

March 8, 2024



Eve Holding, Inc. Reports Fourth Quarter and FY2023 Results

MELBOURNE, Fla., March 8, 2024 /PRNewswire/ -- Eve Holding, Inc. ("Eve") (NYSE: EVEX and EVEXW) reports its fourth quarter and fiscal year 2023 earnings results.

Year in review

Eve Air Mobility accomplished several milestones on our journey to shape the global Urban Air Mobility (UAM) ecosystem in 2023. With suppliers of flight-critical components selected for our eVTOL, we defined its final architecture. The DNA of our aircraft remains unchanged with a Lift + Cruise configuration – eight dedicated propellers for vertical take-off and landing, with no change in its position during flight and fixed wings to fly in cruise mode. Our eVTOL also includes a dual electric-motor pusher for horizontal propulsion redundancy with high performance and safety in mind. We believe our design offers numerous advantages such as fewer and simpler parts favoring reduced maintenance and operating costs, optimized structures and systems, and was conceived for efficient thrust and low sound emissions.

With suppliers selected and final configuration defined, we initiated the production of our first full-scale prototype – to be used in our test campaign beginning in the latter part of 2024, when we will also initiate the assembly of up to five additional prototypes for the complete certification campaign.

In mid-2023 we announced our first production facility in Brazil, located in the city of Taubaté – SP, close to Embraer's engineering and support teams, and in the second semester of last year, we initiated the Joint-Definition Phase (JDP) of our development program. This is a crucial milestone in our eVTOL project timeline. It is during this phase that our technical team engages with their counterparts at our suppliers to perform a comprehensive analysis to ensure all the system interfaces are fully defined and the aircraft components will operate flawlessly with each other. This phase is critical to align and guarantee that the mechanical and software interfaces of the multiple components and subsystems, from different suppliers, will work seamlessly amongst each other and within the specifications of our eVTOL design and performance characteristics.

Our team continues to test our eVTOL design and refine computer models in wind tunnels. The latest tests performed in Switzerland with powered rotors for the first time helping to calibrate the wing and rotors' interface models, to improve aerodynamics. These improve performance of the cruise and transition phases of the flight.

Eve leverages Embraer's proven aircraft development practices, testing subsystems separately through various methodologies to validate Proofs of Concept (POCs) and advance towards full-scale prototype of our commercial vehicle for the certification process. Our agile, model-based approach allows us to validate components and airframe features

independently in a quick and efficient manner. The goal is to develop safe, reliable, and affordable eVTOL solutions, which we believe will be achieved through our design configuration.

We have initiated the certification process of our eVTOL with Brazil's aviation authority – National Civil Aviation Agency of Brazil (ANAC), and we expect the validation process for the Type Certification (TC) in Brazil to be followed by the FAA (U.S. Federal Aviation Authority) targeting a dual certification and entry into service in 2026. We are also in discussions with the European Union Aviation Safety Agency (EASA) and other certification authorities. We believe undivided attention from ANAC combined with our expertise in certification and the simple design of our aircraft puts Eve on a clear path to global acceptance.

The result of Eve's strengths is the largest and most diversified backlog (by number of customers and regions) in the industry today. In total, we have non-binding LOIs (Letter of Intent) for 2,850 aircraft, from 29 different customers spread over 13 countries and different markets. This, combined with Service & Operations Solutions contracts offers strong long-term revenue visibility and will help Eve to smooth cash-flow consumption in the years to come as we start to convert the existing LOIs into firm orders and collect pre-delivery payments (PDP).

Concurrently, Eve continues to develop a unique Urban Air Traffic Management (Urban ATM) software to optimize and scale Urban Air Mobility operations worldwide safely. The company has already secured 14 customers for the software.

With current total liquidity in excess of \$300 million, we feel comfortable that our financial position is sufficient to fund our Research & Development (R&D) requirements as well as operations through 2025. We believe Eve has the right partners, experience, and development team to support the foundation for success in the design, certification, assembly and support of eVTOLs and the UAM market in the years ahead.

Johann Bordais
CEO

Financial highlights

Eve Air Mobility is an aerospace company dedicated to the development of an eVTOL (electric Vertical Takeoff and Landing) aircraft and the Urban Air Mobility (UAM) ecosystem that includes the aircraft development, Service & Operations Solutions and an Urban Air Traffic Management (Urban ATM) system. Eve is pre-revenue; we do not expect meaningful revenues, if any, during the development phase of our aircraft, and we expect financial results to be mostly related to costs associated with the program's development during this period.

Fourth Quarter

Eve reported a net loss of \$39.3 million in 4Q23 versus \$20.1 million in 4Q22. Adjusting for non-recurring selling, general and administrative (SG&A) charges of \$2.6 million incurred in 4Q22 – mostly related to new warrants issued during the period, net loss then was \$17.5 million. In 4Q23, Eve recognized a \$1.1 million SG&A gain on the forfeiture of Restricted Stock Units (RSUs) with the resignation of a former CEO, so recurring net loss in 4Q23 was

\$40.4 million. The increase in recurring net losses in the quarter was mostly driven by higher Research & Development (R&D) expenses, which are costs and activities necessary to advance in the development of our suite of products and solutions for UAM, including the Master Service Agreement (MSA) with Embraer. R&D expenses were \$33.6 million in 4Q23, versus \$18.0 million in 4Q22. Our R&D costs are primarily driven by the MSA with Embraer that performs several developmental activities for Eve. These efforts continue to intensify as the development of the eVTOL progresses, including the purchase of parts, assembly of our first full-scale prototype, and continued engineering, program development and testing infrastructure.

When excluding the non-recurring expenses mentioned above, SG&A remained relatively flat at \$6.4 million in both 4Q22 to 4Q23, even though the number of direct employees at Eve continues to grow. Higher personnel compensation was offset by reductions in outsourced services and Directors & Officers insurance.

Eve's total cash consumption in 4Q23 was \$24.5 million, versus \$20.8 million in 4Q22. R&D associated with Eve's aircraft development and SG&A expenses were the main contributors to the higher cash consumption during the quarter.

Full Year

Net loss in 2023 was \$127.7 million, vs. \$174.0 million the year before. R&D expenses reached \$105.6 million in 2023, versus \$51.9 million 2022, while recurring SG&A expenses increased from \$19.9 million in 2022 to \$24.2 million in 2023. Like the quarterly numbers, these higher accumulated costs and expenses are primarily driven by increased developmental activities necessary to progress the eVTOL design.

Including personnel contracted through the MSA with Embraer and its subsidiaries, as of 4Q23 Eve employed approximately 700 full-time collaborators, versus approximately 420 at the end of 2022.

In 2023, cash consumption was \$94.7 million and \$59.9 million in 2022 – this compares with a range of \$130 to \$150 million we had expected to consume in the program and other supporting activities throughout the year, thanks to our focus on cost control, the deferral of certain supplier contracts payments, and continued synergy gains with Embraer.

At the end of 2023, Eve's cash, cash equivalents, financial investments, and related party loan receivable totaled \$241.1 million – compared to \$310.6 million at the end 2022, and was down just \$15.2 million in the quarter, reflecting the withdrawal of the second tranche of the two credit lines from Brazil's National Development Bank (BNDES) that had been approved in December 2022.

As of December 2023, Eve had drawn ~US\$26.1 million (R\$126.2 million) of the total available funds of ~US\$100 million (R\$490.0 million) from BNDES. We believe both lines offer attractive terms and conditions that are aligned with Eve's early-stage development, with long-term maturity and amortization grace period, which we expect will support Eve as it continues to advance its eVTOL program.

Eve's 2023 total liquidity – including undrawn portions of the BNDES credit lines is \$316.3 million. We expect to continue drawing from these facilities through the end of 2024, as we

aim to optimize our cash position and capital structure and continue the development of our eVTOL program.

For additional information, please access the full 4Q23 and FY2023 Earnings release, available at the Investor Relations website ir.eveairmobility.com

Webcast details

Management will discuss the results on a conference call on **March 8, 2024 at 8:00 a.m.** (Eastern Time). The webcast will be publicly available in the Upcoming Events section of the company website (www.eveairmobility.com).

To listen by phone, please dial 1-877-704-4453 or 1-201-389-0920. A replay of the call will be available until March 22, 2024, by dialing 1-844-512-2921 or 1-412-317-6671 and entering passcode 13744291.

About Eve Holding, Inc.

Eve is dedicated to accelerating the Urban Air Mobility ecosystem. Benefitting from a start-up mindset, backed by Embraer S.A.'s more than 50-year history of aerospace expertise, and with a singular focus, Eve is taking a holistic approach to progressing the UAM ecosystem, with an advanced eVTOL project, comprehensive global services and support network and a unique air traffic management solution. Since May 10, 2022, Eve is listed on the New York Stock Exchange, where its shares of common stock and public warrants trade under the tickers "EVEX" and "EVEXW".

For more information, please visit www.eveairmobility.com

Forward Looking Statements

Certain statements contained in this release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as "may," "will," "expect," "intend," "anticipate," "believe," "estimate," "plan," "project," "could," "should," "would," "continue," "seek," "target," "guidance," "outlook," "if current trends continue," "optimistic," "forecast" and other similar words or expressions. All statements, other than statements of historical facts, are forward-looking statements, including, but not limited to, statements about the company's plans, objectives, expectations, outlooks, projections, intentions, estimates, and other statements of future events or conditions, including with respect to all companies or entities named within. These forward-looking statements are based on the company's current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth herein as well as in Part I, Item 1A. Risk Factors and Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of the company's most recent Annual Report on Form 10-K, Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and Part II, Item 1A. Risk Factors of the company's most recent Quarterly Report on Form 10-Q, and other risks and uncertainties listed from time to time in the company's other filings with the Securities and Exchange Commission. Additionally, there may be other factors of

which the company is not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. The company does not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements. other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statement.

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