
Q1 2023

# Shareholder Letter

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# Highlights

### Company-Conforming Aircraft Nears Completion

On track to roll-out in first half of year

### Relationship with Department of Defense Continues to Grow

$55 million contract extension, U.S. Air Force pilots fly Joby aircraft for first time, two aircraft to be stationed at Edwards Air Force Base in early 2024

### Unprecedented Government Support

White House, U.S. Congress, Dept. of Transportation and FAA all leaning into potential of Advanced Air Mobility

### $180 Million Equity Investment

Joby's balance sheet will be further strengthened through an equity investment led by Baillie Gifford

**Strong Financial Foundation**
At the end of the first quarter of 2023, we had $978 million in cash and short-term investments. Net cash used in operating activities and purchase of property plant and equipment totaled $87 million in the first quarter.  In May 2023, we agreed to issue approximately $180 million of common stock to further bolster our balance sheet and support our operations, including future investments in capacity to accelerate production.

**Net Loss**
Net loss of $113 million reflected operating expenses of $100 million and unfavorable revaluation of derivative liabilities of $22 million, partly offset by net interest income of $8 million. Operating expenses primarily reflected our continued progress certifying the aircraft and early manufacturing operations.

**Adjusted EBITDA**
Adjusted EBITDA loss of $75 million largely reflected our operating expenses excluding depreciation, amortization and stock-based compensation.

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# Company-Conforming Aircraft Nears Completion

- Major aerostructures (wing, tail, fuselage) have been tested, painted and assembled
- Majority of flight electronics have been installed
- Components for all six Electric Propulsion Units (EPUs) manufactured
- All battery modules for the aircraft manufactured and in testing
- On track for roll-out in first half of year

We recently signed a long-term agreement with Toyota for the supply of key powertrain and actuation components. The agreement builds on the long-standing partnership between Joby and Toyota, which has seen the two companies collaborate on a wide variety of projects to support the production and assembly of the Joby aircraft, including advising on the design of Joby's pilot production line in Marina, CA.

# Relationship with Department of Defense Continues to Grow

“Getting Air Force pilots trained and operating Joby aircraft at an Air Force installation is an incredibly important milestone for the program, providing key insights into actual operations and use case validation for Advanced Air Mobility aircraft.”

**Lt. Col. Tom Meagher**, AFWERX Prime Lead

Our relationship with the Department of Defense (DoD) plays a critical role in our commercialization strategy, providing a unique opportunity to gain key operational experience with our aircraft ahead of planned commercial operations in 2025.

A $55 million contract extension with the DoD brings the potential value of our current contract to $131 million. As part of the agreement, we will deliver and operate up to nine of our aircraft, providing the Air Force and other federal agencies with firsthand experience of the performance of our aircraft and its potential applications.

The first two aircraft will be stationed at Edwards Air Force Base, California, becoming both the first electric air taxis to be stationed at a U.S. military base and the first Joby aircraft to go into service.

Four Air Force pilots recently became the first Air Force personnel to fly an eVTOL aircraft through a full flight profile, including the transition from vertical to wingborne flight, as sole pilot-in-command. The remotely-piloted flights were completed at our facility in Marina, CA, as part of the Air Force’s comprehensive approach to studying eVTOL aircraft and their potential future role.

# Unprecedented Government Support

As we continue to make progress on certifying our aircraft with the FAA, we are seeing unprecedented levels of support for the Advanced Air Mobility (AAM) industry across all areas of government.

During the quarter, the White House issued its National Aeronautics Science and Technologies Priorities document, which outlines activities to "maintain the nation's edge in the global aeronautics industry." Two of the document's top three priorities relate directly to our work, focusing on achieving net-zero emissions aviation and integrating AAM aircraft into the national airspace system.

Meanwhile, the House Transportation and Infrastructure Subcommittee on Aviation led a session on securing U.S. leadership in AAM, during which our Founder and CEO, JoeBen Bevirt, testified, applauding the Committee's leadership for ensuring passage of the Advanced Aviation Infrastructure Modernization Act, authorizing planning grants to facilitate investment in AAM infrastructure.

We were also honored to welcome Secretary of Transportation, Pete Buttigieg, to our offices in Washington, D.C., where he flew our simulator and heard from members of our Board regarding policy priorities.

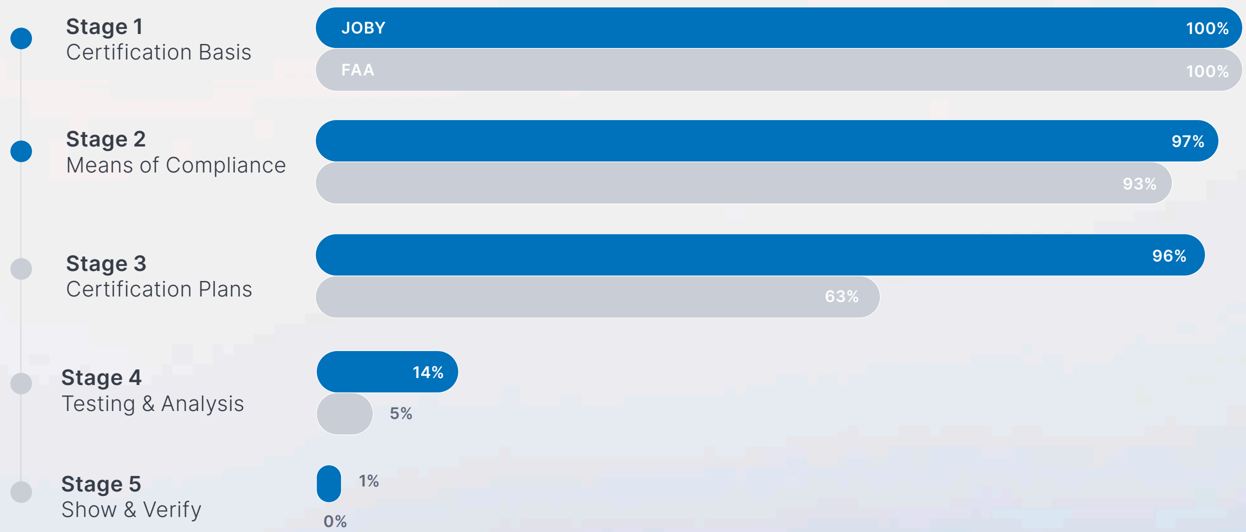

Michael Huerta was appointed to Joby's Board of Directors in March 2023. Huerta completed a five-year term as FAA Administrator in 2018 and also serves on the Board of Directors for Delta Air Lines, which announced a multi-year, multi-market commercial and operational partnership with Joby in October 2022. His appointment follows that of Dan Elwell, former Acting Administrator of the FAA, who became a member of Joby's Advisory Board in 2021.

# Measuring our Progress

We have now completed the vast majority of work required by Joby in Stage 3 of the type certification process, having submitted a further three Area Specific Certification Plans (ASCPs) to the FAA during the quarter. We also had a further two ASCPs accepted by the FAA, bringing the total number accepted to 7. These documents describe the tests that we are required to perform in order to certify our aircraft. With 11 or 13 ASCPs submitted, our team is now fully focused on the fourth stage of the process, where we design and dry run the testing described in Stage 3. This work is critical to achieving a smooth certification process and ensuring timely success in Stage 5.

As part of our preparations for future airline operations, we also successfully completed an IS-BAO audit during the quarter. Performed by the International Business Aviation Council, the audit is part of a voluntary standards program that includes hundreds of audit points and successful completion demonstrates that Joby is able to operate at the same high level of safety required for business aviation.

## Joby's Progress to Type Certification




Percentage completion may fluctuate mildly through the course of certification as documents are edited and resubmitted. Data as of May 2, 2023. It is typical for a small portion of the Means of Compliance to remain open in order to address minor design changes and improvements that may occur later in the process. We therefore consider the second stage essentially complete.

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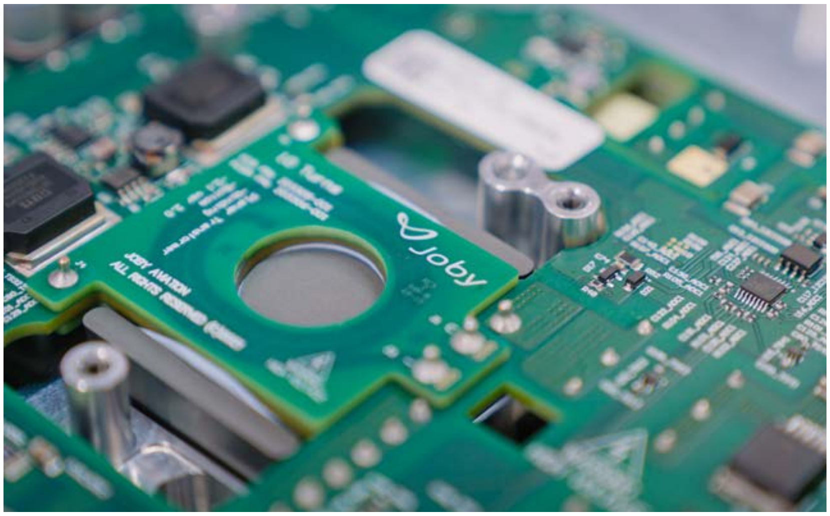
# Joby in Focus: Flight Electronics




It’s typical for an aircraft manufacturer to buy electronics from suppliers that make devices compatible with a wide array of companies and aircraft designs. However, in many cases, buying something generic meant accepting critical trade offs as the parts included functionality we did not need or were lacking functions we required. Using third party systems would have required significant size, weight or complexity penalties we didn’t want to accept.

By designing, building and testing our flight electronics and wiring systems in-house, we have been able to reduce mass while increasing redundancy and integrating multiple functions into fewer devices. This has helped improve the performance of our aircraft while reducing the assembly time and maintenance profile of our systems, with fewer parts to install.

Our software also benefits from speaking a common language, with all of our hardware sharing common interfaces, meaning there are no layers of conversion or translation required in each connection. We will also be able to verify and deploy software updates more easily over the life of the fleet thanks to owning the majority of the tech stack.

**Vertical Integration in Action: Network Switch**
We’ve been able to design a network switch that is smaller than a standard sheet of paper, while integrating additional functionality to our networks, eliminating the need for an entirely separate device. In-house development has allowed us to benefit from kilograms of mass savings compared to alternative options.

**Vertical Integration in Action: Flight Computer**
The flight computer receives pilot inputs and sensor data from around the aircraft, translating it into instructions for the propulsion units and control surfaces. We were able to take all this functionality and put it into a robust device that weighs less than an iPhone.

# First Quarter 2023 Financial Summary

In the first quarter of 2023, our net loss of $113.4 million reflected operating expenses to support continued growth, totaling $99.7 million, and other loss of $13.6 million. Operating expenses for the quarter included stock-based compensation of $17.3 million and depreciation and amortization of $7.1 million. The other loss largely reflected the unfavorable revaluation of derivative liabilities of $22.0 million partly offset by net interest and other income of $8.4 million.

The net loss in the first quarter of 2023 was $51.1 million higher when compared with the first quarter of 2022. The higher net loss compared with 2022 primarily reflected lower other income of $45.7 million and higher operating expenses of $5.4 million. The reduction in other income primarily reflected the unfavorable revaluation of derivative liabilities in the first quarter of 2023 and the non-recurrence of income from our equity method investment, partly offset by higher interest income on our short-term investments.

Compared with the fourth quarter of 2022, our first quarter 2023 net loss was $46.4 million higher. Operating expenses in the first quarter of 2023 were slightly lower compared with the prior quarter, reflecting increased payments under our government contracts. Other income was $48.1 million lower than the prior quarter reflecting the unfavorable revaluation of derivative liabilities in the first quarter of 2023 compared with a favorable revaluation in the prior quarter.

Adjusted EBITDA in the first quarter of 2023 was a loss of $75.4 million, primarily reflecting employee costs associated with the development, certification and manufacturing of the aircraft. Adjusted EBITDA loss was $5.7 million higher than in the first quarter of 2022 and $2.2 million lower than the prior quarter. Adjusted EBITDA is a non-GAAP metric that excludes the loss from the revaluation of our derivative liabilities, stock-based compensation expense, depreciation and amortization, interest income and expense, income from equity-method investments, and other non-operating costs. Please see the section titled “Non-GAAP Financial Measures” for a reconciliation of Net Income to Adjusted EBITDA.

Our balance sheet provides a strong financial foundation to support our long-term goals. We ended the first quarter of 2023 with $978 million in cash, cash equivalents, and investments in marketable securities. Net cash used in operating activities and purchases of property and equipment totaled $87.3 million in the first quarter of 2023.

On May 3, 2023, we entered into an agreement to issue approximately $180 million of common stock in an offering led by Baillie Gifford, an existing, long-term Joby investor. This offering, which is expected to close on May 5, will further bolster our balance sheet and support our operations, including future investments in capacity to accelerate production.

JOBY AVIATION, INC. AND SUBSIDIARIES

# CONDENSED STATEMENTS OF OPERATIONS

**Unaudited (in thousands, except share and per share data)**

| | Three Months Ended March 31 | |
|---|---|---|
| | **2023** | **2022** |
| Operating expenses: | | |
| Research and development | $ 75,518 | $ 72,071 |
| Selling, general and administrative | 24,198 | 22,272 |
| Total operating expenses | 99,716 | 94,343 |
| Loss from operations | (99,716) | (94,343) |
| Interest and other income, net | 8,400 | 757 |
| Income from equity method investment | — | 14,458 |
| Gain (Loss) from change in fair value of warrants and earnout shares | (22,043) | 16,814 |
| Total other income (loss), net | (13,643) | 32,029 |
| Loss before income taxes | (113,359) | (62,314) |
| Income tax expense | 34 | 5 |
| Net loss | $ (113,393) | $ (62,319) |
| Net loss per share, basic and diluted | $ (0.19) | $ (0.11) |
| Weighted-average common shares outstanding, basic and diluted | 605,184,671 | 579,090,606 |

JOBY AVIATION, INC. AND SUBSIDIARIES

# CONDENSED BALANCE SHEETS

**Unaudited (In thousands)**

| | March 31 2023 | December 31 2022 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 49,795 | $ 146,101 |
| Short-term investments | 927,980 | 910,692 |
| Total cash, cash equivalents and short-term investments | 977,775 | 1,056,793 |
| Short-term restricted cash | 2,235 | 3,204 |
| Other receivables | 10,912 | 4,021 |
| Prepaid expenses and other current assets | 22,218 | 20,160 |
| Total current assets | 1,013,140 | 1,084,178 |
| Property and equipment, net | 93,032 | 92,103 |
| Operating lease right-of-use assets | 24,023 | 25,149 |
| Restricted cash | 762 | 762 |
| Intangible assets | 11,085 | 12,581 |
| Goodwill | 14,011 | 14,011 |
| Other non-current assets | 62,674 | 64,200 |
| Total assets | $ 1,218,727 | $ 1,292,984 |
| **Liabilities and stockholders' equity** | | |
| Current liabilities | | |
| Accounts payable | $ 3,927 | $ 7,710 |
| Operating lease liabilities, current portion | 3,546 | 3,710 |
| Accrued and other current liabilities | 22,844 | 18,783 |
| Total current liabilities | 30,317 | 30,203 |
| Operating lease liabilities, net of current portion | 22,684 | 23,613 |
| Warrant liability | 37,814 | 28,783 |
| Earnout shares liability | 57,094 | 44,055 |
| Other non-current liabilities | 1,323 | 1,589 |
| Total liabilities | 149,232 | 128,243 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock | — | — |
| Common stock | 61 | 61 |
| Additional paid-in capital | 1,923,054 | 1,908,179 |
| Accumulated deficit | (848,046) | (734,653) |
| Accumulated other comprehensive loss | (5,574) | (8,846) |
| Total stockholders' equity | 1,069,495 | 1,164,741 |
| Total liabilities and stockholders' equity | $ 1,218,727 | $ 1,292,984 |

JOBY AVIATION, INC. AND SUBSIDIARIES

# CONDENSED STATEMENTS OF CASH FLOWS

**Unaudited (in thousands)**

| | Three Months Ended March 31 | |
|---|---|---|
| | **2023** | **2022** |
| **Cash flows from operating activities** | | |
| Net loss | $ (113,393) | $ (62,319) |
| Reconciliation of net loss to net cash used in operating activities: | | |
| Depreciation and amortization expense | 7,067 | 5,212 |
| Stock-based compensation expense | 17,258 | 19,429 |
| Loss (Gain) from change in the fair value of warrants and earnout shares | 22,070 | (16,814) |
| Income from equity method investment | — | (14,458) |
| Net accretion and amortization of investments in marketable debt securities | (3,670) | 774 |
| Changes in operating assets and liabilities | | |
| Other receivables and prepaid expenses and other current assets | (8,517) | 418 |
| Other non-current assets | 2,629 | 9,332 |
| Accounts payable and accrued and other liabilities | (1,083) | (3,000) |
| Non-current liabilities | (929) | — |
| Net cash used in operating activities | (78,568) | (61,426) |
| **Cash flows from investing activities** | | |
| Purchase of marketable securities | (126,445) | (571,890) |
| Proceeds from sales and maturities of marketable securities | 116,072 | 108,056 |
| Purchases of property and equipment | (8,756) | (10,833) |
| Acquisitions, net of cash | — | (1,465) |
| Net cash used in investing activities | (19,129) | (476,132) |
| **Cash flows from financing activities** | | |
| Proceeds from issuance of common stock and warrants | 50 | — |
| Proceeds from the exercise of stock options | 612 | 342 |
| Repayments of tenant improvement loan and obligations under finance and capital lease | (240) | (262) |
| Net cash provided by financing activities | 422 | 80 |
| Net change in cash, cash equivalents and restricted cash | (97,275) | (537,478) |
| Cash, cash equivalents and restricted cash, at the beginning of the period | 150,067 | 956,325 |
| Cash, cash equivalents and restricted cash, at the end of the period | $ 52,792 | $ 418,847 |
| **Reconciliation of cash, cash equivalents and restricted cash to condensed consolidated balance sheets** | | |
| Cash and cash equivalents | $ 49,795 | $ 417,116 |
| Restricted cash | 2,997 | 1,731 |
| Cash, cash equivalents and restricted cash | $ 52,792 | $ 418,847 |

# Non-GAAP Financial Measures

**Unaudited (in thousands)**

Adjusted EBITDA is a non-GAAP measure of operating performance that is included to communicate the financial performance of activities associated with core operations that support the development, manufacturing and commercialization of the Joby aircraft. Adjusted EBITDA is defined as net income (loss) before interest income, interest expense, income tax expense (benefit), depreciation and amortization expense, stock-based compensation expense, income from equity-method investments unrelated to core operations, impact from revaluation of non-operating derivative liabilities, and other income or costs which are not directly related to ongoing core operations. We believe Adjusted EBITDA, when read in conjunction with our GAAP financials, provides investors and management with a useful measure for the evaluation of our operating results and a basis for comparing our core, ongoing operations from period to period. Because Adjusted EBITDA is not a measure of performance or liquidity calculated in accordance with GAAP, it should not be considered more meaningful than or as a substitute for net income (loss) as an indicator of our operating performance. Adjusted EBITDA may not be directly comparable to similarly titled measures provided by other companies due to potential differences in methods of calculation. From time to time, we may modify the nature of the adjustments we make to arrive at Adjusted EBITDA.

A reconciliation of Adjusted EBITDA to net income is as follows:

| | Three Months Ended March 31 | |
|---|---|---|
| | **2023** | **2022** |
| Net loss | $ (113,393) | $ (62,319) |
| Income tax expense | 34 | 5 |
| Loss before income taxes | (113,359) | (62,314) |
| Interest and other income, net | (8,400) | (757) |
| Income from equity method investment | - | (14,458) |
| Loss (Gain) from change in the fair value of warrants and earnout shares | 22,043 | (16,814) |
| Loss from operations | (99,716) | (94,343) |
| Stock-based compensation expense | 17,258 | 19,429 |
| Depreciation and amortization expense | 7,067 | 5,212 |
| Adjusted EBITDA | $ (75,391) | $ (69,702) |

# Today's Webcast Details

### First Quarter 2023 Financial Results Webcast

The Company will host a webcast and conference call at 5:00pm ET (2:00pm PT) on Wednesday, May 3, 2023. The webcast will be publicly available in the Upcoming Events section of the company's investor website ir.jobyaviation.com.

# Upcoming Events

### Wolfe Global Transportation Conference

Thursday, May 25, 2023

### TD Cowen Sustainability Conference

Tuesday, June 6, 2023

### Morgan Stanley eVTOL/Urban Air Mobility Summit

Wednesday, June 7, 2023

### Cantor Fitzgerald Technology Conference

Thursday, June 15, 2023

### Paris Air Show

June 19-25, 2023


Q1 2023

# Forward Looking Statements

This shareholder letter contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding the development and performance of our aircraft, the growth of our manufacturing capabilities, our regulatory outlook, progress and timing, including our expectation to roll out our company conforming aircraft in the first half of 2023 and to start commercial operations in 2025; plans for, and potential benefits of, our our contract with the Department of Defense, including plans to deliver and operate up to nine aircraft with two to be delivered to Edwards Air Force Base by early 2024; our business plan, objectives, goals and market opportunity; plans for, and potential benefits of, our strategic partnerships; and our current expectations relating to our business, financial condition, results of operations, prospects, capital needs and growth of our operations, including the planned use of proceeds of our public offering and the expectation to close that offering on May 5, 2023 and the expected benefits of our vertically-integrated business model. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate”, “estimate”, “expect”, “project”, “plan”, “intend”, “believe”, “may”, “will”, “should”, “can have”, “likely” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. All forward looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including: our ability to launch our aerial ridesharing service and the growth of the urban air mobility market generally; our ability to produce aircraft that meet our performance expectations in the volumes and on the timelines that we project, and our ability to launch our service; demand from the U.S. Air Force and other government agencies for our aircraft; the competitive environment in which we operate; our future capital needs; our ability to adequately protect and enforce our intellectual property rights; our ability to effectively respond to evolving regulations and standards relating to our aircraft; our reliance on third-party suppliers and service partners; uncertainties related to our estimates of the size of the market for our service and future revenue opportunities; and other important factors discussed in the section titled “Risk Factors” in our Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the “SEC”) on March 1, 2023, and in future filings and other reports we file with or furnish to the SEC. Any such forward-looking statements represent management’s estimates and beliefs as of the date of this presentation. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change.

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