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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

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**FORM 10-Q**

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(Mark One)



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

**For the quarterly period ended March 31, 2025**

or



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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission File No. 001-39704**



**EVE HOLDING, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**85-2549808**

(I.R.S. Employer  
Identification No.)

**1400 General Aviation Drive  
Melbourne, FL 32935**

(Address of Principal Executive Offices, including zip code)

**(321) 751-5050**

(Registrant's telephone number, including area code)

**N/A**

(Former name and address, if changed since last report)

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

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
<b>Common Stock, par value \$0.001 per share</b>	<b>EVEX</b>	<b>New York Stock Exchange</b>
<b>Warrants, each whole warrant exercisable for one share of Common Stock</b>	<b>EVEXW</b>	<b>New York Stock Exchange</b>

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

As of May 12, 2025, there were 297,644,298 shares of common stock, par value \$0.001 per share, issued and outstanding.

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**PART I FINANCIAL INFORMATION (Unaudited)****Item 1. Financial Statements****EVE HOLDING, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(In thousands, except per share amounts)**  
**(Unaudited)**

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 59,510	\$ 56,366
Financial investments	228,096	247,012
Related party receivables	3	472
Other current assets	10,040	8,957
Total current assets	297,648	312,807
Non-current assets		
Property, net	956	611
Right-of-use assets, net	940	1,096
Deferred income tax, net	2,736	2,637
Other non-current assets	1,901	1,091
Total non-current assets	6,533	5,435
Total assets	<u>\$ 304,181</u>	<u>\$ 318,242</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Accounts payable	\$ 663	\$ 1,136
Related party payables	53,579	35,802
Current portion of long-term debt	129	-
Derivative financial instruments	3,668	6,983
Other current payables	24,631	15,422
Total current liabilities	82,671	59,343
Non-current liabilities		
Long-term debt, net	142,170	132,011
Other non-current payables	3,200	2,966
Total non-current liabilities	145,370	134,977
Total liabilities	228,041	194,320
Commitments and contingencies (Note 15)		
Equity		
Common stock, \$0.001 par value	298	298
Additional paid-in capital	607,462	606,460
Accumulated deficit	(531,619)	(482,835)
Total equity	76,141	123,922
Total liabilities and equity	<u>\$ 304,181</u>	<u>\$ 318,242</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.  
Amounts may not add due to rounding.

**EVE HOLDING, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share amounts)  
(Unaudited)

	Three Months Ended	
	March 31, 2025	March 31, 2024
<b>Operating expenses</b>		
Research and development expenses	\$ 44,711	\$ 27,455
Selling, general and administrative expenses	7,892	6,477
Total operating expenses	52,603	33,932
Operating loss	(52,603)	(33,932)
Gain (loss) from derivative liabilities	3,315	6,341
Financial investment income	3,914	2,337
Related party loan interest income	-	1,222
Interest expense	(2,234)	(412)
Other (loss) gain, net	(1,734)	(229)
Loss before income taxes	(49,342)	(24,673)
Income tax (benefit) expense	(558)	623
Net loss	<u>\$ (48,784)</u>	<u>\$ (25,296)</u>
Weighted-average number of shares outstanding – basic and diluted	303,644	276,263
Net loss per share – basic and diluted	\$ (0.16)	\$ (0.09)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(In thousands) (Unaudited)

	Three Months Ended	
	March 31, 2025	March 31, 2024
<b>Net loss</b>	<u>\$ (48,784)</u>	<u>\$ (25,296)</u>
<b>Total comprehensive loss</b>	<u>\$ (48,784)</u>	<u>\$ (25,296)</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.  
Amounts may not add due to rounding.

## EVE HOLDING, INC.

**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
**(In thousands) (Unaudited)**

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total Equity</u>
	<u>Shares</u>	<u>Amount</u>			
<b>Balance at December 31, 2023</b>	269,359	\$ 269	\$ 509,448	\$ (344,667)	\$ 165,051
Net loss	-	-	-	(25,296)	(25,296)
Share-based compensation and issuance for vested awards	7	0	1,126	-	1,126
<b>Balance at March 31, 2024</b>	<u>269,366</u>	<u>\$ 269</u>	<u>\$ 510,574</u>	<u>\$ (369,963)</u>	<u>\$ 140,881</u>
<b>Balance at December 31, 2024</b>	297,644	\$ 298	\$ 606,460	\$ (482,835)	\$ 123,922
Net loss	-	-	-	(48,784)	(48,784)
Share-based compensation	-	-	1,002	-	1,002
<b>Balance at March 31, 2025</b>	<u>297,644</u>	<u>\$ 298</u>	<u>\$ 607,462</u>	<u>\$ (531,619)</u>	<u>\$ 76,141</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.  
Amounts may not add due to rounding.

**EVE HOLDING, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands) (Unaudited)

	Three Months Ended	
	March 31, 2025	March 31, 2024
<b>Cash flows from operating activities</b>		
Net loss	\$ (48,784)	\$ (25,296)
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation and amortization	82	51
Non-cash lease expenses	172	54
Unrealized loss (gain) on the exchange rate changes	981	(315)
Share-based compensation	1,002	1,126
Change in fair value of derivative financial instruments	(3,315)	(6,341)
Deferred income tax, net	(99)	-
Changes in operating assets and liabilities		
Accrued interest on financial investments, net	(84)	(1,497)
Accrued interest on related party loan receivable, net	-	(1,222)
Other assets	(1,346)	(1,285)
Related party receivables	504	206
Accounts payable	(529)	(2,909)
Related party payables	17,748	1,319
Other payables	8,790	296
<b>Net cash used by operating activities</b>	<b>(24,878)</b>	<b>(35,813)</b>
<b>Cash flows from investing activities</b>		
Redemptions of financial investments	117,000	10,000
Purchases of financial investments	(98,000)	(12,000)
Expenditures for property	(464)	(106)
<b>Net cash provided (used) by investing activities</b>	<b>18,536</b>	<b>(2,106)</b>
<b>Cash flows from financing activities</b>		
Proceeds from debt	9,455	14,966
Non-creditor debt issuance costs	(178)	(219)
<b>Net cash provided by financing activities</b>	<b>9,277</b>	<b>14,747</b>
Effect of exchange rate changes on cash and cash equivalents	209	(122)
Increase (decrease) in cash and cash equivalents	3,144	(23,294)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>56,366</b>	<b>46,882</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>\$ 59,510</b>	<b>\$ 23,588</b>
<b>Supplemental disclosure of cash information</b>		
Cash paid for		
Interest	\$ 2,088	\$ 273
Income tax	\$ 372	\$ 949
<b>Supplemental disclosure of other non-cash investing and financing activities</b>		
Property expenditures in accounts payable and other payables	\$ 441	\$ 8
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 16	\$ 564
Issuance of common stock for vested restricted stock units	\$ -	\$ 41

The accompanying notes are an integral part of these condensed consolidated financial statements.  
Amounts may not add due to rounding.

**EVE HOLDING, INC.**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(In thousands, unless otherwise specified or per share amounts)**  
**(Unaudited)**

**Note 1 – Organization and Basis of Presentation**

Eve Holding, Inc. (together with its subsidiaries, as applicable, “Eve,” the “Company,” “we,” “us,” or “our”), is an aerospace company that is dedicated to accelerating the urban air mobility (“UAM”) ecosystem. The Company is taking a holistic approach to progressing the UAM ecosystem with an advanced electric vertical take-off and landing (“eVTOL”) project, a comprehensive global services and support network and a unique air traffic management solution. The Company is organized in Delaware with operations in Melbourne, Florida and São Paulo, Brazil.

**Basis of Presentation**

The unaudited condensed consolidated financial statements are presented in US Dollars, unless otherwise noted, and have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) and pursuant to the accounting and disclosure rules and regulations of the Securities Exchange Commission (“SEC”) for interim financial reporting.

Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. Additionally, operating results for interim periods are not necessarily indicative of the results that can be expected for a full year. The unaudited condensed consolidated financial statements herein should be read in conjunction with our audited consolidated financial statements and notes thereto included within our 2024 Form 10-K. These unaudited condensed consolidated financial statements reflect, in the opinion of management, all material adjustments (which include normal recurring adjustments) necessary to fairly state, in all material respects, the Company’s financial position, results of operations and cash flows for the periods presented. All intercompany balances and transactions were eliminated in consolidation. Certain columns and rows may not add due to rounding.

**Use of Estimates**

The preparation of condensed consolidated financial statements in accordance with U.S. GAAP requires the Company’s management to make estimates and judgments that affected the reported amounts of assets and liabilities and allocations of expenses. These judgments were based on the historical experience, management’s evaluation of trends in the industry and other factors that were deemed relevant at that time. The estimates and assumptions were reviewed on a regular basis and the changes to accounting estimates were recognized in the period in which the estimates were revised. The Company’s management recognizes that the actual results could be materially different from the estimates.

**Accounting Pronouncements Not Yet Adopted**

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures (Topic 740). This guidance establishes new income tax disclosure requirements in addition to modifying and eliminating certain existing guidance. Under the new guidance, entities must consistently categorize and provide greater disaggregation of information in the rate reconciliation. They must also further disaggregate income taxes paid. This ASU is effective for our fiscal year ending December 31, 2025. Early adoption is permitted. The Company is currently evaluating the impact of adopting this new accounting guidance on our consolidated financial statements, but does not expect the adoption of this ASU will have a material impact on the consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement–Reporting Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40). This guidance requires more detailed disclosure about certain costs and expenses presented in the income statement, including inventory purchases, employee compensation, selling expense and depreciation expense. The guidance is effective for our fiscal year ending December 31, 2027 and our interim periods during the fiscal year ending December 31, 2028. Early adoption is permitted. The Company is currently evaluating the impact of adopting this new accounting guidance on the related disclosures to the consolidated financial statements.



**Note 2 – Cash and Cash Equivalents**

Cash and cash equivalents include deposits in Bank Deposit Certificates (“CDBs”) issued by financial institutions in Brazil that are immediately available for redemption and fixed term deposits in US Dollars with original maturities of 90 days or less. Balances consisted of the following:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Cash	\$ 42,904	\$ 11,763
CDBs	6,535	4,453
Fixed deposits	10,070	40,151
Total	<u>\$ 59,510</u>	<u>\$ 56,366</u>

**Note 3 – Financial Investments**

The financial investments are classified as held-to-maturity (“HTM”) because management has the intent and ability to hold the securities until maturity. These investments include time deposits with original maturities of one year or less, but greater than 90 days and are recorded at amortized cost in the condensed consolidated balance sheets.

	<b>March 31, 2025</b>			
	<b>Amortized Cost</b>	<b>Unrealized Gains</b>	<b>Unrealized Losses</b>	<b>Fair Value</b>
HTM securities, at cost:				
Time deposits	\$ 228,096	\$ 262	\$ (264)	\$ 228,094

	<b>December 31, 2024</b>			
	<b>Amortized Cost</b>	<b>Unrealized Gains</b>	<b>Unrealized Losses</b>	<b>Fair Value</b>
HTM securities, at cost:				
Time deposits	\$ 247,012	\$ 398	\$ (127)	\$ 247,283

No allowances for credit losses were recognized as of March 31, 2025 and December 31, 2024.

## Note 4 – Related Party Transactions

### Relationship with Embraer

Embraer S.A., a Brazilian corporation (sociedade anônima) (“ERJ”), through one of its wholly owned subsidiaries Embraer Aircraft Holdings, Inc. (“EAH” and collectively “Embraer”), own approximately 83% of the outstanding common stock of the Company. The expenses from transactions with Embraer reflected in the condensed consolidated financial statements may not be indicative of expenses that would be incurred in arm’s length transactions.

In July and September 2024, the Company closed a private placement, which included investment from, among others, Embraer, pursuant to which the Company received aggregate gross proceeds of \$95.6 million. Pursuant to the private placement, Embraer received certain newly issued shares of common stock and warrants. Refer to Note 7 and Note 8 for more information regarding the private placement.

**Master Service Agreements and Shared Service Agreement** In December 2021, the Company and Embraer entered into the Master Service Agreement (“MSA”) and Shared Service Agreement (“SSA”), and as a result, Embraer began charging the Company for research and development (“R&D”) and selling, general and administrative (“SG&A”) services, respectively. The initial terms for the MSA and SSA are 15 years. The MSA can be automatically renewed for additional successive one-year periods. The MSA established a fee so that the Company may have access to Embraer’s R&D and engineering department structure, as well as, at the Company’s option, the ability to access manufacturing facilities in the future. The SSA established a cost overhead pool to be allocated, excluding any margin, so that the Company may be provided with access to certain of Embraer’s administrative services and facilities such as shared service centers. In addition, in December 2021, the Company entered into a MSA with Atech Negócios em Tecnologias S.A., a Brazilian corporation (sociedade anônima) (“Atech”) and wholly owned subsidiary of Embraer, for an initial term of 15 years. Fees under the Atech MSA are for services related to air traffic management software development, defense systems, simulation systems, engineering and consulting services.

**Training Services Agreement** In October 2024, (the “Effective Date”), the Company and Embraer CAE Training Services, LLC (“ECTS”) entered into a Training Services Agreement, pursuant to which the Company has appointed ECTS as its worldwide training services provider related to aircraft which are or will be designed and manufactured by the Company (“Aircraft”), during the term of the Training Services Agreement. Under the Training Services Agreement, ECTS has agreed to provide certain training services related to the piloting, maintenance and ground handling of the Aircraft to the Company or its customers, and the Company has agreed to purchase certain entitlement training in accordance with the training selected by its customer from ECTS, for the pricing set forth in the Training Services Agreement. The term of the Training Services Agreement is the period starting on the Effective Date of the agreement and ending on the last date ECTS provides training services for the Aircraft.

**Corporate Costs** Embraer incurs corporate costs for services provided to the Company. These costs include, but are not limited to, expenses for information systems, accounting, treasury, purchasing, human resources, legal, and facilities. These costs benefit the Company, but are not covered under the MSA or SSA. The corporate costs are allocated between the “Research and development expenses” and “Selling, general and administrative expenses” line items of the condensed consolidated statements of operations as appropriate.

**Development Costs** The Company has entered into supply agreements with Embraer entities and joint ventures that Embraer is a party to for the purchase of components and other materials consumed in development activities.

**Related Party Receivables and Payables** Certain employees have transferred from Embraer to the Company. On the transfer date of each employee, all payroll related accruals for the employee are transferred to the Company. Embraer is responsible for payroll related costs prior to the transfer date. The Company recognizes a receivable from Embraer for payroll costs incurred prior to the transfer date in the “Related party receivables” line of the condensed consolidated balance sheets. Fees and expenses in connection with the MSA, SSA, and other costs are payable within 45 days after receipt of the invoice and are recognized in “Related party payables” within the condensed consolidated balance sheets.

**Royalty-Free Licenses** Under the MSA and SSA, the Company has a royalty-free license to access Embraer’s intellectual property to be used within the UAM market.

**Leases** The Company has entered into agreements with Embraer to lease corporate office space and other facilities, including a site expected to be used to develop the Company’s manufacturing facility for eVTOL production. As of March 31, 2025, the Company has two lease agreements with Embraer that have not yet commenced. One agreement is for a facility in Gavião Peixoto, São Paulo, Brazil. The lease is expected to commence later in 2025. The other lease agreement is for a property in Taubaté, São Paulo, Brazil. The lease for this property is expected to commence in 2026 and be used to develop the Company’s manufacturing facility for eVTOL production.

**Related Party Loan** In August 2022, the Company entered into a loan agreement to lend \$81.0 million to EAH million in order to efficiently manage the Company’s cash at a rate of return that is favorable to the Company for an initial term of 12 months. In August 2023, the initial term of the loan was extended for an additional 12 months. On August 1, 2024, the loan matured. Principal and interest collected was \$85.9 million.

## Related Party Expenses

The following table summarizes the related party expenses for the periods:

	Three Months Ended	
	March 31, 2025	March 31, 2024
Research and development expenses	\$ 29,754	\$ 20,889
Selling, general and administrative expenses	999	750
Total	<u>\$ 30,753</u>	<u>\$ 21,639</u>

## Note 5 – Other Balance Sheet Components

### Other Current Payables

Other current payables are comprised of the following items:

	March 31, 2025	December 31, 2024
Accrued services	\$ 15,687	\$ 8,393
Accrued payroll	6,731	4,639
Accrued interest	923	810
Other payables	1,289	1,579
Total	<u>\$ 24,631</u>	<u>\$ 15,422</u>

## Note 6 – Debt

The following table summarizes the Company's outstanding debt:

Title	Interest Rate (a)	Maturity Date	March 31, 2025	December 31, 2024
Term loans outstanding (b)	6.4%	2026-2035	\$ 144,089	\$ 133,615
Unamortized debt issuance costs			(1,790)	(1,604)
Total debt, net			142,299	132,011
Less: current portion of long-term debt			(129)	-
Total long-term debt, net			<u>\$ 142,170</u>	<u>\$ 132,011</u>

(a) Weighted-average interest rate as of March 31, 2025

(b) Includes debt denominated in BRL and converted to USD as of the reporting date

The long-term debt principal as of March 31, 2025 matures as follows:

	2025	2026	2027	2028	2029	2030 and thereafter	Total
Debt maturities	\$ -	\$ 1,290	\$ 34,063	\$ 36,568	\$ 11,568	\$ 60,601	\$ 144,089

The Company has the following loan agreements as of March 31, 2025:

2023 BNDES Phase 1 Loan Agreement

In January 2023, the Company entered into a loan agreement with Banco Nacional de Desenvolvimento Economico e Social (“BNDES”), pursuant to which BNDES extended two loans with an aggregate borrowing availability of R\$490 million (approximately \$94.1 million), to support the first phase of the development of the Company’s eVTOL project. The first loan (“Sub-credit A”), in the amount of R\$80 million (approximately \$13.9 million), was denominated in Brazilian reais by Fundo Nacional Sobre Mudança Climática (“FNMC”), a BNDES fund that supports businesses focused on mitigating climate change and reducing carbon emissions. Sub-credit A has maturity dates on a monthly basis from March 2026 through February 2035. The second loan (“Sub-credit B”), in the amount of R\$410 million (approximately \$80.2 million), was denominated in US Dollars when the agreement was executed by the US Dollar sale rate published by the Central Bank of Brazil as the “PTAX” rate. Sub-credit B has maturity dates on a quarterly basis from April 2027 through January 2035. As of March 31, 2025, these lines of credit have been fully drawn at a weighted-average interest rate of 5.5%.

2024 BNDES Industrialization Agreement

On October 10, 2024, the Company entered into a financing agreement, dated as of October 7, 2024, with BNDES, pursuant to which BNDES agreed to grant four lines of credit totaling approximately \$87.9 million as of March 31, 2025, denominated as follows: Sub-credit A in the amount of R\$140 million (approximately \$24.4 million), Sub-credit B in the amount of R\$60 million (approximately \$10.8 million), Sub-credit C in the amount of R\$210 million (approximately \$36.6 million) and Sub-credit D in the amount of R\$90 million (approximately \$16.2 million). The principal amount of the debt arising from the Sub-credit A will bear an interest rate of 2.20% per annum, and that arising from the Sub-credit C will bear an interest rate of 2.75% per annum above the Reference Rate (TR) 226, published in the Time Series Management System - SGS of the Central Bank of Brazil, under code no. 226, or any other that may replace it. The principal amount of the debt owed under Sub-credit B will bear interest at the rate of 1.10% per annum and under Sub-credit D will bear interest at the rate of 1.65% per annum plus the fixed rate published by the BNDES System. The financing is intended for the development of the manufacturing facility for the production of eVTOL aircraft in the city of Taubaté, São Paulo, Brazil. The financing will also be secured by the underlying machinery and equipment to be acquired with the funds for the manufacturing facility. The agreement is subject to a one-time commission fee of R\$2.5 million (approximately \$0.4 million). As of March 31, 2025, the Company has not drawn from these lines of credit.

2024 Citibank Credit Agreement

On October 29, 2024, the Company entered into a credit agreement with Citibank, N.A. (“Citi”) (the “Credit Agreement”), pursuant to which Citi lent \$50 million and subject to an interest rate of 3.90% per year plus Term Secured Overnight Financing Rate (“SOFR”). The funds will support the production and sale of eVTOL aircraft. The Credit Agreement requires compliance with a minimum debt service coverage ratio. The ratio is tested on the last day of each fiscal quarter for the trailing four quarter period then ended.

2024 BNDES Phase 2 Loan Agreement

On November 22, 2024, the Company entered into a loan agreement with BNDES, pursuant to which BNDES agreed to grant the Company a loan of R\$200 million (approximately \$34.8 million) and subject to an interest rate of 7.53%. The loan is intended to support the second phase of the eVTOL project. As of March 31, 2025, the Company has not drawn from this line of credit.

As of March 31, 2025, there is approximately \$122.7 million available to be drawn under the Company’s debt arrangements.

The BNDES loan agreements provide that the availability of such loans are subject to BNDES rules and regulations and or funding by the *Conselho Monetário Nacional*, Brazil’s National Monetary Council. Additionally, the BNDES loan agreements provide that the borrowing of any amount under these loans are subject to certain conditions, including, among others, the promulgation of a new law (which condition only applies to the first line of credit), the receipt by BNDES of a guarantee from an acceptable financial institution, absence of any facts that would have a material adverse effect on the economic or financial condition of the Company, and approval of the project by the applicable environmental entities.

**Compliance with Debt Covenants**

Our loan facilities require compliance with either a debt service coverage ratio, customary affirmative, negative and operational covenants, customary events of default, prepayment and cure provisions, and regular reporting to lenders including providing certain subsidiary financial statements. Failure to meet certain of these requirements may result in a covenant violation or an event of default depending on the terms of the agreement. An event of default may allow lenders to declare amounts outstanding under these agreements immediately due and payable, to enforce their interests against collateral pledged under these agreements or restrict our ability to obtain additional borrowings. No covenant violations or technical defaults existed at March 31, 2025.

## **Note 7 – Equity**

The Company's common stock trades on the New York Stock Exchange ("NYSE") under the ticker EVEX. Pursuant to the terms of the Amended and Restated Certificate of Incorporation, the Company is authorized to issue the following shares and classes of capital stock, each with a par value of \$0.001 per share: (i) 1,000,000,000 shares of common stock; and (ii) 100,000,000 shares of preferred stock. There were 297,644,298 shares of common stock issued and outstanding as of March 31, 2025 and December 31, 2024. Holders of common stock are entitled to one vote per share on all matters to be voted upon by the stockholders. Holders of common stock are entitled to receive such dividends, if any, as may be declared from time to time by the Company's Board of Directors in its discretion out of funds legally available. No dividends on common stock have been declared by the Company's Board of Directors through March 31, 2025, and the Company does not expect to pay dividends in the foreseeable future. The Company has shares of common stock reserved for future issuance related to warrants and share-based compensation. Refer to Note 8 and Note 11 for additional information.

Preferred stock may be issued at the discretion of the Company's Board of Directors, as may be permitted by the General Corporation Law of the State of Delaware and without further stockholder action. The shares of preferred stock would be issuable for any proper corporate purpose, including, among other things, future acquisitions, capital raising transactions consisting of equity or convertible debt, stock dividends, or issuances under current and any future stock incentive plans, pursuant to which the Company may provide equity incentives to employees, officers, and directors and in certain instances may be used as an anti-takeover defense. As of March 31, 2025 and December 31, 2024, there was no preferred stock issued and outstanding.

In the event of a voluntary or involuntary liquidation, dissolution, distribution of assets, or winding-up, subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of the Company's common stock will be entitled to receive an equal amount per share of all of our assets of whatever kind available for distribution to stockholders, after the rights of the holders of any preferred stock have been satisfied, if any.

## **2024 Private Placement**

On June 28, 2024 and July 12, 2024, the Company entered into subscription agreements, warrant agreements, and warrant exchange agreements with certain investors relating to a private placement (the "2024 Private Placement") for (i) the issuance and sale of 23,900,000 newly issued shares of common stock of the Company, par value \$0.001 per share, for cash at a purchase price of \$4.00 per share (of which, 7,500,000 shares were purchased and issued to Embraer), (ii) the issuance of 3,318,588 shares of common stock of the Company in exchange for the surrender and cancellation of certain warrants to acquire an aggregate of 8,296,470 shares of common stock of the Company, and (iii) the issuance of certain Penny Warrants to acquire an aggregate of 2,500,000 shares of common stock of the Company (of which, 1,500,000 were issued to Embraer). The common stock issued has the same rights as the existing common stock issued and outstanding. Refer to Note 8 for more information regarding the warrants related to the 2024 Private Placement. The transactions contemplated by the 2024 Private Placement closed on July 2, 2024, July 5, 2024, July 18, 2024, and September 4, 2024. The Company received aggregate gross proceeds of \$95.6 million. A portion of the gross proceeds was allocated to the warrants exchanged for common stock with the residual value being attributable to the newly issued shares of common stock. Issuance costs of approximately \$2.3 million were recognized as part of the transaction. The proceeds were recorded to the "Additional paid-in capital" line item of the condensed consolidated balance sheets, with exception of the par value of common stock issued as part of the transaction. The Company intends to use the net proceeds for working capital and general corporate purposes.

## **Note 8 – Common Stock Warrants**

### **Warrants Classified as Equity**

#### *Public Warrants*

The Company has outstanding warrants that are publicly traded on the NYSE (the “Public Warrants”) under the ticker EVEXW. Each Public Warrant entitles its holder to purchase one share of common stock at an exercise price of \$11.50 per share, to be exercised only for a whole number of shares of our common stock. The Public Warrants are exercisable provided that we have an effective registration statement under the Securities Act of 1933 (“Securities Act”) covering the shares of common stock issuable upon exercise of the warrants and a current prospectus relating to them is available (or we permit holders to exercise their warrants on a cashless basis under the circumstances specified in their warrant agreement) and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder. The Public Warrants expire five years after the consummation of the Company’s business combination on May 9, 2022 (“Closing”) or earlier upon redemption or liquidation. We may redeem the outstanding Public Warrants at a price of \$0.01 per warrant, if the last sale price of our common stock equals or exceeds \$18.00 per share for any 20 trading days within a 30 trading days period ending on the third business day before the Company sends the notice of redemption to the warrant holders.

In connection with the 2024 Private Placement, certain investors agreed to cancel 3,296,470 Public Warrants in exchange for 1,318,588 shares of common stock of the Company.

As of March 31, 2025, there were 8,203,407 Public Warrants outstanding.

#### *New Warrants*

The Company has entered into warrant agreements with certain strategic private investment in public equity investors (“Strategic PIPE Investors”), pursuant to which and subject to the terms and conditions of each applicable warrant agreement. The Company has issued or has agreed to issue warrants to the Strategic PIPE Investors (the “New Warrants”) to purchase shares of common stock with an exercise price of either (i) \$0.01 per share (“Penny Warrants”) or (ii) \$15.00 or \$11.50 per share (“Market Warrants”). Each warrant entitles the holder to purchase one share of common stock of the Company, if applicable conditions have been met.

Because the cash received for the common stock and New Warrants is significantly different from their fair value, management considers such warrants to have been issued other than at fair market value. Accordingly, such warrants represent units of account separate from the shares of common stock that were issued to the Strategic PIPE Investors in connection with their respective investment and therefore require separate accounting treatment. Terms related to the issuance and exercisability of the New Warrants differ among the Strategic PIPE Investors and each New Warrant is independently exercisable such that the exercise of any individual warrant does not depend on the exercise of another. As such, management has concluded that all New Warrants meet the criteria to be legally detachable and separately exercisable and therefore freestanding. Forfeitures of New Warrants within the scope of ASC 718, Compensation-Stock Compensation, are estimated by the Company and reviewed when circumstances change.

### *Penny Warrants*

Penny Warrants issued or issuable to Strategic PIPE Investors were determined to be within the scope of ASC 718 for classification and measurement and ASC 606, Revenue from Contracts with Customers, for recognition. In accordance with ASC 718, these warrants were determined to be equity-classified.

Certain Penny Warrants have been issued and vested immediately upon Closing. The warrants were accounted for akin to a non-refundable upfront payment to the Strategic PIPE Investor and were recognized as expense when incurred as the Company had no current revenue or binding contracts when the warrants vested.

Other Penny Warrants were issued or are issuable contingent upon meeting certain future conditions or Company milestones. These warrants are recognized when certain conditions are satisfied or milestones are determined probable. The consideration will be classified as either a reduction of revenue under ASC 606 if there are related revenue transactions in place at vesting or otherwise as expense. The vesting conditions and milestones are as follows: (a) receipt of binding eVTOL purchase commitments from certain Strategic Investors, (b) receipt of the first type certification for eVTOL in compliance with certain airworthiness authorities, (c) the time at which ten vertiports that have been developed or implemented with the services of a certain Strategic Investor have entered operation or are technically capable of entering operation, (d) receipt of certain services and support agreements and (e) receipt of a binding purchase commitment from a third-party to purchase an eVTOL jointly developed by Embraer and a certain Strategic Investor.

In connection with the 2024 Private Placement, an additional 2,500,000 Penny Warrants were issued contingent upon the first type certification for the eVTOL in compliance with certain airworthiness authorities.

The Penny Warrants were measured at fair value on the grant date. The grant date is either the original grant date or, in cases where there has been a modification to the underlying agreement, the effective date of the modified agreement is used as the new grant date for determining fair value. The grant date fair value of Penny Warrants was calculated by subtracting \$0.01 from Company's common stock share price on the grant date.

As of March 31, 2025, there were 21,022,536 Penny Warrants outstanding, of which 6,000,000 were vested and exercisable.

### *Market Warrants*

Market Warrants were issued and vested immediately at Closing and have no contingencies. These warrants were determined to be within the scope of ASC 718, Compensation-Stock Compensation, for classification and measurement and were expensed when vested. The warrants were determined to be equity-classified.

In connection with the 2024 Private Placement, an investor agreed to cancel 5,000,000 Market Warrants with an exercise price of \$11.50 in exchange for 2,000,000 shares of common stock of the Company.

As of March 31, 2025, the Company had 12,000,000 Market Warrants outstanding with an exercise price of \$15.00.



## Warrants Classified as Liabilities

### Private Warrants

The Company has outstanding warrants issued in private placements (the “Private Warrants”), which are recorded in the “Derivative financial instruments” line of the condensed consolidated balance sheets. Each Private Warrant entitles its holder to purchase one share of common stock at an exercise price of \$11.50 per share, subject to conditions as defined in the respective warrant agreement. The Private Warrants have similar terms as the Public Warrants, except for the \$0.01 cash redemption feature. However, in the event a Private Warrant is transferred to a third-party not affiliated with the Company (referred to as a non-permitted transferee), the warrant becomes a Public Warrant and is subject to the \$0.01 cash redemption feature. If this occurs, the calculation changes for the settlement amount of the Private Warrants. Since the settlement amount depends solely on who holds the instrument, which is not an input to the fair value of a fixed-for-fixed option or forward on equity shares, the Private Warrants are liability classified.

As of March 31, 2025, there were 14,250,000 Private Warrants outstanding.

### Note 9 – Derivative Financial Instruments

The Company has derivative financial instrument liabilities of \$3.7 million and \$7.0 million, as of March 31, 2025 and December 31, 2024, respectively, related to the Private Warrants. The Company uses the share price of its Public Warrants as the input for the recurring fair value measurement of Private Warrants at the end of each reporting period within the “Derivative financial instruments” line item of the condensed consolidated balance sheets. The Public Warrants are used to remeasure the fair value as they have similar key terms. Refer to Note 8 and 10 for additional information.

During the three months ended March 31, 2025 and 2024, gains of \$3.3 million and \$6.3 million, respectively, were recognized within the “Gain from derivative liabilities” line in the condensed consolidated statements of operations. The change in fair value is recorded under operating activities within the condensed consolidated statements of cash flows.

### Note 10 – Fair Value Measurements

The Company uses a fair value hierarchy, which has three levels based on the reliability of the inputs, to determine fair value. The Company’s assessment of the significance of an input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. Level 1 refers to fair values determined based on unadjusted quoted prices in active markets for identical instruments. Level 2 refers to fair values estimated using other observable inputs for the instruments, either directly or indirectly, for substantially the full term of the asset or liability. Level 3 includes fair values estimated using unobservable inputs for the instruments used to measure fair value to the extent that observable inputs are not available. The carrying amounts of cash and cash equivalents, financial investments, related party receivables, other current assets, accounts payable, related party payables, and other current payables approximate their fair values due to the short-term maturities of the instruments.

The fair value of debt was estimated using a discounted cash flow model and other observable inputs, therefore, are deemed to be Level 2. Refer to Note 9 for the methodology for determining the fair value of Private Warrants.

As of March 31, 2025 and December 31, 2024, there were no changes in the fair value methodology and no transfers between levels of the financial instruments.

The following table lists the Company’s financial liabilities by level within the fair value hierarchy.

	March 31, 2025				December 31, 2024			
	Carrying Amount	Fair Value			Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Private Warrants	\$ 3,668	\$ -	\$ 3,668	\$ -	\$ 6,983	\$ -	\$ 6,983	\$ -
Debt	\$ 142,299	\$ -	\$ 152,976	\$ -	\$ 132,011	\$ -	\$ 132,488	\$ -



**Note 11 – Earnings Per Share**

Basic and diluted earnings per share is computed by dividing net loss by the weighted average number of common stock outstanding during the period. Diluted net loss per common stock reflects the potential dilution that would occur if securities were exercised or converted into common stock. The effects of any incremental potential common stock are excluded from the calculation of earnings per share if their effect would be anti-dilutive. Contingently issuable shares, including equity awards with performance conditions, are considered outstanding common shares and included in basic and diluted earnings per share as of the date that all necessary conditions to earn the awards have been satisfied. Public and Private Warrants are considered for the diluted earnings per share calculation to the extent they are “in-the-money” and their effect is dilutive. The Company has retroactively adjusted the shares issued and outstanding prior to May 9, 2022, to give effect to the exchange ratio.

For the three months ended March 31, 2025 and 2024, there were no securities outstanding whose effect would be dilutive to earnings per share. Therefore, the number of basic and diluted weighted-average shares outstanding were equal for each period.

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Net loss	\$ (48,784)	\$ (25,296)
Weighted-average shares outstanding – basic and diluted	303,644	276,263
Net loss per share – basic and diluted	\$ (0.16)	\$ (0.09)
Penny Warrants included in Net loss per share calculation – basic and diluted	6,000	6,900

The following table presents potentially dilutive securities excluded from the calculation of diluted earnings per share as their effect would have been anti-dilutive.

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Unvested restricted stock units	1,539	1,141
Penny Warrants with unmet contingencies	15,023	13,523
Out of the money warrants	34,453	42,750
Total	51,014	57,413

Certain Penny Warrants contain contingencies agreed upon with potential customers and suppliers that have not yet been achieved. Warrants that are out of the money include Public, Private, and Market Warrants where the exercise price exceeded the common stock price for the period. Refer to Note 8 for a summary of the terms for all warrants.

**Note 12 – Research and Development Expenses**

Research and development expenses consisted of the following:

	Three Months Ended March 31,	
	2025	2024
Outsourced services	\$ 42,206	\$ 24,677
Payroll costs	2,339	2,607
Other expenses	165	171
Total	<u>\$ 44,711</u>	<u>\$ 27,455</u>

**Note 13 – Selling, General and Administrative Expenses**

Selling, general and administrative expenses consisted of the following:

	Three Months Ended March 31,	
	2025	2024
Payroll costs	\$ 4,339	\$ 3,273
Outsourced services	2,878	2,097
Director & Officers insurance	256	379
Other expenses	419	728
Total	<u>\$ 7,892</u>	<u>\$ 6,477</u>

**Note 14 – Income Taxes**

The Company calculates its income tax amounts using a separate return methodology. Under this method, the Company prepares the financial statements as if it will file separate returns with tax authorities. As a result, the Company's deferred tax balances and effective tax rate as a stand-alone entity will likely differ significantly from those calculated in the actual consolidated return with Embraer. The calculation of income taxes on a separate return basis requires a considerable amount of judgment and use of both estimates and allocations. The tax loss carryforwards and valuation allowances reflected in the condensed consolidated financial statements are based on a hypothetical stand-alone income tax return basis and may not exist in the ERJ and EAH consolidated financial statements.

For the three months ended March 31, 2025 and 2024, the Company recognized income tax benefit of \$0.6 million and income tax expense of \$0.6 million, respectively, due to operations in the Brazilian jurisdiction.

**Note 15 – Commitments and Contingencies**

As of March 31, 2025 and December 31, 2024, the Company did not have any accruals for loss contingencies associated with litigation. The Company will make accruals related to loss contingencies in instances where it is probable that a loss has been incurred and the amount can be reasonably estimated. Loss contingencies that are either reasonably possible but not probable or probable but not reasonably estimable, are disclosed in the notes to these condensed consolidated financial statements.

On March 3, 2025, a putative shareholder derivative action was filed in the Delaware Court of Chancery against EAH, our directors and certain of our officers, asserting breach of fiduciary duty claims related to the 2024 Private Placement of common stock and warrants that were issued to EAH in September 2024. Eve Holding was also named as a nominal defendant in the case. The action is captioned *Taylor v. Embraer Aircraft Holding, Inc., et al.*, C.A. No. 2025-0233-NAC. The complaint seeks, among other things, declaratory relief, damages, costs and attorneys' fees and expenses. Pursuant to the operative scheduling order, the defendants moved to dismiss the complaint on April 30, 2025, and the remainder of the briefing schedule is not yet set on the motion. Based on the early stage of the case, we are unable to predict the ultimate outcome or estimate the range of possible loss, if any.

Due to the nature of our business, from time to time, we are or may be subject to disputes or claims related to our business activities, including, among other things, performance matters under our supplier contracts and other business arrangements, workers' compensation, premises liability and other claims. We do not expect that any of these disputes and claims will have a material adverse effect on our condensed consolidated balance sheets, statements of operations or cash flows.

## Note 16 – Segments

Segment information is presented in a manner consistent with the internal reports provided to the chief operating decision maker (“CODM”), which has been identified as the chief executive officer. Given the Company’s pre-revenue operating stage, it currently has no concentration exposure to products, services or customers. The Company is developing three business units that will provide unique products or services, which were determined to be the reportable segments, as follows:

**eVTOL** The Company is designing and certifying an eVTOL purpose-built for UAM missions and plans to market its eVTOLs globally to operators of UAM services, including fixed wing and helicopter operators, as well as lessors that purchase and manage aircraft on behalf of operators.

**Service and Operations Solutions** The Company plans to offer a full suite of eVTOL service and support capabilities (referred to as “TechCare”), including material services, maintenance, technical support, training, ground handling and data services. Its services will be offered to UAM fleet operators on an agnostic basis, supporting both its own eVTOL and those produced by third parties.

**Urban Air Traffic Management (“UATM”)** The Company is developing next-generation UATM software (named “Vector”) to help enable eVTOLs to operate safely and efficiently in dense urban airspace along with conventional fixed wing and rotary aircraft and unmanned drones. The Company plans to offer Vector software to customers that include air navigation service providers, fleet operators and vertiport operators.

The CODM regularly receives and reviews one measure of profit or loss by segment, which is also the sole significant expense for each segment – research and development expenses. This expense information and the physical progress of the projects by segment are used by the CODM when deciding how to allocate resources between segments. Asset information by segment is not presented to the CODM.

Research and development expenses by segment	Three Months Ended March 31,	
	2025	2024
eVTOL	\$ 42,423	\$ 24,644
Service and Operations Solutions	1,334	1,593
UATM	953	1,219
Total segment expenses	\$ 44,711	\$ 27,455
Total segment loss	(44,711)	(27,455)
Expenses (income) not allocated to segments, net (a)	4,631	(2,782)
Loss before income taxes	\$ (49,342)	\$ (24,673)

(a) Includes SG&A expenses and other non-operating income and expenses not allocated to each segment

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information we believe is relevant to an assessment and understanding of our condensed consolidated results of operations and financial condition. The following discussion should be read in conjunction with the Company's most recent Annual Report on Form 10-K (the "2024 Form 10-K") filed with the U.S. Securities and Exchange Commission (the "SEC") and the unaudited condensed consolidated financial statements for the three months ended March 31, 2025 and 2024, and the related notes that are included in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those factors set forth under "Cautionary Note Regarding Forward-Looking Statements" in Part I, Item 1A. Risk Factors of our 2024 Form 10-K and in our other filings with the SEC. Capitalized terms not defined have the same meaning as in the notes to the unaudited condensed consolidated financial statements.

### Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including, without limitation, statements under Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations regarding our financial position, business strategy and the plans and objectives of management for future operations. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "hope," "intend," "may," "might," "objective," "ongoing," "plan," "potential," "predict," "project," "should," "target," "will," or "would" or similar terms or expressions or the negative thereof, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements contained in this Quarterly Report on Form 10-Q are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to:

- our ability to raise financing in the future;
- the impact of the regulatory environment and complexities with compliance related to such environment, including changes in applicable laws or regulations, including as a result of executive orders;
- our ability to maintain an effective system of internal control over financial reporting;
- our ability to grow market share in our existing markets or any new markets we may enter;
- our ability to respond to general economic conditions;
- the impact of foreign currency, interest rate, exchange rate and commodity price fluctuations;
- our ability to manage our growth effectively;
- our ability to achieve and maintain profitability in the future;
- our ability to access sources of capital to finance operations and growth;
- the success of our strategic relationships with third parties;
- our ability to successfully develop, certify and commercialize our planned Urban Air Mobility solutions and the timing thereof;
- competition from other manufacturers and operators of electric vertical take-off and landing vehicles and other methods of air or ground transportation;
- various environmental requirements;
- retention or recruitment of executive and senior management and other key employees;
- reliance on services to be provided by Embraer and other third parties; and
- other risks and uncertainties described in this Quarterly Report on Form 10-Q and in our 2024 Form 10-K, including those under "Risk Factors."

The list above is not intended to be an exhaustive list of all of our forward-looking statements. Our forward-looking statements are based on information available as of the date of this Quarterly Report on Form 10-Q and current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties. While we believe these expectations, forecasts, assumptions and judgments are reasonable, our forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

## Overview

Eve Holding, Inc. (together with its subsidiaries, as applicable, “Eve”, the “Company”, “we”, “us” or “our”), a Delaware corporation, is an aerospace company with operations in Melbourne, Florida and São José dos Campos, São Paulo, Brazil. The Company is a former blank check company incorporated on November 19, 2020, under the name Zanite Acquisition Corp. (“Zanite”) as a Delaware corporation that was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses.

Eve’s goal is to be a leading company in the urban air mobility (“UAM”) market by taking a holistic approach to developing a UAM solution that includes: the design and production of electric vertical take-off and landing vehicles (“eVTOLs”), a portfolio of maintenance and support services focused on Eve’s and third-party eVTOLs, and new air traffic management software for eVTOLs (“Vector”), designed to allow eVTOLs to operate safely and efficiently in dense urban airspace alongside conventional aircraft and drones. Eve’s mission is to bring affordable air transportation to all passengers, improve quality of life, unleash economic productivity, save passengers time, and reduce global carbon emissions. Eve plans to leverage its strategic relationship with Embraer to de-risk and accelerate its development plans, while saving costs by utilizing Embraer’s extensive resources.

## Business Models

Eve plans to fuel the development of the UAM ecosystem by providing a complete portfolio of solutions across three primary offerings:

***eVTOL Production and Design.*** Eve is designing and certifying an eVTOL purpose-built for UAM missions. Eve plans to market its eVTOLs globally to operators of UAM services, including fixed wing and helicopter operators, as well as lessors that purchase and manage aircraft on behalf of operators.

***Service and Operations Solutions - TechCare.*** Eve plans to offer a full suite of eVTOL service and support capabilities, including material services, maintenance, technical support, training, ground handling and data services. Services will be offered to UAM fleet operators on an agnostic basis – supporting both our own eVTOL aircraft and those produced by third parties.

***Urban Air Traffic Management - Vector.*** Eve is developing a next-generation UATM software to help enable eVTOLs to operate safely and efficiently in dense urban airspace along with conventional fixed wing and rotary aircraft and unmanned drones. Eve plans to offer Vector software to customers that include air navigation service providers, fleet operators and vertiport operators.

To date, Eve has not generated any revenue, as it continues to develop its eVTOL aircraft and other UAM solutions. As a result, Eve will require substantial additional capital to develop products and fund operations for the foreseeable future. Until Eve can generate any revenue from product sales and services, it expects to finance operations through a combination of existing cash on hand, public offerings, private placements, and debt financing. The amount and timing of future funding requirements will depend on many factors, including the pace and results of development efforts.

## Services Agreements

Eve has entered into Master Services Agreements with each ERJ and Atech (collectively, the “MSAs”). Eve has also entered into a Shared Services Agreement (“SSA”) with ERJ and EAH. Pursuant to the MSAs, ERJ and Atech, either directly or through their respective affiliates, will provide certain services and products to Eve and its subsidiaries, including, among others, product development of eVTOL, services development, parts planning, technical support, AOG (Aircraft on Ground) support, MRO (Maintenance, Repair and Overhaul) planning, training, special programs, technical publications development, technical publications management and distribution, operation, engineering, designing and administrative services and, at Eve’s option, future eVTOL manufacturing services. Eve expects to collaborate with ERJ and leverage their expertise as an aircraft producer, which will help it design and manufacture eVTOLs with low maintenance and operational costs and design systems and processes for maintenance, develop pilot training programs, and establish operations. The services provided under the SSA include, among others, corporate and administrative services to Eve. In addition, Eve has entered into the Data Access Agreement with ERJ, pursuant to which, among other things, ERJ has agreed to provide Eve with access to certain of its intellectual property and proprietary information in order to facilitate the execution of the specific activities that are set out in certain of the statements of work entered into pursuant to these Services Agreements.

The aforementioned Services Agreements continue to be in full force and effect. Further information about such agreements is set forth in our prospectus, dated January 18, 2023, filed with the SEC on January 20, 2023, pursuant to Rule 424(b) under the Securities Act.

## **Key Factors Affecting Operations**

### ***Brazilian Economic Environment***

The Brazilian government has frequently intervened in the Brazilian economy and occasionally made drastic changes in policy and regulations. The Brazilian government's actions to control inflation and affect other policies and regulations have often involved, among other measures, increases in interest rates, changes in tax policies and incentives, price controls, currency devaluations, capital controls, and limits on imports. Changes in Brazil's monetary, credit, tariff and other policies could adversely affect our business, as could inflation, currency and interest-rate fluctuations, social instability and other political, economic or diplomatic developments in Brazil, as well as the Brazilian government's response to these developments.

Rapid changes in Brazilian political and economic conditions that have occurred and may occur require continued assessment of the risks associated with our activities and the adjustment of our business and operating strategy accordingly. Developments in Brazilian government policies, including changes in the current policy and incentives adopted for financing exports of Brazilian goods, or in the Brazilian economy, over which we have no control, may have a material adverse effect on our business.

Inflation and exchange rate variations have had and may continue to have substantial effects on our financial condition and results of operations.

Inflation and exchange rate variations affect our monetary assets and liabilities denominated in Brazilian reais. The value of these assets and liabilities as expressed in US Dollars declines when the real devalues against the US Dollar and increases when the real appreciates. In periods of devaluation of the real, we report (i) a remeasurement loss on real-denominated monetary assets and (ii) a remeasurement gain on real-denominated monetary liabilities. For additional information on the effects of exchange rate variations on our financial condition and results of operations, see the section entitled "Item 3. Quantitative and Qualitative Disclosures about Market Risk."

### ***Development of the UAM Market***

Our revenue will be directly tied to the continued development and sale of eVTOL and related services. While we believe the market for UAM will be large, it remains undeveloped and there is no guarantee of future demand. We currently anticipate commercialization of our eVTOL services-and-support business beginning in 2026, followed by the commercialization and initial revenue generation from the sale of our eVTOLs beginning in 2027. Our business will require significant investment leading up to launching passenger services including, but not limited to, final engineering designs, prototyping and testing, manufacturing, software development, certification, pilot training and commercialization.

We believe one of the primary drivers for adoption of our UAM services is the value proposition and time savings offered by aerial mobility relative to traditional ground-based transportation. Additional factors impacting the pace of adoption of our UAM services include but are not limited to: perceptions about eVTOL quality, safety, performance and cost; perceptions about the limited range over which eVTOL may be flown on a single battery charge, volatility in the cost of oil and gasoline, availability of competing forms of transportation, such as ground or air taxi or ride-hailing services, the development of adequate infrastructure, consumers' perception about the convenience and cost of transportation using eVTOL relative to ground-based alternatives, and increases in fuel efficiency, autonomy, or electrification of cars. In addition, macroeconomic factors could impact demand for UAM services, particularly if end-user pricing is at a premium to ground-based transportation alternatives. We anticipate initial operations in selected high-density metropolitan areas where traffic congestion is particularly acute and operating conditions are suitable for early eVTOL operations. If the market for UAM does not develop as expected, this would impact our ability to generate revenue or grow our business.

### ***Competition***

We believe that our primary sources of competition are focused UAM developers and established aerospace and automotive conglomerates developing UAM businesses. We expect the UAM industry to be dynamic and increasingly competitive. Our competitors could get to market before us, either generally or in specific markets. Even if we are first to market, we may not fully realize the benefits we anticipate and we may not receive any competitive advantage or may be overcome by other competitors. If new companies or existing aerospace or automotive conglomerates launch competing solutions in the markets in which we intend to operate and obtain large-scale capital investment, we may face increased competition. Additionally, our competitors may benefit from our efforts in developing consumer and community acceptance for UAM products and services, making it easier for them to obtain the permits and authorizations required to operate UAM services. In the event our project experiences substantial delays, or our current or future competitors overcome our advantages, our business, financial condition, operating results and prospects would be harmed.

## ***Government Certification***

We plan to obtain authorizations and certifications for our eVTOL with Brazil’s Agência Nacional de Aviação Civil (“ANAC”), U.S. Federal Aviation Administration (“FAA”), and European Union Aviation Safety Agency (“EASA”) initially and will seek certifications from other aviation authorities as necessary. We will also need to obtain authorizations and certifications related to the production of our aircraft and the deployment of our related services. While we anticipate being able to meet the requirements of such authorizations and certifications, we may be unable to obtain such authorizations and certifications, or to do so on the timeline we project. Should we fail to obtain any of the required authorizations or certifications, or do so in a timely manner, or any of these authorizations or certifications are modified, suspended or revoked after we obtain them, we may be unable to launch our commercial service or do so on the timelines we project, which would have adverse effects on our business, prospects, financial condition and/or results of operations.

## ***Initial Business Development Engagement***

Since its founding, Eve has been engaged in multiple market and business development projects around the world. Examples of this include two concepts of operation (“CONOPS”) with Airservices Australia as well as with the United Kingdom Civil Aviation Authority. Both of these market and business development initiatives demonstrate Eve’s ability to create new procedures and frameworks designed to enable the safe scalability of UAM together with our partners. Using these initiatives as a guide, Eve has launched CONOPS in Rio de Janeiro, São Paulo, Miami, Japan, and Chicago, and hopes to launch additional concepts of operation in the United States, Brazil and around the world.

In addition to our market development initiatives, Eve has signed non-binding letters of intent to sell approximately 2,800 of our eVTOL aircraft and we continue to seek additional opportunities for sales partnerships. In addition to these deals, Eve has been actively involved in the UAM ecosystem development by signing Memorandums of Understanding (“MOUs”) with about 30 market-leading partners in segments spanning infrastructure, operations, platforms, utilities, and others. In the future, we plan to focus on implementation and ecosystem readiness with our existing partners while continuing to seek UATM and support-services partnerships in order to complement our business model and drive growth.

## ***Fully Integrated Business Model***

Eve’s business model to serve as a fully integrated eVTOL transportation solution provider is uncertain. Present projections indicate that payback periods on eVTOL aircraft will result in a viable business model over the long-term as production volumes scale and unit economics improve to support sufficient market adoption. As with any new industry and business model, numerous risks and uncertainties exist. Our financial results are dependent on certifying and delivering eVTOL on time and at a cost that supports returns at prices that sufficient numbers of customers are willing to pay based on value arising from time and efficiency savings from utilizing eVTOL services. Our aircraft include numerous parts and manufacturing processes unique to eVTOL aircraft, in general and our product design, in particular. Best efforts have been made to estimate costs in our planning projections; however, the variable cost associated with assembling our aircraft at scale remains uncertain at this stage of development. The success of our business is also dependent, in part, on the utilization rate of our aircraft and reductions in utilization will adversely impact our financial performance. Our aircraft may not be able to fly safely in poor weather conditions, including snowstorms, thunderstorms, lightning or hail, known icing conditions, or fog. Inability to operate safely in these conditions would reduce our aircraft utilization and cause delays and disruptions in our services. We intend to maintain a high daily aircraft utilization rate which is the amount of time our aircraft spend in the air carrying passengers. High daily aircraft utilization is achieved in part by reducing turnaround times at vertiports so we can fly more hours on average in a day. Aircraft utilization is reduced by delays and cancellations from various factors, many of which are beyond our control, including adverse weather conditions, security requirements, air traffic congestion and unscheduled maintenance events.



**Results of Operations (unaudited, in thousands)**

	Three Months Ended		Change	
	March 31, 2025	March 31, 2024	(Unfavorable)/ Favorable	%
<b>Operating expenses</b>				
Research and development expenses	\$ 44,711	\$ 27,455	\$ (17,256)	(63)%
Selling, general and administrative expenses	7,892	6,477	(1,415)	(22)%
Total operating expenses	52,603	33,932	(18,671)	(55)%
Operating loss	(52,603)	(33,932)	(18,671)	(55)%
Gain (loss) from derivative liabilities	3,315	6,341	(3,027)	n.m.
Financial investment income	3,914	2,337	1,576	67%
Related party loan interest income	-	1,222	(1,222)	n.m.
Interest expense	(2,234)	(412)	(1,821)	n.m.
Other (loss) gain, net	(1,734)	(229)	(1,504)	n.m.
Loss before income taxes	(49,342)	(24,673)	(24,669)	(100)%
Income tax (benefit) expense	(558)	623	1,181	n.m.
Net loss	<u>\$ (48,784)</u>	<u>\$ (25,296)</u>	<u>\$ (23,488)</u>	<u>(93)%</u>

n.m. = not meaningful

**Research and development expenses**

Research and development (“R&D”) activities represent a significant part of the Company’s expenses. Research and development efforts focus on the design and development of eVTOLs, the development of service and operations support for its vehicles and those manufactured by third parties, and the development of Vector, a UATM software platform. Research and development expenses consist of personnel-related costs (including salaries, bonuses, benefits and share-based compensation) for employees focused on research and development activities, fees incurred under the Master Service Agreement (MSA), equipment and materials, and an allocation of overhead, including rent, information technology costs and utilities. Research and development expenses are expected to increase significantly as the Company increases staffing to support eVTOL aircraft engineering and software development, builds aircraft prototypes, progresses towards the launch of its first eVTOL aircraft, and continues to explore and develop next generation aircraft and technologies.

Research and development expenses increased \$17.3 million for the three months ended March 31, 2025. The increase in research and development expense was primarily driven by the MSA with Embraer who performs several developmental activities for Eve. These efforts continue to intensify with increasing maturity of the development of our eVTOL, including increased engagement of the engineering team who, following the roll-out of our engineering prototype in July 2024, is in the process of performing a series of system and integration ground tests on the aircraft that must be conducted before its debut flight.

**Selling, general and administrative expenses**

Selling, general and administrative (“SG&A”) expenses consist primarily of personnel-related costs (including salaries, bonuses, benefits and share-based compensation) for employees associated with administrative services such as executive management, business development, legal, human resources, information technology, accounting and finance. These expenses also include certain third-party consulting services, contractor and professional services fees, audit and compliance expenses, insurance costs, corporate overhead costs, depreciation, rent, and utilities.

Selling, general and administrative expenses increased \$1.4 million for the three months ended March 31, 2025, primarily related to an increase in Eve’s direct workforce, as well as increased spend on outsourced legal and consulting services. Lastly, Eve started to incur costs related to our eVTOL production site in Taubaté, Brazil. These increases offset savings on Director & Officers insurance expenses.



***Gain (loss) from derivative liabilities***

Derivative liabilities relate to the Private Warrants, which are valued using the trading price of the Company's Public Warrants. The gain from the change in fair value of derivative liabilities decreased by \$3.0 million for the three months ended March 31, 2025, due to a \$0.23 decrease in the Public Warrant trading price, whereas the trading price decreased \$0.45 for the three months ended March 31, 2024.

***Financial investment income***

The Company invests cash in highly rated, short-term fixed-income instruments, primarily in US Dollars, with reputable financial institutions. Financial investment income increased \$1.6 million for the three months ended March 31, 2025, primarily related to an increase in the average investment balance of \$124.6 million, partially offset by lower interest rates.

***Related party loan interest income***

Related party loan interest income decreased \$1.2 million for the three months ended March 31, 2025 due to the note maturing in August 2024.

***Interest expense***

Interest expense increased \$1.8 million for the three months ended March 31, 2025, primarily related to the larger outstanding debt balance as compared to the prior period.

***Other (loss) gain, net***

Other loss, net increased \$1.5 million for the three months ended March 31, 2025, primarily related to an increase in foreign currency losses.

***Income tax (benefit) expense***

Income tax expense decreased \$1.2 million for the three months ended March 31, 2025, primarily due to lower net income at Eve Brazil on a standalone basis. Intercompany transactions with Eve Brazil are eliminated upon consolidation.

## **Liquidity and Capital Resources**

The Company has incurred net losses since its inception and to date has not generated any revenue. We expect to continue to incur losses and negative operating cash flows for the foreseeable future until we successfully commence sustainable commercial operations.

As of March 31, 2025, the Company has cash and cash equivalents of \$59.5 million, financial investments of \$228.1 million and available debt to be drawn of \$122.7 million, which totals to approximately \$410.3 million of liquidity. Total liquidity is expected to be sufficient to fund our operating plan for at least the next twelve months.

Future capital requirements include:

- research and development expenses as we continue to develop our eVTOL aircraft;
- capital expenditures for the expansion of manufacturing capacities;
- additional operating costs and expenses for raw material procurement costs;
- general and administrative expenses as we scale operations;
- interest expense from debt financing; and
- selling and distribution expenses as we build, brand and market the eVTOL aircraft.

Our liquidity plans are subject to a number of risks and uncertainties, including those described in the “Cautionary Note Regarding Forward-Looking Statements” section of this MD&A and Part I, Item 1A. Risk Factors of our 2024 Form 10-K, some of which are out of our control. Until we generate sufficient operating cash flow to cover operating expenses, working capital requirements and planned capital expenditures, we expect to utilize a combination of equity and debt financing to fund any future capital needs. Currently, no decision has been made as to specific sources of additional funding and the Company may explore different funding opportunities including long-term debt finance lines with private and public banks, advances and pre-delivery down payments from customers, as well as convertible debt or equity issuances. Any equity securities issued may also provide for rights, preferences, or privileges senior to those of holders of common stock. If the Company raises funds by issuing debt securities, these debt securities would have rights, preferences and privileges senior to those of preferred and common stockholders. The terms of debt securities or borrowings could impose significant restrictions on our operations. The capital markets have experienced in the past, and may in the future experience, periods of upheaval that could impact the availability and cost of equity and debt financing.

## Cash Flows (unaudited)

The following table summarizes cash flows for the periods indicated (in thousands):

	Three Months Ended		Change
	March 31, 2025	March 31, 2024	
Net cash used by operating activities	\$ (24,878)	\$ (35,813)	\$ 10,936
Net cash provided (used) by investing activities	\$ 18,536	\$ (2,106)	\$ 20,642
Net cash provided by financing activities	\$ 9,277	\$ 14,747	\$ (5,470)

### *Net Cash Used by Operating Activities*

Net cash used by operating activities decreased \$10.9 million for the three months ended March 31, 2025, primarily as a result of increased net losses due to advancement of the R&D programs and increased headcount, adjusted for the impact of change in non-cash activity related to changes in operating assets and liabilities of \$30.2 million and fair value of derivative instruments of \$3.0 million.

### *Net Cash Provided (Used) by Investing Activities*

Net cash related to investing activities increased \$20.6 million for the three months ended March 31, 2025, primarily related to increased redemptions of financial investments of \$107.0 million, partially offset by an increase in financial investment purchases of \$86.0 million and higher capital expenditures of \$0.4 million.

### *Net Cash Provided by Financing Activities*

Net cash provided by financing activities decreased \$5.5 million for the three months ended March 31, 2025, primarily related to lower debt borrowings.

## Available Credit and Debt

As of March 31, 2025, there is approximately \$122.7 million available to be drawn under the Company's debt arrangements.

On January 23, 2023, the Company entered into a loan agreement with BNDES, pursuant to which BNDES granted two lines of credit to the Company, with an aggregate amount of R\$490 million (approximately \$94.1 million, using the exchange rate on March 31, 2025), to support the development of the eVTOL. For additional information about the Loan Agreement, see the Company's Current Report on Form 8-K filed with the SEC on January 30, 2023. On December 21, 2023, the Company announced that Bradesco Bank had concluded that these lines of credit under the loan agreement aligned with the 2023 Green Loans Principles, which is a set of guidelines issued for structuring loan operations for sustainable purposes.

On October 10, 2024, the Company entered into a financing agreement, dated as of October 7, 2024, with BNDES, pursuant to which BNDES agreed to grant four lines of credit totaling approximately \$87.9 million as of March 31, 2025.

On October 29, 2024, the Company entered into a credit agreement with Citi, pursuant to which Citi lent \$50 million and subject to an interest rate of 3.90% per year plus SOFR. The funds will support the production and sale of eVTOL aircraft.

On November 22, 2024, the Company entered into a loan agreement with BNDES for R\$200 million (approximately \$34.8 million), to support the second phase of the development of the Company's eVTOL project.

For additional information, see Note 6 of the accompanying condensed consolidated financial statements.

## *Private Placement*

In July and September 2024, the Company closed on subscription agreements, warrant agreements and warrant exchange agreements with certain investors relating to the 2024 Private Placement for the issuance and sale of 23,900,000 newly issued shares of common stock for cash at a purchase price of \$4.00 per share, for a total of \$95.6 million in new equity financing, the exchange of certain Public Warrants and Market Warrants for shares of common stock, and the issuance of certain Penny Warrants to certain investors. Refer to Note 7 and Note 8 of the accompanying condensed consolidated financial statements and the Company's Current Reports on Form 8-K filed with the SEC on July 1, 2024 and July 18, 2024 for additional information.

## **Critical Accounting Estimates**

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenses during the reporting period. The estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions and any such differences may be material. The critical accounting estimates that affect the condensed consolidated financial statements and the judgments and assumptions used are described in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our 2024 Form 10-K.

## **Credit Risk**

Our cash, cash equivalents and financial investments held subject us to concentrations of credit risk. These financial instruments are held at major financial institutions located in the US and Brazil. At times, cash balances with any one financial institution may exceed US's Federal Deposit Insurance Corporation insurance limits (\$250,000 per depositor per institution). We believe the financial institutions that hold our cash, cash equivalents and financial investments are financially sound and, accordingly, minimize credit risk.

## **Emerging Growth Company Status**

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Section 107(b) of the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the extended transition period to comply with new or revised accounting standards and to adopt certain of the reduced disclosure requirements available to emerging growth companies. As a result of the accounting standards election, we are not subject to the same implementation timeline for new or revised accounting standards as other public companies that are not emerging growth companies, which may make comparison of our financials to those of other public companies more difficult.

We also take advantage of some of the reduced regulatory and reporting requirements of emerging growth companies pursuant to the JOBS Act, including, but not limited to, reduced disclosure obligations regarding executive compensation and exemptions from the requirements of holding non-binding advisory votes on executive compensation and golden parachute payments.

We will lose our emerging growth company status no later than December 31, 2025, and therefore, become subject to the SEC's internal control over financial reporting auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act for the fiscal year ended December 31, 2025.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

#### **Interest Rate Risk**

We are exposed to market risk for changes in the Brazilian interest rate CDI, related to our cash equivalents in Brazil that are invested in Bank Deposit Certificates (“CDB”), which are issued by financial institutions in Brazil and immediately available for redemption. The CDI rate is an average of interbank overnight rates in Brazil. A risk to interest income arises from rate fluctuations in the Brazilian interest rates.

As of March 31, 2025, approximately \$6.5 million, or 2%, of our consolidated cash and cash equivalents and financial investments were indexed to the variation of the CDI rate. A hypothetical 100 basis point change in the CDI rate would increase or decrease the annual interest income on these instruments by approximately \$65 thousand, assuming no change in the amount or composition of our cash and cash equivalents and financial investments.

Our investment policy is focused on the preservation of capital and supporting the Company’s liquidity needs. The Company’s policy for managing the risk of fluctuations in interest rates on financial investments is to maintain a system to measure market risk, which consists of an aggregate analysis of a variety of risk factors that might affect the return of those investments.

The interest rates on the lines of credit made available by BNDES are fixed or fixed upon drawing the debt, which will reduce unexpected variability of interest expense.

The interest rate on the Citibank debt is calculated as 3.9% per year plus term SOFR 3M published by CME Group Benchmark Administration Limited, starting with Term SOFR on the day on which agreement was signed. Subsequently, the rate is updated for the Term SOFR published on the date determined by the Bank, that is no more than two business days prior to the beginning of the next quarter and will be fixed for the next three months until the next update. Variable-rate debt represented 35%, or \$50.0 million, of our total long-term debt as of March 31, 2025. A hypothetical 100 basis point increase in interest rates would increase the annual interest expense on variable-rate debt by approximately \$0.5 million.

#### **Foreign Currency Risk**

The Company’s operations most exposed to foreign exchange gains and losses are those denominated in Brazilian reais (labor costs, tax issues, local expenses and financial investments) arising from the subsidiary located in Brazil. The relationship of the Brazilian real to the value of the US Dollar may adversely affect us, mainly due to the fact that 3% of total assets and 10% of total liabilities are in reais.

The Brazilian real has experienced frequent and substantial variations in relation to the US Dollar and other foreign currencies. As of March 31, 2025, the closing exchange rate was 5.7421 reais per US \$1.00.

#### **Item 4. Controls and Procedures**

##### **Management's Evaluation of Disclosure Control and Procedures**

The Company's management is responsible for maintaining disclosure controls and procedures that are designed to ensure that material information required to be disclosed in our reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required financial disclosure. Because of the inherent limitations, disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of disclosure controls and procedures are met.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive officers and principal financial officer have concluded that our disclosure controls and procedures were effective as of March 31, 2025.

##### **Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II – OTHER INFORMATION**

### **Item 1. Legal Proceedings**

We are, from time to time, subject to various claims, lawsuits and other legal and administrative proceedings arising in the ordinary course of business. We are not currently a party to any such claims, lawsuits or proceedings, the outcome of which, if determined adversely to us, we believe would, individually or in the aggregate, be material to our business or result in a material adverse effect on our future operating results, financial condition or cash flows.

On March 3, 2025, a putative shareholder derivative action was filed in the Delaware Court of Chancery against EAH, our directors and certain of our officers, asserting breach of fiduciary duty claims related to the 2024 Private Placement of common stock and warrants that were issued to EAH in September 2024. Eve Holding was also named as a nominal defendant in the case. The action is captioned *Taylor v. Embraer Aircraft Holding, Inc., et al.*, C.A. No. 2025-0233-NAC. The complaint seeks, among other things, declaratory relief, damages, costs and attorneys' fees and expenses. Pursuant to the operative scheduling order, the defendants moved to dismiss the complaint on April 30, 2025, and the remainder of the briefing schedule is not yet set on the motion.

### **Item 1A. Risk Factors**

There have been no material changes to the Risk Factors disclosed in our 2024 Form 10-K. Any of those factors, or additional risk factors not presently known to us or that we currently deem immaterial, could result in a material adverse effect on our business, financial condition or results of operations. We may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

None.

### **Item 3. Defaults Upon Senior Securities**

None.

### **Item 4. Mine Safety Disclosures**

Not applicable.

### **Item 5. Other Information**

None.

**Item 6. Exhibits**

Exhibit No.	Description	Incorporated by reference				Filed or Furnished Herewith
		Form	File No.	Exhibit No.	Filing Date	
3.1	<a href="#">Second Amended and Restated Certificate of Incorporation of Eve Holding, Inc., dated as of May 9, 2022.</a>	8-K	001-39704	3.1	May 13, 2022	
3.2	<a href="#">Amended and Restated Bylaws of Eve Holding, Inc., dated as of May 9, 2022.</a>	8-K	001-39704	3.2	May 13, 2022	
31.1	<a href="#">Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act.</a>					X
31.2	<a href="#">Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act.</a>					X
32.1	<a href="#">Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act.</a>					X
32.2	<a href="#">Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act.</a>					X
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because iXBRL tags are embedded within the Inline XBRL document).					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).					X

\* Portions of this exhibit have been omitted pursuant to Item 601(b)(2)(ii) or 601(b)(10)(iv) of Regulation S-K, as applicable.



**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.

**EVE HOLDING, INC.**

Date: May 12, 2025

By:

/s/ Johann Bordais

Name: Johann Bordais

Title: Chief Executive Officer

(Principal Executive Officer)

Date: May 12, 2025

By:

/s/ Eduardo Couto

Name: Eduardo Couto

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE EXCHANGE ACT, AS  
ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT**

I, Johann Bordais, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Eve Holding, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2025

/s/ Johann Bordais

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Johann Bordais  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE EXCHANGE ACT, AS  
ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT**

I, Eduardo Couto, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Eve Holding, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2025

/s/ Eduardo Couto

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Eduardo Couto  
Chief Financial Officer  
(Principal Financial and Accounting  
Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT**

In connection with the Quarterly Report on Form 10-Q for the period ended March 31, 2025, as filed by Eve Holding, Inc. with the Securities and Exchange Commission on the date hereof (the "Report"), Johann Bordais, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Eve Holding, Inc.

Date: May 12, 2025

/s/ Johann Bordais

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Johann Bordais  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT**

In connection with the Quarterly Report on Form 10-Q for the period ended March 31, 2025, as filed by Eve Holding, Inc. with the Securities and Exchange Commission on the date hereof (the "Report"), Eduardo Couto, Chief Financial Officer, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Eve Holding, Inc.

Date: May 12, 2025

/s/ Eduardo Couto

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Eduardo Couto  
Chief Financial Officer  
(Principal Financial and Accounting  
Officer)