

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended **March 31, 2024**

OR

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

For the transition period from _____ to _____

Commission file number **001-40216**

Aurora Innovation, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

1654 Smallman St., Pittsburgh, Pennsylvania

(Address of Principal Executive Offices)

98-1562265

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

15222

(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 whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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.

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

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

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

The registrant had outstanding 1,185,508,895 shares of Class A common stock and 366,869,709 shares of Class B common stock as of May 1, 2024.

Table of Contents

	Page
<u>Part I - Financial Information</u>	
Item 1. Financial Statements	3
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	15
Item 3. Quantitative and Qualitative Disclosures About Market Risk	19
Item 4. Controls and Procedures	20
<u>Part II - Other Information</u>	
Item 1. Legal Proceedings	21
Item 1A. Risk Factors	21
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	21
Item 3. Defaults Upon Senior Securities	21
Item 4. Mine Safety Disclosures	21
Item 5. Other Information	21
Item 6. Exhibits	22
Signatures	23

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Quarterly 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 Quarterly Report include statements about:

- 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 infectious diseases, health epidemics and pandemics, natural disasters, war (including Russia’s actions in Ukraine and the Israel-Hamas war), acts of terrorism or responses to these events; and
- other factors detailed under the section entitled “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and this Quarterly Report.

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

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly 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” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and elsewhere in this Quarterly 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 Quarterly 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 Quarterly 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 Quarterly Report to reflect events or circumstances after the date of this Quarterly 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 I - Financial Information**Item 1. Financial Statements.**

Aurora Innovation, Inc.
Condensed Consolidated Balance Sheets (unaudited)
(in millions)

	March 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 454	\$ 501
Short-term investments	662	699
Other current assets	26	17
Total current assets	1,142	1,217
Property and equipment, net	95	94
Operating lease right-of-use assets	118	122
Acquisition related intangible assets	617	617
Long-term investments	81	148
Other assets	36	37
Total assets	\$ 2,089	\$ 2,235
Liabilities and Stockholders' Equity		
Current liabilities:		
Operating lease liabilities, current	\$ 15	\$ 15
Other current liabilities	95	96
Total current liabilities	110	111
Operating lease liabilities, long-term	103	107
Derivative liabilities	12	24
Other liabilities	6	8
Total liabilities	231	250
Commitments and contingencies		
Stockholders' equity:		
Common stock - \$0.00001 par value, 51,000 shares authorized, 1,545 and 1,529 shares issued and outstanding, respectively	—	—
Additional paid-in capital	5,633	5,594
Accumulated other comprehensive loss	—	1
Accumulated deficit	(3,775)	(3,610)
Total stockholders' equity	1,858	1,985
Total liabilities and stockholders' equity	\$ 2,089	\$ 2,235

See accompanying notes to the condensed consolidated financial statements (unaudited)

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

	Three Months Ended March 31,	
	2024	2023
Operating expenses:		
Research and development	\$ 166	\$ 177
Selling, general and administrative	27	31
Total operating expenses	193	208
Loss from operations	(193)	(208)
Other income (expense):		
Change in fair value of derivative liabilities	12	(2)
Other income, net	16	14
Loss before income taxes	(165)	(196)
Income tax expense	—	—
Net loss	<u>\$ (165)</u>	<u>\$ (196)</u>
Basic and diluted net loss per share	<u>\$ (0.11)</u>	<u>\$ (0.17)</u>
Basic and diluted weighted-average shares outstanding	<u>1,537</u>	<u>1,170</u>

See accompanying notes to the condensed consolidated financial statements (unaudited)

Aurora Innovation, Inc.
Condensed Consolidated Statements of Comprehensive Loss (unaudited)
(in millions)

	Three Months Ended March 31,	
	2024	2023
Net loss	\$ (165)	\$ (196)
Other comprehensive income (loss):		
Unrealized gain (loss) on investments	(1)	1
Other comprehensive income (loss)	(1)	1
Comprehensive loss	<u>\$ (166)</u>	<u>\$ (195)</u>

See accompanying notes to the condensed consolidated financial statements (unaudited)

Aurora Innovation, Inc.
Condensed Consolidated Statements of Stockholders' Equity (unaudited)
(in millions)

	Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' equity
	Shares	Amount				
Balance as of December 31, 2022	1,166	\$ —	\$ 4,600	\$ (2)	\$ (2,814)	\$ 1,784
Equity issued under incentive compensation plans	9	—	1	—	—	1
Stock-based compensation	—	—	39	—	—	39
Comprehensive loss	—	—	—	1	(196)	(195)
Balance as of March 31, 2023	<u>1,175</u>	<u>\$ —</u>	<u>\$ 4,640</u>	<u>\$ (1)</u>	<u>\$ (3,010)</u>	<u>\$ 1,629</u>
Balance as of December 31, 2023	1,529	\$ —	\$ 5,594	\$ 1	\$ (3,610)	\$ 1,985
Equity issued under incentive compensation plans	16	—	3	—	—	3
Stock-based compensation	—	—	36	—	—	36
Comprehensive loss	—	—	—	(1)	(165)	(166)
Balance as of March 31, 2024	<u>1,545</u>	<u>\$ —</u>	<u>\$ 5,633</u>	<u>\$ —</u>	<u>\$ (3,775)</u>	<u>\$ 1,858</u>

See accompanying notes to the condensed consolidated financial statements (unaudited)

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

	Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities		
Net loss	\$ (165)	\$ (196)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	5	5
Reduction in the carrying amount of right-of-use assets	7	7
Stock-based compensation	36	39
Change in fair value of derivative liabilities	(12)	2
Accretion of discount on investments	(8)	(7)
Changes in operating assets and liabilities:		
Other current and non-current assets	(8)	2
Operating lease liabilities	(6)	(6)
Other current and non-current liabilities	1	18
Net cash used in operating activities	(150)	(136)
Cash flows from investing activities		
Purchases of property and equipment	(8)	(2)
Purchases of investments	(145)	(247)
Maturities of investments	254	303
Net cash provided by investing activities	101	54
Cash flows from financing activities		
Proceeds from issuance of common stock	3	1
Other financing activities	(1)	(1)
Net cash provided by financing activities	2	—
Net decrease in cash, cash equivalents, and restricted cash	(47)	(82)
Cash, cash equivalents, and restricted cash at beginning of the period	518	277
Cash, cash equivalents, and restricted cash at end of the period	\$ 471	\$ 195

See accompanying notes to the condensed consolidated financial statements (unaudited)

Aurora Innovation, Inc.
Notes to the Condensed Consolidated Financial Statements (unaudited)

Note 1. Overview of the Organization

Aurora Innovation, Inc. (the “Company” or “Aurora”) is headquartered in Pittsburgh, Pennsylvania and its mission is to deliver the benefits of self-driving technology safely, quickly, and broadly. The Company is developing the Aurora Driver, an advanced and scalable suite of self-driving hardware, software and data services designed as a platform to adapt and interoperate amongst vehicle types and applications.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The unaudited condensed consolidated financial statements include the accounts of the Company and its controlled subsidiaries. Intercompany balances and transactions between the Company and its controlled subsidiaries have been eliminated.

The preparation of these unaudited condensed consolidated financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates.

The information included herein should be read in conjunction with the Annual Report on Form 10-K for the year ended December 31, 2023. The condensed consolidated balance sheet as of December 31, 2023 included herein was derived from the audited financial statements as of that date but does not contain all of the footnote disclosures from the annual financial statements.

The unaudited condensed consolidated financial statements reflect, in the opinion of the Company, all adjustments of a normal, recurring nature necessary for a fair statement of our financial position, results of operations, and cash flows for the periods presented but are not necessarily indicative of the expected results for the full fiscal year or any future period.

Risks and Uncertainties

The Company’s operations are principally funded by available liquidity from cash, cash equivalents and investments. Management expects to continue to incur operating losses and that the Company will need to opportunistically raise additional capital to support the continued development and commercialization of the Aurora Driver. Management believes that cash on hand and investments will be sufficient to meet its working capital and capital expenditure requirements for a period of at least twelve months from the date of these financial statements.

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash, cash equivalents and investments. The Company primarily maintains its cash and cash equivalents at U.S. commercial banks, while its investments primarily consist of U.S. Treasury securities as well as corporate bonds and commercial paper. Cash and cash equivalents deposited with domestic commercial banks generally exceed the Federal Deposit Insurance Corporation insurable limit, though the Company has not experienced any credit losses on its deposits.

The Company is dependent on its suppliers, some of which are single or limited source suppliers, to design, develop, industrialize and manufacture components, and these suppliers may not produce and deliver necessary and industrialized components at prices, volumes and on terms acceptable to the Company. For instance, the Company plans to rely on a single supplier, Continental Automotive Technologies GmbH, for the production, provision and full lifecycle support of its future generation of the Aurora Driver hardware system which will be integrated with OEM platform vehicles. In instances where the supplier fails to perform its obligations, the Company may be unable to find alternative suppliers to satisfactorily deliver its products, if at all.

Recent Accounting Guidance

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2023-07, Segment Reporting, which expands disclosure requirements for reportable segments including enhanced disclosures about significant segment expenses. The updated standard is effective for the Company’s fiscal 2024 annual period and interim periods beginning in the first quarter of fiscal 2025. Early adoption is permitted. The Company is currently evaluating the impact of this guidance and the timing of adoption.

In December 2023, the FASB issued Accounting Standards Update 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires disaggregated information about a reporting entity’s effective tax rate reconciliation as well as information on income taxes paid to enhance the transparency and decision usefulness of income tax disclosures. The updated standard is effective for the Company’s fiscal 2025 annual period. The Company is currently evaluating the impact of this guidance.

Note 3. Cash, Cash Equivalents and Investments

Cash, cash equivalents and restricted cash were as follows (in millions):

	As of	
	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 454	\$ 501
Restricted cash, current ^(a)	1	1
Restricted cash, long-term ^(b)	16	16
Total cash, cash equivalents and restricted cash	\$ 471	\$ 518

^(a) Included in other current assets on the condensed consolidated balance sheets

^(b) Included in other assets on the condensed consolidated balance sheets

The components of cash, cash equivalents, short-term investments and long-term investments measured at fair value on a recurring basis were as follows (in millions):

	Fair value level	As of	
		March 31, 2024	December 31, 2023
Cash and cash equivalents:			
Money market funds	Level 1	\$ 454	\$ 220
U.S. Treasury securities	Level 2	—	251
Commercial paper	Level 2	—	30
Total cash and cash equivalents		\$ 454	\$ 501
Short-term and long-term investments:			
U.S. Treasury securities	Level 2	\$ 647	\$ 769
Commercial paper	Level 2	61	54
Corporate bonds and notes	Level 2	35	24
Total short-term and long-term investments		\$ 743	\$ 847

Available-for-sale debt securities classified as long-term investments mature after one year and through two years.

The amortized cost, unrealized gains, and fair value of available-for-sale debt securities were as follows (in millions):

	As of March 31, 2024		
	Amortized cost	Unrealized gains	Fair value
U.S. Treasury securities	\$ 647	\$ —	\$ 647
Commercial paper	61	—	61
Corporate bonds and notes	35	—	35
Total short-term and long-term investments	\$ 743	\$ —	\$ 743

	As of December 31, 2023		
	Amortized cost	Unrealized gains	Fair value
U.S. Treasury securities	\$ 768	\$ 1	\$ 769
Commercial paper	54	—	54
Corporate bonds and notes	24	—	24
Total short-term and long-term investments	\$ 846	\$ 1	\$ 847

Note 4. Stockholders' Equity

Preferred Stock

The Company is authorized to issue 1,000 million shares of preferred stock with a par value of \$0.00001 per share. There were no shares of preferred stock issued and outstanding at March 31, 2024 and December 31, 2023.

Common Stock

The Company is authorized to issue 51,000 million shares of common stock with a par value of \$0.00001 per share; of which 50,000 million shares are designated Class A common stock and 1,000 million 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).

The Company had 1,178 million and 1,162 million shares of Class A common stock issued and outstanding at March 31, 2024 and December 31, 2023, respectively. The Company had 367 million shares of Class B common stock issued and outstanding at March 31, 2024 and December 31, 2023.

Note 5. Equity Incentive Plans

The Company has outstanding awards granted under four equity compensation plans: the 2021 Equity Incentive Plan, as amended (the "Plan"), the Aurora Innovation, Inc. 2017 Equity Incentive Plan (the "2017 Plan"), the Blackmore Sensors & Analytics, Inc. 2016 Equity Incentive Plan (the "Blackmore Plan"), and the OURS Technology Inc 2017 Stock Incentive Plan, as amended (the "OURS Plan"). The Company assumed awards under the 2017 Plan, the Blackmore Plan and the OURS Plan to the extent such employees continued as employees of the Company.

Under the Plan, equity-based compensation in the form of restricted stock units ("RSUs"), restricted stock awards, incentive stock options, non-qualified stock options, stock appreciation rights, and performance units may be granted to employees, officers, directors, consultants, and others. As of March 31, 2024, there were 208 million shares available for grant under the Plan.

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 March 31, 2024.

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

	Three Months Ended March 31,	
	2024	2023
Research and development	\$ 31	\$ 34
Selling, general, and administrative	5	5
Total	\$ 36	\$ 39

Restricted Stock Units

RSUs granted under the 2017 Plan generally are subject to two vesting requirements: (1) a time-based vesting requirement, and (2) a liquidity event. Generally, the time-based vesting requirement is quarterly over four years starting on the vesting commencement date, with a one-year cliff. The liquidity event vesting requirement was satisfied prior to the periods presented.

RSUs granted under the Plan generally are subject to a time-based vesting requirement. Generally, the time-based vesting requirement is quarterly over one to four years starting on the vesting commencement date, with a one-year cliff vesting for new hire awards.

RSU activity under the Plan and the 2017 Plan was as follows (in millions, except per share amounts):

	Number of shares	Weighted- average grant date fair value
Unvested at December 31, 2023	100	\$ 2.76
Granted	33	2.24
Vested	(13)	2.76
Forfeited	(3)	2.82
Unvested at March 31, 2024	117	\$ 2.61

The unrecognized stock-based compensation related to unvested RSUs was \$270 million at March 31, 2024 and will be recognized over a weighted average period of 2.7 years. The fair value of RSUs as of their respective vesting dates was \$36 million for the three months ended March 31, 2024.

Stock Options

The exercise price of stock options granted under the Plan and 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. Stock options generally vest over one to four years starting on the vesting commencement date and expire, if not exercised, 10 years from the date of grant or, if earlier, three months after the option holder ceases to be a service provider of the Company. Stock options outstanding under the Blackmore Plan and the OURS Plan are not material.

Stock options granted under the Plan and the 2017 Plan during the three months ended March 31, 2024 were as follows:

	Three Months Ended March 31, 2024
Stock options granted (in millions)	34
Weighted average grant date fair value	\$ 1.23
Weighted average grant date fair value assumptions:	
Expected term	6.0 years
Risk-free interest rates	4.1 %
Expected volatility	53.5 %

Stock option activity under the Plan and the 2017 Plan was as follows (in millions, except per share amounts):

	Number of shares	Weighted average exercise price	Weighted average remaining contractual term (in years)	Aggregate intrinsic value
Outstanding at December 31, 2023	104	\$ 1.78		
Granted	34	2.24		
Exercised	(3)	1.06		
Forfeited	(2)	1.80		
Expired	—	3.28		
Outstanding at March 31, 2024	133	\$ 1.92	8.1	\$ 131
Exercisable at March 31, 2024	57	\$ 1.69	6.4	\$ 71

The unrecognized stock-based compensation related to unvested stock options was \$1 million as of March 31, 2024 and will be recognized over a weighted average period of 3.1 years. The intrinsic value of stock options exercised was \$6 million for the three months ended March 31, 2024.

Note 6. Derivative Liabilities

The components of derivative liabilities measured at fair value on a recurring basis were as follows (in millions):

	Fair value level	As of	
		March 31, 2024	December 31, 2023
Public warrants	Level 1	\$ 3	\$ 6
Private placement warrants	Level 2	2	4
Common stock warrants		5	10
Earnout share liabilities	Level 3	7	14
Total derivative liabilities		\$ 12	\$ 24

The public and private placement warrants are measured at fair value on a recurring basis. The public warrants were valued based on the closing price of the publicly traded instrument. The private placement warrants were valued using observable inputs for similar publicly traded instruments. Public warrants outstanding were 12 million as of March 31, 2024 and December 31, 2023. Private placement warrants outstanding were 9 million as of March 31, 2024 and December 31, 2023.

The earnout share liabilities are measured at fair value on a recurring basis utilizing a Monte Carlo simulation analysis. The expected volatility is determined based on the historical equity volatility of comparable companies over a period that matches the expected term of the instrument. The risk-free interest rate is based on relevant U.S. treasury rates for a period that matches the expected term of the instrument. Earnout shares outstanding were 5 million as of March 31, 2024 and December 31, 2023.

The valuation inputs utilized in determining the earnout share liability were as follows:

	As of	
	March 31, 2024	December 31, 2023
Risk-free interest rates	4.1 %	3.9 %
Expected term (in years)	7.6	7.8
Expected volatility	53.0 %	53.0 %

The components of change in fair value of derivative liabilities were as follows (in millions):

	Three Months Ended March 31,	
	2024	2023
Common stock warrants	\$ 5	\$ (1)
Earnout share liabilities	7	(1)
Change in fair value of derivative liabilities	\$ 12	\$ (2)

Note 7. Leases

The Company leases office facilities and warehouses under non-cancelable operating lease agreements that expire through 2042, including renewal options that are reasonably certain to be exercised.

Rent expense under operating leases was \$7 million in the three months ended March 31, 2024 and 2023. As of March 31, 2024, the Company's operating leases had a weighted average remaining lease term of 8.1 years and a weighted average discount rate of 7.0%.

Future lease payments for leases that have not yet commenced were \$32 million as of March 31, 2024. Lease commencement will occur once the lessor substantially completes construction to make the underlying asset available for use.

Note 8. Balance Sheet Details***Property and Equipment, Net***

The components of property and equipment, net were as follows (in millions):

	As of	
	March 31, 2024	December 31, 2023
Land	\$ 14	\$ 14
Buildings and leasehold improvements	86	82
Equipment	25	25
Vehicles	18	16
Other	14	15
	157	152
Less accumulated depreciation and amortization	(62)	(58)
Total property and equipment, net	\$ 95	\$ 94

Other Current Liabilities

The components of other current liabilities were as follows (in millions):

	As of	
	March 31, 2024	December 31, 2023
Accrued compensation	\$ 68	\$ 65
Other accrued expenses	27	31
Total accrued expenses and other current liabilities	\$ 95	\$ 96

Note 9. Earnings Per Share

The Company computes earnings per share of common stock using the two-class method required for participating securities. The participating securities did not impact the computation of earnings per share in the periods presented as no dividends were declared and the participating securities are not contractually obligated to share in losses.

The Company has two classes of common stock with identical liquidation and dividend rights, Class A and Class B. The net loss is allocated in a proportionate basis to each class of common stock and results in the same net loss per share.

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 (in millions):

	As of	
	March 31, 2024	March 31, 2023
RSUs	117	129
Stock options	134	98
Public warrants	12	12
Private placement warrants	9	9
Earnout shares liability	5	5
Total	<u>277</u>	<u>253</u>

Note 10. 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 loss contingencies were recorded in the three months ended March 31, 2024 and 2023.

Item 2. 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 should be read together with the condensed consolidated financial statements (unaudited) included elsewhere in this Quarterly Report. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of several factors, including those set forth in “Part I, Item 1A. Risk Factors” in our Annual Report and “Part II, Item 1A. Risk Factors” and under the heading “Cautionary Note Regarding Forward-Looking Statements” included elsewhere in this Quarterly Report.

Unless otherwise indicated or the context otherwise requires, references to “Aurora,” “we,” “us,” “our” and other similar terms in this section refer to Aurora Innovation, Inc. and its consolidated subsidiaries. Percentage amounts have not in all cases been calculated on the basis of rounded figures, but on the basis of such amounts prior to rounding. For this reason, percentage amounts may vary from those obtained by performing the same calculations using the figures in our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report. Certain other amounts that appear in this Quarterly Report may not sum due to rounding.

Corporate History and Background

On November 3, 2021 (the “Closing Date”), Aurora Innovation, Inc. (f/k/a Reinvent Technology Partners Y and referred to herein as the “Company”), consummated a business combination with Aurora Innovation Holdings, Inc., a Delaware corporation (f/k/a Aurora Innovation, Inc. and referred to herein as “Legacy Aurora”), and RTPY Merger Sub Inc., a Delaware corporation and a direct wholly owned subsidiary of the Company (“Merger Sub”), pursuant to an Agreement and Plan of Merger dated July 14, 2021 (the “Merger Agreement” and the transactions contemplated thereby, the “Merger”), by and among the Company, Legacy Aurora and Merger Sub. Pursuant to the terms of the Merger Agreement, a business combination between the Company and Legacy Aurora was effected through the merger of Merger Sub with and into Legacy Aurora, with Legacy Aurora continuing as the surviving company and as a wholly-owned subsidiary of the Company. On the Closing Date, the Company changed its name from Reinvent Technology Partners Y to Aurora Innovation, Inc.

Aurora’s Business

Aurora is developing the Aurora Driver based on what we believe to be the most advanced and scalable suite of self-driving hardware, software, and data services in the world to fundamentally transform the 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 numerous 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 over to highway segments driven by passenger vehicles in ride-hailing applications. We believe this approach will enable us to target and transform the transportation landscape, including trucking, passenger mobility, and 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 customers or third parties will purchase, manage, and maintain fleets directly, while subscribing to the Aurora Driver and a suite of related services. 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, Tier 1 automotive suppliers, fleet operators, and other third parties to commercialize and support Aurora Driver-powered vehicles. We expect that these strategic partners will support activities such as vehicle and hardware 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 or lease and operate a small fleet of vehicles equipped with our Aurora Driver. This level of control is useful during early commercialization as we define operational processes and playbooks for our partners.

We plan to first launch Aurora Driver for Freight (formerly Aurora Horizon), our driverless trucking subscription service, 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 Driver for Freight. From there, we plan to leverage the extensibility of the Aurora Driver to deploy and scale into the passenger mobility market with Aurora Driver for Rides (formerly Aurora Connect), our driverless ride hailing subscription service, and in the longer-term the local goods delivery market.

Results of Operations

Comparison of the Three Months Ended March 31, 2024 to the Three Months Ended March 31, 2023

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

<i>(in millions, except for percentages)</i>	Three Months Ended March 31,		\$ Change	% Change
	2024	2023		
Operating expenses:				
Research and development	\$ 166	\$ 177	\$ (11)	(6) %
Selling, general and administrative	27	31	(4)	(13) %
Total operating expenses	193	208	(15)	(7) %
Loss from operations	(193)	(208)	15	(7) %
Other income (expense):				
Change in fair value of derivative liabilities	12	(2)	14	n/m ⁽¹⁾
Other income, net	16	14	2	14 %
Loss before income taxes	(165)	(196)	31	(16) %
Income tax expense	—	—	—	n/m ⁽¹⁾
Net loss	\$ (165)	\$ (196)	\$ 31	(16) %

⁽¹⁾ Not meaningful.

Operating expenses

Research and development decreased by \$11 million, or 6%, to \$166 million in the three months ended March 31, 2024 from \$177 million in the three months ended March 31, 2023, primarily driven by a decrease in hardware development expense. Research and development included non-cash stock-based compensation of \$31 million and \$34 million in the three months ended March 31, 2024 and 2023, respectively.

Selling, general and administrative decreased by \$4 million, or 13%, to \$27 million in the three months ended March 31, 2024 from \$31 million in the three months ended March 31, 2023, primarily driven by a decrease in personnel costs. Selling, general and administrative included non-cash stock-based compensation of \$5 million in the three months ended March 31, 2024 and 2023.

Other income (expense)

The change in fair value of derivative liabilities was income of \$12 million and expense of \$2 million in the three months ended March 31, 2024 and 2023, respectively, primarily due to the change in the market price for the underlying instrument during each period.

Other income, net increased by \$2 million, or 14%, to \$16 million in the three months ended March 31, 2024, from \$14 million in the three months ended March 31, 2023, primarily due to an increase in interest income earned on cash equivalents and investments.

Liquidity and Capital Resources

As of March 31, 2024, our principal sources of liquidity were \$454 million of cash and cash equivalents, \$662 million of short-term investments, and \$81 million of long-term investments with maturities within 2 years, exclusive of restricted cash of \$17 million. Short-term and long-term investments consist of primarily U.S. Treasury securities as well as corporate bonds and commercial paper.

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 expect our total liquidity 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 Quarterly Report.

Worldwide economic conditions remain uncertain, particularly increased inflation. The general economic and capital market conditions both in the U.S. and worldwide, have been volatile in the past. The capital and credit markets may not be available to support future capital raising activity on favorable terms. If economic conditions decline, our future cost of equity or debt capital and access to the capital markets could be adversely affected.

Cash Flows

Cash flows for the periods were as follows (in millions):

	Three Months Ended	
	March 31,	
	2024	2023
Net cash used in operating activities	\$ (150)	\$ (136)
Net cash provided by investing activities	101	54
Net cash provided by financing activities	2	—
Net decrease	(47)	(82)
Cash, cash equivalents, and restricted cash at beginning of the period	518	277
Cash, cash equivalents, and restricted cash at end of the period	\$ 471	\$ 195

Cash Flows Used in Operating Activities

Net cash used in operating activities was \$150 million for the three months ended March 31, 2024, an increase of \$14 million from \$136 million for the three months ended March 31, 2023 primarily due to advanced payments for hardware materials for fleet builds.

Cash Flows Provided by Investing Activities

Net cash provided by investing activities was \$101 million for the three months ended March 31, 2024, an increase of \$47 million from \$54 million for the three months ended March 31, 2023 primarily due to an increase in cash received from net maturities of investments.

Cash Flows Provided by Financing Activities

Net cash provided by financing activities were not significant in the three months ended March 31, 2024 and 2023.

Contractual Obligations, Commitments and Contingencies

Aurora 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. No material losses were recorded in the three months ended March 31, 2024 and 2023.

Critical Accounting Estimates

Our condensed 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 revenue 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 condensed consolidated financial statements. Our significant accounting policies are described in Note 2 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report and in the notes to the consolidated financial statements included in Part II, Item 8 of the Annual Report on Form 10-K for the year-ended December 31, 2023. There have been no material changes to our critical accounting estimates since our Annual Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to a variety of market and other risks, including the effects of changes in interest rates, and inflation, as well as risks to the availability of funding sources, hazard events, and specific asset risks.

Interest Rate Risk

Our results of operations are directly exposed to changes in interest rates, among other macroeconomic conditions. Interest rate risk is highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations, and other factors beyond our control.

We do not believe that an increase or decrease in interest rates of 100-basis points would have a material effect on our business, financial condition or results of operations.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations, other than its impact on the general economy. Nonetheless, if our costs were to become subject to inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure.

Our management evaluated, with the participation of our chief executive officer and chief financial officer (our "Certifying Officers"), the effectiveness of our disclosure controls and procedures as of March 31, 2024, pursuant to Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, our Certifying Officers concluded that our disclosure controls and procedures were effective as of March 31, 2024.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the fiscal quarter ended March 31, 2024 covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Part II - Other Information

Item 1. Legal Proceedings

We are from time to time subject to various claims, lawsuits and other legal and administrative proceedings arising in the ordinary course of business. However, we do not consider any such claims, lawsuits or proceedings that are currently pending, individually or in the aggregate, to be material to our business or likely or result in a material adverse effect on our future operating results, financial condition or cash flows.

Item 1A. Risk Factors

Our operations and financial results are subject to various risks and uncertainties, including those described in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, which could adversely affect our business, financial condition, results of operations, cash flows, and the trading price of our stock. There have been no material changes from the risk factors previously disclosed in our Annual Report.

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

None.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Securities Trading Plans of Directors and Executive Officers

During our last fiscal quarter, no director or officer, as defined in Rule 16a-1(f), adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," each as defined in Regulation S-K Item 408.

Item 6. Exhibits.

Exhibit Number	Description
31.1*	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** The certifications attached as Exhibit 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Aurora Innovation, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

Signatures

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

Aurora Innovation, Inc.

Date: May 8, 2024

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

Date: May 8, 2024

By: /s/ David Maday
Name: David Maday
Title: Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION

I, Chris Urmson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2024

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

CERTIFICATION

I, David Maday, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2024

By: /s/ David Maday
Name: David Maday
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 Quarterly Report of Aurora Innovation, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2024 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: May 8, 2024

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 Quarterly Report of Aurora Innovation, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2024 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: May 8, 2024

By: /s/ David Maday
Name: David Maday
Title: Chief Financial Officer
(Principal Financial Officer)