
**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, 2023

or

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

For the transition period from to

Commission File Number: 001-39572

EVgo Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

85-2326098
(I.R.S. Employer Identification Number)

11835 West Olympic Boulevard, Suite 900E, Los Angeles, CA 90064
(Address of Principal Executive Offices)

(877) 494-3833
(Registrant's telephone number)

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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Class A common stock, \$0.0001 par value per share	EVGO	The Nasdaq Global Select Market
Redeemable warrants included as part of the units, each whole warrant exercisable for one share of Class A common stock at an exercise price of \$11.50	EVGOW	The Nasdaq Global Select Market

As of May 1, 2023, the Registrant had 72,637,313 shares of Class A common stock and 195,800,000 shares of Class B common stock outstanding.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Quarterly Report”), including Management’s Discussion and Analysis of Financial Condition and Results of Operations in Part I, Item 2, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements contained in this document other than statements of historical fact, including, without limitation, statements regarding future financial performance, business strategies, market size and opportunity, expansion plans, future results of operations, factors affecting EVgo’s performance, estimated revenues, losses, projected costs, prospects, plans and objectives of management, are forward-looking statements. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this Quarterly Report, words such as “may,” “will,” “might,” “should,” “could,” “would,” “can,” “expect,” “plan,” “objective,” “seek,” “grow,” “possible,” “potential,” “outlook,” “forecast,” “target,” “if,” “predict,” “anticipate,” “intend,” “believe,” “estimate,” “continue,” “project” and the negative of such terms or other similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements are based on EVgo’s current expectations, estimates, projections and beliefs, as well as a number of assumptions concerning future events, and are not guarantees of performance. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including the risk factors described in EVgo’s filings with the Securities and Exchange Commission (the “SEC”). Moreover, EVgo operates in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for EVgo to predict all risks, nor can it assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements EVgo may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this document may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Accordingly, you should not rely upon forward-looking statements as predictions of future events. Forward-looking statements in this Quarterly Report may include, without limitation, statements about:

- changes adversely affecting EVgo’s business;
- the risks associated with cyclical demand for EVgo’s services and vulnerability to industry downturns and regional or national downturns;
- fluctuations in EVgo’s revenue and operating results;
- unfavorable conditions or further disruptions in the capital and credit markets;
- EVgo’s ability to generate cash, service indebtedness and incur additional indebtedness;
- competition from existing and new competitors;
- the growth of the electric vehicle (“EV”) market;
- EVgo’s ability to expand into new service markets, grow its customer base and manage its operations;
- EVgo’s ability to develop new features and functionality that meet market needs and achieve market acceptance;
- EVgo’s ability to integrate any businesses it acquires;
- EVgo’s ability to recruit and retain experienced personnel;
- risks related to legal proceedings or claims, including liability claims;
- EVgo’s dependence on third-party contractors to provide various services and hardware;
- EVgo’s ability to obtain additional capital on commercially reasonable terms;
- supply chain disruptions, inflation and other increases in expenses, including due to the continued impact of the COVID-19 pandemic;
- safety and environmental requirements that may subject EVgo to unanticipated liabilities;
- any current, pending or future legislation, regulators or policies that could impact EVgo’s business, results of operations and financial condition, including regulations impacting the EV charging market and government programs designed to drive broader adoption of EVs;
- partnerships with commercial or public-entity property owners, landlords and/or tenants (collectively “Site Hosts”), original equipment manufacturers (“OEMs”), fleet operators and suppliers;
- EVgo’s ability to maintain, protect and enhance EVgo’s intellectual property;
- general economic or political conditions, including the armed conflict in Ukraine, the impact of the COVID-19 pandemic and continued inflation and the associated changes in monetary policy; and

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- other factors detailed under the section entitled “Risk Factors” in EVgo’s periodic filings with the SEC.

EVgo’s SEC filings are available publicly on the SEC’s website at www.sec.gov. The forward-looking statements contained in this Quarterly Report are based on EVgo’s current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that future developments affecting EVgo will be those that the Company has anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond EVgo’s control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of EVgo’s assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Forward-looking statements in this Quarterly Report and in any document incorporated herein by reference should not be relied upon as representing EVgo’s views as of any subsequent date and the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

FREQUENTLY USED TERMS

Unless the context indicates otherwise, the following terms have the following meanings when used in this Quarterly Report:

“*Board of Directors*” means the board of directors of EVgo Inc.

“*Business Combination Agreement*” means that business combination agreement entered into on January 21, 2021 by and among CRIS, Thunder Sub and the EVgo Parties, as may be amended from time to time.

“*Class A common stock*” means Class A common stock of EVgo Inc., par value \$0.0001 per share.

“*Class B common stock*” means Class B common stock of EVgo Inc., par value \$0.0001 per share.

“*Code*” means the U.S. Internal Revenue Code of 1986, as amended.

“*common stock*” means Class A common stock and Class B common stock.

“*Company*” means EVgo Inc. and its subsidiaries.

“*Company Group*” means EVgo Inc., Thunder Sub or any of their subsidiaries (other than EVgo OpCo and its subsidiaries).

“*CRIS*” means Climate Change Crisis Real Impact I Acquisition Corporation.

“*CRIS Business Combination*” means the transactions contemplated by the Business Combination Agreement.

“*CRIS Close Date*” means the closing of the CRIS Business Combination on July 1, 2021.

“*DCFC*” means direct current fast charging.

“*EV*” means electric vehicle.

“*EVgo*” means, prior to the CRIS Close Date, EVgo Holdings and its subsidiaries and, following the CRIS Close Date, EVgo Inc. and its subsidiaries.

“*EVgo Holdco*” means EVgo Holdco, LLC, a Delaware limited liability company.

“*EVgo Holdings*” means EVgo Holdings, LLC, a Delaware limited liability company.

“*EVgo OpCo*” means EVgo OpCo, LLC, a Delaware limited liability company.

“*EVgo OpCo A&R LLC Agreement*” means the amended and restated limited liability company agreement of EVgo OpCo entered into on July 1, 2021.

“*EVgo OpCo Units*” means the equity interests of EVgo OpCo.

“*EVgo Parties*” means EVgo OpCo, EVgo Holdco and EVgo Holdings.

“*EVgo Services*” means EVgo Services LLC, a Delaware limited liability company.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*GAAP*” means accounting principles generally accepted in the United States, consistently applied, as in effect from time to time.

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“*GWh*” means gigawatt hour, a unit of energy that represents one billion watt-hours and is equal to one million kilowatt-hours.

“*Initial Public Offering*” means CRIS’s initial public offering of units consummated on October 2, 2020.

“*JOBS Act*” means the Jumpstart Our Business Startups Act of 2012, as amended.

“*kWh*” means kilowatt-hour.

“*LS Power*” means LS Power Equity Partners IV, L.P. and its affiliates, unless the context otherwise requires.

“*OEM*” means original equipment manufacturer.

“*PlugShare*” means PlugShare LLC, a California limited liability company.

“*Private Placement Warrants*” means the 6,600,000 warrants purchased by the Sponsor in a private placement simultaneously with the closing of the Initial Public Offering, each of which is exercisable for one share of Class A common stock at \$11.50 per share, at a price of \$1.00 per warrant, generating gross proceeds of \$6,600,000.

“*Public Warrants*” means the 11,499,988 redeemable warrants sold as part of the units in the Initial Public Offering.

“*SEC*” means the U.S. Securities and Exchange Commission.

“*Sponsor*” means CRIS’s sponsor, Climate Change Crisis Real Impact I Acquisition Holdings, LLC, a Delaware limited liability company.

“*Tax Receivable Agreement*” means the tax receivable agreement, entered into on the CRIS Close Date, by and among CRIS, Thunder Sub, EVgo Holdings and LS Power Equity Advisors, LLC, as agent.

“*Thunder Sub*” means CRIS Thunder Merger LLC, a Delaware limited liability company and wholly owned subsidiary of EVgo Inc.

USE OF TRADEMARKS

This Quarterly Report may include trademarks, trade names, and service marks owned by EVgo. EVgo’s trademarks include EVgo[®], EVgo Advantage[®], EVgo Basic[™], EVgo eXtend[™], EVgo Inside[™], EVgo PlusMAX[™], EVgo ReNew[™], EVgo Reservations[™], EVgo Rewards[®], EVgo Optima[™], PAY WITH PLUGSHARE[™], PlugShare[®], and PlugShare[®] Premium[™]. EVgo’s trademarks are either registered or have been used as common law trademarks by EVgo. This Quarterly Report may contain additional trademarks, trade names, and service marks of others, which are, to EVgo’s knowledge, the property of their respective owners. Solely for convenience, trademarks, trade names, and service marks referred to in this Quarterly Report appear without the ®, ™ or SM symbols, but such references are not intended to indicate, in any way, that EVgo will not assert, to the fullest extent under applicable law, its rights or the rights of the applicable licensor to these trademarks, trade names, and service marks. EVgo does not intend its use of other parties’ trademarks, trade names, or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of EVgo by, such other parties.

AVAILABLE INFORMATION

As soon as reasonably practicable after they are filed electronically with the SEC, EVgo’s annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports are available without charge on EVgo’s website, investors.evgo.com, which EVgo also uses to announce material information to the public. EVgo is providing the address to EVgo’s website solely for the information of investors. EVgo does not intend the address to be an active link or to otherwise incorporate the contents of the website into this Quarterly Report.

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements.****EVgo Inc. and Subsidiaries****Condensed Consolidated Balance Sheets**

<i>(in thousands)</i>	March 31, 2023 (unaudited)	December 31, 2022
Assets		
Current assets		
Cash, cash equivalents and restricted cash	\$ 163,512	\$ 246,193
Accounts receivable, net of allowance of \$782 and \$687 as of March 31, 2023 and December 31, 2022, respectively	29,263	11,075
Accounts receivable, capital-build	9,418	8,011
Prepaid expenses	4,077	4,953
Other current assets	10,501	5,252
Total current assets	216,771	275,484
Property, equipment and software, net	367,195	308,112
Operating lease right-of-use assets	54,670	51,856
Restricted cash	300	300
Other assets	2,137	2,308
Intangible assets, net	57,708	60,612
Goodwill	31,052	31,052
Total assets	<u>\$ 729,833</u>	<u>\$ 729,724</u>
Liabilities, redeemable noncontrolling interest and stockholders' deficit		
Current liabilities		
Accounts payable	\$ 18,640	\$ 9,128
Accrued liabilities	40,126	39,233
Operating lease liabilities, current	5,590	4,958
Deferred revenue, current	24,529	16,023
Customer deposits	12,833	17,867
Other current liabilities	415	136
Total current liabilities	102,133	87,345
Operating lease liabilities, noncurrent	48,234	45,689
Earnout liability, at fair value	3,793	1,730
Asset retirement obligations	17,371	15,473
Capital-build liability	28,152	26,157
Deferred revenue, noncurrent	37,175	23,900
Warrant liabilities, at fair value	18,684	12,304
Total liabilities	<u>\$ 255,542</u>	<u>\$ 212,598</u>
Commitments and contingencies (Note 8)		

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

EVgo Inc. and Subsidiaries**Condensed Consolidated Balance Sheets (continued)**

<i>(in thousands, except share data)</i>	March 31, 2023 (unaudited)	December 31, 2022
Redeemable noncontrolling interest	<u>\$ 1,525,282</u>	<u>\$ 875,226</u>
Stockholders' deficit		
Preferred stock, \$0.0001 par value; 10,000,000 shares authorized as of March 31, 2023 and December 31, 2022; none issued and outstanding	—	—
Class A common stock, \$0.0001 par value; 1,200,000,000 shares authorized as of March 31, 2023 and December 31, 2022; 71,403,860 and 70,247,726 shares outstanding (excluding 718,750 shares subject to possible forfeiture) as of March 31, 2023 and December 31, 2022, respectively	7	7
Class B common stock, \$0.0001 par value; 400,000,000 shares authorized as of March 31, 2023 and December 31, 2022; 195,800,000 shares issued and outstanding as of March 31, 2023 and December 31, 2022	20	20
Additional paid-in capital	—	17,533
Accumulated deficit	(1,051,018)	(375,660)
Total stockholders' deficit	<u>(1,050,991)</u>	<u>(358,100)</u>
Total liabilities, redeemable noncontrolling interest and stockholders' deficit	<u>\$ 729,833</u>	<u>\$ 729,724</u>

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

EVgo Inc. and Subsidiaries**Condensed Consolidated Statements of Operations
(unaudited)**

<i>(in thousands, except per share data)</i>	Three Months Ended March 31,	
	2023	2022
Revenue	\$ 25,300	\$ 7,700
Cost of revenue	18,917	4,846
Depreciation, net of capital-build amortization	6,342	3,454
Cost of sales	25,259	8,300
Gross profit (loss)	41	(600)
General and administrative expenses	37,889	25,428
Depreciation, amortization and accretion	4,784	3,887
Total operating expenses	42,673	29,315
Operating loss	(42,632)	(29,915)
Interest income	1,998	55
Other income (expense), net	1	(263)
Change in fair value of earnout liability	(2,063)	(2,264)
Change in fair value of warrant liabilities	(6,380)	(22,874)
Total other expense, net	(6,444)	(25,346)
Loss before income tax expense	(49,076)	(55,261)
Income tax expense	(5)	(5)
Net loss	(49,081)	(55,266)
Less: net loss attributable to redeemable noncontrolling interest	(36,005)	(40,867)
Net loss attributable to Class A common stockholders	\$ (13,076)	\$ (14,399)
Net loss per share to Class A common stockholders, basic and diluted	\$ (0.18)	\$ (0.21)

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

EVgo Inc. and Subsidiaries

**Condensed Consolidated Statements of Stockholders' Deficit
For the Three Months Ended March 31, 2023 and 2022
(unaudited)**

<i>(in thousands)</i>	<u>Class A Common Stock</u>		<u>Class B Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Stockholders' Deficit</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Balance, December 31, 2022	70,248	\$ 7	195,800	\$ 20	\$ 17,533	\$ (375,660)	\$ (358,100)
Share-based compensation	—	—	—	—	5,797	—	5,797
Issuance of stock under share-based compensation plans	1,156	0	—	—	0	—	—
Net loss ¹	—	—	—	—	—	(13,076)	(13,076)
Redeemable noncontrolling interest adjustment to fair value	—	—	—	—	(23,330)	(662,282)	(685,612)
Balance, March 31, 2023	<u>71,404</u>	<u>\$ 7</u>	<u>195,800</u>	<u>\$ 20</u>	<u>\$ —</u>	<u>\$(1,051,018)</u>	<u>\$(1,050,991)</u>
Balance, December 31, 2021	68,021	\$ 7	195,800	\$ 20	\$ —	\$(1,358,358)	\$(1,358,331)
Share-based compensation	—	—	—	—	2,999	—	2,999
Warrants exercised	—	—	—	—	2	—	2
Release of warrant liability	—	—	—	—	0	—	0
Issuance of stock under share-based compensation plans	248	0	—	—	0	—	—
Net loss ²	—	—	—	—	—	(14,399)	(14,399)
Redeemable noncontrolling interest adjustment to fair value	—	—	—	—	(3,001)	(609,095)	(612,096)
Balance, March 31, 2022	<u>68,269</u>	<u>\$ 7</u>	<u>195,800</u>	<u>\$ 20</u>	<u>\$ —</u>	<u>\$(1,981,852)</u>	<u>\$(1,981,825)</u>

¹ Excludes \$36.0 million of net loss attributable to redeemable noncontrolling interest.

² Excludes \$40.9 million of net income attributable to redeemable noncontrolling interest.

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

EVgo Inc. and Subsidiaries

**Condensed Consolidated Statements of Cash Flows
(unaudited)**

<i>(in thousands)</i>	Three Months Ended March 31,	
	2023	2022
Cash flows from operating activities		
Net loss	\$ (49,081)	\$ (55,266)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation, amortization and accretion	11,126	7,341
Net loss on disposal of property and equipment and impairment expense	3,460	1,010
Share-based compensation	6,427	3,506
Change in fair value of earnout liability	2,063	2,264
Change in fair value of warrant liabilities	6,380	22,874
Other	—	288
Changes in operating assets and liabilities		
Accounts receivable, net	(18,188)	(257)
Receivables from related parties	—	1,499
Prepaid expenses and other current and noncurrent assets	(4,415)	3,538
Operating lease assets and liabilities, net	365	(2,135)
Accounts payable	6,493	154
Payables to related parties	—	25
Accrued liabilities	(799)	(2,596)
Deferred revenue	21,781	(561)
Customer deposits	(5,034)	(862)
Other current and noncurrent liabilities	79	(653)
Net cash used in operating activities	(19,343)	(19,831)
Cash flows from investing activities		
Purchases of property, equipment and software	(65,246)	(28,274)
Proceeds from insurance for property losses	—	202
Net cash used in investing activities	(65,246)	(28,072)
Cash flows from financing activities		
Proceeds from capital-build funding	2,216	4,099
Proceeds from exercise of warrants	—	2
Payments of issuance costs and deferred transaction costs	(308)	—
Net cash provided by financing activities	1,908	4,101
Net decrease in cash, cash equivalents and restricted cash	(82,681)	(43,802)
Cash, cash equivalents and restricted cash, beginning of period	246,493	485,181
Cash, cash equivalents and restricted cash, end of period	\$ 163,812	\$ 441,379
Supplemental disclosure of noncash investing and financing activities		
Fair value adjustment to redeemable noncontrolling interest	\$ 685,612	\$ 612,096
Purchases of property and equipment in accounts payable and accrued liabilities	\$ 26,840	\$ 24,454
Non-cash increase in accounts receivable, capital-build, and capital-build liability	\$ 3,624	\$ 2,380
Non-cash increase in asset retirement obligations	\$ 1,377	\$ 1,001
Accrued transaction costs	\$ —	\$ 182

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

EVgo Inc. and Subsidiaries

**Notes to Condensed Consolidated Financial Statements
(unaudited)**

Note 1 – Description of Business and Nature of Operations

EVgo Inc. (“EVgo”) owns and operates a public direct current (“DC”) fast charging network for electric vehicles (“EVs”) in the United States (“U.S.”). EVgo’s network of charging stations provides EV charging infrastructure to consumers and businesses. Its network is capable of charging all EV models and charging standards currently available in the U.S. EVgo partners with automotive original equipment manufacturers (“OEMs”), fleet and rideshare operators, retail hosts such as grocery stores, shopping centers, gas stations, parking lot operators, governments and other organizations and property owners in order to locate and deploy its EV charging infrastructure.

EVgo Services LLC (“EVgo Services”) was formed in October 2010 as NRG EV Services, LLC, a Delaware limited liability company and wholly owned subsidiary of NRG Energy, Inc., an integrated power company based in Houston, Texas (“NRG”). On June 17, 2016, NRG sold a majority interest in EVgo Services to Vision Ridge Partners. On January 16, 2020 (the “Holdco Merger Date”), EVgo Holdco, LLC (“EVgo Holdco”), a Delaware limited liability company and a subsidiary of LS Power Equity Partners IV, L.P. (“LS Power”), completed an acquisition of EVgo Services, pursuant to the merger agreement (the “Holdco Merger Agreement”) among EVgo Services, its investors and EVgo Holdco, whereby EVgo Services became a wholly-owned subsidiary of EVgo Holdco, resulting in a change in control of EVgo Services (the “Holdco Merger”). EVgo Holdco had no operations prior to the Holdco Merger. The Company (as defined below) elected push-down accounting and all of the Company’s assets and liabilities related to LS Power were remeasured at fair value on the Holdco Merger Date. LS Power was considered to be the accounting acquirer and formed EVgo Holdings, LLC (“EVgo Holdings”) and EVgo Holdco as part of the transaction.

EVgo Inc. (the “Company,” or “EVgo”) was incorporated in Delaware on August 4, 2020 under the name Climate Change Crisis Real Impact I Acquisition Corporation (“CRIS”). The Company was formed for the purpose of entering into a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses (the “Initial Business Combination”). On October 2, 2020, the Company completed its initial public offering (the “Initial Public Offering”). Simultaneously with the closing of the Initial Public Offering, the Company completed the sale of 6,600,000 warrants (the “Private Placement Warrants”) at \$1.00 in a private placement to Climate Change Crisis Real Impact I Acquisition Holdings, LLC (the “Sponsor”), generating gross proceeds of \$6,600,000.

On July 1, 2021 (the “CRIS Close Date”), the Company consummated the business combination (the “CRIS Business Combination”) with CRIS, CRIS Thunder Merger LLC (“Thunder Sub”), EVgo Holdings, EVgo Holdco and EVgo OpCo, LLC (“EVgo OpCo”) and together with EVgo Holdings and EVgo Holdco, the “EVgo Parties”) pursuant to the business combination agreement dated January 21, 2021 (the “Business Combination Agreement”). Following the CRIS Close Date, the combined company is organized in an “Up-C” structure in which the business of EVgo Holdco and its subsidiaries is held by EVgo OpCo and continues to operate through the subsidiaries of EVgo Holdco and in which the Company’s only direct assets consist of equity interests in Thunder Sub, which, in turn, holds only common units in EVgo OpCo (“EVgo OpCo Units”).

As of March 31, 2023, the Company, through Thunder Sub, owned 26.8% of the EVgo OpCo Units. As the sole managing member of EVgo OpCo, Thunder Sub operates and controls all of the business and affairs of EVgo OpCo and through EVgo OpCo and its subsidiaries, conducts its business. As a result, beginning on July 1, 2021 (the CRIS Close Date), the Company consolidated the financial results of EVgo OpCo and recorded a redeemable noncontrolling interest in its consolidated financial statements to reflect the EVgo OpCo Units that are owned by EVgo Holdings after the CRIS Close Date. As of March 31, 2023, EVgo Holdings held 195,800,000 EVgo OpCo Units, representing 73.2% of the total outstanding EVgo OpCo Units and an equal number of shares of the Company’s Class B common stock.

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Each EVgo OpCo Unit, together with one share of Class B common stock, is redeemable, subject to certain conditions, for either one share of Class A common stock, or, at EVgo OpCo's election, the cash equivalent to the market value of one share of Class A common stock, pursuant to the Amended and Restated LLC Agreement of EVgo OpCo dated July 1, 2021 (the "EVgo OpCo A&R LLC Agreement").

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying condensed consolidated financial statements are unaudited and are presented in accordance with GAAP for interim financial information, as set by the Financial Accounting Standards Board ("FASB"), and pursuant to the rules and regulations of the SEC. References to GAAP issued by the FASB in these notes to the condensed consolidated financial statements are to the FASB Accounting Standards Codification ("ASC"). The condensed consolidated financial statements include the accounts of the Company and its subsidiaries and all intercompany transactions have been eliminated in consolidation. These condensed consolidated financial statements include all adjustments considered necessary, in the opinion of management, for a fair presentation of the condensed consolidated balance sheets, condensed consolidated statements of operations, condensed consolidated statements of stockholders' deficit and condensed consolidated statements of cash flows for the periods presented.

The results of operations for the three months ended March 31, 2023 are not necessarily indicative of the operating results for the full year ending December 31, 2023 or any other period. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (the "Annual Report").

GAAP defines subsequent events as events or transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. Based on their nature, magnitude and timing, certain subsequent events may be required to be reflected in the condensed consolidated financial statements at the balance sheet date and/or required to be disclosed in the notes to the condensed consolidated financial statements. The Company has evaluated subsequent events accordingly.

Use of Estimates

The condensed consolidated financial statements have been prepared in accordance with GAAP. The preparation of EVgo's condensed consolidated financial statements requires the Company to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and related disclosures of contingent assets and liabilities. Significant estimates made by management include, but are not limited to, variable consideration estimates and stand-alone selling prices for performance obligations for revenue, depreciable lives of property and equipment and intangible assets, costs associated with asset retirement obligations, the fair value of operating lease right-of-use assets and liabilities, reporting units used in goodwill impairment tests, share-based compensation, earnout liability, and warrant liabilities. Management bases these estimates on its historical experience and various other assumptions that it believes to be reasonable under the circumstances. Actual results experienced may vary materially and adversely from EVgo's estimates. Revisions to estimates are recognized prospectively.

Concentration of Business and Credit Risk

The Company maintains its cash accounts in commercial banks. Cash balances held in a commercial bank are secured by the Federal Deposit Insurance Corporation up to \$250,000. At times, a portion of deposit balances may be in excess of federal insurance limits. The Company has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on its cash balances. The Company mitigates its risk with respect to cash by maintaining its deposits at high-quality financial institutions and monitoring the credit ratings of those institutions.

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The Company had two customers that collectively comprised 57.6% of the Company's total net accounts receivable as of March 31, 2023. The Company had one customer that comprised 20.5% of the Company's total net accounts receivable as of December 31, 2022. For the three months ended March 31, 2023, two customers collectively represented 51.4% of revenue. For the three months ended March 31, 2022, two customers collectively represented 28.6% of revenue.

For the three months ended March 31, 2023 and 2022, EVgo had one and four vendors, respectively, that provided more than 10% of EVgo's total charging equipment. For each of the three months ended March 31, 2023 and 2022, the percentage of EVgo's total charging equipment provided by these vendors collectively was 84.3%.

Reclassifications

The Company has made certain reclassifications to prior period amounts to conform to current period presentation.

Cash, Cash Equivalents and Restricted Cash

Cash and restricted cash include cash held in cash depository accounts in major banks in the U.S. and are stated at cost. Cash equivalents are carried at fair value and are primarily invested in money market funds. Cash that is held by a financial institution and has restrictions on its availability to the Company is classified as restricted cash.

The Company had unused letters of credit, which were collateralized with cash, classified as restricted cash on the Company's condensed consolidated balance sheets, of \$0.7 million as of March 31, 2023 and December 31, 2022, associated with the construction of its charging stations and in connection with one of its operating leases.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are amounts due from customers under normal trade terms. Payment terms for accounts receivable related to capital-build agreements are specified in the individual agreements and vary depending on the counterparty. Management reviews accounts receivable on a recurring basis to determine if any accounts receivable will potentially be uncollectible. The Company reserves for any accounts receivable balances that are determined to be uncollectible in the allowance for doubtful accounts. After all attempts to collect an account receivable have failed, the account receivable is written off against the allowance for doubtful accounts. Other accounts receivable of \$1.2 million and \$1.3 million were included in accounts receivable, net, on the condensed consolidated balance sheets as of March 31, 2023 and December 31, 2022, respectively.

Newly Adopted Accounting Standards

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805), Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), as if it had originated the contracts. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022. The adoption of the standard will impact future business combinations and require the Company to measure acquired contract assets and liabilities in accordance with ASC 606. The standard will not impact acquired contract assets or liabilities from business combinations occurring prior to the effective date of adoption. The Company adopted ASU 2021-08 prospectively on January 1, 2023. The adoption of this standard did not have any impact on the condensed consolidated financial statements.

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In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (“ASC 326”). The amendments in ASC 326 will provide more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. Subsequent to the initial ASU, the FASB issued various related corrective and clarifying ASUs for this topic, all of which have been codified in ASC 326. For public companies that are considered “smaller reporting companies” as defined by the SEC, ASC 326 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022. The Company adopted ASC 326 prospectively as of January 1, 2023. The adoption of this standard did not materially impact the Company’s condensed consolidated results of operations or financial position.

Recently Issued Accounting Standards

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* (“ASU 2020-04”), as amended in December 2022 by ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848* (“ASU 2022-06”). ASU 2020-04 provides guidance to alleviate the burden in accounting for reference rate reform by allowing certain expedients and exceptions in applying GAAP to contracts, hedging relationships and other transactions impacted by reference rate reform. The provisions apply only to those transactions that reference LIBOR or another reference rate expected to be discontinued due to reference rate reform. Adoption of the provisions of ASU 2020-04 are optional and are effective from March 12, 2020 through December 31, 2024, as amended by ASU 2022-06. As of March 31, 2023, the Company has not adopted any expedients and exceptions under ASU 2020-04. The Company will continue to evaluate the impact of ASU 2020-04 on its condensed consolidated financial statements.

Note 3 – Revenue Recognition

The table below presents a disaggregation of EVgo’s revenue for the three months ended March 31, 2023 and 2022:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2023	2022
Charging revenue, retail	\$ 6,615	\$ 3,502
Charging revenue, commercial	1,715	709
Charging revenue, OEM	552	151
Regulatory credit sales	1,215	1,378
Network revenue, OEM	2,699	490
eXtend revenue	10,292	80
Ancillary revenue	2,212	1,390
Total revenue	<u>\$ 25,300</u>	<u>\$ 7,700</u>

The following table provides information about contract assets and liabilities from contracts with customers as of March 31, 2023 and December 31, 2022:

<i>(dollars in thousands)</i>	March 31,	December 31,	Change	
	2023	2022	\$	%
Contract assets	\$ —	\$ 2,861	\$ (2,861)	(100)%
Contract liabilities	\$ 74,537	\$ 57,790	\$ 16,747	29 %

There were no contract assets as of March 31, 2023 compared to \$2.9 million as of December 31, 2022 which was driven by the difference between the timing of when revenue is recognized from performance obligations satisfied in the current reporting period and when amounts are invoiced to the customer. Contract liabilities as of March 31, 2023 increased \$16.7 million, or 29%, to \$74.5 million compared to \$57.8 million as of December 31, 2022 due to receipt of cash payments partially offset by the satisfaction of performance obligations.

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The following table provides the activity for the contract liabilities recognized during the three months ended March 31, 2023:

(in thousands)

Balance as of December 31, 2022	\$	57,790
Additions		27,471
Recognized in revenue		(10,654)
Marketing activities recognized on a net basis		(70)
Balance as of March 31, 2023	\$	<u>74,537</u>

Revenues for the three months ended March 31, 2023 and 2022 include the following:

(in thousands)

	Three Months Ended	
	March 31,	
	2023	2022
Amounts included in the beginning of period contract liability balance	\$ 4,000	\$ 1,202
Amounts associated with performance obligations satisfied in previous periods	\$ 25	\$ 5

It is anticipated that deferred revenue as of March 31, 2023 will be recognized for the following periods ending December 31, as follows:

(in thousands)

2023	\$	18,978
2024		10,636
2025		14,371
2026		7,164
	\$	<u>51,149</u>

ASC 606 does not require disclosure of the transaction price to remaining performance obligations if the contract contains variable consideration allocated entirely to a wholly unsatisfied performance obligation. Under many customer contracts, each unit of product represents a separate performance obligation and therefore future volumes are wholly unsatisfied and thus disclosure of the transaction price allocated to a wholly unsatisfied performance obligations is not required. Under these contracts, variability arises as both volume and pricing are not known until the product is delivered. As of March 31, 2023 and December 31, 2022, there was \$10.6 million and \$8.7 million, respectively, in variable consideration for wholly unsatisfied performance obligations, which is included in deferred revenue on the condensed consolidated balance sheets.

Note 4 – Lease Accounting

Lessee Accounting

The Company has entered into agreements with Site Hosts, which allow the Company to operate charging stations on the Site Hosts' property. Additionally, the Company leases offices, off-site charging hubs, a warehouse and laboratory space under agreements with third-party landlords. The agreements with the Site Hosts and landlords are deemed to be operating leases. Original lease terms generally range from one to 15 years and generally leases contain renewal options that can extend the term for up to an additional five years. The Company has not entered into any finance leases.

The Company has estimated operating lease commitments of \$49.2 million for leases where the Company has not yet taken possession of the underlying asset as of March 31, 2023. As such, the related operating lease right-of-use assets and operating lease liabilities have not been recognized in the Company's condensed consolidated balance sheet as of March 31, 2023.

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For the three months ended March 31, 2023 and 2022, the Company's lease costs consisted of the following:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2023	2022
Operating lease costs		
Cost of sales	\$ 1,319	\$ 361
General and administrative expenses	1,219	673
Variable lease costs		
Cost of sales	39	90
General and administrative expenses	36	21
Short-term lease costs	33	12
	<u>\$ 2,646</u>	<u>\$ 1,157</u>

As of March 31, 2023, the maturities of operating lease liabilities for the periods ending December 31, were as follows:

<i>(in thousands)</i>	
2023	\$ 7,386
2024	9,685
2025	8,798
2026	8,305
2027	7,667
Thereafter	38,613
Total undiscounted operating lease payments	<u>80,454</u>
Less: imputed interest	(26,630)
Total discounted operating lease liabilities	<u>\$ 53,824</u>

Other supplemental and cash flow information, for the three months ended March 31, 2023 and 2022, consisted of the following:

<i>(dollars in thousands)</i>	Three Months Ended March 31,	
	2023	2022
Weighted-average remaining lease term (in years)	8.9	7.6
Weighted-average discount rate	9.16 %	5.71 %
Cash paid for amounts included in measurement of operating lease liabilities	\$ 1,849	\$ 910
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 3,409	\$ 5,008

Lessor Accounting

The Company leases charging equipment, charging stations and other technical installations and subleases properties leased from Site Hosts to third parties under operating leases where EVgo is the lessor. Initial lease terms are generally one to five years with renewal options. Since the leasing arrangements the Company enters into with lessees are operating leases, the underlying asset is carried at its carrying value as owned and operated systems within property, equipment and software, net, or included in operating lease right-of-use assets on the condensed consolidated balance sheets.

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For the three months ended March 31, 2023 and 2022, the Company's lease income consisted of the following components:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2023	2022
Operating lease income:		
Fixed lease income	\$ 458	\$ 261
Sublease income	267	170
Total lease income	<u>\$ 725</u>	<u>\$ 431</u>

As of March 31, 2023, future minimum rental payments due to the Company as lessor under operating leases (including subleases) for the periods ending December 31, were as follows:

<i>(in thousands)</i>	
2023	\$ 1,971
2024	1,618
2025	663
2026	242
	<u>\$ 4,494</u>

The components of charging equipment, charging stations, land, and subleased host sites leased to third parties under operating leases, which are included within the Company's property, equipment and software, net, and operating lease right-of-use-assets were as follows as of March 31, 2023 and December 31, 2022:

<i>(in thousands)</i>	March 31, 2023	December 31, 2022
Charging station equipment and construction costs	\$ 3,558	\$ 3,557
Land and building	10,507	10,507
Less: accumulated depreciation	(1,094)	(980)
Property, equipment and software, net	<u>\$ 12,971</u>	<u>\$ 13,084</u>
Operating lease right-of-use assets	\$ 5,357	\$ 5,554

Note 5 – Property, Equipment and Software, Net

Property, equipment and software, net, consisted of the following as of March 31, 2023 and December 31, 2022:

<i>(in thousands)</i>	March 31, 2023	December 31, 2022
Charging station installation costs	\$ 138,764	\$ 121,820
Construction in process	120,011	104,395
Charging station equipment	92,068	79,031
Charging equipment	42,610	20,596
Land and building	15,932	15,932
Software	14,590	14,289
Office equipment, vehicles and other	1,769	1,647
Total property, equipment and software	<u>425,744</u>	<u>357,710</u>
Less accumulated depreciation and amortization	(58,549)	(49,598)
Property, equipment and software, net	<u>\$ 367,195</u>	<u>\$ 308,112</u>

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Depreciation, amortization, impairment expense and loss on disposal of property and equipment, net of insurance recoveries, consisted of the following for the three months ended March 31, 2023 and 2022:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2023	2022
Cost of sales		
Depreciation of property and equipment	\$ 7,971	\$ 4,618
Amortization of capital-build liability	(1,629)	(1,164)
General and administrative expenses		
Depreciation of property and equipment	126	63
Amortization of software	1,215	461
Impairment expense	3,433	534
Loss on disposal of property and equipment, net of insurance recoveries	27	274
	<u>\$ 11,143</u>	<u>\$ 4,786</u>

Note 6 – Intangible Assets, Net

Intangible assets, net, consisted of the following as of March 31, 2023:

<i>(in thousands)</i>	March 31, 2023			Remaining Weighted Average Amortization Period
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value	
Site Host relationships	\$ 41,500	\$ (11,100)	\$ 30,400	8.8 years
Customer relationships	19,000	(13,112)	5,888	1.5 years
Developed technology	14,000	(2,905)	11,095	11.3 years
User base	11,000	(4,746)	6,254	2.3 years
Trade name	5,000	(929)	4,071	13.3 years
	<u>\$ 90,500</u>	<u>\$ (32,792)</u>	<u>\$ 57,708</u>	

Amortization of intangible assets was \$2.9 million for each of the three months ended March 31, 2023 and 2022.

Note 7 – Asset Retirement Obligations

Asset retirement obligations represent the present value of the estimated costs to remove the commercial charging stations and restore the sites to the condition prior to installation. The Company reviews estimates of removal costs on an ongoing basis. Asset retirement obligation activity for the three months ended March 31, 2023 was as follows:

<i>(in thousands)</i>	
Balance as of December 31, 2022	\$ 15,473
Liabilities incurred	1,391
Accretion expense	539
Change in estimate	(14)
Liabilities settled	(18)
Balance as of March 31, 2023	<u>\$ 17,371</u>

Note 8 – Commitments and Contingencies

Pilot Infrastructure Agreement

On July 5, 2022, EVgo entered into a charging infrastructure agreement (the “Pilot Infrastructure Agreement”) and an operations and maintenance agreement (the “Pilot O&M”) with Pilot Travel Centers LLC (the “Pilot Company”) and General Motors LLC (“GM”) to build, operate, and maintain up to 2,000 stalls served by DC chargers that the Pilot Company will own. The stalls will be located at the Pilot Company sites across the U.S.

Pursuant to the Pilot Infrastructure Agreement, EVgo is required to meet certain construction milestones measured by the number of sites commissioned, and the Pilot Company is required to make certain payments each month based on completion of pre-engineering and development work, the progress of construction at each site and for each charger procured by EVgo. Subject to extensions of time for specified excusable events, if EVgo is unable to meet its commissioning obligations, the Pilot Company will be entitled to liquidated damages calculated per day, subject to a cap of \$30,000 at each site. The Pilot Infrastructure Agreement contains various provisions that may permit or cause early termination, including the Pilot Company’s right to terminate after 1,000 stalls have been completed, the inability of EVgo to secure certain chargers and a material increase in the price of chargers due to a change in law. If the Pilot Company elects to terminate the Pilot Infrastructure Agreement after 1,000 stalls have been completed, the Pilot Company must pay EVgo a termination fee per stall for those not built; such fee varies based on the number of stalls already built. If EVgo is wholly or partially unable to perform its obligations under the Pilot Infrastructure Agreement due to certain circumstances outside its control, including delays by permitting authorities and utilities or certain force majeure events, such inability will not be considered a breach or default under the Pilot Infrastructure Agreement.

Under the Pilot O&M, EVgo is required to perform operations, maintenance and networking services on stalls built and commissioned under the Pilot Infrastructure Agreement in exchange for payment of a monthly fee by Pilot to EVgo. EVgo is subject to certain performance criteria under the Pilot O&M.

Delta Charger Supply Agreement and Purchase Order

On July 12, 2022, EVgo entered into a General Terms and Conditions for Sale of EV Charger Products (the “Delta Charger Supply Agreement”) with Delta Electronics, Inc. (“Delta”), including an initial purchase order (the “Purchase Order”), pursuant to which EVgo will purchase and Delta will sell EV chargers manufactured by Delta in specified quantities at certain delivery dates. EVgo expects to use a portion of the chargers purchased under the Purchase Order to meet the requirements of the Pilot Infrastructure Agreement. EVgo is required to purchase a minimum of 1,000 chargers from Delta under the Purchase Order and may, at EVgo’s election, increase the number of chargers it purchases from Delta to 1,100.

General Motors Agreement

On July 20, 2020, EVgo entered into a five-year contract with GM (as amended from time to time, the “GM Agreement”) to build fast charger stalls that EVgo will own and operate as part of the Company’s public network. The GM Agreement has been amended several times to expand the overall number of charger stalls to be installed from 2,750 to 3,250, adjust charger stall installation targets, extend the completion deadline to March 31, 2026, and provide for a payment of \$7,000,000 in December 2022 in exchange for EVgo’s agreement to apply certain branding decals on the fast chargers funded by GM pursuant to the GM Agreement and maintain a specified uptime percentage (described below) over the term of the agreement. Pursuant to the GM Agreement, EVgo is required to meet certain quarterly milestones measured by the number of charger stalls installed, and GM is required to make certain payments based on charger stalls installed.

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Under the GM Agreement, EVgo is required to install a total of 3,250 charger stalls by March 31, 2026, 44% of which are required to be installed by December 31, 2023. Meeting these milestones will require additional funds beyond the amounts committed by GM, and EVgo may face delays in construction, commissioning or aspects of installation of the charger stalls the Company is obligated to develop. EVgo is also required to maintain network availability (i.e., the percentage of time a charger is operational and available on the network) of at least 95% across the GM network. In addition to the capital-build program, EVgo is committed to providing GM EV customers with reservations and certain EVgo services at a discounted rate and branding on chargers. The contract is accounted for under ASC 606, which includes performance obligations related to reservations, memberships, and branding. The capital-build program is considered a set-up activity and not a performance obligation under ASC 606.

The GM Agreement is subject to early termination in certain circumstances, including in the event EVgo fails to meet the quarterly charger stall-installation milestones or maintain the specified level of network availability. If GM opts to terminate the agreement, EVgo may not be entitled to receive continued payments from GM and instead may be required to pay liquidated damages to GM. In the event EVgo fails to meet a charger stall-installation milestone or maintain the required network availability in a calendar quarter, GM has the right to provide EVgo with a notice of such deficiency within 30 days of the end of the quarter. If the same deficiency still exists at the end of the quarter immediately following the quarter for which a deficiency notification was delivered, GM may immediately terminate the agreement and seek pre-agreed liquidated damages of up to \$15.0 million.

If EVgo does not meet its charger stall-installation milestone in any period, GM will have the right, if it so chooses, to send EVgo a charger stall count breach notice, which would trigger a cure period. It is possible that EVgo will not meet the charger stall-installation milestones under the GM Agreement in the future, particularly as a consequence of delays in permitting, commissioning and utility interconnection including delays associated with the COVID-19 pandemic, as well as industry and regulatory adaptation to the requirements of high-powered charger installation, including slower than expected third-party approvals of certain site acquisitions and site plans by utilities and landowners, and supply chain issues.

Nissan Agreements

EVgo executed an agreement with Nissan North America, Inc. (“Nissan”) in June 2019 (the “Nissan Agreement”), that provides for joint marketing activities, charging credit programs for purchasers or lessees of Nissan EVs, and a capital-build program. The Nissan Agreement has been amended several times, including most recently in the fourth quarter of 2022 (the “Nissan Amendment”) to, among other things, adjust the allocation of the value of unused charging credits and to provide new offerings for purchasers or lessees of certain Nissan EV models. Under the joint-marketing activities provisions of the Nissan Agreement, EVgo is obligated to spend a specified amount annually on joint-marketing activities that are mutually agreed-upon with Nissan. Under the charging credit program provisions in the Nissan Agreement, credits for charging are allocated to purchasers or lessees of Nissan EVs, and such purchasers or lessees are permitted to charge their EV for 12 months at no charge to the participant, up to the amount of the charging credit allocated to such participant or on an unlimited basis, depending on the model of Nissan EV purchased or leased. In the event a participant does not use the entire amount of the allocated charging credit or if the annual charging credit pool is not exhausted within a specific period, a portion of the remaining dollar value of such credit rolls over to subsequent periods, and a portion is retained by the Company. For Nissan EV purchasers or lessees receiving unlimited charging, the Company receives an upfront activation fee for each purchaser or lessee as well as a usage-based fee. The capital-build program provided for in the Nissan Agreement requires the Company to install, operate and maintain public, high-power dual-standard chargers in specified markets pursuant to a schedule that outlines the build timelines for the chargers to be constructed (the “Build Schedule”). If the Company fails to meet its Build Schedule obligations, Nissan may invoke a penalty of up to \$70,000 per delayed site beyond a designated cure period, which could result in an adjustment to the consideration received by the Company under the Nissan Agreement. EVgo and Nissan previously agreed to amend the Nissan Agreement to extend the installation deadlines under the Build Schedule by up to 12 months, and Nissan has waived penalties for installation delays relating to program year one. The contract is accounted for under ASC 606, which includes performance obligations related to memberships, charging credits and joint marketing activities. The capital-build program is considered a set-up activity and not a performance obligation under ASC 606.

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EVgo's ability to meet its Build Schedule obligations may be impacted by delays in permitting, commissioning and utility interconnection, including delays associated with the COVID-19 pandemic, as well as industry and regulatory adaptation to the requirements of high-powered charger installation, including slower than expected third-party approvals of certain site acquisitions and site plans by utilities and landowners, and supply chain issues.

Nissan has the right to terminate the Nissan Agreement, without penalty or obligation of any kind, upon 30 days' written notice if it is unable to secure funding to make payments required under the Nissan Agreement. Nissan receives budget approvals annually from Nissan Motor Company Limited. Nissan has fulfilled its annual payment obligations under the Nissan Agreement.

Legal Proceedings

In the ordinary course of the Company's business, the Company may be subject to lawsuits, investigations, claims and proceedings, including, but not limited to, contractual disputes with vendors and customers and liabilities related to employment, health and safety matters. The Company accrues for losses that are both probable and reasonably estimable. Loss contingencies are subject to significant uncertainties and, therefore, determining the likelihood of a loss and/or the measurement of any loss can be complex and subject to change.

Contingent liabilities arising from ordinary course litigation are not expected to have a material adverse effect on the Company's financial position. However, future events or circumstances, currently unknown to management, may potentially have a material effect on the Company's financial position, liquidity or results of operations in any future reporting period.

Purchase Commitments

As of March 31, 2023, EVgo had \$66.0 million in outstanding purchase order commitments to EVgo's contract manufacturers and component suppliers for charging equipment, all of which were short-term. In certain instances, EVgo is permitted to cancel, reschedule or adjust these orders.

Note 9 – Fair Value Measurements

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities).

The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis and indicates the level within the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value as of March 31, 2023 and December 31, 2022:

<i>(in thousands)</i>	March 31, 2023		December 31, 2022	
	Level	Balance	Level	Balance
Cash equivalents				
Money market funds	1	\$ 125,125	1	\$ 150,125
Liabilities				
Earnout liability	3	\$ 3,793	3	\$ 1,730
Warrant liability – Public Warrants	1	15,399	1	10,164
Warrant liability – Private Placement Warrants	3	3,285	2	2,140
Total liabilities		\$ 22,477		\$ 14,034

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The earnout liability was valued using a Monte Carlo simulation methodology. Assumptions used in the valuation of the earnout liability are as follows:

	March 31, 2023
Stock price	\$ 7.79
Risk-free interest rate	3.75 %
Expected term (in years)	2.5
Expected volatility	100 %
Dividend rate	— %

The warrants are accounted for as liabilities in accordance with ASC 815, *Derivatives and Hedging*, and are presented as warrant liabilities on the condensed consolidated balance sheets. The warrant liabilities are measured at fair value at inception and on a recurring basis, with changes in fair value presented within change in fair value of warrant liabilities in the condensed consolidated statements of operations. The close price of the Public Warrants was used as its fair value as of each relevant date.

As of March 31, 2023, the Private Placement Warrants were valued using a Monte Carlo simulation methodology, which is considered a Level 3 fair value measurement. As of December 31, 2022, the fair value of the Private Placement Warrants was measured by reference to the trading price of the Public Warrants, which is considered a Level 2 fair value measurement. Assumptions used in the valuation of the Private Placement Warrant liability are as follows:

	March 31, 2023
Stock price	\$ 7.79
Risk-free interest rate	3.78 %
Expected term (in years)	3.3
Expected volatility	33 %
Dividend rate	— %
Exercise price	\$ 11.50

The following table presents a reconciliation for all liabilities measured and recognized at fair value on a recurring basis using significant unobservable inputs (Level 3) for the three months ended March 31, 2023:

<i>(in thousands)</i>	Private Placement Warrant Liability	Earnout Liability
Fair value as of December 31, 2022	\$ —	\$ 1,730
Change in fair value of liability	—	2,063
Transfers into Level 3	3,285	—
Fair value as of March 31, 2023	<u>\$ 3,285</u>	<u>\$ 3,793</u>

There were no other transfers between levels of the fair value hierarchy for the three months ended March 31, 2023.

The carrying values of certain accounts such as accounts receivable, accounts payable and accrued expenses are deemed to approximate their fair values due to their short-term nature. The fair values of the Company's money market funds are based on quoted prices in active markets for identical assets. There were no assets measured on a recurring basis using significant unobservable inputs (Level 3) as of March 31, 2023 or December 31, 2022.

Note 10 – Income Taxes

The Company's provision for income taxes consists primarily of income taxes related to federal and state jurisdictions where business is conducted related to the Company's ownership in EVgo OpCo. All income (loss) before income taxes is generated in the U.S. For the three months ended March 31, 2023 and 2022, the Company's provision for income taxes and effective tax rates were de minimis primarily due to the Company's full valuation allowance on its deferred tax assets and a significant portion of income (loss) being allocated to a nontaxable partnership. Prior to July 1, 2021, the Company was not a taxable entity for U.S. federal income tax purposes or for any of the states in which the Company operated. On July 1, 2021, pursuant to the CRIS Business Combination, the Company became a taxable entity for U.S. federal income tax purposes and for all of the states in which the Company operates.

In assessing the realization of its deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Management considered all available material evidence, both positive and negative, in assessing the appropriateness of a valuation allowance for the Company's deferred tax assets, including the generation of future taxable income, the scheduled reversal of deferred tax liabilities and other available material evidence. After consideration of all of the information available, management believes that significant uncertainty exists with respect to future realization of the deferred tax assets and has therefore established a full valuation allowance against its net deferred tax assets as of March 31, 2023 and December 31, 2022.

The Company files income tax returns in the U.S. at the federal level and in various state and local jurisdictions and is subject to examination by the various taxing authorities for all periods since its inception. As of March 31, 2023 and December 31, 2022, there were no unrecognized tax benefits for uncertain tax positions, nor any amounts accrued for interest and penalties.

Note 11 – Tax Receivable Agreement

In connection with the CRIS Business Combination, EVgo entered into a tax receivable agreement (the "Tax Receivable Agreement") with EVgo Holdings (along with permitted assigns, the "TRA Holders") and LS Power Equity Advisors, LLC, as agent. The Tax Receivable Agreement generally provides for payment by the Company, Thunder Sub or any of their subsidiaries (other than EVgo OpCo and its subsidiaries) ("Company Group") to the TRA Holders of 85% of the net cash savings, if any, in U.S. federal, state and local income tax or franchise tax that the Company actually realizes or is deemed to realize in certain circumstances after the CRIS Business Combination as a result of (i) certain increases in tax basis that occur as a result of the Company Group's acquisition (or deemed acquisition for U.S. federal income tax purposes) of all or a portion of the TRA Holders' EVgo OpCo Units pursuant to the CRIS Business Combination or the exercise of the redemption or Call Rights set forth in the EVgo OpCo A&R LLC Agreement and (ii) imputed interest deemed to be paid by the Company Group as a result of, and additional tax basis arising from, any payments the Company Group makes under the Tax Receivable Agreement. The Company Group will retain the benefit of any remaining net cash savings. If the Company Group elects to terminate the Tax Receivable Agreement early (or it is terminated early due to the Company Group's failure to honor a material obligation thereunder or due to certain mergers, asset sales, other forms of business combinations or other changes of control), the Company Group is required to make an immediate payment equal to the present value of the anticipated future payments to be made by it under the Tax Receivable Agreement (based upon certain assumptions and deemed events set forth in the Tax Receivable Agreement, including (i) that the Company Group has sufficient taxable income on a current basis to fully utilize the tax benefits covered by the Tax Receivable Agreement and (ii) that any EVgo OpCo Units (other than those held by the Company Group) outstanding on the termination date or change of control date, as applicable, are deemed to be redeemed on such date).

Amounts payable by the Company under the Tax Receivable Agreement are accrued through a charge to income when it is probable that a liability has been incurred and the amount is estimable. As of March 31, 2023, no transactions have occurred that would result in a cash tax savings benefit that would trigger the recording of a liability by the Company based on the terms of the Tax Receivable Agreement.

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Note 12 – Net Loss Per Share

The following table sets forth the computation of basic and diluted net loss per share for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
<i>(in thousands, except per share data)</i>		
Numerator		
Net loss	\$ (49,081)	\$ (55,266)
Less: net loss attributable to redeemable noncontrolling interest	(36,005)	(40,867)
Net loss attributable to Class A common stockholders	(13,076)	(14,399)
Less: net loss attributable to participating securities	(131)	(151)
Net loss attributable to Class A common stockholders, basic and diluted	<u>\$ (12,945)</u>	<u>\$ (14,248)</u>
Denominator		
Weighted average common stock outstanding	71,713	68,742
Less: weighted average unvested Earnout Shares outstanding	(719)	(719)
Weighted average common stock outstanding, basic and diluted	<u>70,994</u>	<u>68,023</u>
Net loss per share – basic and diluted	\$ (0.18)	\$ (0.21)

The Company’s potentially dilutive securities consist of the Company’s Public Warrants, Private Placement Warrants, restricted stock units (“RSUs”), stock options and unvested Earnout Shares. For the periods in which net loss per share is presented, the Company excluded the following potential shares, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share attributable to Class A common stockholders since their impact would have been antidilutive:

	Three Months Ended March 31,	
	2023	2022
<i>(in thousands)</i>		
Public Warrants	14,949	14,949
Private Placement Warrants	3,149	3,149
RSUs	7,237	1,781
Stock options	473	—
	<u>25,808</u>	<u>19,879</u>

Additionally, 718,750 unvested Earnout Shares were excluded from the computation of diluted net loss per share since their vesting threshold (i.e., the \$15.00 Triggering Event) had not yet been met as of March 31, 2023 and 2022.

Note 13 – Share-Based Compensation

The following table sets forth the Company’s total share-based compensation expense included in the Company’s condensed consolidated statements of operations for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
<i>(in thousands)</i>		
Cost of sales	\$ 22	\$ 11
General and administrative expenses	6,405	3,495
Total share-based compensation expense	<u>\$ 6,427</u>	<u>\$ 3,506</u>

2021 Long Term Incentive Plan

On July 1, 2021, concurrent with the closing of the CRIS Business Combination, stockholders approved the Board of Directors-approved 2021 Long Term Incentive Plan (the “2021 Incentive Plan”). The 2021 Incentive Plan reserves 33,918,000 shares of Class A common stock for issuance to employees, non-employee directors and other service providers. As of March 31, 2023, there were 24,407,475 shares of Class A common stock available for grant.

Stock Options

The following table summarizes stock option activity for the three months ended March 31, 2023:

	Shares Underlying Options (in 000's)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value (in 000's)
Outstanding as of December 31, 2022	375	\$ 12.86	9.2 years	\$ —
Granted	98	\$ 6.13		
Outstanding as of March 31, 2023	473	\$ 11.47	9.2 years	\$ 162
Outstanding and exercisable as of March 31, 2023	125	\$ 12.86	9.0 years	\$ —

As of March 31, 2023, the Company’s unrecognized share-based compensation expense related to stock options was approximately \$1.6 million, which is expected to be recognized over a period of 1.5 years. No stock options were exercised during the three months ended March 31, 2023.

The fair value of the stock options granted during the three months ended March 31, 2023 was computed using Black-Scholes option-pricing model using the following key assumptions:

Risk-free interest rate	3.5 %
Dividend yield	— %
Expected volatility	79 %
Expected life (in years)	5.7

Restricted Stock Units

The table below represents the Company’s RSU activity under the 2021 Incentive Plan during the three months ended March 31, 2023:

(shares in thousands)	Number of Shares	Weighted Average Grant Date Fair Value
Unvested as of December 31, 2022	3,930	\$ 10.85
Granted	4,706	\$ 5.77
Vested	(1,156)	\$ 11.57
Forfeited	(243)	\$ 8.90
Unvested as of March 31, 2023	7,237	\$ 7.50
Vested but not released	491	\$ 10.83
Outstanding as of March 31, 2023	7,728	\$ 7.71

The total fair value of RSUs vested during the three months ended March 31, 2023 was \$7.7 million. As of March 31, 2023, the Company’s unrecognized share-based compensation expense related to unvested RSUs was approximately \$39.3 million, which is expected to be recognized over a period of 1.7 years.

EVgo Management Holdings, LLC Incentive Units

Following the Holdco Merger and prior to the CRIS Business Combination, all employees of EVgo Services received share-based compensation in the form of units in EVgo Management Holdings, LLC (“EVgo Management”) that track incentive units issued by EVgo Holdings to EVgo Management (“Incentive Units”). Of each individual grant of Incentive Units, 65% of the grant was designated as time vesting (the “Time Vesting Incentive Units”) and the remaining portion (35% of the grant) was designated as sale vesting (the “Sale Vesting Incentive Units”). The Time Vesting Incentive Units vest annually and equally over a period of four years from the date of grant. Sale Vesting Incentive Units vest based upon the achievement of certain trigger events relating to the sale of EVgo Holdings. Presented below is a summary of the activity of the Company’s Incentive Units during the three months ended March 31, 2023:

<i>(units in thousands)</i>	Units	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2022	471	\$ 18.68
Vested	(108)	\$ 17.29
Forfeited	(12)	\$ 17.64
Outstanding as of March 31, 2023	<u>351</u>	<u>\$ 19.13</u>

As of March 31, 2023, the Company’s unrecognized share-based compensation expense related to unvested Incentive Units was approximately \$6.4 million, which is expected to be recognized over a period of 1.4 years.

Liability-Classified Awards

In February 2023, the Company’s Board of Directors approved grants of \$4.4 million in stock options underlying shares of Class A common stock to certain employees. The number of options subject to the grants was to be determined based on the Black-Scholes value of the Company’s common stock on the trading day period prior to the award date. The awards were accounted for as liability-classified awards as of March 31, 2023 and compensation expense for the three months ended March 31, 2023 was recognized using the accelerated attribution method over the service period. As of March 31, 2023, the Company had \$4.2 million of unrecognized costs related to unvested liability-classified awards which were expected to be recognized over a weighted average period of 1.9 years. In April 2023, the number of shares became fixed on the award date and the Company accordingly reclassified these awards as equity-classified awards on the award date.

Note 14 – Redeemable Noncontrolling Interest

As of March 31, 2023, EVgo Holdings held 195,800,000 EVgo OpCo Units, representing a 73.3% economic ownership interest in EVgo OpCo (reflecting the exclusion of 718,750 shares of Class A common stock held by other entities that were subject to possible forfeiture) and a corresponding number of shares of Class B common stock, representing a 73.2% voting interest in the Company.

The table below presents the reconciliation of changes in redeemable noncontrolling interest for the three months ended March 31, 2023:

<i>(in thousands)</i>	
Balance as of December 31, 2022	\$ 875,226
Net loss attributable to redeemable noncontrolling interest for the period	(36,005)
Equity-based compensation attributable to redeemable noncontrolling interest during the period	449
Adjustment to revise redeemable noncontrolling interest to its redemption value at period-end	685,612
Balance as of March 31, 2023	<u>\$ 1,525,282</u>

Note 15 – Subsequent Events

Issuance of Common Stock

As previously announced, on November 10, 2022, EVgo entered into a Distribution Agreement with J.P. Morgan Securities LLC, Evercore Group L.L.C. and Goldman Sachs & Co. LLC as sales agents, pursuant to which the Company may sell up to \$200.0 million of shares of Class A common stock in “at the market” transactions at prevailing market prices (the “ATM Program”). In April 2023, EVgo sold 889,340 shares of Class A common stock pursuant to the ATM Program, with aggregate gross proceeds of \$5.8 million. After deducting commissions of \$0.1 million, the Company received net proceeds of approximately \$5.7 million.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information that management believes is relevant to an assessment and understanding of EVgo's consolidated results of operations and financial condition. The discussion should be read in conjunction with EVgo's unaudited condensed consolidated financial statements and related notes thereto as of March 31, 2023 and December 31, 2022 and for the three months ended March 31, 2023 and 2022 included elsewhere in this Quarterly Report, and the audited consolidated financial statements and related notes thereto as of and for the years ended December 31, 2022 and 2021 contained in the Annual Report. In addition to historical information, this discussion contains forward-looking statements that involve numerous risks, uncertainties, and assumptions that could cause EVgo's actual results to differ materially from management's expectations due to a number of factors, including those discussed in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in this Quarterly Report. Factors which could cause such differences are discussed therein.

Overview

EVgo is a key leader in charging solutions, building and operating the infrastructure and tools to expedite the mass adoption of EVs for individual drivers, rideshare and commercial fleets, and businesses. Since 2019 EVgo has purchased renewable energy certificates to match the electricity that powers its network.

EVgo has a flexible business model that derives value through multiple revenue streams. The foundation of the Company's business is the development and operation of EV charging sites through which it dispenses electricity to EVs driven by individuals, commercial drivers, and fleet operators. EVgo's principal revenue stream is from the provision of charging services for EVs of all types on EVgo's network. In addition, a variety of business-to-business commercial relationships provide EVgo with revenue or cash payments based on commitments to build new infrastructure, provide guaranteed access to charging, and offer marketing, data and software-driven services. EVgo also earns revenue from the sale of regulatory credits generated through sales of electricity and its operation and ownership of its DCFC network. EVgo believes this combination of revenue streams can drive long-term margin expansion and customer retention.

Specifically, revenue is earned through the following streams:

- *Charging Revenue, Retail:* EVgo sells electricity directly to drivers who access EVgo's publicly available networked chargers. Various pricing plans exist for customers and drivers have the choice to charge as members (with monthly fees and reduced per-minute or kWh pricing) through a subscription service, or as non-members. Drivers can locate the chargers through EVgo's mobile application, their vehicle's in-dash navigation system or third-party databases that license charger-location information from EVgo. EVgo generally installs its chargers in parking spaces owned or leased by commercial or public-entity Site Hosts that desire to provide EV charging services at their respective locations. Commercial Site Hosts include retail and grocery stores, hotels, offices, medical complexes, airports and convenience stores. EVgo believes its offerings are well aligned with the goals of Site Hosts, as many commercial businesses increasingly view EV charging capabilities as essential to attract tenants, employees, customers and visitors, and achieve sustainability goals. Site Hosts are generally able to obtain these benefits at no cost when partnering with EVgo through EVgo's owner and/or operator model, as EVgo is responsible for the installation and operation of chargers located on Site Hosts' properties. In many cases, Site Hosts will earn additional revenue from license payments made by the Company in exchange for use of the site. EVgo also incorporates flexible ownership models through EVgo eXtend, through which certain Site Hosts can invest in and build EV charging stations that the Site Host owns and EVgo operates.
- *Charging Revenue, Commercial:* High volume fleet customers, such as transportation network companies or delivery services, can access EVgo's charging infrastructure through EVgo's public network. Pricing for charging services is most often negotiated directly between EVgo and the fleet owner based on the business needs and usage patterns of the fleet. In these arrangements EVgo contracts with and bills, either the fleet owner directly or an individual fleet driver utilizing EVgo's chargers. Access to EVgo's public network allows fleet and rideshare operators to support mass adoption of transportation electrification and achieve sustainability goals without needing to directly invest capital in charging infrastructure or incur operating costs associated with charging equipment.

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- *Charging Revenue, OEM:* EVgo is a key leader in OEM charging programs with revenue models to meet a wide variety of OEM objectives related to the availability of charging infrastructure and the provision of charging services for EV drivers. EVgo contracts directly with OEMs to provide charging services to drivers who have purchased or leased such OEMs' EVs and who access EVgo's public charger network, to expand EVgo's network of owned DCFCs and to provide other related services. Other related services currently provided to OEMs by EVgo include co-marketing, data services and digital application services. EVgo views its OEM relationships as a core customer acquisition channel.

In addition to offering access to its public network, EVgo offers dedicated charging solutions to fleets. As part of this offering, EVgo typically builds, owns and operates charging infrastructure for the exclusive use of a dedicated customer and is currently offering flexible ownership models, such as its charging as a service ("ChaaS") offering. EVgo's dedicated and ChaaS offerings provide a value proposition for fleets who might otherwise feel compelled to procure, install and manage their own electric vehicle supply equipment. EVgo offers a variety of pricing models for its dedicated charging solutions, including a mix of volumetric commitments and variable and fixed payments to EVgo for provision of its services. ChaaS and dedicated charging allow for tailored fleet charging solutions without requiring fleets to directly incur capital expenditures or operating and management costs related to charging EVs. Together, EVgo's dedicated charging solutions and public fleet charging services provide fleets with a more robust and flexible charging solution.

- *Regulatory Credit Sales:* As a charging station owner and operator, EVgo earns regulatory credits, such as Low Carbon Fuel Standard ("LCFS") credits and other regulatory credits, in states where such programs are enacted currently, including the Fast Charging Infrastructure ("FCI") program in California. These credits are generated through charging station operations based on the volume of kWh sold. EVgo earns additional revenue through the sale of these credits to buyers obligated to purchase the credits to comply with the program mandates.
- *Network Revenue, OEM:* This revenue stream represents revenue related to contracts that have significant charger infrastructure build programs, which represent set-up costs under Financial Accounting Standards Board Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). Proceeds from these contracts are allocated to performance obligations including marketing activities, memberships, reservations and the expiration of unused charging credits. Marketing activities are recognized at a point in time as the services are performed and measurement is based on amounts spent. For memberships and reservations, revenue is recognized over time and measured based on the charging activity of subscriber members at each measurement period. Any unused charging credits are recognized as breakage using the proportional method or, for programs where there is not enough information to determine the pattern of rights exercised by the customer, the remote method.
- *eXtend Revenue:* Through EVgo eXtend, EVgo provides hardware, design, and construction services for charging sites, as well as ongoing operations, maintenance and networking and software integration solutions, while EVgo's customers purchase and retain ownership of the charging assets. For some eXtend customers, EVgo also provides grant application support and related services. In 2022, EVgo announced an eXtend deal with the Pilot Company to deploy up to 2,000 fast charging stalls that the Pilot Company will own and EVgo will build, network, operate and maintain.
- *Ancillary Revenue:* EVgo offers a variety of software-driven digital, development and operations services to its customers. EVgo has offerings that currently include customization of digital applications, charging data integration, micro-targeted advertising services, smart charging reservations, loyalty programs, access to chargers behind parking lot pay gates, and equipment procurement and operations services for customers operating dedicated networks. EVgo also continues to evaluate and engage on potential market opportunities beyond these business models.

Recent Developments

Geopolitical and Macroeconomic Environment

During the last several years, the global economy has experienced disruption and sustained volatility due to a number of factors. In particular, the global outbreak of COVID-19 resulted in significant volatility in the global and domestic economies, changes in consumer and business behavior, market downturns and restrictions on business and individual activities, resulting in overall reduced economic activity.

The COVID-19 pandemic impacted EVgo's operations through reduced network throughput, construction delays and supply chain and shipping constraints. EVgo also experienced delays in its Site Host negotiations as Site Hosts devoted more time to day-to-day operations and employee health and safety. Finally, for some contractual commitments, EVgo is required to adhere to a construction schedule over specified timeframes. Those timelines were impacted due to delays associated with COVID-19 and broader supply chain disruptions and it is possible that the pandemic and its ongoing effects could continue to impact these timelines in the future.

Russia's military invasion of Ukraine and the subsequent sanctions imposed on Russia, Belarus, the so-called Donetsk People's Republic and the so-called Luhansk People's Republic have led to and will likely continue to lead to, geopolitical instability, market uncertainty and supply disruptions. Additionally, rising inflation has increased operating costs for many businesses and, together with slowing economic growth and fear of a recession, has led governments to change monetary policy in response. Finally, recent concerns regarding the stability of the U.S. and international financial systems has raised concerns regarding the ability of companies to access deposits; potential losses of uninsured deposits and other financial assets; the potential loss of access to working capital sources and access to favorable commercial financing terms (including terms related to interest rates and restrictive financial or operating covenants); and systemic limitations on access to credit and liquidity sources.

The current economic environment remains uncertain and the extent to which EVgo's operating and financial results for future periods will be impacted by the ongoing impacts of the COVID-19 pandemic, the ongoing conflict in Ukraine, increasing inflation, instability in the financial services sector, supply-chain disruptions, government efforts to reduce inflation and any recession will largely depend on future developments, which are highly uncertain and cannot be reasonably estimated at this time.

Government EV Initiatives

In order to encourage the use of EVs, the U.S. federal government and some state and local governments provide incentives to end users and purchasers of EVs and EV charging stations in the form of rebates, tax credits and other financial incentives that promote EV adoption and related EV charging infrastructure. EVgo believes the increase in promotion of EVs and the installation of related EV charging infrastructure will continue in part due to the ongoing implementation of the Infrastructure Investment and Jobs Act (the "Bipartisan Infrastructure Law") and the recently enacted Inflation Reduction Act of 2022 (the "Inflation Reduction Act"), which included extensions, expansions and revisions of various tax credits relating to EVs and EV charging infrastructure and may provide more flexibility and options in monetizing such credits. In particular, the Inflation Reduction Act (i) expanded and extended tax credits for EV charging infrastructure and new EVs while also imposing new limitations and requirements for such credits, (ii) introduced tax credits for used EVs and commercial EVs and (iii) introduced the concept of transferability for certain tax credits, providing an additional option to monetize such credits.

However, the impact of the Inflation Reduction Act and other government EV initiatives, including regulatory requirements and restrictions that may impact the ability of EVgo and its competitors to take advantage of such initiatives, cannot be known with any certainty at this time, and EVgo may not reap any or all of the expected benefits of the Inflation Reduction Act or the Bipartisan Infrastructure Law. For example, federal guidance on Buy America requirements (effective as of March 23, 2023) applicable to the National Electric Vehicle Infrastructure ("NEVI") Program, which was established by the Bipartisan Infrastructure Law, requires immediate domestic assembly and U.S. steel requirements for chargers to qualify for funding under the NEVI program, with higher domestic content percentages required in 2024. EVgo's suppliers may experience delays in bringing their U.S. facilities online, and EVgo may be unable to source Buy

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America-compliant chargers in time to take advantage of early NEVI funding opportunities or only at increased costs. EVgo may be at a disadvantage to competitors that have already implemented domestic assembly and content standards into their supply chain. EVgo's customers may request delays or adjustments to their build-out plans in order to accommodate these added Buy America requirements, which could result in delays in receipt of revenue from customers.

States including (but not limited to) California, Colorado, Delaware, Massachusetts, New Jersey and New York also offer various rebates, grants and tax credits to incentivize both EV and EVSE purchases.

Granting of EVgo's 205 Petition

On February 3, 2023, EVgo filed a petition in the Court of Chancery under Section 205 of the Delaware General Corporation Law seeking (i) the validation of the stockholder vote approving CRIS's certificate of incorporation in connection with the CRIS Business Combination and (ii) the validation and declaration of effectiveness of (a) EVgo's Charter (including its filing and effectiveness, in each case as of July 1, 2021) and (b) the securities issued or to be issued in reliance on such approval and/or the validity of EVgo's Charter, as of the respective dates of their issuance (including the 5,750,000 shares of Class A common stock into which the shares of Class B common stock converted upon the consummation of the CRIS Business Combination). EVgo filed the petition due in part to a recent ruling of the Court of Chancery that created uncertainty as to the validity and effectiveness of these corporate acts and, consequently, as to its capital structure.

Such purported uncertainty was eliminated on February 21, 2023, when, following a hearing on EVgo's petition, the Court of Chancery issued an order validating each of the corporate acts described above, effective as of the time each such act was originally taken, notwithstanding any failures of authorization or potential failures of authorization described in, or resulting from the matters described in, the petition.

Key Components of Results of Operations

Revenue

EVgo's revenue is generated across various business lines. The majority of EVgo's revenue is generated from the sale of charging services, which are comprised of retail, OEM and commercial business lines, and its eXtend offering. In addition, EVgo generates ancillary revenue through the sale of data services and consumer retail services. EVgo also offers network services to OEM customers, including memberships and marketing. Finally, as a result of owning and operating the EV charging stations, EVgo earns regulatory credits such as LCFS credits, which are sold to generate additional revenue.

Cost of Sales

Cost of Revenue. Cost of revenue consists primarily of energy usage fees, site operating and maintenance expenses, warranty and repair services, and site lease and rent expense associated with charging equipment.

Depreciation, Net of Capital-Build Amortization. Depreciation, net of capital-build amortization, consists of depreciation related to EVgo's property and equipment associated with charging equipment and installation and is partially offset by the amortization of EVgo's capital-build liabilities associated with third-party funding received for charging stations and other programs.

Gross Profit (Loss) and Gross Margin

Gross profit (loss) consists of EVgo's revenue less its cost of revenue and depreciation, net of capital-build amortization. Gross margin is gross profit (loss) as a percentage of revenue.

Operating Expenses

General and Administrative Expenses. General and administrative expenses primarily consist of payroll and related personnel expenses, IT and office services, customer service and network charges, office rent expense and professional services. EVgo expects its general and administrative expenses to increase in absolute dollars as it continues to grow its business. EVgo also expects to continue to incur additional expenses related to compliance and reporting obligations pursuant to the rules and regulations of the SEC, general insurance and directors' and officers' insurance, investor relations and other professional services.

Depreciation, Amortization and Accretion. Depreciation, amortization and accretion consists of depreciation related to EVgo's property, equipment and software not associated with charging equipment and, therefore, not included in the depreciation, net of capital-build amortization expenses recorded in cost of sales. This also includes amortization of EVgo's intangible assets and accretion related to EVgo's asset retirement obligations.

Operating Profit (Loss) and Operating Margin

Operating profit (loss) consists of EVgo's gross profit or loss less general and administrative expenses and depreciation, amortization and accretion in operating expenses. Operating margin is operating profit (loss) as a percentage of revenue.

Interest Income

Interest income consists primarily of interest earned on cash and cash equivalents.

Other Income (Expense), Net

Other income (expense), net, consists primarily of unrealized gains and losses on marketable securities.

Change in Fair Values of Warrant and Earnout Liabilities

The change in the fair values of the warrant and earnout liabilities reflects the mark-to-market adjustments associated with warrants to purchase shares of the Company's common stock and earnout liabilities for each reporting period.

Income Taxes

EVgo's provision for income taxes consists primarily of income taxes related to federal and state jurisdictions where business is conducted related to the Company's ownership in EVgo OpCo.

Net Earnings (Loss) Attributable to Redeemable Noncontrolling Interest

Net earnings (loss) attributable to redeemable noncontrolling interest represents the share of net earnings or loss that is attributable to the holder of EVgo's Class B common stock.

Key Performance Indicators

EVgo management uses several performance metrics to manage the business and evaluate financial and operating performance. EVgo considers the following indicators to be of critical importance:

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Network Throughput

Network throughput represents the total amount of GWh that was consumed by EVs using chargers and charging stations on EVgo's network. EVgo typically monitors GWh sales by three components: business line, customer and customer class. EVgo believes monitoring of component trends and contributions is the appropriate way to monitor and measure business-related health.

Number of DC Stalls on EVgo's Network

Number of DC stalls represents the total number of DC stalls that EVgo has operational on its network (energized, inspected and commissioned). One stall can charge one vehicle at a time. There are certain configurations of EVgo sites where one DC charger is capable of charging only one vehicle at a time; all chargers at such a site are counted as one stall per one charger. There are certain configurations of EVgo sites where one DC charger is capable of charging two vehicles simultaneously; all chargers at such a site are counted as two stalls per one charger. The following table represents network throughput and the number of DC stalls on EVgo's network:

	March 31,	
	2023	2022
Network throughput (GWh) for the three months ended	17.9	8.0
Number of DC stalls on EVgo network as of	2,352	1,772

Receipts

EVgo defines Receipts as total revenue plus change in deferred revenue over the same period. Pursuant to the term of certain OEM contracts, EVgo is paid well in advance of when revenue can be recognized according to ASC Topic 606; usually, the payment is tied to the number of stalls that commence operations under the applicable contract arrangement. EVgo believes that its Receipts metric provides investors valuable insight into cash that has been generated from EVgo's customers and EVgo's periodic performance. EVgo uses Receipts to monitor and measure EVgo's commercial performance, liquidity and growth as EVgo's OEM customers pay EVgo in advance for placing stalls in operation and then EVgo recognizes a portion of the related revenue over time.

The following table presents the calculation of Receipts for the three months ended March 31, 2023 and 2022:

(in thousands)	Three Months Ended March 31,	
	2023	2022
GAAP revenue ¹	\$ 25,300	\$ 7,700
GAAP changes in deferred revenue ²	21,781	(561)
Total Receipts	\$ 47,081	\$ 7,139
Year-over-year percentage change in total Receipts	559%	

¹ As presented in the condensed consolidated statements of operations.

² As presented in the condensed consolidated statements of cash flows.

Factors Affecting EVgo's Operating Results

EVgo believes its performance and future success depend on a number of factors, including those discussed below and in "Part II, Item 1A., Risk Factors."

EV Sales

EVgo's revenue growth is directly tied to the adoption and continued acceptance and usage of passenger and commercial EVs, which it believes drives the demand for electricity, charging infrastructure and charging services. The market for EVs is still rapidly evolving and, although demand for EVs has grown in recent years, there is no guarantee of such future demand. Additionally, as demand increases, the supply must keep pace for adoption to continue to accelerate at a rapid pace. Factors impacting the adoption of EVs include perceptions about EV features, quality, safety, performance and cost; perceptions about the limited range over which EVs may be driven on a single battery charge; availability of services for EVs; consumers' perception about the convenience, speed, reliability and cost of EV charging; volatility in the price of gasoline and diesel; EV supply chain shortages and disruptions including, but not limited to, availability of certain components (e.g., semiconductors and critical raw materials necessary for the production of EVs and EV batteries), the ability of EV OEMs to ramp-up EV production and/or allocate sufficient quantities of EV models to the U.S. market; domestic content requirements or other policy constraints; availability of batteries and battery materials; availability, cost and desirability of other alternative fuel vehicles, including plug-in hybrid EVs and high fuel-economy gasoline and diesel-powered vehicles; and increases in fuel efficiency. In addition, macroeconomic factors could impact demand for EVs, particularly since the sales price of EVs can be more expensive than traditional gasoline-powered vehicles. If the market for EVs does not develop as expected or if there is any slowdown or delay in overall adoption of EVs, EVgo's operating results may be adversely affected.

Electrification of Fleets

EVgo faces competition in the emerging fleet electrification segment, including from certain fleet customers who may opt to install and own charging equipment on their property; however, EVgo believes its unique set of offerings to fleets and its existing charging network position EVgo advantageously to win business from fleets. Fleet owners are generally more sensitive to the total cost of ownership of a vehicle than private-vehicle owners. As such, electrification of vehicle fleets may occur more slowly or more rapidly than management forecasts based on the cost to purchase, operate and maintain EVs and the general availability of such vehicles relative to those of internal combustion engine vehicles. The ability of EVgo and its competitors' to offer competitive charging services and value-added ancillary services may impact the pace at which fleets electrify and may impact EVgo's ability to capture market share in fleets. Additionally, federal, state and local government support and regulations directed at fleets (or lack thereof) may accelerate or delay fleet electrification and increase or reduce EVgo's business opportunity. EVgo's management is currently monitoring several key rules that may encourage fleet electrification, including California's Advanced Clean Truck rule and similar programs recently adopted by Massachusetts, New Jersey, New York, Oregon and Washington and the implementation of California's Clean Miles Standard, as well as similar proposals in other zero emission vehicle states and potential action at the federal level.

Competition

The EV charging industry is increasingly competitive. The principal competitive factors in the industry include charger count, locations, accessibility and reliability; charger connectivity to EVs and ability to charge all standards; speed of charging relative to expected vehicle dwell times at the location; DCFC network reliability, scale and local density; software-enabled service offerings and overall customer experience; operator brand, track record and reputation; and access to equipment vendors and service providers; policy incentives; and pricing. Existing competitors may expand their product offerings and sales strategies, new competitors may enter the market and certain fleet customers may choose to install and operate their own charging infrastructure. If EVgo's market share decreases due to increased competition, its revenue and ability to generate profits in the future may be impacted.

Government Mandates, Incentives and Programs

The U.S. federal government and some state and local governments provide incentives to end-users and purchasers of EVs and EV charging stations in the form of rebates, tax credits and other financial incentives, such as payments for regulatory credits. The EV market relies on these governmental rebates, tax credits and other financial incentives to significantly lower the effective price of EVs and EV charging stations. However, these incentives may expire on a particular date, end when the allocated funding is exhausted, or may be reduced or terminated as a matter of regulatory or legislative policy. In particular, EVgo has historically benefitted from the availability of federal tax credits under Section 30C of the Code, which effectively subsidizes the cost of placing in service EVgo's charging stations. The Inflation Reduction Act revised the credit under Section 30C to extend the credit until December 31, 2032, introduce the concept of transferability of such tax credits, expand the credit such that it is capped at \$100,000 per item and increase eligibility requirements to require installation of EV charging stations in certain census tracts along with meeting prevailing wage and apprenticeship requirements, among other changes. There can be no assurance that the EV charging stations placed in service by EVgo will meet the revised requirements for the Section 30C credits, and compliance with such requirements could increase EVgo's labor and other costs.

Any reduction in rebates, tax credits or other financial incentives available to buyers or owners of EVs or EV charging stations could negatively affect the EV market and adversely impact EVgo's business operations and expansion potential. In addition, there can be no assurance that EVgo will have the necessary tax attributes to utilize any such credits that are available and may not be able to monetize such credits on favorable terms. Further, certain features of EVgo OpCo's ownership may limit the available tax credit that can be monetized or utilized. New tariffs and policies that could incentivize overbuilding of infrastructure may also have a negative impact on the economics of EVgo's stations. Furthermore, new tariffs and policy incentives could be put in place that favor equipment manufactured by or assembled at American factories, which may put EVgo's fast charging equipment vendors at a competitive disadvantage, including by increasing the cost or delaying the availability of charging equipment, by challenging or eliminating EVgo's ability to apply or qualify for grants and other government incentives, or by disqualifying the Company from the ability to compete for certain charging infrastructure build-out solicitations and programs, including those initiated by federal government agencies.

Moreover, a variety of incentives and rebates offered by the U.S. federal government as well as state and local governments in order to encourage the use of EVs may be limited or reduced. In particular, the U.S. federal government offers a tax credit, the maximum amount of which is \$7,500, for qualified new plug-in EVs. The Inflation Reduction Act modified the tax credit for new plug-in EVs and added new tax credits for used and commercial EVs. The Inflation Reduction Act removed the phase-out of tax credits for new plug-in EVs with respect to vehicle manufacturers that reached certain production levels beginning in 2023. However, the tax credit is subject to additional requirements and limitations, such as certain adjusted gross income limits for consumers claiming the credit, domestic content requirements for critical minerals and batteries and a requirement for final assembly to occur in North America. Such additional requirements and limitations for such tax credits may reduce incentives available to encourage the adoption of EVs, which could negatively affect the EV market and adversely impact EVgo's business operations and expansion potential.

Technology Risks

EVgo relies on numerous internally developed and externally sourced hardware and software technologies to operate its network and generate earnings. EVgo engages a variety of third-party vendors for non-proprietary hardware and software components. The ability of EVgo to continue to integrate its technology stack with technological advances in the wider EV ecosystem including EV model characteristics, charging standards, charging hardware, software and battery chemistries and value-added customer services will determine EVgo's sustained competitiveness in offering charging services. There is a risk that some or all of the components of the EV technology ecosystem become obsolete and that EVgo will be required to make significant investments to continue to effectively operate its business. EVgo's management believes EVgo's business model is well-positioned to enable EVgo to remain technology-, vendor- and OEM-agnostic over time and allow the business to remain competitive regardless of long-term technological shifts in EVs, batteries or modes of charging.

Sales of Regulatory Credits

EVgo derives revenue from selling regulatory credits earned for participating in LCFS programs, or other similar carbon or emissions trading schemes, in various jurisdictions in the U.S. EVgo currently sells these credits at market prices. These credits are exposed to various market and supply and demand dynamics which can drive price volatility and which are difficult to predict. Price fluctuations in credits may have a material effect on future results of operations. The availability of such credits depends on continued governmental support for these programs. If these programs are modified, reduced or eliminated, EVgo's ability to generate this revenue in the future would be adversely impacted. In addition to current programs, EVgo's management is currently monitoring the implementation of Washington's program and additional proposals in varying stages of discussions including in New York, along with potential changes to the Renewable Fuels Standard.

Results of Operations

The table below presents EVgo's results of operations for the three months ended March 31, 2023 and 2022.

<i>(dollars in thousands)</i>	Three Months Ended March 31,		Change	
	2023	2022	\$	%
Total revenue	\$ 25,300	\$ 7,700	\$ 17,600	229 %
Cost of revenue	(18,917)	(4,846)	(14,071)	290 %
Depreciation, net of capital-build amortization	(6,342)	(3,454)	(2,888)	84 %
Gross profit (loss)	41	(600)	641	107 %
General and administrative expenses	37,889	25,428	12,461	49 %
Depreciation, amortization and accretion	4,784	3,887	897	23 %
Operating loss	(42,632)	(29,915)	(12,717)	(43)%
Interest income	1,998	55	1,943	*
Other income (expense), net	1	(263)	264	100 %
Change in fair value of earnout liability	(2,063)	(2,264)	201	9 %
Change in fair value of warrant liabilities	(6,380)	(22,874)	16,494	72 %
Loss before income tax expense	(49,076)	(55,261)	6,185	11 %
Income tax expense	(5)	(5)	—	— %
Net loss	(49,081)	(55,266)	6,185	11 %
Less: net loss attributable to redeemable noncontrolling interest	(36,005)	(40,867)	4,862	12 %
Net loss attributable to Class A common stockholders	\$ (13,076)	\$ (14,399)	\$ 1,323	9 %
Gross margin	0.2 %	(7.8)%		
Operating margin	(168.5)%	(388.5)%		
Network throughput (GWh)	17.9	8.0		
Number of DC stalls	2,352	1,772		

*Percentage greater than 999% or not meaningful

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The table below presents a disaggregation of EVgo’s revenue for the three months ended March 31, 2023 and 2022:

(dollars in thousands)	Three Months Ended March 31,		Change	
	2023	2022	\$	%
Charging revenue, retail	\$ 6,615	\$ 3,502	\$ 3,113	89 %
Charging revenue, commercial	1,715	709	1,006	142 %
Charging revenue, OEM	552	151	401	266 %
Regulatory credit sales	1,215	1,378	(163)	(12)%
Network revenue, OEM	2,699	490	2,209	451 %
eXtend revenue	10,292	80	10,212	*
Ancillary revenue	2,212	1,390	822	59 %
Total revenue	<u>\$ 25,300</u>	<u>\$ 7,700</u>	<u>\$ 17,600</u>	229 %

*Percentage greater than 999% or not meaningful

Total revenue for the three months ended March 31, 2023 increased \$17.6 million, or 229%, to \$25.3 million compared to \$7.7 million for the three months ended March 31, 2022. As further discussed below, the increase in revenue was primarily due to a \$10.2 million increase in eXtend revenue, a \$3.1 million increase in retail charging revenue resulting from increased throughput and subscription fees, a \$2.2 million increase in network revenue, and a \$1.0 million increase in commercial charging revenue.

Charging Revenue, Retail. Charging revenue, retail, for the three months ended March 31, 2023 increased \$3.1 million, or 89%, to \$6.6 million compared to \$3.5 million for the three months ended March 31, 2022. Period-over-period growth was due to an overall increase in throughput and subscription fees driven primarily by increased charging volume and a growing number of customers.

Charging Revenue, Commercial. Charging revenue, commercial, for the three months ended March 31, 2023 increased \$1.0 million, or 142%, to \$1.7 million compared to \$0.7 million for the three months ended March 31, 2022. Period-over-period growth was due to higher charging volumes by the Company’s public fleet customers and reclassification of pass-through electricity expense as revenue.

Charging Revenue, OEM. Charging revenue, OEM, for the three months ended March 31, 2023 increased \$0.4 million, or 266%, to \$0.6 million compared to \$0.2 million for the three months ended March 31, 2022. Period-over-period growth was primarily due to the addition of a new OEM partner and higher vehicle sales by the Company’s OEM partners.

Regulatory Credit Sales. Regulatory credit sales for the three months ended March 31, 2023 decreased \$0.2 million, or 12%, to \$1.2 million compared to \$1.4 million for the three months ended March 31, 2022. The period-over-period decrease was primarily due to accelerated LCFS recognition in the first quarter of 2022.

Network Revenue, OEM. Network revenue, OEM, for the three months ended March 31, 2023 increased \$2.2 million, or 451%, to \$2.7 million compared to \$0.5 million the three months ended March 31, 2022. The period-over-period increase was due to increased breakage associated with prepaid charging credits and marketing activities.

eXtend Revenue. eXtend revenue for the three months ended March 31, 2023 increased \$10.2 million to \$10.3 million compared to \$0.1 million for the three months ended March 31, 2022 primarily as a result of the new agreement that was executed in 2022 with the Pilot Company.

Ancillary Revenue. Ancillary revenue for the three months ended March 31, 2023 increased \$0.8 million, or 59%, to \$2.2 million compared to \$1.4 million for the three months ended March 31, 2022. The increase was primarily due to increased equipment and project sales and higher advertising revenue.

Cost of Sales

Cost of Revenue. Cost of revenue for the three months ended March 31, 2023 increased \$14.1 million, or 290%, to \$18.9 million compared to \$4.8 million for the three months ended March 31, 2022. The increase in cost of revenue was primarily due to an increase of \$8.3 million in costs to support eXtend revenue, \$2.9 million in increased energy and other variable costs resulting from increased throughput and \$2.5 million in increased non-energy costs driven by increased stall count.

Depreciation, Net of Capital-Build Amortization. Depreciation, net of capital-build amortization for the three months ended March 31, 2023 increased \$2.9 million, or 84%, to \$6.3 million compared to \$3.5 million for the three months ended March 31, 2022 due to growth in EVgo's fixed asset base.

Gross Profit (Loss) and Gross Margin

Gross profit (loss) for the three months ended March 31, 2023 improved \$0.6 million, or 107%, to close to break even compared to a gross loss of \$0.6 million for the three months ended March 31, 2022. Gross margin for the three months ended March 31, 2023 improved to 0.2% compared to negative 7.8% for the three months ended March 31, 2022 primarily due to breakage revenue and, to a lesser extent, a significant increase in eXtend revenues which have higher gross margin than most of the Company's other business lines.

Operating Expenses

General and Administrative Expenses. General and administrative expenses for the three months ended March 31, 2023 increased \$12.5 million, or 49%, to \$37.9 million compared to \$25.4 million for the three months ended March 31, 2022. The increase was primarily driven by a \$7.8 million increase in payroll expenses due to higher headcount and higher share-based compensation, a \$2.9 million increase in impairment expense, and a \$1.0 million increase in legal service and professional service expenses.

Depreciation, Amortization and Accretion. Depreciation, amortization and accretion expenses for the three months ended March 31, 2023 increased \$0.9 million, or 23%, to \$4.8 million compared to \$3.9 million for the three months ended March 31, 2023. The increase was primarily due to higher amortization related to software.

Operating Loss

During the three months ended March 31, 2023, EVgo had an operating loss of \$42.6 million, an increase of \$12.7 million, or 43%, compared to \$29.9 million for the three months ended March 31, 2022. The increase in operating loss was driven primarily by an increase in general and administrative expenses. Operating margin for the three months ended March 31, 2023 was negative 168.5% compared to negative 388.5% for the three months ended March 31, 2022.

Interest Income

Interest income for the three months ended March 31, 2023 was \$2.0 million. Interest income for the three months ended March 31, 2022 was de minimis. The increase was a result of higher interest earned on cash and cash equivalents held in a high interest rate account by the Company during the three months ended March 31, 2023 compared to the same prior year period.

Other Income (Expense), Net

Other income (expense), net, for the three months ended March 31, 2023 was a de minimis amount of other income, net, compared to other expense, net, of \$0.3 million for the three months ended March 31, 2022. The change was primarily due to a \$0.3 million decrease in unrealized losses on investments.

Changes in Fair Values of Warrant and Earnout Liabilities

For the three months ended March 31, 2023, there was an \$8.4 million loss on change in fair values of warrant and earnout liabilities compared to a \$25.1 million loss for the three months ended March 31, 2022. The change between periods was primarily due to a lower increase in the fair value of the warrant liabilities during the first quarter of 2023 compared to the same prior year period. See “Part I, Item 1. Financial Statements – Note 8 – Fair Value Measurements” for more information.

Income Taxes

For the three months ended March 31, 2023 and 2022, EVgo’s provision for income taxes and effective tax rates were deemed to be de minimis. As of March 31, 2023 and 2022, EVgo maintained a full valuation allowance on EVgo’s net deferred tax assets.

Net Loss

Net loss for the three months ended March 31, 2023 was \$49.1 million, compared to \$55.3 million for the three months ended March 31, 2022. The change was primarily driven by decreases in the change in fair values of the warrant liabilities, which was partially offset by increased general and administrative expenses incurred to support growth.

Non-GAAP Financial Measures

This Quarterly Report includes the following non-GAAP financial measures, in each case as defined below: “Adjusted Cost of Sales,” “Adjusted Cost of Sales as a Percentage of Revenue,” “Adjusted Gross Profit (Loss),” “Adjusted Gross Margin,” “Adjusted General and Administrative Expenses,” “Adjusted General and Administrative Expenses as a Percentage of Revenue,” “EBITDA,” “EBITDA Margin,” “Adjusted EBITDA” and “Adjusted EBITDA Margin.” EVgo believes these measures are useful to investors in evaluating EVgo’s performance. In addition, EVgo management uses these measures internally to establish forecasts, budgets and operational goals to manage and monitor its business. EVgo believes that these measures help to depict a more meaningful representation of the performance of the underlying business, enabling EVgo to evaluate and plan more effectively for the future.

Adjusted Cost of Sales, Adjusted Cost of Sales as a Percentage of Revenue, Adjusted Gross Profit (Loss), Adjusted Gross Margin, Adjusted General and Administrative Expenses, Adjusted General and Administrative Expenses as a Percentage of Revenue, EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin are not prepared in accordance with GAAP and may be different from non-GAAP financial measures used by other companies. These measures should not be considered as measures of financial performance under GAAP and the items excluded from or included in these metrics are significant components in understanding and assessing EVgo’s financial performance. These metrics should not be considered as alternatives to net income (loss) or any other performance measures derived in accordance with GAAP.

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EVgo defines Adjusted Cost of Sales as cost of sales before: (i) depreciation, net of capital-build amortization, and (ii) share-based compensation. EVgo defines Adjusted Cost of Sales as a Percentage of Revenue as Adjusted Cost of Sales as a percentage of revenue. EVgo defines Adjusted Gross Profit (Loss) as revenue less Adjusted Cost of Sales. EVgo defines Adjusted Gross Margin as Adjusted Gross Profit (Loss) as a percentage of revenue. EVgo defines Adjusted General and Administrative Expenses as general and administrative expenses before (i) share-based compensation, (ii) loss on disposal of property and equipment and impairment expense, (iii) bad debt expense and (iv) certain other items that management believes are not indicative of EVgo’s ongoing performance. EVgo defines Adjusted General and Administrative Expenses as a Percentage of Revenue as Adjusted General and Administrative Expenses as a percentage of revenue. EVgo defines EBITDA as net income (loss) before (i) depreciation, net of capital-build amortization, (ii) amortization, (iii) accretion, (iv) interest income, and (v) income tax expense. EVgo defines EBITDA Margin as EBITDA as a percentage of revenue. EVgo defines Adjusted EBITDA as EBITDA plus (i) share-based compensation, (ii) loss on disposal of property and equipment and impairment expense, (iii) (gain) loss on investments, (iv) bad debt expense, (v) change in fair value of earnout liability, (vi) change in fair value of warrant liabilities, and (vii) certain other items that management believes are not indicative of EVgo’s ongoing performance. EVgo defines Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of revenue.

The following unaudited table presents a reconciliation of Adjusted Cost of Sales, Adjusted Cost of Sales as a Percentage of Revenue, Adjusted Gross Profit (Loss) and Adjusted Gross Margin to the most directly comparable GAAP measures, in each case, for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
<i>(dollars in thousands)</i>		
GAAP revenue	\$ 25,300	\$ 7,700
GAAP cost of sales	25,259	8,300
GAAP gross profit (loss)	<u>\$ 41</u>	<u>\$ (600)</u>
<i>GAAP cost of sales as a percentage of revenue</i>	<i>99.8%</i>	<i>107.8%</i>
<i>GAAP gross margin</i>	<i>0.2%</i>	<i>(7.8%)</i>
Adjustments:		
Depreciation, net of capital-build amortization	\$ 6,342	\$ 3,454
Share-based compensation	22	11
Total adjustments	<u>6,364</u>	<u>3,465</u>
Adjusted Cost of Sales	<u>\$ 18,895</u>	<u>\$ 4,835</u>
<i>Adjusted Cost of Sales as a Percentage of Revenue</i>	<i>74.7%</i>	<i>62.8%</i>
Adjusted Gross Profit	\$ 6,405	\$ 2,865
<i>Adjusted Gross Margin</i>	<i>25.3%</i>	<i>37.2%</i>

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The following unaudited table presents a reconciliation of Adjusted General and Administrative Expenses and Adjusted General and Administrative Expenses as a Percentage of Revenue to the most directly comparable GAAP measures for the three months ended March 31, 2023 and 2022:

<i>(dollars in thousands)</i>	Three Months Ended March 31,	
	2023	2022
GAAP revenue	\$ 25,300	\$ 7,700
GAAP general and administrative expenses	\$ 37,889	\$ 25,428
GAAP general and administrative expenses as a percentage of revenue	149.8%	330.2%
Adjustments:		
Share-based compensation	\$ 6,405	\$ 3,495
Loss on disposal of property and equipment and impairment expense	3,460	1,010
Bad debt expense	97	116
Other ¹	1,455	(226)
Total adjustments	11,417	4,395
Adjusted General and Administrative Expenses	\$ 26,472	\$ 21,033
Adjusted General and Administrative Expenses as a Percentage of Revenue	104.6%	273.2%

¹ For the three months ended March 31, 2023, comprised primarily of costs related to the reorganization of Company resources previously announced by the Company on February 23, 2023 and the petition filed by EVgo in the Delaware Court of Chancery in February 2023 seeking validation of EVgo's charter and share structure (the "205 Petition"), which are not expected to recur. For the three months ended March 31, 2022, comprised primarily of insurance proceeds for property losses.

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The following unaudited table presents a reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA, and Adjusted EBITDA Margin to the most directly comparable GAAP measure, in each case, for the three months ended March 31, 2023 and 2022:

<i>(dollars in thousands)</i>	Three Months Ended March 31,	
	2023	2022
GAAP revenue	\$ 25,300	\$ 7,700
GAAP net loss	\$ (49,081)	\$ (55,266)
<i>GAAP net loss margin</i>	<i>(194.0%)</i>	<i>(717.7%)</i>
Adjustments:		
Depreciation, net of capital-build amortization	6,468	3,517
Amortization	4,119	3,365
Accretion	539	459
Interest income	(1,998)	(55)
Income tax expense	5	5
EBITDA	\$ (39,948)	\$ (47,975)
<i>EBITDA Margin</i>	<i>(157.9%)</i>	<i>(623.1%)</i>
Adjustments:		
Share-based compensation	6,427	3,506
Loss on disposal of property and equipment and impairment expense	3,460	1,010
(Gain) loss on investments	(1)	255
Bad debt expense	97	116
Change in fair value of earnout liability	2,063	2,264
Change in fair value of warrant liabilities	6,380	22,874
Other ¹	1,455	(226)
Adjusted EBITDA	\$ (20,067)	\$ (18,176)
<i>Adjusted EBITDA Margin</i>	<i>(79.3%)</i>	<i>(236.1%)</i>

¹ For the three months ended March 31, 2023, comprised primarily of costs related to the reorganization of Company resources previously announced by the Company on February 23, 2023 and the 205 Petition, which are not expected to recur. For the three months ended March 31, 2022, comprised primarily of insurance proceeds for property losses.

Liquidity and Capital Resources

EVgo has a history of operating losses and negative operating cash flows. As of March 31, 2023, EVgo had \$163.8 million of cash, cash equivalents and restricted cash and working capital of \$114.6 million. As of December 31, 2022, EVgo had \$246.5 million of cash, cash equivalents and restricted cash and working capital of \$188.1 million. The Company's net cash outflow for the three months ended March 31, 2023 was \$82.7 million. EVgo believes its cash and cash equivalents on hand as of March 31, 2023 are sufficient to meet EVgo's current working capital and capital expenditure requirements for a period of at least twelve months from the filing date of this Quarterly Report.

To date, EVgo's primary sources of liquidity have been cash flows from the CRIS Business Combination, revenues from its various revenue streams, government grants, proceeds from sales of EVgo's Class A common stock, including under the ATM Program, and loans and equity contributions from its previous owners. EVgo's primary cash requirements include operating expenses, satisfaction of commitments to various counterparties and suppliers and capital expenditures (including property and equipment). EVgo's principal uses of cash in recent periods have been funding its operations and investing in capital expenditures, including the purchase of EV chargers for installation.

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In July 2022, EVgo entered into the Delta Charger Supply Agreement and the Purchase Order with Delta, pursuant to which EVgo will purchase and Delta will sell EV chargers manufactured by Delta from time to time in specified quantities at certain delivery dates over a period of four years. EVgo is obligated to purchase at least 1,000 chargers (which will enable the construction of 2,000 stalls) pursuant to the Delta Charger Supply Agreement and the Purchase Order with the option, at EVgo's election, to increase the number of chargers purchased to 1,100. Under the terms of the Purchase Order, EVgo will receive delivery of 600 chargers in the 11 months following July 12, 2022 and is required to make full payment on such chargers within sixty (60) days of receipt. EVgo's obligations under the Purchase Order are take-or-pay obligations; however, EVgo's liability is capped at a maximum of the greater of \$30.0 million or 50% of the value of any outstanding firm orders. EVgo entered into the Delta Charger Supply Agreement and Purchase Order in order to meet its obligations under the Pilot Infrastructure Agreement, other potential contractual commitments and its own needs and intends to fund the capital expenditure required under the Delta Charger Supply Agreement and Purchase Order with proceeds from the Pilot Infrastructure Agreement as well as cash and cash equivalents on hand.

The term of the Tax Receivable Agreement commenced upon the completion of the CRIS Business Combination and will continue until all tax benefits that are subject to the Tax Receivable Agreement have been utilized or expired and all required payments are made, unless the Tax Receivable Agreement is terminated early (including upon a change of control). The actual timing and amount of any payments that may be made under the Tax Receivable Agreement are unknown at this time and will vary based on a number of factors. However, the Company Group expects that the payments that it will be required to make to TRA Holders in connection with the Tax Receivable Agreement will be substantial. Any payments made by the Company Group to TRA Holders under the Tax Receivable Agreement will generally reduce the amount of cash that might have otherwise been available to EVgo or EVgo OpCo. To the extent EVgo OpCo has available cash and subject to the terms of any current or future debt or other agreements, the EVgo OpCo A&R LLC Agreement will require EVgo OpCo to make pro rata cash distributions to holders of EVgo OpCo Units, including Thunder Sub, in an amount sufficient to allow the Company Group to pay its taxes and to make payments under the Tax Receivable Agreement. EVgo generally expects EVgo OpCo to fund such distributions out of available cash. However, except in cases where the Company Group elects to terminate the Tax Receivable Agreement early, the Tax Receivable Agreement is terminated early due to certain mergers or other changes of control, or the Company Group has available cash but fails to make payments when due, generally the Company Group may elect to defer payments due under the Tax Receivable Agreement if it does not have available cash to satisfy its payment obligations under the Tax Receivable Agreement or if its contractual obligations limit its ability to make these payments. Any such deferred payments under the Tax Receivable Agreement generally will accrue interest at the rate provided for in the Tax Receivable Agreement and such interest may significantly exceed the Company Group's other costs of capital. In certain circumstances (including an early termination of the Tax Receivable Agreement due to a change of control or otherwise), payments under the Tax Receivable Agreement may be accelerated and/or significantly exceed the actual benefits, if any, the Company Group realizes in respect of the tax attributes subject to the Tax Receivable Agreement. In the case of such an acceleration in connection with a change of control, where applicable, EVgo generally expects the accelerated payments due under the Tax Receivable Agreement to be funded out of the proceeds of the change of control transaction giving rise to such acceleration, which could have a significant impact on EVgo's ability to consummate a change of control or the proceeds received by EVgo's stockholders in connection with a change of control. However, the Company Group may be required to fund such payment from other sources and as a result, any early termination of the Tax Receivable Agreement could have a substantial negative impact on EVgo's liquidity or financial condition.

Cash Flows

The following table summarizes EVgo's consolidated cash flows for the three months ended March 31, 2023 and 2022:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2023	2022
Cash flows used in operating activities	\$ (19,343)	\$ (19,831)
Cash flows used in investing activities	(65,246)	(28,072)
Cash flows provided by financing activities	1,908	4,101
Net decrease in cash, cash equivalents and restricted cash	<u>\$ (82,681)</u>	<u>\$ (43,802)</u>

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Operating Activities. Cash used in operating activities for the three months ended March 31, 2023 was \$19.3 million compared to \$19.8 million for the three months ended March 31, 2022. The year-over-year change primarily reflected a \$22.3 million increase in cash flows from deferred revenue and an \$6.3 million increase in cash flows from accounts payable, which were partially offset by a \$17.9 million decrease in cash flows from accounts receivable and an \$8.0 million decrease in cash flows from prepaid expenses and other current and long-term assets.

Investing Activities. Cash used in investing activities for the three months ended March 31, 2023 was \$65.2 million, compared to \$28.1 million for the three months ended March 31, 2022. The increase was primarily driven by an increase in purchases of property, equipment and software.

Financing Activities. Cash provided by financing activities for the three months ended March 31, 2023 was \$1.9 million compared to \$4.1 million for the three months ended March 31, 2022. The decrease was driven primarily by a decrease in proceeds from capital-build funding received for charging stations.

Working Capital. EVgo's working capital as of March 31, 2023 was \$114.6 million, compared to \$188.1 million as of December 31, 2022. The decrease was driven primarily by an \$82.7 million decrease in the Company's cash, cash equivalents and restricted cash balance, a \$9.5 million increase in accounts payable, and an \$8.5 million increase in deferred revenue, current, which were partially offset by an \$18.2 million increase in accounts receivable, net, a \$5.2 million increase in other assets, and a \$5.0 million decrease in customer deposits.

Contractual Obligations and Commitments. EVgo has material cash requirements for known contractual obligations and commitments in the form of operating leases, purchase commitments and certain other liabilities that are disclosed in "*Part I, Item 1. Financial Statements – Note 8 – Commitments and Contingencies.*" EVgo generally expects to fund these obligations through its existing cash and cash equivalents and future financing or cash flows from operations.

Critical Accounting Policies and Estimates

The discussion and analysis of EVgo's financial condition and results of operations is based upon EVgo's consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of EVgo's financial statements requires the Company to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and related disclosures of contingent assets and liabilities. Management bases these estimates on its historical experience and various other assumptions that it believes to be reasonable under the circumstances. Actual results experienced may vary materially and adversely from EVgo's estimates. Revisions to estimates are recognized prospectively. For more information See "*Part I, Item 1. Financial Statements – Note 2 – Summary of Significant Accounting Policies*" for additional description of the significant accounting policies that have been followed in preparing EVgo's consolidated financial statements.

The accounting policies described below are those EVgo considers to be the most critical to an understanding of its financial condition and results of operations and that require the most complex and subjective management judgment. EVgo considers its critical accounting estimates to be those related to its revenue recognition, business combinations and warrant liabilities, which are described below.

Revenue Recognition

EVgo recognizes revenue in accordance with ASC 606. Recording revenue requires judgment, including determining whether an arrangement includes multiple performance obligations, whether any of those obligations are distinct and cannot be combined and allocation of the transaction price to each performance obligation based on the relative standalone selling prices ("SSP"). Revenue for performance obligations can be recognized over time or at a point in time depending on the nature of the performance obligation. Changes to the elements in an arrangement or, in EVgo's determination, to the relative SSP for these elements, could materially affect the amount of earned and unearned revenue reflected in its consolidated financial statements.

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Understanding the complex terms of some of EVgo's agreements and determining the appropriate time, amount and method under which the Company should recognize revenue for the related transactions requires significant judgment. The Company exercises judgment in determining which promises in a contract constitute performance obligations rather than set-up activities. The Company determines which activities under a contract transfer a good or service to a customer rather than activities that are required to fulfill a contract but do not transfer control of a good or service to the customer. Determining whether obligations in a contract are considered distinct performance obligations that should be accounted for separately or as a single performance obligation requires significant judgment. In reaching its conclusion, the Company assesses the nature of each individual service offering and how the services are provided in the context of the contract, including whether the services are significantly integrated which may require judgment based on the facts and circumstances of the contract. The Company does not disclose the transaction price allocated to remaining performance obligations for (i) contracts for which the Company recognizes revenue at the amount to which it has the right to invoice and (ii) contracts with variable consideration allocated entirely to a single performance obligation. The Company's remaining performance obligations under these contracts include providing charging services, branding services, and maintenance services which will generally be recognized over the contract term. The Company's customer contracts may include variable consideration such as that due to the unknown number of users that will receive charging credits or an unknown number of sites that will receive maintenance services. For such variable consideration, the Company has determined it is not necessary to estimate variable consideration as the uncertainty resolves itself monthly in accordance with the contracts' revenue recognition pattern. The timing and amount of revenue recognition in a period could vary if different judgments were made. The Company may also estimate variable consideration under the expected value method or the most likely amount method.

Additionally, where there are multiple performance obligations, judgment is required to determine revenue for each distinct performance obligation. Determining the relative SSP for contracts that contain multiple performance obligations requires significant judgment to appropriately determine the suitable method for estimating the SSP. EVgo determines SSP using observable pricing when available, which takes into consideration market conditions and customer specific factors.

At contract inception, EVgo determines whether EVgo satisfies the performance obligation over time or at a point in time. Revenues from charging – OEM are primarily recognized ratably over time or as fee-bearing usage occurs. Revenues from charging – retail, charging – commercial and LCFS are usage-based services and recognized over time or at a point in time upon the delivery of the charging products or services. eXtend and ancillary revenues are recognized over time based on a time-based or cost-based approach or at a point in time as performance obligations are satisfied.

Warrant Liabilities

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

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded as liabilities at their initial fair value on the date of issuance and remeasured to fair value at each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized in "changes in fair value of warrant liabilities" in the consolidated statements of operations. The fair value of the private placement warrants on the date of issuance and on each measurement date is estimated using a Monte Carlo simulation methodology, which includes inputs such as EVgo's stock price, the risk-free interest rate, the expected term, the expected volatility, the dividend rate, the exercise price and the number of private placement warrants outstanding. Assumptions used in the model are subjective and require significant judgment.

Recent Accounting Pronouncements

For a discussion of EVgo's new or recently adopted accounting pronouncements, see "*Part I, Item 1. Financial Statements– Note 2 – Summary of Significant Accounting Policies*" as of and for the quarters ended March 31, 2023 and 2022.

JOBS Act

On April 5, 2012, the JOBS Act was signed into law. The JOBS Act includes provisions that, among other things, relax certain reporting requirements for qualifying public companies. Following the CRIS Business Combination, EVgo has qualified as an "emerging growth company" ("EGC") under the JOBS Act and, as a result, is permitted to comply with new or revised accounting pronouncements based on the effective date for private (i.e., not publicly traded) companies. EVgo elected to delay the adoption of new or revised accounting standards and as a result, EVgo may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, EVgo's financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

As an EGC, EVgo is not required to, among other things, (a) provide an auditor's attestation report on EVgo's system of internal control over financial reporting, (b) provide all of the compensation disclosure that may be required of non-EGC public companies, (c) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis) and (d) disclose comparisons of the chief executive officer's compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of the Initial Public Offering or until EVgo otherwise no longer qualifies as an EGC.

Additionally, following the CRIS Business Combination, EVgo has qualified as a "smaller reporting company" as defined under the Exchange Act. EVgo may continue to be a smaller reporting company so long as either (i) the market value of shares of its common stock held by non-affiliates is less than \$250 million or (ii) its annual revenue was less than \$100 million during the most recently completed fiscal year and the market value of shares of its common stock held by non-affiliates is less than \$700 million. If EVgo is a smaller reporting company at the time it ceases to be an EGC, EVgo may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company, EVgo may choose to present only the two most recent fiscal years of audited financial statements in its Annual Report on Form 10-K and has reduced disclosure obligations regarding executive compensation and, similar to EGCs, if EVgo is a smaller reporting company under the requirements of (ii) above, EVgo would not be required to obtain an attestation report on internal control over financial reporting issued by its independent registered public accounting firm.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

EVgo is a "smaller reporting company" as defined in Item 10(f)(1) of Regulation S-K. As a result, pursuant to Item 305(e) of Regulation S-K, the Company is not required to provide the information required by this Item 7A.

Item 4. Controls and Procedures

Management’s Evaluation of Disclosure Controls and Procedures

Per Rules 13a-15(e) and 15d-15(e) under the Exchange Act, the term disclosure controls and procedures means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer’s management, including its Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Under the supervision of the Company’s Board of Directors and with the participation of management, including the Company’s Chief Executive Officer and Chief Financial Officer (the “certifying officers”), the Company conducted an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures (as defined in and pursuant to Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2023. The certifying officers concluded that, as a result of the material weaknesses in internal control over financial reporting described below in “Remediation Plan for Existing Material Weaknesses in Internal Control over Financial Reporting”, the Company’s disclosure controls and procedures were not effective as of March 31, 2023; accordingly, the Company is implementing additional policies and procedures to remediate these shortcomings as outlined below.

Notwithstanding the identified material weaknesses, the Company’s management believes the condensed consolidated financial statements included in this Quarterly Report present fairly, in all material respects, the Company’s financial position, results of operations and cash flows as of and for the periods presented, in accordance with U.S. GAAP.

Changes in Internal Control Over Financial Reporting

Other than the remediation efforts discussed below in “Remediation Plan for Existing Material Weaknesses in Internal Control over Financial Reporting,” there were no changes in the Company’s internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Remediation Plan for Existing Material Weaknesses in Internal Control over Financial Reporting

The Company’s management previously identified material weaknesses in the Company’s internal control over financial reporting, as identified below and discussed further in “*Part II, Item 9A. Controls and Procedures*” in the Annual Report. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis.

The following material weaknesses in internal control over financial reporting were identified: as a result of the Company lacking a sufficient number of trained resources to fulfill internal control responsibilities, the Company did not have an effective risk assessment process that evaluated risks at a sufficient level of detail to identify all relevant risks of material misstatement across the entity and the Company did not have an effective information and communication process that identified and assessed the controls necessary to ensure the reliability of information used in financial reporting. As a consequence, the Company did not effectively design, implement and operate process-level controls and effective general information technology (“IT”) controls relevant to all of its financial reporting processes.

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In order to address the identified material weaknesses, the Company has established a remediation plan which includes the following measures:

- Evaluating skill set gaps and hiring additional accounting, financial reporting, and compliance personnel (including both internal and external resources), as needed, with public company experience to develop and implement additional policies, procedures and controls;
- Providing ongoing training for key personnel responsible for accounting, financial reporting and internal control over financial reporting;
- Designing and implementing a comprehensive and continuous risk assessment process that identifies and assesses risks of material misstatement across the entity and helps ensure that related internal controls are properly designed and in place to respond to those risks in the Company's financial reporting;
- Designing and implementing controls over the completeness and accuracy of information used in financial reporting; and
- Designing and implementing process-level controls and effective general IT controls relevant to all of the Company's financial reporting processes.

The Company is committed to remediating the material weaknesses and is making progress in that effort. The actions the Company is taking are subject to ongoing senior management review, as well as oversight from the Company's Board of Directors. When fully implemented and operational, the Company believes the measures described above will remediate the underlying causes of the control deficiencies that gave rise to the material weaknesses and strengthen the Company's internal control over financial reporting. However, remediation efforts may continue beyond the fiscal year ending December 31, 2023. The Company will not be able to fully remediate these material weaknesses until these steps have been completed and have been operating effectively for a sufficient period of time. The Company may also identify additional measures that may be required to remediate the material weaknesses in the Company's internal control over financial reporting, necessitating further action.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, EVgo may be a party to legal proceedings or subject to claims arising in the ordinary course of business. EVgo is not currently a party to any material legal proceedings.

Item 1A. Risk Factors

In the course of conducting its business operations, EVgo is exposed to a variety of risks, any of which have affected or could materially adversely affect EVgo's business, financial condition, and results of operations. The market price of EVgo's securities could decline, possibly significantly or permanently, if one or more of these risks and uncertainties occurs. Before you make a decision to buy EVgo's securities, in addition to the risks and uncertainties discussed above under "Cautionary Statement Regarding Forward-Looking Statements," you should carefully consider the specific risk factors set forth in the "Risk Factors" section in the Annual Report. There have been no material changes to the risk factors disclosed in Part I, Item 1A of the Annual Report.

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

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

See Exhibit Index.

EXHIBIT INDEX

Exhibit No.	Description
3.1	Second Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on July 8, 2022).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on July 8, 2022).
4.1	Specimen Class A Common Stock Certificate (incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-1 (Registration No. 333-248718), filed with the Securities and Exchange Commission on September 10, 2020).
4.2	Specimen Warrant Certificate (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-1 (Registration No. 333-248718), filed with the Securities and Exchange Commission on September 10, 2020).
4.3	Warrant Agreement, dated September 29, 2020, between the Company and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on October 5, 2020).
10.1††	EVgo Inc. Executive Change in Control and Severance Plan (incorporated by reference to Exhibit 10.12 to the Company's Annual Report, filed with the Securities and Exchange Commission on March 30, 2023).
31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 Certification of Chief 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 Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 Certification of Chief 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 Chief Executive Officer and Chief 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 – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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 in Inline XBRL and contained in Exhibit 101)

* Filed herewith.

† Furnished herewith.

†† Indicates a management contract or compensatory plan, contract or arrangement.

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, duly authorized.

EVgo Inc.

Date: May 9, 2023

By: /s/ Catherine Zoi
Name: Catherine Zoi
Title: Chief Executive Officer
(Principal Executive Officer)

Date: May 9, 2023

By: /s/ Olga Shevorenkova
Name: Olga Shevorenkova
Title: Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Catherine Zoi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of EVgo 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 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 controls 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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2023

By: /s/ Catherine Zoi

Name: Catherine Zoi

Title: Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Olga Shevorenkova, certify that:

1. I have reviewed this quarterly report on Form 10-Q of EVgo 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 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 controls 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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2023

By: /s/ Olga Shevorenkova

Name: Olga Shevorenkova

Title: Chief 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 EVgo Inc. (the "Company") on Form 10-Q for the period ended March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in the capacities and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of their knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 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 9, 2023

By: /s/ Catherine Zoi

Name: Catherine Zoi

Title: Chief Executive Officer

Date: May 9, 2023

By: /s/ Olga Shevorenkova

Name: Olga Shevorenkova

Title: Chief Financial Officer
