

November 7, 2023



Eve Holding, Inc. Reports Third Quarter 2023 Results

MELBOURNE, Fla., Nov. 7, 2023 /PRNewswire/ -- Eve Holding, Inc. ("Eve") (NYSE: EVEX and EVEXW) reports its third quarter 2023 earnings results.

Financial highlights

Eve is a pre-operational 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, air traffic management systems and services and support solutions. Eve is not yet producing revenue; we do not expect meaningful revenues during the development phase of our aircraft, and financial results should be mostly related to costs associated with the program development.

Eve reported a net loss of \$31.2 million in 3Q23 versus \$36.7 million in 3Q22. Setting aside non-recurring warrant-related expenses connected to Eve's PIPE investments and the merger with Zanite (SPAC transaction) of \$17.4 million incurred in 3Q22, net loss was then \$19.3 million. The higher recurring net losses in 3Q23 compared to the same period of 2022 were mostly driven by higher Research & Development (R&D) expenses, which are costs and activities necessary to advance the eVTOL design, including the Master Service Agreement (MSA) with Embraer, as well as higher recurring Selling, General & Administrative (SG&A) expenses. Higher R&D and recurring SG&A expenses during the quarter were partly offset by financial investment income and FX gains of \$4.4 million in the 3Q23 versus a gain of \$2.0 million in the 3Q22, due to the current environment of higher interest rates translating into increased interest income on Eve's cash position in 2023 compared to 2022.

R&D expenses were \$28.6 million in 3Q23, doubling the \$14.3 million in 3Q22. 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 design of Eve's eVTOL matures, including internal design, engineering, and program development and testing infrastructure.

SG&A expenses in 3Q22 were \$6.8 million and included non-recurring expenses, such as Directors & Officers Insurance, expenses related to warrant issuance, as well as legal and audit third-party consulting payments. When excluding these one-off charges of \$1.9 million, SG&A expenses increased from c.\$4.9 million in 3Q22 to \$5.0 million in 3Q23. This is mostly due to the higher number of direct employees at Eve, who perform critical corporate and administrative functions, such as strategy, sales, legal, supply chain and finance activities. Lastly, R&D and SG&A labor expenses were also positively impacted by the c.8% appreciation of the Brazilian Real vs. the U.S. dollar, as most of our costs are incurred in Brazil.

R&D expenses in the 9M23 reached \$72.0 million, vs. \$33.8 million in 9M22, while SG&A increased from \$12.4 million in the 9M22 (excluding \$11.5 million in non-recurring and transaction-related expenses) to \$17.8 million in the 9M23. Like the quarterly numbers, higher accumulated costs and expenses are driven by higher R&D activities necessary to progress the eVTOL design, including the MSA, and an increase in SG&A expenses.

Including personnel contracted through the MSA with Embraer and its subsidiaries, Eve employs approximately 760 full-time equivalent professionals in the development of its eVTOL and other elements of the UAM ecosystem such as Service and Operations Solutions and Urban Air Traffic Management, versus approximately 460 in 3Q22.

Eve's total cash consumption in 3Q23 was \$22.4 million, versus \$17.3 million in 3Q22. In the nine months until September 2023, cash consumption was \$70.2 million, vs. \$39.1 million in 9M22. R&D associated with Eve's aircraft development and SG&A expenses mentioned above were the main contributors to the higher cash consumption during the quarter.

At the end of 3Q23, Eve's cash, cash equivalents, financial investments, and related-party loan with Embraer, totaled \$256.4 million. This is down just \$12.7 million in the quarter, reflecting the withdrawal of the first tranche of the two credit lines from Brazil's National Development Bank (BNDES) that had been approved in December 2022.

Eve received R\$57.0 million (US\$11.7 million, using the Sept. 30, 2023, exchange rate) of the total available funds of R\$490.0 million (US\$97.9 million) from BNDES. Both lines offer attractive terms and conditions that are aligned with Eve's early-stage development, with long-term maturity and amortization grace period and will support Eve as it continues to advance its eVTOL program.

With that, Eve's 3Q23 total liquidity – including still-undrawn portions of the BNDES credit lines is now at \$342.5 million. We expect to continue drawing from these facilities through the end of 2024, which will help Eve better manage cash position and optimize our capital structure as well as capital deployment towards the development of our eVTOL program.

For additional information, please access the full 3Q23 Earnings release, available in the Investor Relations website at ir.eveairmobility.com

Webcast details

Management will discuss the results on a conference call on November 7, 2023 at 9:00 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 November 21, 2023, by dialing 1-844-512-2921 or 1-412-317-6671 and entering passcode 13741134.

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.

Investor Relations

Lucio Aldworth

Caio Pinez

investors@eveairmobility.com

<https://ir.eveairmobility.com/>

Media:

media@eveairmobility.com

View original content:<https://www.prnewswire.com/news-releases/eve-holding-inc-reports-third-quarter-2023-results-301979174.html>

SOURCE Eve Holding, Inc.

