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Evolv Technology Announces that 92% of Customers¹ Eligible to End Contracts Elect to Stay with Evolv

FTC-Related Cancellation Period Closes as Value of Evolv Express to Education Customers Remains Strong

ARR² and Unit Impact of Cancellation Program Minimal, Currently Estimated at \$445 thousand and 24 Units, respectively

Evolv Remains Committed to Innovation, Integrity and Customer Trust

WALTHAM, Mass.--(BUSINESS WIRE)-- Evolv Technologies Holdings, Inc. (NASDAQ: EVLV) (the "Company"), a leading security technology company pioneering AI-based solutions designed to help create safer experiences, today announced the expiration of the previously disclosed 60-day cancellation period, under which a limited number of the Company's K-12 education customers could cancel the remainder of their subscription contracts with the Company as part of Evolv's resolution with the United States Federal Trade Commission (FTC).

Of the 65 education customers (representing 237 Evolv Express units) who were eligible for contract cancellation, a total of 60 customers (92%) representing 213 Evolv Express units (90%) elected to retain their contracts with Evolv. Importantly, four of the 65 eligible customers expanded their use of Evolv Express by adding a total of 10 additional units acquired since the Company announced its resolution with the FTC. Netting the expansion and cancellation activity since the Company announced its resolution with the FTC, the Company achieved 92% Net Revenue Retention³ and 94% Net Unit Retention³ across the 65 eligible customers. Wyoming Valley West School District, who was part of the cohort of customers eligible for cancellation, recently increased its fleet of Express due to their satisfaction with the system's performance.

"We first deployed the Evolv Express systems in 2022 in our schools after evaluating different options and continuing to come back to the fact that Evolv performed at a superior level across the board," said Anthony Diction, Safety and Security Coordinator at Wyoming Valley West School District. "That initial evaluation has proven to be more than accurate as Evolv has been an important part of our safety planning and we couldn't be more pleased with the partnership. We just expanded our Express systems by 50% because we have been so impressed by the results."

The Company received cancellation requests from five out of the 65 eligible customers. These customers represented a total of 24 Evolv Express units, currently estimated at approximately \$445 thousand dollars of annual recurring revenue (ARR). Each of these customers has requested to maintain their existing deployment through the end of the 2024-

2025 school year. The customers were notified of their eligibility to cancel existing contracts in connection with the previously announced resolution entered into last year with the FTC.

“We appreciate our customers’ continued commitment to the Evolv system and take seriously the responsibility of being a trusted partner in helping to make schools and communities safer,” said John Kedzierski, President and Chief Executive Officer of Evolv Technology. “Our top priority remains the safety of people and the communities we serve.”

About Evolv Technology

Evolv Technologies Holdings, Inc. (NASDAQ: EVLV) is designed to transform human security using artificial intelligence (AI)-powered screening and analytics to help create safer experiences for the world’s most iconic venues and companies as well as schools, hospitals, and public spaces. Its mission is to transform security to create a safer world to live, work, learn, and play. Evolv has digitally transformed the gateways in many places where people gather by enabling seamless integration combined with powerful analytics and insights. Evolv’s advanced weapons detection systems have scanned more than two billion people since 2019. Evolv has been recognized by the U.S. Department of Homeland Security (DHS) SAFETY Act Designation as a Qualified Anti-Terrorism Technology (QATT), included in the TSA Surface Transportation Security Technology Catalogue and awarded the Security Industry Association (SIA) New Products and Solutions (NPS) Award in the Law Enforcement/Public Safety/Guarding Systems category as well as Sport Business Journal’s “Best In Fan Experience Technology” and “Best In Sports Technology”. Evolv has also been recognized as one of the “Best Places to Work” by Built In Boston. Evolv[®], Evolv Express[®], Evolv Insights[®], Evolv Visual Gun Detection[™], Evolv eXpedite[™], and Evolv Eva[™] are registered trademarks or trademarks of Evolv Technologies Holdings, Inc. in the United States and other jurisdictions. For more information, visit evolv.com.

¹ "Customer(s)" means school(s) or school district(s) in the K-12 range that purchased or otherwise contracted for the use of Evolv Express between the period April 1, 2022, to June 30, 2023. Excluded from this definition is any school or school district that: (1) participated in a pilot program of at least 30 days prior to such purchase or contract; (2) purchased 15 or more Evolv Express units; or (3) purchased or contracted for, and deployed, additional Evolv Express units more than 45 days after initially deploying Evolv Express at a school.

² 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.

³ Net Revenue Retention is calculated by taking the total annual recurring revenue, including expansions, subtracting churned annual recurring revenue, and dividing the result by the starting annual recurring revenue. Net Unit Retention is calculated by taking the total number of units, including expansions, minus churned units, divided by the starting unit count.

Forward-looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including statements made in the quotes from the President and Chief Executive Officer and statements regarding the estimated impact of the cancellation program. Forward-looking statements are based on current estimates, assumptions and beliefs and are subject to known and unknown risks and uncertainties, many of which are beyond our control, that may cause actual results to vary materially from those indicated by such forward-looking statements. Such risks and uncertainties include, but are not limited to: unknown costs or financial impacts related to the cancellation of the contracts, including, but not limited to, shipping and logistics costs, potential refunds, and tax implications, and the factors discussed under the caption “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 29, 2024, as any such factors may be updated from time to time in our other filings with the SEC, including the Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, as well as risks related to our leadership transition. The forward-looking statements in this press release are based upon information available to us as of the date hereof, and while we believe such information forms a reasonable basis for such statements, it may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements.

Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this press release, whether as a result of any new information, future events or otherwise.

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