through the current storm in the capital markets, positioning Aurora for success in what we view as an incredibly important and valuable space.

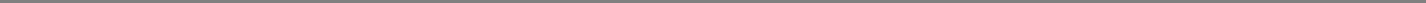
We remain squarely focused on executing our plan to launch Aurora Horizon by the end of 2024. To our world-class team, partners, and investors who are on this journey with us, thank you for your continued support.



A stylized, handwritten signature in black ink, appearing to read 'Chris'.

Chris Urmson
CEO & Co-founder





From the desk of our CFO

We recognized approximately \$3 million in collaboration revenue during the third quarter of 2022, and \$148 million cumulative to-date, for development work associated with our agreement with Toyota. As of September 30, 2022, we have received all cash payments under the collaboration framework agreement with Toyota. While our first priority is commercialization of Aurora Horizon, we continue to believe our work with Toyota and other long-lead efforts will springload us for the eventual launch of Aurora Connect, our subscription service for the ride-hailing market.

Third quarter operating expenses, including stock-based compensation (SBC), totaled \$203 million. Excluding SBC of \$37 million, operating expenses totaled \$166 million, reflecting \$139 million in R&D, primarily comprised of personnel costs as we continue to invest in our industry-leading autonomy technology, and \$27 million in SG&A.

We used approximately \$142 million in operating cash and \$3 million in capital expenditures. We ended the third quarter with a very strong balance sheet, including over \$1.2 billion in cash and short-term investments. We expect this cash runway to fund Aurora through mid-2024, enabling us to continue to develop the Aurora Driver for commercial deployment at scale.



A stylized, handwritten signature in black ink, consisting of several fluid, connected strokes.

Richard Tame
CFO

Cautionary Statement Regarding Forward-Looking Statements

This investor letter contains certain forward-looking statements within the meaning of the federal securities laws. All statements contained in this investor letter that do not relate to matters of historical fact should be considered forward-looking statements, including but not limited to, those statements around our ability to achieve certain milestones around the development and commercialization of the Aurora Driver and related services on the timeframe we expect or at all, the metrics that we plan to report to the public in the future, and our expected cash runway. These statements are based on management's current assumptions and are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. For factors that could cause actual results to differ materially from the forward-looking statements in this investor letter, please see the risks and uncertainties identified under the heading "Risk Factors" section of Aurora Innovation, Inc.'s ("Aurora") Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, filed with the SEC on August 12, 2022, and other documents filed by Aurora from time to time with the SEC, which are accessible on the SEC website at www.sec.gov. All forward-looking statements reflect our beliefs and assumptions only as of the date of this investor letter. Aurora undertakes no obligation to update forward-looking statements to reflect future events or circumstances.



Aurora Innovation, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share data)
(unaudited)

	September 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 486,633	\$ 1,610,135
Restricted cash	580	280
Short-term investments	750,697	—
Contract asset	—	32,538
Related party receivables	—	10,726
Prepaid expenses and other current assets	13,931	23,765
Total current assets	1,251,841	1,677,444
Property and equipment, net	92,907	93,517
Operating lease right-of-use assets	141,164	151,278
Restricted cash, long-term	15,801	15,832
Other assets	20,864	21,050
Acquisition related intangible assets	617,901	617,200
Goodwill	113,685	1,113,766
Total assets	<u>\$ 2,254,163</u>	<u>\$ 3,690,087</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,889	\$ 7,901
Related party payables	3,326	540
Operating lease liabilities, current	13,321	12,274
Accrued expenses and other current liabilities	56,125	70,006
Total current liabilities	75,661	90,721
Operating lease liabilities, long-term	124,842	134,551
Deferred tax liabilities	3,905	3,905
Warrant liabilities	9,925	65,678
Earnout shares liability	5,076	52,380
Other long-term liabilities	2,401	1,150
Total liabilities	221,810	348,385
Stockholders' equity:		
Common stock - \$0.00001 par value, 1,157,841,044 and 1,122,829,814 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively	12	11
Additional paid-in capital	4,556,083	4,432,907
Accumulated other comprehensive loss	(3,347)	—
Accumulated deficit	(2,520,395)	(1,091,216)
Total stockholders' equity	2,032,353	3,341,702
Total liabilities and stockholders' equity	<u>\$ 2,254,163</u>	<u>\$ 3,690,087</u>



Aurora Innovation, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Collaboration revenue	\$ 2,897	\$ 55,599	\$ 65,628	\$ 55,599
Operating expenses:				
Research and development	170,490	158,135	508,365	477,056
Selling, general and administrative	32,511	25,898	97,030	80,224
Goodwill impairment	—	—	1,000,081	—
Total operating expenses	203,001	184,033	1,605,476	557,280
Loss from operations	(200,104)	(128,434)	(1,539,848)	(501,681)
Other income (expense):				
Change in fair value of derivative liabilities	(2,631)	—	103,057	—
Other income (expense), net	4,542	(4,911)	7,615	(4,738)
Loss before income taxes	(198,193)	(133,345)	(1,429,176)	(506,419)
Income tax expense (benefit)	1	—	3	(2,643)
Net loss	<u>\$ (198,194)</u>	<u>\$ (133,345)</u>	<u>\$ (1,429,179)</u>	<u>\$ (503,776)</u>
Basic and diluted net loss per share	<u>\$ (0.17)</u>	<u>\$ (0.25)</u>	<u>\$ (1.26)</u>	<u>\$ (0.96)</u>
Basic and diluted weighted-average shares outstanding	<u>1,152,081,114</u>	<u>543,629,589</u>	<u>1,137,020,014</u>	<u>523,064,108</u>

Aurora Innovation, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities		
Net loss	\$ (1,429,179)	\$ (503,776)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	16,712	10,836
Reduction in the carrying amount of right-of-use assets	20,970	19,063
Stock-based compensation	112,330	118,405
Goodwill impairment	1,000,081	—
Change in fair value of derivative liabilities	(103,057)	—
Non-cash severance	—	7,873
Change in deferred tax asset valuation allowance	—	(2,638)
Other	909	6,714
Changes in operating assets and liabilities:		
Contract asset	32,538	(5,599)
Prepaid expenses and other current assets	20,325	(3,979)
Other assets	(2,131)	(1,071)
Accounts payable	(9,115)	(4,657)
Operating lease liabilities	(19,085)	(16,785)
Accrued expenses and other current and non-current liabilities	(9,131)	(45,240)
Net cash used in operating activities	(367,833)	(420,854)
Cash flows from investing activities		
Purchases of property and equipment	(11,841)	(32,128)
Net cash acquired in acquisitions	—	294,439
Purchase of short-term investments	(1,219,841)	—
Maturities of short-term investments	466,000	—
Other	(110)	—
Net cash (used in) provided by investing activities	(765,792)	262,311
Cash flows from financing activities		
Proceeds from issuance of common stock	12,117	4,709
Proceeds from issuance of Series U-2 preferred stock, net	—	397,862
Other	(1,725)	—
Net cash provided by financing activities	10,392	402,571
Net (decrease) increase in cash, cash equivalents, and restricted cash	(1,123,233)	244,028
Cash, cash equivalents, and restricted cash at beginning of the period	1,626,247	399,828
Cash, cash equivalents, and restricted cash at end of the period	<u>\$ 503,014</u>	<u>\$ 643,856</u>



Aurora Innovation, Inc.
Non-GAAP Financial Information
(in thousands)
(unaudited)

The following table reconciles our as reported U.S. GAAP net loss to Non-GAAP adjusted EBITDA.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net loss	\$ (198,194)	\$ (133,345)	\$ (1,429,179)	\$ (503,776)
Income tax expense (benefit)	1	—	3	(2,643)
Depreciation and amortization	5,785	3,690	16,712	10,836
Change in fair value of derivative liabilities	2,631	—	(103,057)	—
Stock-based compensation	36,805	39,967	112,330	118,405
Non-cash severance	—	—	—	7,873
Goodwill impairment	—	—	1,000,081	—
Other (income) expense, net	(4,542)	4,911	(7,615)	4,738
Adjusted EBITDA	<u>\$ (157,514)</u>	<u>\$ (84,777)</u>	<u>\$ (410,725)</u>	<u>\$ (364,567)</u>
Reconciliation of stock-based compensation				
Employee equity plans	\$ 36,805	\$ 6,449	\$ 106,130	\$ 19,893
Related party grants [1]	—	33,518	6,200	98,512
Total	<u>\$ 36,805</u>	<u>\$ 39,967</u>	<u>\$ 112,330</u>	<u>\$ 118,405</u>

[1] Stock-based compensation for awards from a related party for employees previously employed by ATG.

Use of Non-GAAP Financial Information

Our Non-GAAP Adjusted EBITDA excludes certain items we believe are not representative of continuing operations due to their non-recurring or non-cash nature. We believe Non-GAAP Adjusted EBITDA provides greater transparency to key metrics used by management in its evaluation of ongoing operations which allows investors to better evaluate our operating results.

We define Adjusted EBITDA as net loss, the most directly comparable financial measure calculated in accordance with U.S. GAAP, adjusted to exclude the impacts of (i) income tax expense (benefit), (ii) depreciation and amortization, (iii) non-cash changes in fair value of derivative liabilities, (iv) stock-based compensation expense, (v) non-cash severance expense, (vi) goodwill impairment, and (vii) other non-operating income and expenses.

Aurora believes that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating Aurora's operating results in the same manner as management. However, Adjusted EBITDA is not a financial measure calculated in accordance with U.S. GAAP and should not be considered as a substitute for or superior to net loss, operating loss, or any other operating performance measure, which are calculated in accordance with U.S. GAAP. Using any such financial measure to analyze Aurora's business would have material limitations because the calculations are based on the subjective determination of management regarding the nature and classification of events and circumstances that investors may find significant because they exclude significant expenses that are required by U.S. GAAP to be recorded in Aurora's financial measures. In addition, although other companies in Aurora's industry may report measures titled Adjusted EBITDA, such financial measures may be calculated differently from how Aurora calculates such financial measures, which reduces their overall usefulness as comparative measures.



