

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **March 14, 2022**

Evolv Technologies Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	001-39417 (Commission File Number)	84-4473840 (IRS Employer Identification No.)
500 Totten Pond Road, 4th Floor Waltham, Massachusetts (Address of principal executive offices)		02451 (Zip Code)
	(781) 374-8100 Registrant's telephone number, including area code	
	(Former name or former address, if changed since last report.)	

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.0001 per share	EVLV	The Nasdaq Stock Market
Warrants to purchase one share of Class A common stock	EVLVW	The Nasdaq Stock Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On March 14, 2022, Evolv Technologies Holdings, Inc. (the "Company") announced financial results for fourth quarter and fiscal year ended December 31, 2021. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K. A slide presentation, which includes supplemental information relating to the Company's fourth quarter and fiscal year earnings, is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

The information in this Item 2.02 of this Current Report on Form 8-K (including Exhibit 99.1 and Exhibit 99.2) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No. Description

- [99.1](#) [Press Release, dated March 14, 2022.](#)
[99.2](#) [Supplemental slides provided in connection with the Company's fourth quarter 2021 earnings call](#)
104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 hereunto duly authorized.

Evolv Technologies Holdings, Inc.

Date: March 14, 2022

By: /s/ Peter George
Name: Peter George
Title: Chief Executive Officer

**Investor Relations:**

Brian Norris
Vice President of Investor Relations
bnorris@evolvtechnology.com

Public Relations:

Fitz Barth
Director of Communications
fbarth@evolvtechnology.com

Evolv Technology Reports Strong Fourth Quarter and Full Year Financial Results

– Company Issues Outlook for 2022 –

- **Q4 Total Contract Value (“TCV”)¹ of \$17.9 million, up 201% year-over-year**
- **Q4 Revenue of \$6.8 million, up 236% year-over-year**
- **Full Year TCV¹ of \$53.8 million, up 148% year-over-year**
- **Full Year Revenue of \$23.7 million, up 395% year-over-year**

Waltham, Massachusetts – March 14, 2022 – Evolv Technology (NASDAQ: EVLV), the global leader in AI-based weapons detection security screening, today announced financial results for its fourth quarter and year ended December 31, 2021² and issued its business outlook for 2022.

“We’re pleased to be reporting strong fourth quarter results highlighted by a record number of new customers across our key vertical markets, the launch of several demand-driven offerings, and continuing momentum with our channel-centric go to market strategy,” said Peter George, Chief Executive Officer of Evolv Technology. “Looking ahead to 2022, we plan to continue focusing on the opportunities we see to leverage our solutions to democratize security for facilities and venues in all of our target markets. We believe we enter the new year well-positioned and highly motivated to extend our leadership position in the rapidly growing market for AI-based weapons detection.”

Results for the Fourth Quarter of 2021

Total revenue for the fourth quarter of 2021 was \$6.8 million, an increase of 236% compared to \$2.0 million for the fourth quarter of 2020. Total Contract Value (“TCV”)¹ of orders booked for the fourth quarter of 2021 was \$17.9 million, an increase of 201% compared to \$6.0 million in the fourth quarter of 2020. Annual Recurring Revenue (“ARR”)³ was \$12.9 million at the end of fourth quarter of 2021, an increase of 220% compared to \$4.0 million in the fourth quarter of 2020. Net income for the fourth quarter of 2021 was \$2.5 million, or \$0.02 per basic and diluted share, compared to net loss of \$9.6 million, or \$1.06 per basic and diluted share, for the fourth quarter of 2020. As of December 31, 2021, the Company had cash and cash equivalents of \$307.5 million compared to \$4.7 million as of December 31, 2020.

Results for 2021

Total revenue in 2021 was \$23.7 million, an increase of 395% compared to \$4.8 million in 2020. TCV of orders booked in 2021 was \$53.8 million, an increase of 148% compared to \$21.7 million in 2020. Net loss in 2021 was \$10.9 million, or \$0.15 per basic and diluted share, compared to net loss of \$27.4 million, or \$3.07 per basic and diluted share, in 2020.

Company Issues Outlook for 2022

The Company today issued its business outlook for 2022. The Company's outlook is based on the current indications for its business, which may change at any time.

<i>Estimate</i> <i>(In millions)</i>	2021 Actual	2022 Business Outlook
Total Revenue	\$ 23.7	\$29-\$31
Annual Recurring Revenue ³ at 12/31	\$ 12.9	\$27-\$28
Operating Expenses	\$ 60.7	\$94-\$96
Operating Loss	\$ (54.0)	(\$82-\$84)
Adjusted EBITDA ⁴	n/m	(\$65-\$67)
Cash and Cash Equivalents	\$ 307.5	\$220-\$230

Company to Host Live Conference Call and Webcast

The Company's management team plans to host a live conference call and webcast at 4:30 p.m. Eastern Time today to discuss the financial results as well as management's outlook for the business and other matters. The conference call may be accessed in the United States by dialing +1.844.867.6169 and using access code 1400696. The conference call may be accessed outside of the United States by dialing +1.409.207.6975 and using access code 1400696. The conference call will be simultaneously webcast on the Company's Investor Relations website, which can be accessed at <http://ir.evolvtechnology.com>. A replay of the conference call will be available for a period of 30 days by dialing +1.866.207.1041 or +1.402.970.0847 and using access code 1987557 or by accessing the webcast replay on the Company's investor relations website at <http://ir.evolvtechnology.com>. The Company has used, and intends to continue to use, the investor relations portion of its website as a means of disclosing material non-public information and for complying with disclosure obligations under Regulation FD.

About Evolv Technology

Evolv Technology (NASDAQ: EVLV) is the global leader in weapons detection security screening. Our mission is enabling a better experience and better security for venues, creating a safer world to work, learn, and play by transforming physical security to make everywhere safer. This enhances the visitor experience and improves weapons detection. We give sports fans, theme park visitors, concert goers, shoppers, employees, students, and others peace of mind so that they can gather without fear of violence. Our security system, delivered as a SaaS-based offering, has scanned more than 200 million people, second only to the Department of Homeland Security's Transportation Security Administration in the United States, and our technology combines powerful, advanced sensors with proven artificial intelligence (AI), security ecosystem integrations, and comprehensive venue analytics to reliably detect threats 10 times faster than traditional metal detectors. Evolv Technology, Evolv Express®, Evolv Insights™, and Evolv Cortex AI™ are registered trademarks or trademarks of Evolv Technologies, Inc. in the United States and other jurisdictions. For more information, visit <https://evolvtechnology.com>.

¹ We define Total Contract Value, or TCV, of orders booked as the total value of the contract over the specified term. Our calculation of TCV is not adjusted for the impact of any known or projected future events (such as customer cancellations, upgrades or downgrades, or price increases or decreases). TCV should be viewed independently of, and not as a substitute for or forecast of, revenue and deferred revenue. Our calculation of TCV may differ from similarly titled metrics presented by other companies.

² Amounts herein pertaining to December 31, 2021 represent a preliminary estimate as of the date of this earnings release. More information on our results of operations for the three and twelve months ended December 31, 2021 will be provided upon filing our Annual Report on Form 10-K with the Securities and Exchange Commission.

³ We define Annual Recurring Revenue, or ARR, as subscription revenue and the recurring service revenue related to purchase subscriptions for the final month of the quarter normalized to a one-year period. Our calculation of ARR is not adjusted for the impact of any known or projected future events (such as customer cancellations, upgrades or downgrades, or price increases or decreases) that may cause any such contract not to be renewed on its existing terms. In addition, the amount of actual revenue that we recognize over any 12-month period is likely to differ from ARR at the beginning of that period, sometimes significantly. This may occur due to new bookings, cancellations, upgrades, downgrades or other changes in pending renewals, as well as the effects of professional services revenue and acquisitions or divestitures. As a result, ARR should be viewed independently of, and not as a substitute for or forecast of, revenue and deferred revenue. Our calculation of ARR may differ from similarly titled metrics presented by other companies.

⁴ **Non-GAAP Financial Measures** In this press release, the Company's adjusted gross profit, adjusted gross margin, and adjusted EBITDA are not presented in accordance with generally accepted accounting principles (GAAP) and are not intended to be used in lieu of GAAP presentations of results of operations. Adjusted gross profit and adjusted gross margin exclude one-time items and depreciation and amortization which management believes provides a more meaningful representation of contribution margin. Adjusted EBITDA is defined as net income (loss) plus depreciation and amortization, share-based compensation and other expense. Management presents non-GAAP financial measures because it considers them to be important supplemental measures of performance. Management uses non-GAAP financial measures for planning purposes, including analysis of the Company's performance against prior periods, the preparation of operating budgets and to determine appropriate levels of operating and capital investments. Management also believes non-GAAP financial measures provide additional insight for analysts and investors in evaluating the Company's financial and operational performance. However, non-GAAP financial measures have limitations as an analytical tool and are not intended to be an alternative to financial measures prepared in accordance with GAAP. We intend to provide non-GAAP financial measures as part of our future earnings discussions and, therefore, the inclusion of non-GAAP financial measures will provide consistency in our financial reporting. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures. A reconciliation of our non-GAAP financial measures to their most directly comparable GAAP measures has been provided in this press release.

Forward-Looking Statements

Certain statements in this press release may constitute "forward-looking" statements and information, within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 that relate to our current expectations and views of future events. Forward-looking statements involve the Company's current expectations and projections relating to its financial condition, competitive position, future financial results, plans, objectives, and business. All statements other than statements of historical facts contained in this press release are forward-looking statements. In some cases, these forward-looking statements can be identified by words or phrases such as "may," "will," "expect," "should," "could," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or the negative of these terms or other similar expressions. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect the Company's current views with respect to future events and the Company's performance and are not a guarantee of future performance. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation expectations regarding the Company's strategies and future financial performance, including its future business plans or objectives, prospective performance and opportunities and competitors, revenues, products and services, pricing, operating expenses, market trends, liquidity, cash flows and uses of cash, capital expenditures; the Company's history of losses and lack of profitability; the Company's reliance on third party contract manufacturing; the rate of innovation required to maintain competitiveness in the markets in which the Company competes; the competitiveness of the market in which the Company competes; the ability for the Company to obtain, maintain, protect and enforce the Company's intellectual property rights; the concentration of the Company's revenues on a single solution; the Company's ability to timely design, produce and launch its solutions, the Company's ability to invest in growth initiatives and pursue acquisition opportunities; the limited liquidity and trading of the Company's securities; geopolitical risk and changes in applicable laws or regulations; the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors; operational risk; risk that the COVID-19 pandemic, including variants, vaccine roll-out efforts, and local, state, and federal responses to addressing the pandemic may have an adverse effect on the Company's business operations, as well as the Company's financial condition and results of operations; litigation and regulatory enforcement risks, including the diversion of management time and attention and the additional costs and demands on resources; and the risk factors set forth under the caption "Risk Factors" in our prospectus, filed with the Securities and Exchange Commission (the "SEC") on September 3, 2021, and in our other documents filed with or furnished to the SEC.

These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this press release. You should not put undue reliance on any forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

EVOLV TECHNOLOGY
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31	
	2021	2020	2021	2020
Revenue:				
Product revenue	\$ 3,618	\$ 857	\$ 13,917	\$ 1,279
Subscription revenue	2,737	894	7,855	2,637
Service revenue	491	284	1,920	869
Total revenue	6,846	2,035	23,692	4,785
Cost of revenue:				
Product revenue	5,234	816	12,471	1,177
Subscription revenue	1,102	632	3,644	1,824
Service revenue	204	119	936	495
Total cost of revenue	6,540	1,567	17,051	3,496
Gross profit	306	468	6,641	1,289

Operating expenses:				
Research and development	3,086	5,081	11,416	15,710
Sales and marketing	10,120	2,260	27,404	7,365
General and administrative	8,851	2,434	20,013	5,110
Loss from impairment of leased equipment	213	-	1,869	-
Total operating expenses	<u>22,270</u>	<u>9,775</u>	<u>60,702</u>	<u>28,185</u>
Loss from operations	(21,964)	(9,307)	(54,061)	(26,896)
Interest and other expense	(55)	(223)	(6,712)	(430)
Loss on extinguishment of debt	-	(66)	(12,685)	(66)
Change in fair value of derivative liability	-	-	(1,745)	-
Change in fair value of contingent earn-out liability	14,394	-	46,212	-
Change in fair value of contingently issuable common stock liability	688	-	6,406	-
Change in fair value of public warrant liability	9,454	-	12,606	-
Change in fair value of common stock warrant liability	-	-	(879)	-
Total other income (expense)	<u>\$ 24,481</u>	<u>\$ (289)</u>	<u>\$ 43,203</u>	<u>\$ (496)</u>
			6	
Net income (loss) and comprehensive income (loss) attributable to common stockholders – basic and diluted	<u>\$ 2,517</u>	<u>\$ (9,596)</u>	<u>\$ (10,858)</u>	<u>\$ (27,392)</u>
Net income (loss) per share – basic and diluted	<u>\$ 0.02</u>	<u>\$ (1.06)</u>	<u>\$ (0.15)</u>	<u>\$ (3.07)</u>
Weighted average ordinary shares outstanding – basic	<u>142,403,779</u>	<u>9,044,968</u>	<u>71,662,694</u>	<u>8,932,404</u>
Weighted average ordinary shares outstanding – diluted	<u>161,906,393</u>	<u>9,044,968</u>	<u>71,662,694</u>	<u>8,932,404</u>

EVOLV TECHNOLOGY
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)
(Unaudited)

	December 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash	\$ 307,492	\$ 4,704
Restricted Cash	400	-
Accounts receivable, net	6,477	1,401
Inventory	5,140	2,742
Prepaid expenses and other current assets	14,151	1,462
Total current assets	<u>333,660</u>	<u>10,309</u>
Commission asset, noncurrent	3,719	1,730
Property and equipment, net	21,592	9,316
Restricted cash, noncurrent	275	-
Other long-term assets	3,819	-
Total assets	<u>\$ 363,065</u>	<u>\$ 21,355</u>
Liabilities and Shareholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 6,363	\$ 4,437
Accrued expenses and other current liabilities	9,183	3,727
Current portion of deferred revenue	6,690	3,717
Current portion of long-term debt	2,000	-
Other current liabilities	135	238
Total current liabilities	<u>24,371</u>	<u>12,119</u>
Deferred revenue, noncurrent	2,475	480
Noncurrent portion of deferred rent	333	-
Common stock warrant liability	-	1
Public warrant liability	11,030	-
Derivative liability	-	1,000
Contingent earn-out liability	20,809	-
Contingently issuable common stock liability	5,264	-
Financing obligation, noncurrent	-	132
Long-term debt, noncurrent	7,945	16,432
Total liabilities	<u>72,227</u>	<u>30,164</u>
Convertible preferred stock and shareholders' equity		
Convertible preferred stock	-	75,877
Common stock	14	1
Additional paid-in capital	395,563	9,194
Accumulated deficit	(104,739)	(93,881)
Total shareholders' equity (deficit)	<u>290,838</u>	<u>(84,686)</u>
Total liabilities and shareholders' equity	<u>\$ 363,065</u>	<u>\$ 21,355</u>

EVOLV TECHNOLOGY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Twelve Months Ended December 31,	
	2021	2021
Cash flows from operating activities:		
Net loss	\$ (10,858)	\$ (27,392)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,895	1,065
Write-off of inventory	2,041	-
Loss from impairment of leased equipment	1,869	-
Loss on disposal of fixed assets	617	-
Stock-based compensation	8,511	662
Noncash interest expense	5,245	25
Provision recorded for allowance for doubtful accounts	(13)	47
Loss on extinguishment of debt	12,685	66
Change in fair value of derivative liability	1,745	-
Change in fair value of common stock warrant liability	879	-
Change in fair value of earn-out liability	(46,212)	-
Change in fair value of contingently issuable common stock	(6,406)	-
Change in fair value of public warrant liability	(12,606)	-
Changes in operating assets and liabilities	(29,673)	2,273
Net cash used in operating activities	(69,281)	(23,254)
Cash flows from investing activities:		
Purchases of property and equipment	(4,057)	(6,609)
Development of internal-use software	(1,028)	-
Net cash used in investing activities	(5,085)	(6,609)
Cash flows from financing activities:		
Proceeds from issuance of Series B-1 convertible preferred stock, net of issuance costs	-	2,994
Proceeds from exercise of stock options	915	442
Proceeds from issuance of common stock from the PIPE Investment	300,000	-
Proceeds from the closing of the Merger	84,945	-
Payment of offering costs from the closing of the Merger and PIPE Investment	(34,132)	-
Repayment of financing obligations	(359)	(244)
Proceeds from long-term debt, net of issuance costs	31,882	22,438
Repayment of principal on long term debt	(5,422)	(8,404)
Net cash provided by financing activities	377,829	17,226
Net increase (decrease) in Cash, cash equivalents and restricted cash	303,463	(12,637)
Cash, cash equivalents and restricted cash, beginning of period	4,704	17,341
Cash, cash equivalents and restricted cash, end of period	<u>\$ 308,167</u>	<u>\$ 4,704</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 860	\$ 405

EVOLV TECHNOLOGY
RECONCILIATION OF 2022 NET LOSS TO ADJUSTED EBITDA
(In thousands)
(Unaudited)

	Twelve Months Ended December 31, 2022	
	High	Low
Net income (loss)	\$ (83,000)	\$ (85,000)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:		
Depreciation and amortization	6,000	6,000
Stock-based compensation	11,000	11,000
Other expense	1,000	1,000
Adjusted EBITDA	\$ (65,000)	\$ (67,000)

EVOLV TECHNOLOGY
SUMMARY OF KEY OPERATING STATISTICS
(Unaudited)

	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
<i>(\$ in thousands)</i>					
New customers	6	13	21	23	27
Total contract value of orders booked	\$ 5,956	\$ 8,424	\$ 10,476	\$ 16,995	\$ 17,916

Annual recurring revenue	\$	4,034	\$	5,424	\$	7,423	\$	9,932	\$	12,907
Remaining performance obligation	\$	13,381	\$	17,658	\$	24,930	\$	34,152	\$	40,160
Contract value for units in backlog		<i>n/a</i>		<i>n/a</i>		<i>n/a</i>		<i>n/a</i>	\$	10,599
Net additions		32		64		113		176		136
Ending deployed units		214		278		391		567		703

###



Q4 2021 Earnings Call

March 14, 2022

EVLV
Nasdaq Listed

EVLV
Nasdaq Listed

Safe Harbor Statement & Use of Non-GAAP Measures

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In this presentation, the Company's adjusted gross profit, adjusted gross margin, and adjusted EBITDA are not presented in accordance with generally accepted accounting principles (GAAP) and are not intended to be used in lieu of GAAP presentations of results of operations. Adjusted gross profit and adjusted gross margin exclude one-time items and depreciation and amortization which management believes provides a more meaningful representation of contribution margin. Adjusted EBITDA is defined as net income (loss) plus depreciation and amortization, share-based compensation and other expense. Management presents non-GAAP financial measures because it considers them to be important supplemental measures of performance. Management uses non-GAAP financial measures for planning purposes, including analysis of the Company's performance against prior periods, the preparation of operating budgets and to determine appropriate levels of operating and capital investments. Management also believes this non-GAAP financial measures provide additional insight for analysts and investors in evaluating the Company's financial and operational performance. However, non-GAAP financial measures have limitations as an analytical tool and are not intended to be an alternative to financial measures prepared in accordance with GAAP. We intend to provide non-GAAP financial measures as part of our future earnings discussions and, therefore, the inclusion of non-GAAP financial measures will provide consistency in our financial reporting. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures. A reconciliation of our non-GAAP financial measures to their most directly comparable GAAP measures has been provided herein.



Peter George

Chief Executive Officer



evolv

Our Vision

A safer world for people to work, learn and play.

evolv

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Safe



Healthy



Frictionless

Trends Driving Our Market

Contactless



Personal



Informed



The Imperative Today

Safer Everywhere

evolv

- We believe the pandemic has **changed** the way we live, work and play
- We believe people have an elevated sense of **anxiety about gathering again**
- **Gun violence** is at a historic high
- Our customers are relying on Evolv to help make their venues safe
- We're seeing companies make the architectural shift from analog to digital and we believe **Evolv is leading the Digital Transformation of physical security**
- Evolv has developed the first and only AI-based Weapons Detection Platform that prevents threats from going into places they shouldn't but preserves the visitor experience as people walk right in "at the pace of life"
- Our platform is delivered as a "Security as a Service" with 4-year subscription terms in vertical markets where little to no advanced technology is present today
- We believe Evolv is well-positioned to "**democratize**" security

Evolv: The Human Security Company

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Strong year of growth despite pandemic challenges

Key Highlights

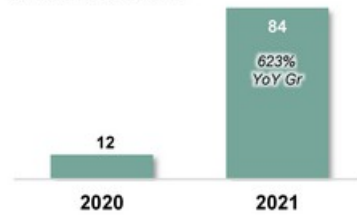
- Revenue growth of 236% in Q4'21 and 395% in 2021
- Strong new customer adoption across key vertical markets
- Growing momentum and scale with channel partners
- Key product innovations which extended our technology leadership

Revenue \$ in Millions



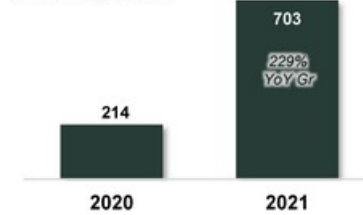
*ASC 606 requires us to allocate the value of purchase subscription client contracts into equipment, software and maintenance/services; this allocation is subject to evaluation and change on a quarterly basis. Proforma (PF) calculations represents a scenario in which SSP assumptions were not updated in Q4'21.

New Customers*



*New customers which placed a purchase order with the Company in the year

Subscriptions*



* Subscriptions are defined as units that have generated revenue (subscription units installed and purchase units shipped)



Accelerating new customer adoption across strategic verticals



*New customers which placed a purchase order with the Company in the year



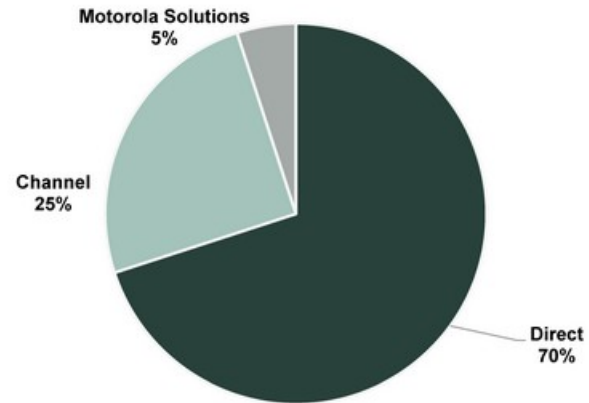
Partial List of New Q4'21 Customers



Growing momentum from partners as we become a channel centric company



2021 TCV by Channel

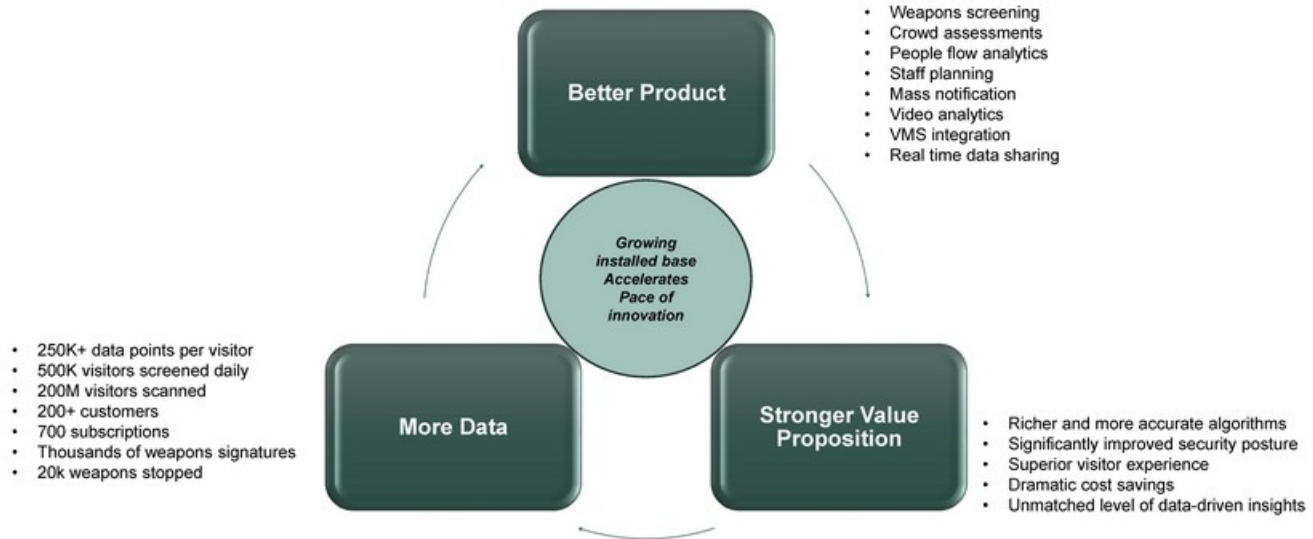


*TCV = Total Contract Value of Orders Booked



We continue to extend our technology and market advantage

AI-based platform delivered via SaaS model



Significant drivers of sustainable growth

Short Term

- Full reopening following impact of Omicron and Delta
- Increases in the number of sales executives, sales quotas and pricing
- Momentum with channel partners
- Funnel development

Medium and Long-Term

- Secular growth drivers remain strong and public safety is more important than ever
- Significant long-term opportunity for growth with existing and new channel partners
- Ancillary revenue streams with Analytics and Digital tools to drive average revenue per unit (APRU) higher
- New potential products can drive deep penetration of large untapped TAM segments



Mario Ramos

Chief Financial Officer &
Chief Risk Officer



Strong secular growth trends fueled our financial results in 2021

Top-line growth	Recurring Revenues	Leading Indicators
Total Revenues	Subscription + Service Revenue	Total Contract Value (TCV)*
\$23.7M +395% YoY	\$9.8M +180% YoY	\$53.8M +148% YoY
Proforma Revenues*	ARR*	Remaining Performance Obligation**
\$25.0M +422% YoY	\$12.9M +220% YoY	\$40.2M +200% YoY

*ASC 606 requires us to allocate the value of purchase subscription client contracts into equipment, software and maintenance/services; this allocation is subject to evaluation and change on a quarterly basis. Proforma (PF) calculations represents a scenario in which SSP assumptions were not updated in Q4'21.

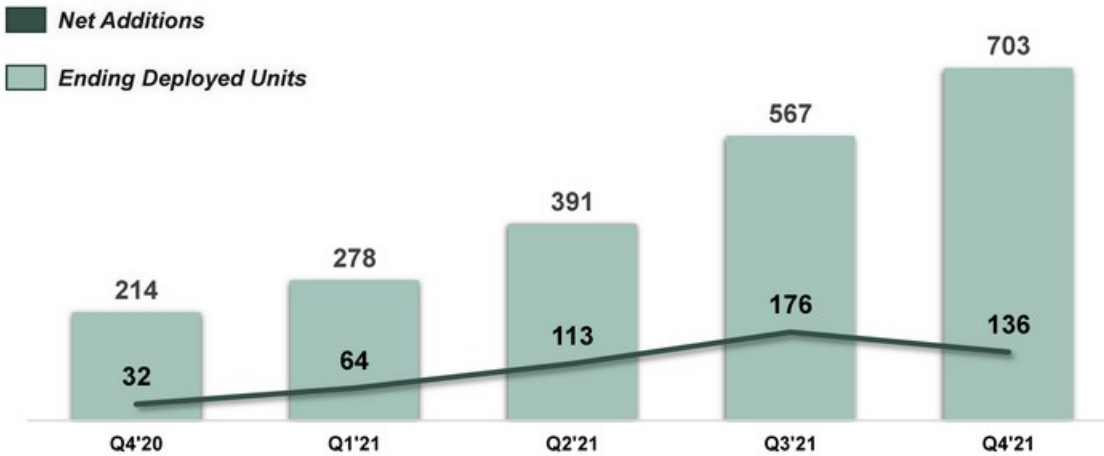
**Annual Recurring Revenue (ARR) represents subscription revenue and the recurring service revenue related to purchase subscriptions for the final month of the quarter normalized to a one-year period.

*TCV reflects the total value of the contract over the specified contract term.

**Remaining Performance Obligation (RPO) reflects the difference between contract value and revenue recognized for installed units as of the end of the quarter.



Customer adoption is driving accelerated growth in backlog although Omicron is impacting the rate of installations



Note: Deployed Unit is defined as units that have generated revenue (subscriptions units installed and purchase units shipped). Net Additions refers to newly added deployed units within the time period.



We grew ARR by 220% and RPO by 200% in Q4'21

ARR¹
\$ in Millions



¹ Annual Recurring Revenue (ARR) represents subscription revenue and the recurring service revenue related to purchase subscriptions for the final month of the quarter normalized to a one-year period.

Remaining Performance Obligation²
\$ in Millions



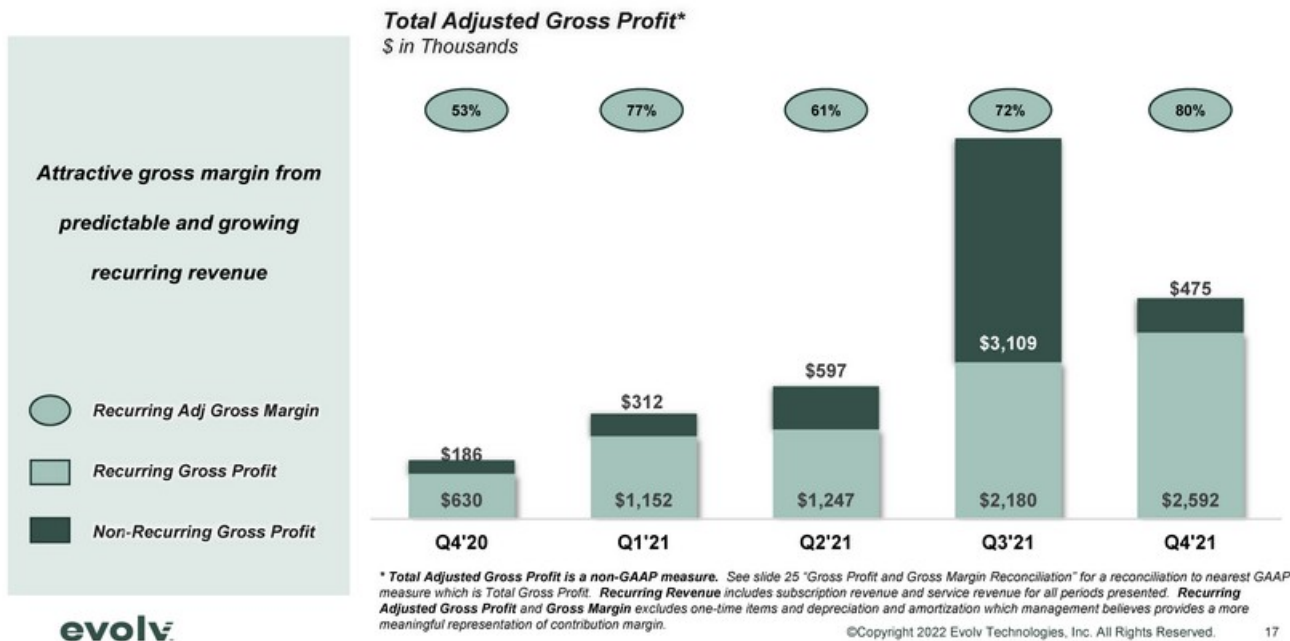
² Remaining Performance Obligation (RPO) reflects the difference between contract value and revenue recognized for installed units as of the end of the quarter.

³ Contract value for units in backlog reflects the revenue expected to be recognized in future periods for units yet to be installed as of the end of the quarter.

Strong Q4 and full year financial results

	Q4 2021		2021	
	\$ (Millions)	YoY Chg	\$ (Millions)	YoY Chg
Revenue	\$6.8	236%	\$23.7	395%
CoGS	\$6.5	317%	\$17.0	388%
Gross Profit	\$0.3	-34%	\$6.7	415%
Gross Margin	4%	-	28%	-
Total OpEx	\$22.3	128%	\$60.7	115%
Loss from Operations	(\$22.0)	136%	(\$54.0)	101%

Rapid Gross Profit Expansion



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Fiscal year 2022 business outlook

Estimate	2022 Business Outlook ¹	YoY Growth
Total revenue	\$29-\$31	22%-31%
Annual Recurring Revenue ² at 12/31	\$27-\$28	109%-117%
Operating expenses	\$94-\$96	55%-58%
Operating loss	(\$82)-(\$84)	52%-56%
Adjusted EBITDA ³	(\$65)-(\$67)	52%-57%

¹ Current only as of March 14, 2022

² Annual Recurring Revenue (ARR) represents exiting recurring revenue normalized to a one-year period.

³ Adjusted EBITDA is defined as net income (loss) plus depreciation and amortization, share-based compensation and other expense. Management presents these non-GAAP financial measures because it considers them to be important supplemental measures of performance. Management uses this non-GAAP financial measures for planning purposes, including analysis of the Company's performance against prior periods, the preparation of operating budgets and to determine appropriate levels of operating and capital investments. Management also believes this non-GAAP financial measures provide additional insight for analysts and investors in evaluating the Company's financial and operational performance. However, non-GAAP financial measures have limitations as an analytical tool and are not intended to be an alternative to financial measures prepared in accordance with GAAP. We intend to provide non-GAAP financial measures as part of our future earnings discussions and, therefore, the inclusion of non-GAAP financial measures will provide consistency in our financial reporting. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP measure has been provided in the financial statement tables in the Appendix of this presentation.

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Scalable investments to support growth plans

Key Investment Areas

Research and Development

- Focusing on next generation Express to deliver significant cost reductions and drive gross margins higher
- Ancillary products to drive ARPU of existing clients higher
- Vertical specific packages to help drive deeper TAM penetration

Sales and Marketing

- CAC elevated due to timing of growth investments
- Increasing quota carrying sales executives for future growth
- Short term investments in channel management not yet producing returns
- Optimizing marketing investments

General and Administrative

- Addressing material weaknesses with automation, headcount investment and ERP
- Other system developments for risk mitigation
- D&O insurance significant portion of G&A run rate
- Other public company investments still underway
- However, some investments may be adjusted out as one-time

We expect an elevated cash burn into 2023 as we ramp up investments and emerge from supply chain constraints

We expect to end 2022 with approximately \$220-\$230 million in cash



Meaningful operating losses from public company expenses as well as early-stage investments in S&M
Expect meaningful leverage in both investment areas



Lingering supply chain challenges have driven hardware costs higher
Continue to invest significantly in R&D with the goal of reducing hardware costs by 40%-50%



Building up inventory to meet expected demand in 2H 2022 and 2023
Expect to end 2022 with 300+ units in inventory



Financing leased units in 2022 until a third-party financing alternatives can be identified and implemented

Additional modeling considerations

- Omicron impacting installations in Q1'22 which will impact the linearity of both product and subscription revenue
- Expect both TCV and revenues to further accelerate in second half of 2022
- Mix of newly deployed units expected to be ~70% pure subscription (vs. purchase subscription)
- Total active subscriptions of between 1,400 to 1,500 by year end (from 703 at 12/31/21)

* Deployed Unit is defined as units that have generated revenue (subscriptions units installed and purchase units shipped)



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Q4 2021 Earnings Call

Q&A Session

EVLV
Nasdaq Listed



Appendix

Change in Standalone Selling Price (SSP) resulted in lower revenue recognition in Q4'21 without an impact on the fundamentals

The change in SSP is reflective of the increasing portion of our client contracts that come from software platform* but shifts the timing of revenue recognition

Revenue (\$millions)	Q3 2021 OLD SSP	Q4 2021 OLD SSP	2021 OLD SSP	Q3 2021 NEW SSP	Q4 2021 NEW SSP	2021 NEW SSP
Product	\$5.3	\$4.8	\$15.1	\$3.3	\$3.1	\$9.7
Subscription	\$2.3	\$2.7	\$7.9	\$2.3	\$2.7	\$7.9
Services	\$0.7	\$0.6	\$2.0	\$0.7	\$0.8	\$2.2
Total	\$8.4	\$8.1	\$25.0	\$6.3	\$6.7	\$19.7

*ASC 606 requires us to allocate the value of purchase subscription client contracts into equipment, software and maintenance/services; this allocation is subject to evaluation and change on a quarterly basis. The Old SSP calculations represents a scenario in which SSP assumptions were not updated in Q4'21. New SSP calculations represent a scenario in which updated SSP's are used in Q1'21 – Q4'21.

Gross Profit and Gross Margin Reconciliation

	\$ in Thousands						
	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	2021	
Recurring	Recurring Gross Profit – GAAP	\$427	\$775	\$754	\$1,744	\$1,922	\$5,195
	- Stock Based Compensation	2	4	4	25	16	49
	- Depreciation & Amortization	343	411	577	744	848	2,581
	- Non-recurring Services	(142)	(38)	(88)	(333)	(194)	(653)
	Recurring Gross Profit – Adjusted	630	1,152	1,247	2,180	2,592	7,171
Gross Margin – Adjusted	53%	77%	61%	72%	80%	73%	
Non-Recurring	Non-Recurring Gross Profit – GAAP	\$41	\$273	\$377	\$2,412	(\$1,616)	\$1,446
	- Stock Based Compensation	0	1	1	5	3	9
	- Non-recurring Services	142	38	88	333	194	653
	- Edge Impairment	0	0	0	0	1,644	1,644
	- Scrap	3	0	132	359	0	491
	- Lease true-up	0	0	0	0	250	250
	Non-Recurring Gross Profit – Adjusted	186	312	597	3,109	475	4,493
	Gross Margin – Adjusted	22%	12%	24%	58%	13%	32%
Total	Total Gross Profit – GAAP	\$468	\$1,048	\$1,131	\$4,156	\$306	\$6,641
	- Stock Based Compensation	3	5	5	29	19	58
	- Depreciation & Amortization	343	411	577	744	848	2,581
	- Edge Impairment	0	0	0	0	1,644	1,644
	- Scrap	3	0	132	359	0	491
	- Lease true-up	0	0	0	0	250	250
	Total Gross Profit – Adjusted	816	1,464	1,844	5,289	3,067	11,664
	Gross Margin – Adjusted	40%	37%	41%	63%	45%	49%

Note: Subtotals may not tie due to rounding



Reconciliation of 2022 Net Income (Loss) to Adjusted EBITDA*

(\$millions)	Low	High
Net income (Loss)	(\$83.0)	(\$85.0)
Add back: Depreciation and Amortization Expense	\$6.0	\$6.0
Add back: Stock Based Compensation Expense	\$11.0	\$11.0
Add back: Other Expense	\$1.0	\$1.0
Adjusted EBITDA*	(\$65.0)	(\$67.0)

*Adjusted EBITDA is defined as net income (loss) plus depreciation and amortization, share-based compensation and other expense. Management presents these non-GAAP financial measures because it considers them to be important supplemental measures of performance. Management uses this non-GAAP financial measures for planning purposes, including analysis of the Company's performance against prior periods, the preparation of operating budgets and to determine appropriate levels of operating and capital investments. Management also believes this non-GAAP financial measures provide additional insight for analysts and investors in evaluating the Company's financial and operational performance. However, non-GAAP financial measures have limitations as an analytical tool and are not intended to be an alternative to financial measures prepared in accordance with GAAP. We intend to provide non-GAAP financial measures as part of our future earnings discussions and, therefore, the inclusion of non-GAAP financial measures will provide consistency in our financial reporting. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures. A reconciliation of our non-GAAP financial measures to their most directly comparable GAAP measures has been provided in the financial statement tables included in our press release issued on March 14, 2022.



Glossary of Key Terms

Term	Definition
Adjusted EBITDA	Adjusted EBITDA is defined as net income (loss) plus depreciation and amortization, share-based compensation and other expense
Annual recurring revenue (ARR)	Represents subscription revenue and the recurring service revenue related to purchase subscriptions for the final month of the quarter normalized to a one-year period.
Booking	The value of a purchase order received from a customer which has a contract in place.
Customer lifetime value (CLV)	For purchased subscription units CLV is calculated based on the cash margin, ~83% of the annual cash received (excluding cash collected for hardware). For pure subscription units the annual cash margin has been reduced by the cost of hardware amortized over 4 years.
Contract value for units in backlog	Reflects the revenue expected to be recognized in future periods for units yet to be installed as of the end of the quarter.
Customer acquisition cost (CAC)	The average sales & marketing expense per new unit booked. Includes the subsidized portion of the unit's hardware expense in upfront cost of customer acquisition for purchased subscription units.
Product revenue	Revenue from direct unit sales for purchase subscriptions and revenue from accessories.
Remaining performance obligation (RPO)	Reflects the difference between contract value and revenue recognized for installed units.
Service Revenue	Revenue from installation and training as well as the subscription component of purchase subscriptions.
Standalone selling price (SSP)	The price in which the hardware and software component of units would be sold if they were sold individually to customers, a component of ASC 606 – Revenue Recognition.
Subscription or active unit or deployed unit	Deployed unit generating recurring revenue, excludes demos and pilots.
Subscription revenue	Revenue from leased units (subscriptions) which is inclusive of the unit and related SaaS/maintenance services.
Total contract value (TCV)	The total value of the contract over the specified contract term.

