

---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

---

FORM 10-Q

---

(Mark One)

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

For the quarterly period ended September 30, 2024

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>
Common Stock, par value \$0.001 per share	EVEX	The New York Stock Exchange
Warrants, each whole warrant exercisable for one share of Common Stock	EVEXW	The New York Stock Exchange

---

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

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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 November 4, 2024, there were 297,644,298 shares of common stock, par value \$0.001 per share, issued and outstanding.

---

## TABLE OF CONTENTS

<b>PART I</b>	<b>FINANCIAL INFORMATION (Unaudited)</b>	<b>1</b>
Item 1.	Financial Statements	1
	Condensed Consolidated Balance Sheets	1
	Condensed Consolidated Statements of Operations	2
	Condensed Consolidated Statements of Comprehensive Loss	2
	Condensed Consolidated Statements of Equity	3
	Condensed Consolidated Statements of Cash Flows	4
	Notes to the Condensed Consolidated Financial Statements	5
	Note 1 – Organization and Basis of Presentation	5
	Note 2 – Cash and Cash Equivalents	6
	Note 3 – Financial Investments	6
	Note 4 – Related Party Transactions	7
	Note 5 – Other Balance Sheet Components	8
	Note 6 – Debt	9
	Note 7 – Equity	11
	Note 8 – Common Stock Warrants	12
	Note 9 – Derivative Financial Instruments	14
	Note 10 – Fair Value Measurements	14
	Note 11 – Earnings Per Share	15
	Note 12 – Research and Development Expenses	16
	Note 13 – Selling, General and Administrative Expenses	16
	Note 14 – Income Taxes	16
	Note 15 – Leases	17
	Note 16 – Commitments and Contingencies	17
	Note 17 – Segments	18
	Note 18 – Subsequent Events	18
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	19
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	30
Item 4.	Controls and Procedures	30
<b>PART II</b>	<b>OTHER INFORMATION</b>	<b>31</b>
Item 1.	Legal Proceedings	31
Item 1A.	Risk Factors	31
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	31
Item 3.	Defaults Upon Senior Securities	31
Item 4.	Mine Safety Disclosures	31
Item 5.	Other Information	31
Item 6.	Exhibits	32
	Signatures	33

---

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

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 24,572	\$ 46,882
Financial investments	255,258	111,218
Related party receivables	19	191
Related party loan receivable	-	83,042
Other current assets	5,685	889
Total current assets	285,534	242,221
Non-current assets		
Property, plant & equipment, net	510	547
Right-of-use assets, net	1,260	508
Deferred income tax, net	1,714	1,714
Other non-current assets	504	348
Total non-current assets	3,988	3,118
Total assets	<u>\$ 289,522</u>	<u>\$ 245,339</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Accounts payable	\$ 3,916	\$ 4,571
Related party payables	31,588	20,208
Derivative financial instruments	1,568	13,965
Other current payables	17,697	13,245
Total current liabilities	54,768	51,989
Non-current liabilities		
Long-term debt	68,309	25,764
Other non-current payables	2,779	2,535
Total non-current liabilities	71,089	28,299
Total liabilities	125,857	80,288
Commitments and contingencies (Note 16)		
Equity		
Common stock, \$ 0.001 par value	298	269
Additional paid-in capital	605,505	509,448
Accumulated deficit	( 442,138)	( 344,667)
Total equity	163,665	165,051
Total liabilities and equity	<u>\$ 289,522</u>	<u>\$ 245,339</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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Operating expenses</b>				
Research and development expenses	\$ 32,419	\$ 28,642	\$ 96,191	\$ 71,992
Selling, general and administrative expenses	8,411	5,035	20,287	17,822
Total operating expenses	40,830	33,677	116,479	89,814
Operating loss	( 40,830)	( 33,677)	( 116,479)	( 89,814)
Gain/(loss) from the change in fair value of derivative liabilities	3,990	( 854)	12,398	( 9,833)
Financial investment income	3,629	2,802	7,961	9,039
Related party loan interest income	430	1,158	2,875	3,149
Interest expense	( 835)	( 31)	( 1,861)	( 31)
Other (loss)/gain, net	( 1,744)	489	( 921)	672
Loss before income taxes	( 35,361)	( 30,112)	( 96,027)	( 86,817)
Income tax expense	427	1,098	1,445	1,574
<b>Net loss</b>	<b>\$ ( 35,787)</b>	<b>\$ ( 31,210)</b>	<b>\$ ( 97,472)</b>	<b>\$ ( 88,392)</b>
Weighted-average number of shares outstanding – basic and diluted	297,833	275,887	283,484	275,671
Net loss per share –basic and diluted	\$ ( 0.12)	\$ ( 0.11)	\$ ( 0.34)	\$ ( 0.32)

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Net loss</b>	<b>\$ ( 35,787)</b>	<b>\$ ( 31,210)</b>	<b>\$ ( 97,472)</b>	<b>\$ ( 88,392)</b>
<b>Total comprehensive loss</b>	<b>\$ ( 35,787)</b>	<b>\$ ( 31,210)</b>	<b>\$ ( 97,472)</b>	<b>\$ ( 88,392)</b>

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)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Equity
	Shares	Amount			
<b>Balance at December 31, 2022</b>	269,094	\$ 269	\$ 503,662	\$ (217,008)	\$ 286,922
Net loss	-	-	-	(25,772)	(25,772)
Share-based compensation	-	-	868	-	868
Warrant expenses	-	-	480	-	480
<b>Balance at March 31, 2023</b>	269,094	269	505,009	(242,780)	262,498
Net loss	-	-	-	(31,410)	(31,410)
Share-based compensation and issuance of stock	70	0	650	-	650
<b>Balance at June 30, 2023</b>	269,164	269	505,659	(274,190)	231,738
Net loss	-	-	-	(31,210)	(31,210)
Warrants exercised for common stock	0	-	1	-	1
Share-based compensation and issuance of stock	45	0	1,515	-	1,515
<b>Balance at September 30, 2023</b>	<u>269,209</u>	<u>\$ 269</u>	<u>\$ 507,176</u>	<u>\$ (305,400)</u>	<u>\$ 202,045</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>	269,366	269	510,574	(369,963)	140,881
Net loss	-	-	-	(36,388)	(36,388)
Share-based compensation and issuance for vested awards	160	0	600	-	600
<b>Balance at June 30, 2024</b>	269,526	270	511,174	(406,351)	105,093
Net loss	-	-	-	(35,787)	(35,787)
Issuance of common stock, net	23,900	24	85,163	-	85,187
Warrants exchanged for common stock	3,319	3	8,116	-	8,120
Warrants exercised for common stock	900	1	8	-	9
Share-based compensation	-	-	1,044	-	1,044
<b>Balance at September 30, 2024</b>	<u>297,644</u>	<u>\$ 298</u>	<u>\$ 605,505</u>	<u>\$ (442,138)</u>	<u>\$ 163,665</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)

	Nine Months Ended September 30,	
	2024	2023
<b>Cash flows from operating activities</b>		
Net loss	\$ ( 97,472 )	\$ ( 88,392 )
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation and amortization	176	143
Non-cash lease expenses	366	55
Unrealized gain on the exchange rate changes	( 1,220 )	( 385 )
Share-based compensation	2,770	3,320
Warrant expenses	-	480
Change in fair value of derivative financial instruments	( 12,398 )	9,833
Changes in operating assets and liabilities		
Accrued interest on financial investments, net	( 5,040 )	( 5,667 )
Accrued interest on related party loan receivable, net	2,042	844
Other assets	( 1,499 )	( 733 )
Related party receivables	163	( 1,898 )
Accounts payable	( 569 )	( 257 )
Related party payables	11,515	8,016
Other payables	3,874	4,644
<b>Net cash used by operating activities</b>	<u>( 97,290 )</u>	<u>( 69,997 )</u>
<b>Cash flows from investing activities</b>		
Redemptions of financial investments	60,000	72,500
Purchases of financial investments	( 199,000 )	( 52,500 )
Collection of related party loan	81,000	-
Expenditures for property, plant and equipment	( 4,001 )	( 168 )
<b>Net cash (used) provided by investing activities</b>	<u>( 62,001 )</u>	<u>19,832</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock, net of fees to investors	94,288	-
Non-investor equity issuance costs	( 981 )	-
Proceeds from debt, net	45,246	11,375
Non-creditor debt issuance costs	( 787 )	( 375 )
Tax withholding on share-based compensation	-	( 287 )
Proceeds from exercised warrants	9	1
<b>Net cash provided by financing activities</b>	<u>137,774</u>	<u>10,714</u>
Effect of exchange rate changes on cash and cash equivalents	( 792 )	402
Decrease in cash and cash equivalents	( 22,310 )	( 39,049 )
<b>Cash and cash equivalents at the beginning of the period</b>	<u>46,882</u>	<u>49,146</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>\$ 24,572</u></u>	<u><u>\$ 10,097</u></u>
<b>Supplemental disclosure of cash information</b>		
Cash paid for		
Income tax	\$ 2,762	\$ 875
Interest	\$ 1,317	\$ -
<b>Supplemental disclosure of other non-cash investing and financing activities</b>		
Property, plant & equipment expenditures in accounts payable and other accruals	\$ 41	\$ -
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 1,118	\$ 373
Issuance of common stock for vested restricted stock units	\$ 878	\$ 1,366

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 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 2023 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.

**Prior Period Reclassification**

We have reclassified certain prior period amounts to conform to the current period presentation. These reclassifications had no effect on the reported results of operations.

**Accounting Pronouncements Not Yet Adopted**

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, Improvements to Reportable Segment Disclosures (Topic 280). This guidance is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this ASU are effective for our 2024 annual financial statements and interim periods beginning in 2025. The Company does not expect the adoption of this ASU will have a material impact on the consolidated financial statements and related disclosures.

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 fiscal years beginning after December 15, 2024, although 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.

[Table of Contents](#)**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>September 30, 2024</b>	<b>December 31, 2023</b>
Cash	\$ 6,203	\$ 9,173
CDBs	6,323	4,385
Fixed deposits	12,046	33,325
<b>Total</b>	<b>\$ 24,572</b>	<b>\$ 46,882</b>

**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>September 30, 2024</b>			
	<b>Amortized Cost</b>	<b>Unrealized Gains</b>	<b>Unrealized Losses</b>	<b>Fair Value</b>
HTM securities, at cost:				
Time deposits	\$ 255,258	\$ 674	\$ -	\$ 255,931
<b>December 31, 2023</b>				
	<b>Amortized Cost</b>	<b>Unrealized Gains</b>	<b>Unrealized Losses</b>	<b>Fair Value</b>
	\$ 111,218	\$ 106	\$ -	\$ 111,324

No allowances for credit losses were recognized as of September 30, 2024 and December 31, 2023.

**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 will be incurred by the Company with third parties in the future.

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.

**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. Refer to Note 15 for more information.

[Table of Contents](#)

**Related Party Loan** On August 1, 2022, the Company entered into a loan agreement with EAH 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. No credit losses were recognized related to the loan receivable through the loan's maturity on August 1, 2024 and the nine months ended September 30, 2023.

### Related Party Expenses

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Research and development expenses	\$ 26,322	\$ 20,956	\$ 71,305	\$ 53,364
Selling, general and administrative expenses	1,297	665	2,886	2,158
Total	\$ 27,619	\$ 21,620	\$ 74,191	\$ 55,521

### Note 5 – Other Balance Sheet Components

#### Other Current Assets

Other current assets are comprised of the following items:

	September 30,		December 31,	
	2024	2023	2024	2023
Advances to suppliers	\$ 4,449	\$ 298		
Prepaid Directors & Officers insurance	597	467		
Advances to employees	225	59		
Prepaid income tax	176	-		
Other assets	238	65		
Total	\$ 5,685	\$ 889		

#### Property Plant and Equipment

Property, plant and equipment consisted of the following:

	September 30,		December 31,	
	2024	2023	2024	2023
Development mockups	\$ 516	\$ 516		
Leasehold improvements	167	167		
Computer hardware	15	15		
Construction in progress	98	9		
Total property, plant and equipment	\$ 796	\$ 707		
Less: Accumulated depreciation	( 286)	( 160)		
Total property, plant and equipment, net	\$ 510	\$ 547		

Construction in progress includes costs incurred for the Company's manufacturing facility to be constructed in Taubaté, São Paulo, Brazil and tooling for eVTOL production that is under construction by vendors that will be owned by the Company.

[Table of Contents](#)**Other Current Payables**

Other current payables are comprised of the following items:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Accrued expenses	\$ 11,082	\$ 7,075
Payroll accruals	4,772	4,737
Income tax payable	-	1,141
Other payables	1,844	293
<b>Total</b>	<b>\$ 17,697</b>	<b>\$ 13,245</b>

**Other Non-Current Payables**

Other non-current payables are comprised of the following items:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Advances from customers	\$ 1,534	\$ 1,284
Payroll accruals	598	867
Other payables	647	383
<b>Total</b>	<b>\$ 2,779</b>	<b>\$ 2,535</b>

Advances from customers relate to customers who have signed non-binding Letters of Intent to purchase eVTOLs.

**Note 6 – Debt**

In January 2023, the Company entered into a loan agreement (the “BNDES Loan Agreement”) with *Banco Nacional de Desenvolvimento Econômico e Social* (“BNDES”), pursuant to which BNDES extended two loans with an aggregate borrowing availability of R\$ 490 million (approximately \$ 94.9 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 \$ 14.7 million using the exchange rate as of September 30, 2024), 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 May 2027 through February 2035. In September 2023, BNDES withheld a one-time fee of approximately \$ 0.4 million from the initial draw.

[Table of Contents](#)

The Company's long-term debt outstanding included:

Title	Type	Interest Rate	September 30,	December 31,
			2024	2023
Sub-credit A	Term Loan	4.55 %	\$ 14,684	\$ 13,132
Sub-credit B	Term Loan	(a)	54,885	12,937
Long-term debt principal			\$ 69,569	\$ 26,069
Unamortized debt issuance costs (b)			( 1,259)	( 305)
Long-term debt			\$ 68,309	\$ 25,764

(a) A fixed rate is determined for each draw on the loan, calculated as 1.10 % per year plus a fixed rate to be published by BNDES every 15 days in accordance with the BNDES Loan Agreement.

(b) Excludes \$ 131 thousand and \$ 348 thousand in deferred charges as of September 30, 2024 and December 31, 2023, respectively, related to debt issuance costs that will be recognized pro-ratably when the remaining funds are drawn.

The long-term debt principal as of September 30, 2024 matures as follows:

	Total
2024	\$ -
2025	-
2026	1,360
2027	6,777
2028	8,492
Thereafter	52,940
Total	\$ 69,569

As of September 30, 2024, Sub-credit A was fully drawn and approximately \$ 25.3 million was available to be drawn on Sub-credit B. The BNDES loans shall be drawn by the Company by January 23, 2026. Otherwise, BNDES may terminate the BNDES Loan Agreement and any loans shall be paid no later than February 15, 2035. The BNDES Loan Agreement provides that the availability of such loans are subject to BNDES rules and regulations and, in the case of Sub-credit A, FNMC's budget. In the case of Sub-credit B, the loan is subject to rules and regulations of BNDES' financing program, which is subject to funding by the *Conselho Monetário Nacional*, Brazil's National Monetary Council. Additionally, the BNDES Loan Agreement provides 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 Sub-credit A), 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.

## **Note 7 – Equity**

The Company's common stock trades on the 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 and 269,359,021 shares of common stock issued and outstanding as of September 30, 2024 and December 31, 2023, respectively. 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 September 30, 2024, 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.

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 September 30, 2024 and December 31, 2023, 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.

[Table of Contents](#)**Note 8 – Common Stock Warrants****Warrants Classified as Equity****Public Warrants**

The Company has outstanding warrants that are publicly traded on the New York Stock Exchange ("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 the 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, investors agreed to cancel 3,296,470 Public Warrants in exchange for 1,318,588 shares of common stock of the Company. As of September 30, 2024, 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 to the Strategic PIPE Investors warrants (the "New Warrants") to purchase an aggregate amount of (i) 24,095,072 shares of common stock with an exercise price of \$ 0.01 per share ("Penny Warrants"), (ii) 12,000,000 shares of common stock with an exercise price of \$ 15.00 per share, and (iii) 5,000,000 shares of common stock with an exercise price of \$ 11.50 per share. Warrants with exercise prices of \$ 15.00 per share are defined as Market Warrants.

In connection with the 2024 Private Placement, 2,500,000 Penny Warrants were issued contingent upon first type certification for the eVTOL in compliance with certain airworthiness authorities. These new Penny Warrants are included in the definition of New Warrants. Additionally, another investor agreed to cancel 5,000,000 warrants with an exercise price of \$ 11.50 in exchange for 2,000,000 shares of common stock of the Company.

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.

## [Table of Contents](#)

The New Warrants were issued or issuable to the following types of parties:

(a) *Potential customers*: Market and Penny Warrants issued or issuable to potential customers were determined to be within the scope of ASC 718, Compensation-Stock Compensation, 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. Market Warrants issued at Closing vested immediately and have no contingencies. The Penny Warrants can be separated into two categories: (i) contingently issuable warrants (the "Contingent Warrants") and (ii) warrants that immediately vested upon Closing ("Vested Warrants"). The Contingent Warrants are measured at fair value on the grant date and will be recognized as variable consideration (a reduction of revenue) under ASC 606 when and if there are related revenue transactions or as expense if there are not yet related revenue transactions. The Vested Warrants were accounted for akin to a non-refundable upfront payment to a potential customer and were recognized as expense as the Company has no current revenue or binding contracts in place.

(b) *Potential suppliers*: Penny Warrants issued or issuable to potential suppliers, which are subject to the satisfaction of certain specified conditions, are accounted for under ASC 718 and were determined to be equity-classified. Under ASC 718, the fair value of these warrants will be recognized as expense as products and/or services are received from the suppliers as if the Company paid cash for the respective transactions.

(c) *2024 Private Placement*: Penny Warrants issued or issuable to investors that participated in the 2024 Private Placement are contingent upon receipt of the first type certification for the eVTOL and were accounted for under ASC 718. Refer to Note 7 for more information regarding the 2024 Private Placement.

For the Contingent Warrants, the issuance and vesting of such warrants occurs upon the achievement of certain milestones, which include, as applicable, (a) receipt of the first type certification for the eVTOL in compliance with certain airworthiness authorities, (b) receipt of the first binding commitment from a third-party to purchase an eVTOL jointly developed by Embraer and a certain Strategic Investor, (c) being a supplier at entry into service, (d) receipt of binding commitments from certain Strategic Investors for an aggregate 700 eVTOLs, (e) 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 and (f) receipt of services and support agreements.

As of September 30, 2024, there were New Warrants to purchase an aggregate 34,022,536 shares of common stock outstanding. The New Warrants were measured at fair value on the grant date (May 9, 2022), except for cases where there has been a modification, where fair value is remeasured on the modification date. The fair value of Penny Warrants was calculated by subtracting \$ 0.01 from Company's common stock share price on the grant date or modification date. The Company used a modified Black-Scholes model to value the Market Warrants with an exercise price of \$ 15.00. The valuation model utilizes management judgment and pricing inputs from observable and unobservable markets with less volume and transaction frequency than active markets. Significant deviations from these estimates and inputs could result in a material change in fair value. Forfeitures of New Warrants within the scope of ASC 718 are estimated by the Company and reviewed when circumstances change.

The following table summarizes the Black-Scholes model inputs and assumptions:

Market Warrants with exercise price of \$ 15.00	May 9, 2022
Share Price (S0)	\$ 11.32
Maturity Date	12/31/2025
Time (T) - Years	3.63
Strike Price (X)	\$ 15.00
Risk-free Rate (r)	2.85%
Volatility ( $\sigma$ )	7.93%
Dividend Yield (q)	0.00%
Warrant Value	\$ 0.11

[Table of Contents](#)**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 September 30, 2024, there were 14,250,000 Private Warrants outstanding.

**Note 9 – Derivative Financial Instruments**

The Company has derivative financial instrument liabilities of \$ 1.6 million and \$ 14.0 million, as of September 30, 2024 and December 31, 2023, 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 nine months ended September 30, 2024 and 2023, a gain of \$ 12.4 million and a loss of \$ 9.8 million, respectively, were recognized within the "Gain/(loss) from the change in fair value of derivative liabilities" line in the condensed consolidated statement 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, related party loan 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 September 30, 2024 and December 31, 2023, 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.

	September 30, 2024						December 31, 2023					
	Carrying Amount	Fair Value			Carrying Amount	Fair Value			Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Private Warrants	\$ 1,568	\$ -	\$ 1,568	\$ -	\$ 13,965	\$ -	\$ 13,965	\$ -	\$ 25,764	\$ -	\$ 21,273	\$ -
Debt	\$ 68,309	\$ -	\$ 64,360	\$ -								

[Table of Contents](#)**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 September 30, 2024 and 2023, 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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net loss	\$ (35,787)	\$ (31,210)	\$ (97,472)	\$ (88,392)
Weighted-average shares outstanding–basic and diluted	297,833	275,887	283,484	275,671
Net loss per share–basic and diluted	\$ (0.12)	\$ (0.11)	\$ (0.34)	\$ (0.32)
Penny Warrants included in Net loss per share calculation–basic and diluted	6,000	6,750	6,000	6,750

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

	September 30,	
	2024	2023
Unvested restricted stock units	1,529	1,373
Penny Warrants with unmet contingencies	16,023	13,823
Out of the money warrants	34,453	42,750
Total	52,005	57,946

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.

[Table of Contents](#)**Note 12 – Research and Development Expenses**

Research and development expenses consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Outsourced services	\$ 29,739	\$ 25,061	\$ 87,862	\$ 64,562
Payroll costs	2,472	3,412	7,695	7,111
Other expenses	208	169	634	319
<b>Total</b>	<b>\$ 32,419</b>	<b>\$ 28,642</b>	<b>\$ 96,191</b>	<b>\$ 71,992</b>

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

Selling, general and administrative expenses consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Outsourced services	\$ 4,806	\$ 1,907	\$ 9,744	\$ 7,023
Payroll costs	2,951	2,431	8,651	7,558
Director & Officers insurance	272	349	917	1,908
Other expenses	382	348	975	1,333
<b>Total</b>	<b>\$ 8,411</b>	<b>\$ 5,035</b>	<b>\$ 20,287</b>	<b>\$ 17,822</b>

**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 September 30, 2024 and 2023, the Company recognized income tax expense of \$ 0.4 million and \$ 1.1 million, respectively, due to income in the Brazilian jurisdiction. For the nine months ended September 30, 2024 and 2023, the Company recognized income tax expense of \$ 1.4 million and \$ 1.6 million, respectively, due to year-to-date income in the Brazilian jurisdiction.

[Table of Contents](#)**Note 15 – Leases**

Leases primarily consist of office space, facilities, and equipment. A lease is deemed to exist when the Company has the right to control the use of identified property, plant or equipment, as conveyed through a contract, for a certain period of time and consideration paid. The right to control is deemed to occur when the Company has the right to obtain substantially all of the economic benefits of the identified assets and the right to direct the use of such assets. The Company recognizes right-of-use ("ROU") assets and a corresponding lease liability on the lease commencement date (the date in which the asset is available for use). Lease liabilities are recognized in "Other current payables" and "Other non-current payables."

The Company uses its estimated incremental borrowing rate in determining the present values of lease payments. The incremental borrowing rate is the rate of interest the Company would have to pay to borrow, on a collateralized basis, an amount equal to the lease payments for a term similar to the lease term in a similar economic environment as the lease. Lease liabilities are measured at the present value of lease payments to be made during the lease term, which is measured based on the contract term and renewal options. Options to extend the lease term or terminate it early are considered when it is reasonably certain the options will be exercised.

The following is a summary of the balance sheet components of leases:

	September 30, 2024	December 31, 2023
<b>Supplemental balance sheet information</b>		
ROU assets, net - related parties	\$ 385	\$ 474
ROU assets, net - third parties	875	34
Total ROU assets, net	<u>\$ 1,260</u>	<u>\$ 508</u>
Operating lease liabilities - related parties	\$ 360	\$ 474
Operating lease liabilities - third parties	872	36
Total operating lease liabilities	<u>\$ 1,232</u>	<u>\$ 510</u>

Future minimum lease payments at September 30, 2024 were as follows:

	Operating Leases
2024	\$ 162
2025	743
2026	314
2027	96
2028	4
Thereafter	-
Total minimum lease payments	<u>1,319</u>
Imputed interest	(87)
Total operating lease liabilities	<u>\$ 1,232</u>

As of September 30, 2024, 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 in 2025. The other lease agreement was executed on August 13, 2024, where the Company agreed to lease property from Embraer in Taubaté, São Paulo, Brazil. This site is expected to be used to develop the Company's manufacturing facility for eVTOL production. The lease agreement included a commitment by the Company to invest a minimum of R\$ 15 million in leasehold improvements. As of September 30, 2024, the Company incurred approximately \$ 0.4 million in prepaid lease costs, which is recognized in the "Other non-current assets" line of the condensed consolidated balance sheets.

**Note 16 – Commitments and Contingencies**

As of September 30, 2024 and December 31, 2023, the Company was not involved in any material legal proceedings. 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 reasonably possible, but not probable, will be disclosed in the notes to the condensed consolidated financial statements.

## [Table of Contents](#)

### **Note 17 – Segments**

Operating segment information is presented in a manner consistent with the internal reports provided to the Chief Operating Decision Maker ("CODM"). Given the Company's pre-revenue operating stage, it currently has no concentration exposure to products, services, or customers. The Company determined that it currently operates in three different operating and reportable segments as the CODM assesses the operation results by each R&D project, 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, 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.

**UATM** The Company is developing next-generation Urban Air Traffic Management ("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 expects to offer Vector primarily as a subscription software offering to customers that include air navigation service providers, fleet operators and vertiport operators.

The CODM receives information related to the operating results based on R&D expenses by segment. Asset information by segment is not presented to the CODM.

<b>Research and development expenses by segment</b>	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
eVTOL	\$ 29,965	\$ 25,777	\$ 88,047	\$ 65,601
Service and Operations Solutions	1,026	1,606	4,299	3,270
UATM	1,428	1,259	3,846	3,120
Total research and development expenses	\$ 32,419	\$ 28,642	\$ 96,191	\$ 71,992
(Income)/expense not allocated to segments, net	2,942	1,470	(164)	14,826
Loss before income taxes	\$ (35,361)	\$ (30,112)	\$ (96,027)	\$ (86,817)

### **Note 18 – Subsequent Events**

#### *Financing Agreement*

On October 10, 2024, the Company entered into a financing agreement, dated as of October 7, 2024 (the "Financing Agreement"), with BNDES, pursuant to which BNDES has agreed to grant four lines of credit. The credit is intended for the deployment of a manufacturing unit for the production of eVTOL aircraft in the city of Taubaté, São Paulo, Brazil. The Financing Agreement provides that the availability of such lines of credit is subject to BNDES' rules and regulations.

The lines of credit total R\$ 500 million (approximately \$ 89.6 million) and are denominated as follows: Sub-credit A in the amount of R\$ 140 million (approximately \$ 25.1 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 \$ 37.6 million) and Sub-credit D in the amount of R\$ 90 million (approximately \$ 16.1 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 Company shall pay a one-time commission fee of R\$ 2.5 million (approximately \$ 0.5 million). Such credit lines shall be used by the Company within 42 months from the date of the Financing Agreement. The principal of debt arising from each Sub-credit of this Financing Agreement shall be paid to BNDES in 25 semiannual and successive installments starting in 2028. The Financing Agreement can be early terminated, and payment of any outstanding amount can be accelerated, by BNDES in certain events provided for in the Financing Agreement.

#### *Credit Agreement*

On October 29, 2024, the Company entered into a credit agreement with Citibank, N.A. ("Citi") (the "Credit Agreement"), pursuant to which on October 29, 2024, Citi advanced \$ 50 million to support the Company's production and sale of eVTOL aircraft. The loan is subject to an interest rate of 3.90 % per year plus Term Secured Overnight Financing Rate ("SOFR") and a term of four years , with \$ 25 million due on October 29, 2027 and \$ 25 million due on October 30, 2028. The Credit Agreement contains events of default; change in control provisions; affirmative and negative covenants that, among other things, restrict, subject to certain exceptions, the Company's ability to incur additional indebtedness; create liens on assets; engage in mergers and consolidations; sell assets; pay dividends and distributions; engage in certain transactions with affiliates except in the ordinary course of business; and enter into sale and leaseback transactions. 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, beginning June 30, 2027.

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

The following discussion and analysis provide information we believe is relevant to an assessment and understanding of the 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 "2023 Form 10-K") filed with the U.S. Securities and Exchange Commission (the "SEC") and the unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2024 and 2023, 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 2023 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;
- our ability to implement and 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 2023 Form 10-K, including those under "Risk Factors."

## [Table of Contents](#)

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.

## **Recent Developments**

### *First Full-Scale eVTOL Prototype*

On July 3, 2024, Eve unveiled its first full-scale eVTOL prototype. The Company currently expects to initiate flight-testing with this prototype in late 2024. As a non-conforming aircraft, this prototype does not have all the systems, subsystems and redundancies that will be present in the five prototypes that Eve plans to build for the certification campaign. This prototype will be piloted remotely, and the flight tests are expected to assess various characteristics of the motors and substantiate Eve's thrust and lift expectations against sound, emission and energy consumption estimates, among other metrics.

### *BNDES Financing Agreement*

On October 10, 2024, EVE Soluções de Mobilidade Aérea Urbana, Ltda. ("Eve Brazil"), a Brazilian limited liability company and a wholly owned subsidiary of the Company, and Embraer S.A., a Brazilian corporation, as intervening party ("Embraer"), entered into a financing agreement, dated as of October 7, 2024 (the "Financing Agreement"), with Banco Nacional de Desenvolvimento Econômico e Social – BNDES, Brazil's National Development Bank ("BNDES"), pursuant to which BNDES has agreed to grant four lines of credit to Eve Brazil. The credit is intended for the deployment of a manufacturing unit for the production of eVTOLs, in Taubaté, State of São Paulo. The Financing Agreement provides that the availability of such lines of credit is subject to BNDES's rules and regulations.

The first line of credit ("Sub-credit A"), in the amount of R\$140 million (approximately \$25.1 million) is to be provided from, among other sources, the resources of the Worker Support Fund – FAT and the resources originating from FAT – Special Deposits. The second line of credit ("Sub-credit B"), in the amount of R\$60 million (approximately \$10.8 million), is to be provided from funds raised by the BNDES System in foreign currency. The third line of credit ("Sub-credit C"), in the amount of R\$210 million (approximately \$37.6 million), is to be provided from, among other sources, the resources of the Worker Support Fund – FAT and the resources originating from FAT – Special Deposits. The fourth line of credit ("Sub-credit D"), in the amount of R\$90 million (approximately \$16.1 million), to be provided from funds raised by the BNDES System in foreign currency.

## [Table of Contents](#)

The principal amount of the debt arising from the Sub-credit A will bear an interest rate of 2.20% per annum (as remuneration), and that arising from the Sub-credit C will bear an interest rate of 2.75% per annum (as compensation) 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 debit balance from Sub-credit B and Sub-credit D, including the principal, compensatory and late payment interest, expenses, commissions and other agreed charges, will be updated daily according to the US dollar exchange rate fluctuation index (PTAX), sale quotation, published by the Central Bank of Brazil on the previous business day.

Such credit lines shall be used by Eve Brazil within 42 months from the date of the Financing Agreement. The principal of debt arising from each Sub-credit of this Instrument shall be paid to BNDES in 25 semiannual and successive installments starting in 2028.

The Financing Agreement can be early terminated, and payment of any outstanding amount can be accelerated, by BNDES in certain events provided for in the Financing Agreement.

### *Closing of 2024 Private Placement*

As previously disclosed, 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 transactions contemplated by the 2024 Private Placement closed on July 2, 2024, July 5, 2024, July 18, 2024, and September 4, 2024, respectively. The Company received aggregate gross proceeds of \$95.6 million. For additional information, see Notes 7 and 8 to 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.

### *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 on October 29, 2024, Citi advanced \$50 million to support the Company's production and sale of eVTOL aircraft. The loan is subject to an interest rate of 3.90% per year plus Term Secured Overnight Financing Rate ("SOFR") and a term of four years, with \$25 million due on October 29, 2027 and \$25 million due on October 30, 2028. The Credit Agreement contains events of default; change in control provisions; affirmative and negative covenants that, among other things, restrict, subject to certain exceptions, the Company's ability to incur additional indebtedness; create liens on assets; engage in mergers and consolidations; sell assets; pay dividends and distributions; engage in certain transactions with affiliates except in the ordinary course of business; and enter into sale and leaseback transactions. 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, beginning June 30, 2027.

### *Shelf Registration Statement*

On July 26, 2024, the Company filed a shelf registration statement on Form S-3 with the SEC, registering (i) the issuance by the Company of up to 45,548,481 shares of Common Stock underlying warrants, and the offer and sale of up to 317,715,214 shares of Common Stock and up to 14,250,000 private placement warrants by the selling security holders named in that prospectus and (ii) the offer and sale from time to time in one or more offerings of up to \$500,000,000 aggregate offering price of Common Stock, preferred stock and warrants. The Company may offer and sell such securities from time to time or to or through underwriters, brokers or dealers, directly to one or more purchasers, through a block trade, through agents on a best-efforts basis, through a combination of any of the above methods of sale or through other types of transactions described in the shelf registration statement. The Company has not sold any such securities under the shelf registration statement as of the date of this Quarterly Report on Form 10-Q.

## 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.** 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.** Eve is developing Vector, 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 expects to offer Vector primarily as a subscription software offering 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.

## 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.

## [Table of Contents](#)

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.

## [Table of Contents](#)

### **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 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, Miami, Japan, Chicago and South Korea, 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 over 2,870 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 more than 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, hail, known icing conditions and/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)**

	Three Months Ended September 30,			(Unfavorable)/ Favorable	%
			2024		
	2023				
<b>Operating expenses</b>					
Research and development expenses	\$ 32,419	\$ 28,642	\$ (3,777)	(13)%	
Selling, general and administrative expenses	8,411	5,035	(3,376)	(67)%	
Total operating expenses	40,830	33,677	(7,153)	(21)	
Operating loss	(40,830)	(33,677)	(7,153)	(21)%	
Gain/(loss) from the change in fair value of derivative liabilities	3,990	(854)	4,844	n.m.	
Financial investment income	3,629	2,802	827	29%	
Related party loan interest income	430	1,158	(728)	(63)%	
Interest expense	(835)	(31)	(804)	n.m.	
Other (loss)/gain, net	(1,744)	489	(2,234)	n.m.	
Loss before income taxes	(35,361)	(30,112)	(5,249)	(17)%	
Income tax expense	427	1,098	671	61%	
Net loss	\$ (35,787)	\$ (31,210)	\$ (4,578)	(15)%	

	Nine Months Ended September 30,			(Unfavorable)/ Favorable	%
			2024		
	2023				
<b>Operating expenses</b>					
Research and development expenses	\$ 96,191	\$ 71,992	\$ (24,200)	(34)%	
Selling, general and administrative expenses	20,287	17,822	(2,465)	(14)%	
Total operating expenses	116,479	89,814	(26,665)	(30)%	
Operating loss	(116,479)	(89,814)	(26,665)	30%	
Gain/(loss) from the change in fair value of derivative liabilities	12,398	(9,833)	22,230	n.m.	
Financial investment income	7,961	9,039	(1,078)	(12)%	
Related party loan interest income	2,875	3,149	(275)	(9)%	
Interest expense	(1,861)	(31)	(1,829)	n.m.	
Other (loss)/gain, net	(921)	672	(1,593)	n.m.	
Loss before income taxes	(96,027)	(86,817)	(9,209)	11%	
Income tax expense	1,445	1,574	130	8%	
Net loss	\$ (97,472)	\$ (88,392)	\$ (9,080)	10%	

n.m. = not meaningful

## [Table of Contents](#)

### *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 by \$3.8 million and \$24.2 million for the three and nine months ended September 30, 2024, respectively. 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 by \$3.4 million and \$2.5 million for the three and nine months ended September 30, 2024, respectively, primarily due to a combination of higher outsourced services and payroll costs. The increase in payroll expenses reflect mostly an increase in Eve's headcount, as well as industrialization and other costs associated with Eve's Brazilian eVTOL manufacturing site, located in the city of Taubaté, São Paulo, Brazil. These increases offset savings on Director & Officers insurance expenses.

### *Gain/(loss) from the change in fair value of 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 increased by \$4.8 million for the three months ended September 30, 2024, due to a \$0.28 decrease in the Public Warrant trading price, whereas the trading price increased \$0.06 for the three months ended September 30, 2023.

The gain from the change in fair value of derivative liabilities increased \$22.2 million for the nine months ended September 30, 2024 due to a \$0.87 decrease in the Public Warrant trading price, whereas the trading price increased \$0.69 for the nine months ended September 30, 2023.

### *Financial investment income*

The Company invests cash in short fixed-income instruments of low risk, mostly in US Dollar and high-quality financial institutions. Financial investment income increased \$0.8 million for the three months ended September 30, 2024 primarily related to an increase in the average investment balance of \$57.3 million as compared to the three months ended September 30, 2023.

Financial investment income decreased \$1.1 million for the nine months ended September 30, 2024 primarily related to a decrease in the average investment balance of \$27.3 million as compared to the nine months ended September 30, 2023.

### *Interest expense*

Interest expense increased for the three and nine months ended September 30, 2024, primarily related to the initial draw on the BNDES loan in September 2023.

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

Other loss, net increased \$2.2 million for the three months ended September 30, 2024, primarily related to an increase in foreign currency losses of \$1.6 million and fees and taxes associated with the BNDES loan of \$0.6 million as compared to the three months ended September 30, 2023.

Other loss, net increased \$1.6 million for the nine months ended September 30, 2024, primarily related to an increase in fees and taxes associated with the BNDES loan of \$1.9 million, partially offset by foreign currency gains of \$0.3 million as compared to the nine months ended September 30, 2023.

## Liquidity and Capital Resources

The Company has incurred net losses since 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.

The Company received proceeds from the business combination and PIPE Investment of approximately \$ 357.3 million. In addition, in September 2022, the Company received \$15.0 million from United Airlines Ventures, Ltd. ("United"), in connection with a subscription agreement pursuant to which United agreed to subscribe for an aggregate of 2,039,353 shares of common stock and a warrant agreement pursuant to which the Company issued to United new warrants to acquire up to 2,722,536 shares of common stock, each with an exercise price of \$ 0.01 per share.

As previously disclosed, on January 23, 2023, the Company entered into a loan agreement (the "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 \$94.9 million, using the exchange rate on September 30, 2024), 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 the first line 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. As of September 30, 2024, a total of R\$360.7 million (approximately \$69.6 million) had been issued to the Company pursuant to the Loan Agreement.

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.

As of September 30, 2024, the Company has cash and cash equivalents of \$ 24.6 million, financial investments of \$255.3 million and available debt to be drawn from the original BNDES loan of \$25.3 million, which amounts to approximately \$305.2 million of liquidity. Additionally, the new loans were secured in October 2024 from BNDES of approximately \$89.6 million and Citibank of \$50.0 million, as described in the "Recent Developments" section of this MD&A. 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 2023 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. 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):

	Nine Months Ended September 30,		Change
	2024	2023	
Net cash used by operating activities	\$ (97,290)	\$ (69,997)	\$ (27,294)
Net cash (used) provided by investing activities	\$ (62,001)	\$ 19,832	\$ (81,833)
Net cash provided by financing activities	\$ 137,774	\$ 10,714	\$ 127,060

***Net Cash Used by Operating Activities***

Net cash used by operating activities increased \$27.3 million for the nine months ended September 30, 2024, primarily related to increased expenditures for R&D of \$20.5 million, SG&A of \$4.0 million, interest and taxes of \$3.2 million, partially offset by an increase in interest income collected of \$0.4 million.

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

Net cash related to investing activities decreased \$81.8 million for the nine months ended September 30, 2024, primarily related to net purchases of financial investments of \$139.0 million versus net redemptions of \$20.0 million during the nine months ended September 30, 2023, and higher capital expenditures of \$4.0 million, partially offset by collection of the related party loan principal of \$81.0 million.

***Net Cash Provided by Financing Activities***

Net cash provided by financing activities increased \$127.1 million for the nine months ended September 30, 2024, primarily related to the proceeds from the 2024 Private Placement and BNDES loan borrowings.

**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 2023 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 USA and Brazil. At times, cash balances with any one financial institution may exceed USA'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, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, 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 and become subject to the SEC's internal control over financial reporting auditor attestation requirements upon the earlier of the last day of the fiscal year following the fifth anniversary of the date of the completion of Zanite's IPO on November 19, 2020, or (1) we have total annual gross revenue of at least \$ 1.2 billion, (2) we are deemed to be a large accelerated filer, or (3) the date on which we have issued more than \$1.0 billion in non-convertible debt during the prior three-year period.

### **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. As of September 30, 2024, approximately 2% of our consolidated cash, cash equivalents and financial investments were indexed to the variation of the CDI rate.

The CDI rate is an average of interbank overnight rates in Brazil. A risk to financial investment income arises from rate fluctuations in the Brazilian interest rates.

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

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 variety of risk factors that might affect the return of those investments.

#### **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 *real* to the value of the US Dollar may adversely affect us, mainly due to the fact that 4% of total assets and 19% 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 September 30, 2024, the closing exchange rate was 5.4481 *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 September 30, 2024.

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

There have not been any changes in our internal control over financial reporting during the third quarter ended September 30, 2024, that has materially affected, or is 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.

**Item 1A. Risk Factors**

There have been no material changes to the Risk Factors disclosed in our 2023 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	
10.1		<a href="#">Form of Subscription Agreement by and among Eve Holding, Inc. and investors.</a>	8-K	001-39704	10.1	July 1, 2024	
10.2*		<a href="#">Financing Agreement, dated as of October 7, 2024, by and among EVE Soluções de Mobilidade Aérea Urbana, Ltda., Embraer S.A. as intervening party, and Banco Nacional de Desenvolvimento Econômico e Social – BNDES.</a>					X
10.3*		<a href="#">Credit Agreement, dated as of October 29, 2024, by and among Eve Holding, Inc., EVE UAM, LLC and Citibank, N.A.</a>	8-K	001-39704	10.1	October 30, 2024	
10.4*		<a href="#">Fourth Amendment, dated September 9, 2024, to the Master Services Agreement, dated as of December 14, 2021, by and between Embraer S.A. and EVE UAM, LLC.</a>					X
10.5*		<a href="#">First Amendment, dated August 15, 2024, to the Supply Agreement, effective as of June 16, 2023, by and between EVE UAM, LLC., Embraer S.A., and Nidec Aerospace LLC.</a>					X
10.6*		<a href="#">Amendment, effective September 17, 2024, to the Master Services Agreement, dated as of December 14, 2021, by and between Atech Negócios em Tecnologias S.A and EVE UAM, LLC.</a>					X
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: November 4, 2024

By:

*/s/ Johann Bordais*

Name: Johann Bordais  
Title: Chief Executive Officer  
(Principal Executive Officer)

Date: November 4, 2024

By:

*/s/ Eduardo Couto*

Name: Eduardo Couto  
Title: Chief Financial Officer  
(Principal Financial and Accounting Officer)

Certain identified information has been excluded from this exhibit because it is both not material and is the type that the registrant treats as private or confidential. Omitted Information is indicated by [\*\*\*]

FINANCING AGREEMENT No. [\*\*\*], BETWEEN THE BRAZILIAN DEVELOPMENT BANK - BNDES AND EVE SOLUÇÕES DE MOBILIDADE AÉREO URBANA LTDA., WITH THE INTERVENTION OF THIRD PARTIES, AS FOLLOWS:

THE BRAZILIAN DEVELOPMENT BANK -BNDES, hereinafter referred to as BNDES, a federal public corporation, with its registered office in Brasília, Federal District, and its services in this city, at Avenida República do Chile No. 100, registered with the CNPJ under No. [\*\*\*], by its undersigned representatives;

AND

EVE SOLUÇÕES DE MOBILIDADE AÉREO URBANA LTDA., hereinafter referred to as the CLIENT, a limited liability company, with its registered office in São Jose dos Campos, State of São Paulo, at Rodovia Presidente Dutra, s/no. - KM 134, registered under CNPJ no. [\*\*\*], by its undersigned representatives; and, also acting as INTERVENING PARTY EMBRAER S.A., a corporation, with its registered office in São José dos Campos, State of São Paulo, at Avenida Brigadeiro Faria Lima, no. 2.170, registered under CNPJ no. [\*\*\*], by its undersigned representatives;

have agreed to what is contained in the following clauses:

**FIRST**  
**NATURE, AMOUNT AND PURPOSE**

The CREDITOR hereby opens a credit line to the CLIENT, divided into 4 (four) Sub-credits:

I - **Sub-credit "A"**: in the amount of R\$ 140,000,000.00 (one hundred and forty million Reais), to the account of its ordinary resources, which are composed, among other sources, of the resources of the Worker Support Fund – FAT and the resources originating from FAT - Special Deposits, respecting, as to its allocation, the legislation applicable to each of the aforementioned sources, subject to the provisions of [\*\*\*];

II - **Sub-credit "B"**: in the amount of R\$ 60,000,000.00 (sixty million Reais), equivalent to US\$ 10,768,706.14 (ten million, seven hundred and sixty-eight thousand, seven hundred and six US dollars and fourteen cents), considering the exchange rate, for sale, of the US dollar, disclosed by the Central Bank of Brazil for the base date of September 13 (thirteen), 2024, to be provided with funds raised by the BNDES System in foreign currency, [\*\*\*];

III - **Sub-credit "C"**: in the amount of R\$ 210,000,000.00 (two hundred and ten million Reais), to the account of its ordinary resources, which are composed, among other sources, of the resources of the Worker Support Fund – FAT and the resources originating from FAT - Special Deposits, respecting, as to its allocation, the legislation applicable to each of the aforementioned sources, [\*\*\*];

- **Sub-credit "D":** in the amount of R\$ 90,000,000.00 (ninety million Reais), equivalent to US\$ 16,153,059.21 (sixteen million, one hundred and fifty-three thousand and fifty-nine US dollars and twenty-one cents), considering the exchange rate, for sale, of the US dollar, disclosed by the Central Bank of Brazil for the base date of September 13 (thirteen), 2024, to be provided with funds raised by the BNDES System in foreign currency, [\*\*\*];

#### **PARAGRAPH ONE**

The credit now open is intended for the deployment of a manufacturing unit for the production of electric vertical takeoff and landing aircraft (eVTOL), in Taubaté, State of São Paulo.

#### **PARAGRAPH TWO**

The financing of goods and services intended to execute the purpose referred to in Paragraph One is subject to compliance with the rules and criteria of the BNDES System.

### **SECOND** **UPDATE OF THE AMOUNT OF SUB-CREDITS "B" AND "D"**

The unreleased installment of Sub-credits "B" and "D" will be updated daily, from the base date of [\*\*\*], mentioned in items II and IV of Clause One (Nature, Amount and Purpose), until the date of its release, as provided in the main section and in the Sole Paragraph of Clause Eight (Update of the Debt Amount of Sub-credits "B" and "D").

### **THIRD** **CREDIT AVAILABILITY**

The Credit shall be made available to the CLIENT in installments, [\*\*\*], according to the needs for the realization of the financed project, in compliance with the financial planning of the CREDITOR, which is subject to the determination of the resources for its applications by the National Monetary Council.

#### **PARAGRAPH ONE**

Upon release of the funds for this operation, the debts determined by law and those in this Instrument authorized by the CLIENT will be made. The remaining total balance of the funds available to the CLIENT will be immediately transferred to [\*\*\*].

#### **PARAGRAPH TWO**

The total credit must be used by the CLIENT within a period of up to 42 (forty-two) months, [\*\*\*].

#### **PARAGRAPH THREE**

The amount of each installment of Sub-credit "A" and "C" to be made available to the CLIENT will not be subject to [\*\*\*].

#### **FOURTH CREDIT RELEASE CONDITIONS**

The release of the credit, in addition to compliance, as applicable, with the conditions set forth in articles 5 and 6 of the "**PROVISIONS APPLICABLE TO BNDES AGREEMENTS**" mentioned in Clause Fourteen (Special Obligations of the CLIENT), is subject to compliance with the following:

I - For release of the first installment of the credit:

- a) [\*\*\*];
- b) [\*\*\*];
- c) [\*\*\*].

II - For release of each installment of the credit:

- a) [\*\*\*];
- b) [\*\*\*];
- c) [\*\*\*];
- d) [\*\*\*].

III - For release of funds from Sub-credits "A" and "B": presentation of [\*\*\*] to the CREDITOR issued by [\*\*\*] approved by the [\*\*\*], in accordance with Clause Eighteen (Guarantee to be Provided), for which the guarantor (s) is responsible for installments(s) of the debt, depending on the amount of the credit to be released, in the minimum global amount of [\*\*\*]; or for the entire debt.

IV - For release of funds under Sub-credits "C" and "D":

- a) [\*\*\*];
- b) [\*\*\*].

V - For release of each installment under Sub-credit "A": [\*\*\*];

VI - For release of each installment under Sub-credit "C": [\*\*\*];

VII - For the release of each installment of the credit destined to the financing of imported goods and services with the impossibility of supplying similar domestic goods and services:

- a) [\*\*\*]; or
- b) [\*\*\*]; or
- c) [\*\*\*].

## **PARAGRAPH ONE**

After the period of use provided for in Clause Three (Credit Availability), without any release of funds, including due to non-compliance with the condition(s) provided for in this Clause, the CREDITOR may, at its discretion, terminate this Instrument, by communicating to the CLIENT, regardless of any other formality or registration, with the consequent extinction of all rights and obligations arising therefrom, as well as the release of guarantees eventually constituted, and the CLIENT shall cancel the registrations related to this Instrument at the competent notaries.

## **PARAGRAPH TWO**

In the event that the CLIENT and/or the INTERVENTOR object to the certificate issued by the representative or class entity referred to in item "c" of item VII of this Clause, it must present a technical report issued by a technological entity of recognized suitability and technical competence, preferably including the following factors: productivity, quality, usual delivery time of equipment, previous supplies, consumption of energy and raw materials and other performance factors specific to the case, which are considered satisfactory by the BNDES.

## **PARAGRAPH THREE**

The indication of the representative entity referred to in item "c" of item VII or the technological entity referred to in Paragraph Two may or may not be accepted by BNDES, which will not be bound by the understanding contained in the documents presented by said entities regarding the absence of a national equivalent.

## **PARAGRAPH FOUR**

[\*\*\*].

## **FIFTH** **INTEREST ON SUB-CREDITS "A" AND "C"**

The principal amount of the debt of the CLIENT arising from the sub-credit "A" will bear an interest rate of 2.20% (two integers and twenty hundredths percent) per annum (as remuneration), and that arising from the sub-credit "C" will bear an interest rate of 2.75% (two integers and seventy-five hundredths of a percent) per annum (as compensation) 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, subject to the system established in the paragraphs of this Clause.

## **PARAGRAPH ONE**

The daily update will be made based on the Reference Rate [\*\*\*]

[\*\*\*].

## PARAGRAPH TWO

The factor will be applied from [\*\*\*] of the [\*\*\*] to the [\*\*\*] of the following [\*\*\*].

## PARAGRAPH THREE

The update referred to in this Clause shall be incorporated into the principal of the [\*\*\*], [\*\*\*].

## PARAGRAPH FOUR

The percentage of 2.20% (two integers and twenty hundredths percent) or 2.75% (two integers and seventy-five hundredths percent) per annum above the TR referred to in the caption of this Clause, plus the TR itself, will be charged on the outstanding balance on the due date and/or capitalization date of the interest referred to in Paragraph Five or on the maturity or settlement date of this Instrument, taking into account, for the daily calculation of interest, the number of days elapsed between the date of each Financial Event and the due dates referred to above.

## PARAGRAPH FIVE

The amount calculated under the terms of this Clause, will be capitalized every [\*\*\*].

## SIXTH INTEREST ON SUB-CREDITS "B" AND "D"

The principal amount of the debt owed by the CLIENT under Sub-credit "B" shall bear interest at the rate of 1.10% (one point ten percent) per annum and under Sub-credit "D" at the rate of 1.65% (one point sixty-five percent) per annum plus the fixed rate published by the BNDES System.

## PARAGRAPH ONE

The interest calculated under the terms of this Clause will be calculated linearly for calendar days by the proportional system, considering, for the calculation basis, [\*\*]

## PARAGRAPH TWO

The amount calculated under the terms of this Clause will be capitalized on the [\*\*\*].

## PARAGRAPH THREE

The Fixed Rate referred to in the main section and Paragraph One of this Clause:

I - [\*\*\*]:

- a) [\*\*\*];
- b) [\*\*\*]
- c) [\*\*\*];

II - [\*\*\*];

III - [\*\*\*].

#### **PARAGRAPH FOUR**

The average amortization period of each installment of the credit, referred to in item I of the previous paragraph of this Clause, will be calculated according to the formula below:

[\*\*\*]

#### **SEVENTH** **CHANGE IN THE LEGAL CRITERION FOR REMUNERATION OF FUNDS FROM FAT**

In the event that the legal criterion for the remuneration of the funds transferred to the B\_NDES system, originating from the Workers' Assistance Fund - FAT, is replaced, the remuneration provided for in Clause Five (Interest on Sub-credits "A" and "C") may, at the discretion of the CREDITOR, be made according to the new criterion for the remuneration of the aforementioned funds, or another one indicated by the CREDITOR, which, in addition to maintaining the real amount of the operation, remunerates it at the same levels as before. In this case, the CREDITOR will communicate the change, in writing, to the CLIENT.

#### **EIGHTH** **UPDATE OF THE DEBT AMOUNT OF SUB-CREDITS "B" AND "D"**

The CLIENT'S debit balance from Sub-credits "B" and "D", including the principal, compensatory and late payment interest, expenses, commissions and other agreed charges, will be updated daily according to the US dollar exchange rate fluctuation index (PTAX), sale quotation, published by the Central Bank of Brazil on the previous business day.

#### **SOLE PARAGRAPH**

For the purposes of the provisions of the main section of this Clause, on the day on which there is no official quotation, the quotation of the immediately preceding day will be considered.

#### **NINTH AMORTIZATION**

The principal of the debt arising from each Sub-credit of this Instrument shall be paid to the CREDITOR as follows:

- I - **Sub-credits "A" and "C":** [\*\*\*];
- II - **Sub-credits "B" and "D":** [\*\*\*].

#### **SOLE PARAGRAPH**

The CLIENT undertakes to settle on [\*\*\*], with the last amortization installment, all obligations of this Instrument.

**TENTH**  
**DEBT PROCESSING AND COLLECTION**

Principal and charges will be collected by means of a billing document issued by the CREDITOR, in advance, for the CLIENT to settle those obligations on the maturity dates.

**PARAGRAPH ONE**

Failure to receive the billing document will not exempt the CLIENT from the obligation to pay the principal installments and charges on the dates established in this Instrument.

**PARAGRAPH TWO**

Considering that the debt arising from the "B" and "D" Sub-credits is subject to daily adjustment, in accordance with Clause Eight (Updating of the Debt Value of Sub-credits "B" and "D") of this Instrument, the collection document referred to in this Clause will be issued by the CREDITOR with the indication of a reference value in BNDES Monetary Unit - UMBNDES or US Dollars, whose quotation must be obtained from the official website of BNDES ([www.bnDES.gov.br](http://www.bnDES.gov.br)), in the Contractual Currencies section, and the amount to be paid, in the currency determined by the corresponding quotation on the date of actual payment.

**PARAGRAPH THREE**

The BNDES System will make the information, data and calculations that serve as a basis for calculating the amounts due from Sub-credit "B" and "D" available to the CLIENT.

**ELEVENTH COLLATERAL**

In order to guarantee the payment of all the obligations arising from this Instrument, such as the principal, interest, commissions, conventional penalties, fines and expenses, the CLIENT transfers to the CREDITOR, in accordance with Article 66-B of Law 4.728/1965 and, if applicable, the Civil Code, the fiduciary ownership of the machinery and equipment to be acquired, with a minimum total amount of [\*\*\*].

#### **PARAGRAPH ONE**

The CREDITOR reserves the right to request a revaluation of the registered assets if, at its discretion, a depreciation of the guarantee has occurred.

#### **PARAGRAPH TWO**

The guarantees constituted in this Clause are considered an indivisible whole in relation to the amount of the debt.

#### **PARAGRAPH THREE**

Until the final settlement of this Instrument, the CLIENT undertakes to keep the assets referred to in the main section of this Clause in its safe and undisturbed possession, free and clear of any liens, including fiscal liens.

#### **PARAGRAPH FOUR**

For the constitution of the fiduciary assets mentioned in the main section, the complete list of the machinery and equipment must be presented by means of a letter, according to the model to be provided by the CREDITOR, duly initialed and signed by its legal representatives, which must contain the following information: quantity, date, amount, the respective registration of the property where they are located and the description, which must include at least the model, serial number, invoice number or other document proving the purchase and sale, equity number, if any, manufacturer and, if applicable, representative in Brazil. The letter, after consideration by the CREDITOR, must be registered at the Registry Office of Titles and Documents of the district where the machinery and equipment is located, and will become an integral part of this Instrument, for all purposes and effects of Law.

#### **PARAGRAPH FIVE**

With respect to the [\*\*\*].

#### **PARAGRAPH SIX**

Before the settlement of this Instrument [\*\*\*].

#### **PARAGRAPH SEVEN**

The collateral must correspond to at least [\*\*\*] of the amount of the debt arising from Sub-credits "C" and "D".

**TWELFTH**  
**INSURANCE OF GOODS PLEDGED AS COLLATERAL**

The CLIENT must take out and maintain, until the final settlement of his financial obligations, insurance for all the insurable tangible assets constituting the guarantee, mentioned in the main section of Clause Eleven (Collateral), in accordance with the legislation in force, in order to cover the risks of loss of equity value to which the asset is normally subject.

**PARAGRAPH ONE**

The terms and conditions of the insurance must be determined by the CLIENT in such a way that, in the event of a claim, the amount to be received will be sufficient to replace the asset, rebuild the asset or settle the amounts guaranteed by it, taking into account the debit balance(s) and the amounts to be released under the agreement(s) concluded with the CREDITOR.

**PARAGRAPH TWO**

The following clauses must be included in the insurance policy that covers the assets constituting the guarantee:

I - establish the payment of the indemnity to the CREDITOR;

II - determine that the CREDITOR is immediately notified in case of cancellation of the policy or denial of coverage, even if by unilateral act of the Insurer.

**PARAGRAPH THREE**

The CREDITOR may determine and take out the insurance policy and/or pay the insurance premium for the assets constituting the guarantee, charging the corresponding expenses to the CLIENT'S account, in the event that the said assets are not insured or the insurance premium taken out by the CLIENT is not paid on the due date.

**PARAGRAPH FOUR**

In the event of a claim, the CREDITOR may use the indemnity received to pay, in whole or in part, the debt guaranteed by the damaged asset or other overdue debts of the CUSTOMER, or authorize its use for the repair, reconstruction or replacement of the said asset.

**PARAGRAPH FIVE**

The CLIENT undertakes to:

I - modify or supplement, by means of an endorsement, the conditions of the insurance deemed insufficient by the CREDITOR, taking into account the valuation of the asset carried out or accepted by him;

II - include, in the policy referred to in Paragraph Two of this Clause, other clauses that, in the judgment of the CREDITOR, are necessary to maintain the balance of the contractual relationship and appropriate to the value and other coverage conditions;

III - renew the insurance until the expiration date of each policy;

IV - keep in its possession and present, at the time of taking out or renewing the insurance, or at any other time requested by the CREDITOR, the documents necessary to prove the existence of the insurance described below:

- a) a copy of the policy in force, of any endorsements that change its content;
- b) if the policy has not yet been issued, a statement or certificate issued by the insurer containing all information necessary to characterize the insurance, such as coverage, location or insured property, insured amounts and the inclusion of a beneficiary clause in favor of the CREDITOR; and
- c) proof of full payment of the premium or its overdue installments.

V - to reimburse to the CREDITOR the amount corresponding to the disbursements referred to in the Paragraph Three of this Clause, within five (5) days from the date of the notice of collection sent to it by the CREDITOR, under penalty of constituting a financial default, subject to the penalties provided for in this Instrument;

VI - when applicable, prove the use of the indemnity referred to in Paragraph Four of this Clause in the repair, reconstruction or replacement of the asset, within ninety (90) days from the receipt or in a longer period, if granted by the CREDITOR;

VII - not practice or tolerate or allow to be practiced any act that may harm the rights arising from the insurance.

**THIRTEENTH**  
**GUARANTEE**

[\*\*\*]

**FOURTEENTH**  
**SPECIAL OBLIGATIONS OF THE CLIENT**

The CLIENT undertakes to:

I - comply, as applicable, until final settlement of the debt arising from this Instrument, with the "PROVISIONS APPLICABLE TO BNDES CONTRACTS", approved by Resolution No. 665, of 12.10.1987, partially amended by Resolution no. 775, of 12.16.1991, by Resolution no. 863, of 3.11.1996, by Resolution no. 878, of 9.4.1996, by Resolution no. 894, of 3.6.1997, by Resolution no. 927, of 4.1.1998, by Resolution no. 976, of 9.24.2001, by Resolution no. 1.571, of 3.4.2008, by Resolution no. 1.832, of 9.15.2009, by Resolution no. 2.078, of 3.15.2011, by Resolution no. 2.139, of 8.30.2011, by Resolution no. 2.181, of 11.8.2011, by Resolution no. 2.556, of 12.23.2013, by Resolution no. 2.558, of 12.23.2013, by Resolution no. 2.607, of 4.8.2014, by Resolution no. 2.616, of 5.6.2014, by Resolution no. 3.148, of 5.24.2017, by Resolution no. 3.354, of 8.28.2018, by Resolution no. 3.377, of 10.17.2018, and by Resolution no. 3.439, of 12.27.2018, by Resolution no. 3.511, of 8.21.2019, by Resolution No. 3.523, of 9.12.2019, by Resolution No. 3.539, of 10.03.2019, by Resolution no. 3.593, of 02.06.2020, by Resolution no. 3.708, of 11.26.2020, by Resolution no. 3.728, of 1.14.2021, by Resolution no. 3.838, of 12.23.2021 and by Resolution no. 3.914, of 7.7.2022 and by Resolution no. 4.026, of 4.27.2023, all of them by the BNDES Board of Directors, published in the Federal Official Gazette (Section I) of 12.29.1987, 12.27.1991, 4.8.1996, 9.24.1996, 3.19.1997, 4.15.1998, 10.31.2001, 3.25.2008, 11.6.2009, 4.4.2011, 9.13.2011, 11.17.2011, 1.24.2014, 2.14.2014, 5.6.2014, 9.3.2014, 6.2.2017, 9.17.2018, 11.26.2018, 1.14.2019, 9.4.2019, 10.16.2019, 10.29.2019, 3.4.2020, 1.4.2021, 1.25.2021, 1.10.2022, 7.13.2022 and 6.15.2023, respectively, available on the BNDES' official website ([www.bnDES.gov.br](http://www.bnDES.gov.br)), the content of which the CLIENT declares to know and accept as an integral and inseparable part of this Instrument, for all legal purposes and effects;

II - execute and complete the project financed herein within a period of up to 36 (thirty-six) months, counting from the date of formalization of this Instrument, without prejudice to the CREDITOR'S power, under the guarantees constituted in this Instrument, to extend said period, before its final term, or grant additional term, after said term, by express authorization, regardless of other formality or registration, with the agreement of the CLIENT;

III - submit to the BNDES System, within a period of up to 180 (one hundred and eighty) days, counted from the day following the end of the execution period referred to in item II of this Clause, the Operating License of the project financed herein, officially published, issued by the competent environmental agency;

IV - keep its obligations related to the project in good standing before the environmental agencies, during the effectiveness of this Instrument, subject to Paragraph Four;

V - notify the BNDES System of the occurrence of environmental damage that may compromise the project, within [\*\*\*] days from the acknowledgment date, indicating the measures and actions in progress or already taken by the CLIENT to correct and/or remedy such damages and providing any documents produced/issued related to said event;

VI - notify the BNDES System, within [\*\*\*] days from the date on which it becomes aware, that it or any of its managers, its direct or indirect parent companies, its direct or indirect subsidiaries, its employees, agents or representatives, as well as suppliers of a product or service essential to execute the project are involved in an action, procedure and/or lawsuit, judicial or administrative, considered relevant under the terms of Paragraph Two conducted by a national or foreign administrative or judicial authority, provided that they are not under confidentiality or secrecy of justice;

VII - to provide to the CREDITOR, by [\*\*] during the term of this Instrument, its individual financial statements for the previous year, audited by an independent auditing company registered with the Brazilian Securities and Exchange Commission - CVM;

VIII - without the prior consent of the CREDITOR, not to grant any preference to other credits, not to amortize shares, not to issue debentures and beneficiary parties or to incur new debts, except:

- a) loans to meet the CLIENT'S ordinary management business or for the purpose of mere replacement or replacement of material; and
- b) discounts for commercial purposes held by the CLIENT, resulting from the sale or provision of services;

IX - without the prior consent of the CREDITOR, not to dispose of or encumber assets of its non-current asset s, except in the case of:

- a) unserviceable or obsolete goods;
- b) goods that are replaced by new ones of the same purpose;
- c) provision of collateral by virtue of a legal determination, to guarantee the court in the event of lawsuits and/or administrative proceedings, in which the CLIENT appears as a defendant; and/or
- d) fiduciary property constituted as collateral for financing for the acquisition of equipment from the suppliers themselves or the respective financiers.

X - formally inform the BNDES System, within [\*\*] from its formalization, accompanied by the respective documents, of a spin-off, consolidation or merger, including incorporation of shares, of the CLIENT or any other form of corporate reorganization involving the CLIENT, which implies a change of control, direct or indirect, subject to the provisions of article 39, item III and sole paragraph of the "**PROVISIONS APPLICABLE TO BNDES AGREEMENTS**".

XI - notify the BNDES System, on the date of the event, the name and CPF/MF of a person who, exercising a remunerated function or being among its owners, controllers or officers, has been elected or sworn in as a Federal Deputy or Senator;

XII - keep and preserve the assets given by way of security, in accordance with the provisions of items I and II of Article 1.363 of the Civil Code, being civilly liable for any failure to comply with these obligations;

XIII - submit to the BNDES System, whenever requested, within the fixed period, information containing data identifying the goods or services financed, detailing, when applicable, the machine or equipment, the manufacturer or service provider, the amount, as well as other information that may be requested, in order to prove that the goods and services purchased with resources from this Agreement meet the standards and criteria of the BNDES System and, if applicable, that they are accredited in the BNDES System;

XIV - not to use, in the fulfillment of the purpose described in Clause One (Nature, Amount and Purpose), the resources of this Instrument in activity:

- a) carried out in any country or territory that is subject to economic or financial sanctions, embargoes or restrictive measures in force, administered or applied by the United Nations Security Council, the Brazilian State or by an authority exercising jurisdiction over the CLIENT; or
- b) that in any other way, results in a violation by any person (including the BNDES System) of the sanctions referred to in this item;

XV - submit, within a period of up to [\*\*] days, counted from the day following the end of the execution period referred to in item II of this Clause, the licensing or the issuance of a certificate of completion of work or service, issued by the competent public authority, proven by means of the Work Completion Certificate, Inspection Certificate, Construction Completion Certificate, Use Permit, Housing Letter, Occupancy Certificate or other equivalent document capable of attesting to compliance with the standards on accessibility.

XVI - return the funds arising from Sub-credits "B" and "D", whose application is no longer justifiably proven by the CLIENT, in terms satisfactory to the BNDES System, within a period to be established in the written notification sent by the BNDES System, mentioned in Paragraph Two of Clause Seventeen (Notification), updated and remunerated at the interest rate provided for in the Interest Clause of the corresponding Sub-credits, from the date of release of the funds to the CLIENT until the date of their effective return, subject to the provisions of article 37 of the "**PROVISIONS APPLICABLE TO BNDES AGREEMENTS**";

XVII - return the funds arising from Sub-credits "A" and "C" whose application is no longer justifiably proven by the CLIENT, in terms satisfactory to the BNDES System, within a period to be established in the written notification sent by the BNDES System, mentioned in Paragraph Two of Clause Seventeen (Notification), updated and remunerated by the interest rate provided for in the Interest Clause of the corresponding Sub-credits or by the SELIC Rate plus two point twenty percent (2.20%) relating to Sub-credit "A" and two point seventy-five percent (2.75%) relating to Sub-credit "C", whichever is greater, from the date of release of the funds to the CLIENT until the date of their effective return, subject to the provisions of article 37 of the "**PROVISIONS APPLICABLE TO BNDES AGREEMENTS**";

XVIII - inform the CREDITOR of the transfer of the machinery and equipment that are initially received at the unit of the INTERVENING PARTY EMBRAER in São José dos Campos - SP to the CLIENT'S manufacturing unit in Taubaté-SP, object of the project mentioned in Clause One (Nature, Amount and Purpose), within a period of up to [\*\*] from the date of transfer of the assets, subject to the provisions of Paragraphs Four and Five of Clause Eleven (Collateral).

XIX - maintain unchanged the terms and conditions of the legal instrument that regulates the use of the land on which the object of the project referred to in the Sole Paragraph of Clause One (Nature, Amount and Purpose) is to be built, entered into between the CLIENT and the INTERVENING PARTY EMBRAER S.A., presented under the terms of item "c" of Section I of Clause Four (Conditions for the release of the financial cooperation) of this Instrument, subject to any modification requiring the prior and express authorization of the CREDITOR, in particular but not limited to modifications to its duration, remuneration, object or parties.

#### **PARAGRAPH ONE**

For the purposes of the special obligation referred to in item VI (notification of relevant proceedings) of this Clause, the CLIENT is considered aware of:

- I - the receipt of summons, subpoena or notification, judicial or out-of-court, made by a judicial or administrative authority, national or foreign;
- II - the communication of the fact by the CLIENT to the competent authority; and
- III I- the adoption of a judicial or out-of-court measure by the CLIENT against the offender.

## **PARAGRAPH TWO**

For the purposes of the special obligation referred to in item VI (notification of relevant proceedings) of this Clause, the following are considered relevant:

I - all sanctioning administrative proceedings, public civil suits (including administrative misconduct), popular or collective, civil or criminal suits related to the crimes indicated below, when classified as probable or possible loss:

a) against the national or foreign public administration, against the Democratic Rule of Law, against the economic or tax order, the financial system, the capital market or, of "laundering" or concealment of assets, rights and values, terrorism or financing of terrorism, provided for in the applicable national and/or foreign legislation;

b) that result in harassment, discrimination or prejudice based on personal characteristics (such as ethnicity, race, color, socioeconomic status, family situation, nationality, age, sex, sexual orientation, gender identity, religion, beliefs, disability, genetic or health condition, and ideological or political position), irregular, illegal or criminal exploitation of child labor or practices related to work in conditions analogous to slavery, human trafficking, sexual exploitation or the criminal exploitation of prostitution, bullying or sexual harassment, violence against women or crimes against the environment;

II - all sanctioning administrative proceedings, public civil suits (including administrative misconduct), popular or collective, civil or criminal suits that represent risk to the CLIENT's reputation, regardless of the object or the classification of probability of loss;

III - procedures or lawsuits against employees, agents or representatives of the CLIENT, in which it can be held responsible or that pose a risk to its reputation;

IV - procedures or lawsuits against suppliers of a product or service essential to execute the project that pose a risk to the CLIENT's reputation and/or execution of the project.

## **PARAGRAPH THREE**

In the cases referred to in the Paragraph Two of this Clause, the CLIENT shall provide, upon request by the BNDES System, a copy of the decisions and agreements, judicial or extrajudicial, reached in the aforementioned proceedings, as well as detailed information on the measures taken in response to such proceedings.

## **PARAGRAPH FOUR**

Failure to comply with item IV of this Clause shall be deemed to be characterized in the following cases:

I - when the representations presented to the CREDITOR, pursuant to item III, items "a", "b" and "d" of Clause Twenty-Eight (Representations by the CLIENT) ceases to be true, consistent, correct or sufficient, as provided for in Paragraph One of Clause Twenty-Eight (Representations by the CLIENT);

II - when the representation referred to in item I above is requested and not submitted to the BNDES System within the period provided for in Paragraph Two of Clause Twenty-Eight (Representations by the CLIENT);

III - non-existence or loss of validity and/or effectiveness of any of the environmental licenses, duly issued by the competent environmental agency, necessary for the implementation and/or operation of the project, according to the stage of the project; or

IV - existence of an administrative or judicial decision that (i) results in the suspension, invalidity or extinction of the environmental licensing of the project or (ii) determines the environmental irregularity of the project, provided that, in both cases, the effects of the decision are not suspended.

#### **PARAGRAPH FIVE**

For the purposes of the special obligation referred to in item V of this Clause, the CLIENT is considered aware of:

- I - the receipt of summons, subpoena or notification, judicial or out-of-court, made by a judicial or administrative authority.
- II - the communication of the fact by the CLIENT to the competent authority; and
- III - the adoption of a measure by the CLIENT to correct and/or remedy the damages.

#### **PARAGRAPH SIX**

For the purposes of the special obligations referred to in Sections XVI and XVII of this Clause, from the date of release of the funds until the date of actual repayment, any payments already made as compensatory interest or amortization of principal shall be deducted from the updated amount to be repaid to the CREDITOR, if applicable.

#### **PARAGRAPH SEVEN**

Unjustified proof of the use of funds in accordance with Sections XVI and XVII and the previous paragraph of this Section does not characterize the hypothesis of early maturity of this Instrument in accordance with Section Nineteen (Early Maturity).

#### **FIFTEENTH**

#### **OBLIGATIONS OF INTERVENING PARTY EMBRAER S/A**

The INTERVENING PARTY EMBRAER S.A., qualified in this Instrument, hereby assumes the obligation to:

I - notify the BNDES System, within [\*\*\*] days from the date on which it becomes aware, that it or any of its managers, its direct or indirect parent companies, its direct or indirect subsidiaries, its employees, agents or representatives, as well as suppliers of a product or service essential to execute the project are involved in an action, procedure and/or lawsuit, judicial or administrative, considered relevant under the terms of Paragraph Two conducted by a national or foreign administrative or judicial authority, provided that they are not under confidentiality or secrecy of justice;

II - provide the CREDITOR, by [\*\*\*] during the term of this Agreement, with its individual financial statements for the previous year, audited by an independent auditing company registered with the Brazilian Securities and Exchange Commission - CVM;

III - maintain unchanged the terms and conditions of the legal instrument that regulates the use of the land on which the object of the project referred to in the Sole Paragraph of Clause One (Nature, Amount and Purpose) is to be built, entered into between the CLIENT and the INTERVENING PARTY EMBRAER S.A., presented under the terms of item "c" of Section I of Clause Four (Conditions for the release of the financial cooperation) of this Instrument, subject to any modification requiring the prior and express authorization of the CREDITOR, in particular but not limited to modifications to its duration, remuneration, object or parties.

### **PARAGRAPH ONE**

For the purposes of the special obligation referred to in item I of this Clause, the INTERVENING PARTY is considered aware of:

- I - the receipt of summons, subpoena or notification, judicial or out-of-court, made by a judicial or administrative authority, national or foreign;
- II - communication of the fact by the INTERVENING PARTY to the competent authority; and
- III - the adoption of a judicial or extrajudicial measure by the INTERVENING PARTY against the offender.

### **PARAGRAPH TWO**

For the purposes of the special obligation referred to in item I (notification of relevant proceedings) of this Clause, the following are considered relevant:

I - all sanctioning administrative proceedings, public civil suits (including administrative misconduct), popular or collective, civil or criminal suits related to the crimes indicated below, when classified as probable or possible loss:

- a) against the national or foreign public administration, against the Democratic Rule of Law, against the economic or tax order, the financial system, the capital market or, of "laundering" or concealment of assets, rights and values, terrorism or financing of terrorism, provided for in the applicable national and/or foreign legislation;
- b) that result in harassment, discrimination or prejudice based on personal characteristics (such as ethnicity, race, color, socioeconomic status, family situation, nationality, age, sex, sexual orientation, gender identity, religion, beliefs, disability, genetic or health condition, and ideological or political position), irregular, illegal or criminal exploitation of child labor or practices related to work in conditions analogous to slavery, human trafficking, sexual exploitation or the criminal exploitation of prostitution, bullying or sexual harassment, violence against women or crimes against the environment;

II - all sanctioning administrative proceedings, public civil suits (including administrative misconduct), popular or collective, civil or criminal suits that represent risk to the INTERVENING PARTY'S reputation, regardless of the object or the classification of probability of loss;

III - procedures or lawsuits against employees, agents or representatives of the INTERVENING PARTY, in which it can be held responsible or that pose a risk to its reputation;

IV - procedures or lawsuits against suppliers of a product or service essential to execute the project that pose a risk to the INTERVENING PARTY'S reputation and/or execution of the project.

### **PARAGRAPH THREE**

In the cases referred to in the Paragraph Two of this Clause, the CLIENT shall provide, upon request by the BNDES System, a copy of the decisions and agreements, judicial or extrajudicial, reached in the aforementioned proceedings, as well as detailed information on the measures taken as a result of such proceedings, if available.

#### **SIXTEENTH DEFAULT**

In the event of default of the obligations assumed by the CLIENT, the provisions of arts. 40 to 47-A of the "**PROVISIONS APPLICABLE TO BNDES AGREEMENTS**", referred to in Clause Fourteen (Special Obligations of the CLIENT), item I.

#### **SEVENTEENTH NOTIFICATION**

The CREDITOR, in the event of detecting the occurrence of an event that may characterize the breach of an obligation established in this Instrument, in relation to which there is no fixed term for its fulfillment, will notify the CLIENT and/or INTERVENING PARTY in writing, granting a period of up to [\*\*\*] days, from the receipt date of the notification, to present proof of correction and/or justification about said event.

#### **PARAGRAPH ONE**

The CREDITOR may, at its discretion, without prejudice to other measures and penalties provided for in this Instrument and in the "**PROVISIONS APPLICABLE TO BNDES AGREEMENTS**":

I - accept the proof of correction and/or justification presented, and must inform the CLIENT and/or INTERVENING PARTY in writing;

II - require the return of funds, notifying the CLIENT to do so, pursuant to items XVI and XVII of Clause Fourteen (Special Obligations of the CLIENT);

III - suspend the financial collaboration release; and/or

IV - declare the Instrument to be due and payable early in accordance with Clause Nineteen (Early Maturity) and, in addition, if the purpose of this Instrument has been impaired, apply the provisions of Paragraph One of Clause Nineteen (Early Maturity).

#### **PARAGRAPH TWO**

In the event provided for in item II of Paragraph One of this Clause, the written notification to be sent by the CREDITOR must contain the amount to be refunded, the return period and the information necessary for payment of the amount to be returned.

#### **PARAGRAPH THREE**

At the discretion of the CREDITOR, the measure referred to in item III of Paragraph One of this Clause may be determined prior to the CLIENT's notification.

**EIGHTEENTH**  
**GUARANTEE TO BE PROVIDED**

The fiduciary guarantee in relation to the debt of Sub-credits "A" and "B" will be the guarantee formalized by Letters of Guarantee, according to the model provided by the CREDITOR, to be provided by one or more financial institutions that, in the opinion of the CREDITOR, are in an economic-financial situation that confers on them a degree of notorious solvency, and the guarantor(s) must undertake to be the main payer(s) of the obligations arising from this Instrument, until its final settlement, to limit its liability to installments of the debt of said sub-credits, depending on the amount to be released, in accordance with item III and paragraph Four of Clause Four (Conditions for the release of financial cooperation), expressly waiving the benefits of Articles 366, 827 and 838 of the Civil Code, establishing that any modification of the duration or value of the guarantee is always subject to the prior consent of the guarantor(s).

**PARAGRAPH ONE**

The Letters of Guarantee referred to in the main section of this Clause will be issued for a minimum period of 24 (twenty-four) months, and must be replaced or renewed until the [\*\*\*] day prior to the end of the term of its validity, under penalty of early maturity of this Instrument.

**PARAGRAPH TWO**

The last letter(s) of guarantee to be submitted shall be effective until the [\*\*\*] after the date of the last amortization installment of this Instrument.

**NINETEENTH**  
**EARLY MATURITY**

The CREDITOR may declare this Instrument as matured in advance, with the enforceability of the debt and immediate suspension of any disbursement, if, in addition to the cases provided for in articles 39 and 40 of the "**PROVISIONS APPLICABLE TO BNDES AGREEMENTS**", referred to in Clause Fourteen (Special Obligations of the CLIENT), item I, are proven by the CREDITOR:

I - the existence of a final and unappealable condemnatory sentence due to the practice of acts, by the CLIENT, that result in irregular, illegal or criminal exploitation of child labor, practice related to work in conditions analogous to slavery or crime against the environment;

II - the falsity of the representations presented in Clause Twenty-Eight (Representations by the CLIENT);

III - filing for judicial, extrajudicial recovery, self-bankruptcy, as well as the decree of bankruptcy or liquidation of the CLIENT;

IV - failure to comply with the obligations related to the guarantees, assumed hereunder or in its own instrument.

V - the practice by the CLIENT (i) of the conduct of offering, promising, giving, authorizing, requesting or accepting, directly or indirectly, any undue advantage, pecuniary or of any nature, related in any way to the purpose of this Instrument, as well as (ii) harmful acts, infractions or crimes against the economic or tax orders, the financial system, the capital market or the national or foreign public administration, or the Democratic Rule of Law, of "laundering" or concealment of assets, rights and values, terrorism or financing of terrorism, provided for in the applicable national and/or foreign legislation;

VI - the inclusion, in a corporate agreement, articles of incorporation or organization of the CLIENT, or of the companies that control it, of a provision by which a special quorum is required for the resolution or approval of matters that limit or restrict the control of any of these companies by the respective controllers, or, also, the inclusion in those documents, of a provision that results in:

a) restrictions on the CLIENT'S ability to grow or its technological development;

b)restrictions on the CLIENT'S access to new markets; or

c) restrictions or impairment of the ability to pay the financial obligations arising from this operation;

VII - failure to replace the bank Guarantee Letter(s) within the period established in Paragraph One of Clause Eighteen ("Guarantee to be Provided").

#### **PARAGRAPH ONE**

In the event of the use of the funds granted for purposes other than those provided for in this Instrument, the debt shall become due and payable and all disbursements shall be suspended forthwith. The BNDES System will communicate the fact to the Federal Public Prosecutor's Office, for the purposes and effects of Law No. 7.492/1986.

#### **PARAGRAPH TWO**

This Instrument will also mature in advance, with the enforceability of the debt and immediate suspension of any disbursement, on the election date as a Federal Deputy or Senator, of a person who performs a remunerated function for the CLIENT, or is among its owners, controllers or officers, persons involved in the prohibitions provided for by the Federal Constitution, article 54, items I and II. There will be no more default charges, provided that the payment occurs within 5 (five) business days from the election date, under penalty of not incurring the charges provided for the cases of early maturity due to default.

#### **PARAGRAPH THREE**

Declaration of the early maturity based on the provisions of item I will not occur if the imposed repair is made or while the sentence imposed on the CLIENT is being served, subject to due legal process.

**TWENTIETH**  
**EARLY DEBT SETTLEMENT**

In the event of early debt settlement, the guarantees will be released, observing the provisions of art. 18, of the "**PROVISIONS APPLICABLE TO BNDES AGREEMENTS**" mentioned in Clause Fourteen (Special Obligations of the CLIENT), item I.

**PARAGRAPH ONE**

In the event of early, partial or full settlement of the debt not referenced [\*\*], on its own initiative or responsibility, the CLIENT undertakes to pay, on the settlement date, the principal amount plus accrued and unpaid interest or the amount equivalent to the present amount of future payments provided for in this Instrument until its regular maturity, whichever is greater.

**PARAGRAPH TWO**

The present amount referred to in paragraph one will be calculated by discounting the amount of future interest and amortization payments provided for in this Instrument by the sum of items I and II below:

I - the forward structure of the interest rate related to the market index applicable to the Instrument under settlement, obtained on the platform of the Brazilian Financial and Capital Markets Association (ANBIMA) or another similar provider; and

II - [\*\*].

**PARAGRAPH THREE**

The methodology referred to in Paragraph One does not apply to operations in shortage of principal, for which the CREDITOR may arbitrate the non-receipt and alternative costs.

**TWENTY-FIRST**  
**COMMISSION FOR FINANCIAL COOPERATION**

The CLIENT shall pay to the CREDITOR a Commission for Financial Collaboration of [\*\*] on the value of this Instrument.

**PARAGRAPH ONE**

The CLIENT authorizes the CREDITOR to deduct from the first installment of the credit, upon its release, the amount of [\*\*], related to the Commission for Financial Collaboration.

**PARAGRAPH TWO**

In the event that the first release does not occur, or even if the amount mentioned in Paragraph One of this Clause is not deducted from the first release of the credit, the CLIENT undertakes to pay it to the CREDITOR within [\*\*] days from the date on which it is communicated to do so.

**PARAGRAPH THREE**

In the event of non-payment of the Commission for Financial Collaboration in the manner established in this Clause, the CLIENT will be subject to the sanctions provided for in this Instrument and in the "**PROVISIONS APPLICABLE TO BNDES AGREEMENTS**" mentioned in Clause Fourteen (Special Obligations of the CLIENT) of this Agreement.

**TWENTY-SECOND**  
**COMMISSIONS AND CHARGES**

The CLIENT declares itself aware that it will pay the CREDITOR Commissions and Charges due to the request for services or other activities, observing the hypotheses of incidence and the amounts disclosed on the official page of the BNDES on the internet ([www.bnDES.gov.br](http://www.bnDES.gov.br)).

**TWENTY-THIRD**  
**MATURITY ON HOLIDAYS**

Any maturity of the principal amortization installment and charges that occur on Saturdays, Sundays or national, state, district or municipal holidays, including bank holidays, will, for all purposes and effects of this Instrument, be moved to the first subsequent business day, and the charges will be calculated up until that date, and the following regular period of determination and calculation of the charges of this Instrument will also begin on that date.

**SOLE PARAGRAPH**

For the purposes of the main section of this Clause, unless expressly provided otherwise, the holidays of the place where the CLIENT'S headquarters is located, whose address is indicated in this Instrument, will be considered.

**TWENTY-FOURTH**  
**RESPONSIBILITIES IN BUSINESS SUCCESSION**

In the event of business succession, the eventual successors of the CLIENT will be jointly and severally liable for the obligations arising from this Instrument.

**SOLE PARAGRAPH**

The provisions of the main section of this Clause do not apply if there is prior consent from the CREDITOR for the removal of solidarity in a partial spin-off.

**TWENTY-FIFTH**  
**ENVIRONMENTAL RESPONSIBILITY**

The CLIENT undertakes to reimburse to the CREDITOR, regardless of fault, any amount it may be obliged to pay as a result of environmental damage caused by the project referred to in the first paragraph of Clause One (Nature, Amount and Purpose) and to indemnify the CREDITOR for any loss or damage it may suffer as a result of said environmental damage.

**TWENTY-SIXTH**  
**RECIPROCAL POWER OF ATTORNEY**

The CLIENT and the INTERVENING PARTY hereby irrevocably and irreversibly appoint each other as their mutual and reciprocal attorneys-in-fact until the final settlement of the debt assumed herein, with the power to receive summonses, notifications and subpoenas, and also with "ad judicia" powers for legal proceedings in general, which may be subrogated to a lawyer, all in relation to any judicial or extrajudicial proceedings that may be brought against them by the CREDITOR as a result of this Instrument, and to perform all acts necessary for the good and faithful execution of this power of attorney.

**TWENTY-EIGHTH**  
**CLIENT STATEMENTS**

The CLIENT hereby represents and warrants to the BNDES System that:

I - Regarding the legitimacy to formalize this Instrument:

- a) it has full power, authority and capacity to formalize this Instrument and to perform the obligations assumed herein, having taken all corporate actions necessary to authorize such formalization;
- b) there is no Federal Deputy, nor Senator elected or sworn in, exercising a paid function or among its owners, controllers or officers, not configuring the prohibitions provided for by the Federal Constitution, art. 54, items I and II;

II - Regarding fair practices:

- a) it complies with anti-corruption laws, regulations and policies, as well as the determinations and rules issued by anybody or entity, national or foreign, to which it is subject by legal or contractual obligation, whose purpose is to inhibit or prevent corrupt practices, illegal expenses related to political activity, harmful acts, infractions or crimes against the economic or tax order, the financial system, the capital market or the national or foreign public administration, or the Democratic Rule of Law, of "laundering" or concealment of assets, rights and values, terrorism or financing of terrorism, provided for in the applicable national and/or foreign legislation;
- b) it is not aware that any supplier of a product or service essential to the achievement of the purpose of this instrument has taken any action in connection therewith that violates any of the rules referred to in point "a" of this item;
- c) neither the CLIENT nor its direct or indirect subsidiaries, or any of the respective officers or administrators, employees, agents and representatives are Sanctioned Persons;
- d) neither the CLIENT nor its subsidiaries, direct or indirect, are incorporated, domiciled or located in the Sanctioned Country;
- e) neither the CLIENT nor its subsidiaries, direct or indirect, are party to or intend to be a party to any negotiations or transactions with any Sanctioned Person or related to any activity or transaction blocked in the Sanctioned Country;
- f) it is not aware of any facts that have not been expressly stated and that, if known, could adversely affect the decision to grant the credit.
- g) it does not offer, promise, give, authorize, request or accept, nor will it offer, promise, give, authorize, request or accept, directly or indirectly, any undue advantage, pecuniary or of any nature, related in any way to the purpose of this Instrument, nor does it practice and will not practice harmful acts, infractions or crimes against the economic or tax orders, the financial system, the capital market or the national or foreign public administration, the Democratic Rule of Law, of "laundering" or concealment of assets, rights and values, terrorism or financing of terrorism, provided for in the applicable national and/or foreign legislation;
- h) it does not practice acts that result in discrimination based on race, ethnicity or gender, irregular, illegal or criminal exploitation of child labor, practice related to work in conditions analogous to slavery, or that characterize bullying or sexual harassment, violence against women or that result in a crime against the environment and will not practice said acts during the term of this Instrument;
- i) it takes and will take, during the term of this Instrument, all measures at its disposal to prevent its managers or its subsidiaries; its employees, agents or representatives; as well as suppliers, of a product or service essential for the execution of the purpose provided for in this Instrument, from practicing the acts described in items "g" and "h" above;

III - With regard to socio-environmental aspects:

- a) it complies with the provisions of the legislation regarding the National Environmental Policy and adopts measures and actions aimed at avoiding or correcting damages or violations to the environment, safety and occupational medicine that may be caused as a result of the purpose provided for in this Instrument;
- b) it is in good standing with the Environmental Authorities and that all licenses, permits, approvals, etc., presented to the CREDITOR, which are currently necessary for the execution of the purpose provided for in this Instrument, remain valid;
- c) it complies with the legislation applicable to persons with disabilities in the execution of the purpose provided for in this Instrument, in particular the requirements provided for in Law No. 13.146/2015 (Statute of Persons with Disabilities);
- d) it observes the following international agreements ratified by Brazil: I) Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin-Based Weapons and on their Destruction, promulgated by Decree no. 77.374/1976; II) Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer, promulgated by Decree no. 99.280/1990; III) Basel Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal, promulgated by Decree no. 875/1993; IV) Treaty on the Non-Proliferation of Nuclear Weapons, promulgated by Decree no. 2.864/1998; V) International Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on the Destruction of Existing Chemical Weapons in the World, promulgated by Decree no. 2.977/1999; VI) Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction, promulgated by Decree no. 3.128/1999; VII) Convention on International Trade in Endangered Species of Wild Fauna and Flora – CITES, pursuant to Decree no. 3.607/2000; VIII) Stockholm Convention on Persistent Organic Pollutants; and IX) Minamata Convention on Mercury, promulgated by Decree no. 9.470/2018;
- e) it is not aware of any fact or event, including the issuance of an administrative or judicial decision, that compromises the environmental regularity of the financed project;
- f) the execution of the purpose provided for in this Instrument does not provide for the reduction of the CLIENT'S permanent staff;

IV - With regard to tax aspects:

- a) it is current with its tax obligations, including social, labor and social security contributions;

V - With respect to the guarantees provided:

- a) it will keep and conserve the assets given as collateral, in accordance with the provisions of items I and II of article 1.363 of the Civil Code, being civilly responsible for any breach of these obligations;

VI - In relation to the other legal impediments to formalize this Instrument:

- a) on the date of formalization of this Instrument, there is no default with the Federal Government, its organs and entities of the direct and indirect administrations, except for the notes whose handling has been specified, and this representation does not include obligations whose proof of compliance must be made by means of a certificate, due to the legislation in effect;
- b) there are not, as of the formalization date of this Instrument, against the CLIENT and its officers (i) **Johann Christian Jean-Charles Bordais**, [\*\*\*]; (ii) **Eduardo Siffert Couto**, [\*\*\*]; and (iii) **Luiz Felipe Ribeiro Valentini**, [\*\*\*], final administrative sanctioning decision, issued by a competent authority or body, due to the practice of acts that result in discrimination based on race, ethnicity or gender, irregular, illegal or criminal exploitation of child labor or practices related to work in conditions analogous to slavery, and/or final and non-appealable conviction, rendered as a result of said acts, or others that characterize bullying or sexual harassment, violence against women or that result in a crime against the environment;
- c) on the date of formalization of this Instrument, there is no administrative or judicial conviction against the CLIENT and its officers, already qualified, capable of producing effects, which results in a prohibition to enter into contracts with official financial institutions or with the Public Administration, or to receive incentives, subsidies, grants, donations or loans from public bodies or entities and public financial institutions or controlled by the government, due to the practice of unlawful acts defined by law.

**PARAGRAPH ONE**

The CLIENT shall communicate to the CREDITOR any material change in fact that causes the representations made in this Clause to cease to be true, consistent, correct or sufficient, until the final settlement of all obligations arising from this Instrument. In the event of this communication, the CLIENT undertakes to provide the CREDITOR, when requested and within the period indicated by it, with the information and documents necessary to understand the factual situation and the measures adopted by the CLIENT. If the CREDITOR does not receive any communication from the CLIENT in this regard, the representations made by the CLIENT in the form of the main section will be considered valid and reiterated throughout the term of this Instrument.

**PARAGRAPH TWO**

The CLIENT shall, upon request for release of any part of the credit, or upon request of the CREDITOR, within a period of up to 30 days from the date of receipt of the notification, expressly reiterate the representations made in this Clause, except as provided in item 'a' of item I and in item VI, subject to Paragraph One.

### **PARAGRAPH THREE**

The CLIENT undertakes to maintain, during the effectiveness of this Instrument, performance compatible with the statements made in the main section and in the form of Paragraphs One and Two of this Clause, being aware that if such statements are not or cease to be true, consistent, correct or sufficient, the applicable legal sanctions, of a civil and criminal nature, may be applied, in addition to the early maturity of the Agreement.

### **PARAGRAPH FOUR**

For the purposes of item "i" of item II of the main section of this Clause, measures are considered to prevent the practice of corrupt conduct, among others, the implementation, maintenance and/or improvement of internal control practices and/or systems, including standards of conduct, integrity policies and procedures, in order to ensure faithful compliance with national or foreign legislation applicable to the CLIENT and/or its subsidiaries.

### **PARAGRAPH FIVE**

For the purposes of item II of the main section of this Clause, the following definitions are adopted:

I - Sanctioned Country: any country or territory that is, or whose government is, subject to Sanctions;

II - Sanctioned Person: any individual or legal entity, authority or governmental body with whom transactions are restricted or prohibited by Sanctions;

III - Sanctions: economic or financial sanctions, embargoes and restrictive measures in force, administered or applied by the United Nations Security Council, the Brazilian State or by an authority exercising jurisdiction over the CLIENT, its subsidiaries, or any of their respective officers or directors, employees, agents and representatives, due to their domicile or business activities.

**TWENTY-NINTH**  
**DECLARATIONS OF THE INTERVENING**

The INTERVENING PARTY hereby represents and warrants to the CREDITOR that: I - Regarding the legitimacy to intervene in this Instrument:

a) it has full power, authority and capacity to intervene in this Instrument and fulfill the obligations assumed herein, having adopted all necessary measures to authorize the respective intervention;

II -       Regarding fair practices:

a)       it complies with anti-corruption laws, regulations and policies, as well as the determinations and rules issued by anybody or entity, national or foreign, to which it is subject by legal or contractual obligation, whose purpose is to inhibit or prevent corrupt practices, illegal expenses related to political activity, harmful acts, infractions or crimes against the economic or tax order, the financial system, the capital market or the national or foreign public administration, or the Democratic Rule of Law, of "laundering" or concealment of assets, rights and values, terrorism or financing of terrorism, provided for in the applicable national and/or foreign legislation;

b)       neither the INTERVENING PARTY nor its subsidiaries, direct or indirect, or any of the respective officers or managers, employees, agents and representatives are Sanctioned Persons;

c)       neither the INTERVENING PARTY nor its subsidiaries, direct or indirect, are incorporated, domiciled or located in a Sanctioned Country;

d)       neither the INTERVENING PARTY nor its subsidiaries, direct or indirect, are party to or intend to be a party to any negotiations or transactions with any Sanctioned Person or related to any activity or transaction blocked in the Sanctioned Country;

e)       it is not aware of any facts that have not been expressly stated and that, if known, could adversely affect the decision to grant the credit.

f)       it does not offer, promise, give, authorize, request or accept, nor will it offer, promise, give, authorize, request or accept, directly or indirectly, any undue advantage, pecuniary or of any nature, related in any way to the purpose of this Instrument, nor does it practice and will not practice harmful acts, infractions or crimes against the economic or tax orders, the financial system, the capital market or the national or foreign public administration, the Democratic Rule of Law, of "laundering" or concealment of assets, rights and values, terrorism or financing of terrorism, provided for in the applicable national and/or foreign legislation, and it takes and will take all measures within its power to prevent the administrators/directors, employees, agents, representatives, itself or its subsidiaries from doing so;

III -       With regard to tax aspects:

a)       it is current with its tax obligations, including tax, labor and social security contributions;

#### **PARAGRAPH ONE**

The INTERVENING PARTY is aware that the falsity of the representations made in the main section of this Clause may result in the application of the applicable legal sanctions, of a civil and criminal nature.

#### **PARAGRAPH TWO**

The INTERVENING PARTY shall, at the request of the CREDITOR, within a period of up to [\*\*\*] from the date of receipt of the notification, expressly reiterate the representations made in this Clause and notify the CREDITOR of any material change of fact that causes the representations to cease to be true, consistent, correct or sufficient, until the final settlement of all obligations under this Instrument.

#### **PARAGRAPH THREE**

For the purposes of item II of the main section of this Clause, the following definitions are adopted:

I - Sanctioned Country: any country or territory that is, or whose government is, subject to Sanctions;

II - Sanctioned Person: any individual or legal entity, authority or governmental body with whom transactions are restricted or prohibited by Sanctions;

III -Sanctions: economic or financial sanctions, embargoes and restrictive measures in force, administered or applied by the United Nations Security Council, the Brazilian State or by an authority exercising jurisdiction over the INTERVENING PARTY, its subsidiaries, or any of their respective officers or directors, employees, agents and representatives, due to their domicile or business activities.

#### **PARAGRAPH FOUR**

For the purposes of point "f" of item II of the main section of this Clause, measures are considered to prevent the practice of corrupt conduct, among others, the implementation, maintenance and/or improvement of internal control practices and/or systems, including standards of conduct, integrity policies and procedures, in order to ensure faithful compliance with national or foreign legislation applicable to the INTERVENING PARTY and/or its subsidiaries.

#### **THIRTIETH PUBLICITY**

The CLIENT and the INTERVENING PARTY authorize the external disclosure:

I - of the entirety of this instrument by the CREDITOR, regardless of its public registration in at a registry office;

II - of the results of the following indicators of effectiveness and effectiveness of the financing granted in this instrument, which will not contain information that may compromise confidentiality provided for by law: Built area of pioneer plant (m<sup>2</sup>), Expenditure on innovative activities (R\$ thousand) and Net Operating Revenue (R\$ thousand/year).

**THIRTY-FIRST**  
**TRANSFER OF SECRECY**

The CLIENT and the INTERVENING PARTY declare that they are aware that the BNDES System will provide the Federal Court of Accounts (TCU), the Federal Public Prosecutor's Office (MPF), the Office of the Comptroller General (CGU) and, when the funding resources originate from the Worker Support Fund - FAT, also to the Deliberative Council of the Worker Support Fund (CODEFAT) and the Ministry linked to it, or other public agency that succeeds it, the information that is requested by them, with the transfer of the duty of secrecy.

**THIRTY-SECOND**  
**PERSONAL DATA ACCESS AND PROTECTION**

The Parties, in compliance with the provisions of Law no. 13.709/2018 (General Data Protection Regulation - LGPD), in the current legislation on personal data protection and in any determinations of regulatory bodies/entities, undertake to protect the rights related to personal data processing, and, therefore, adopt measures of good governance under the technical aspect, including security, legal and administrative, observing mainly the following:

I - the personal data processed as a result of this Instrument must be accurate and updated. Processing must comply with the parameters provided for in the legislation, especially in the LGPD and must also be in accordance with the purposes expressed in this Instrument, except for the latter requirement, in cases where the Parties are considered independent controllers;

II - each Party will be an independent controller, for the purposes of this Instrument, and it is appropriate to individually define the appropriate legal bases and guidelines for processing operations, in relation to the following personal data: (i) that they will collect directly from the respective data subjects, provided that this processing operation is based on their own decisions; (ii) arising from their own databases; and (iii) related to their body of collaborators, employees and/or agents involved in the regular execution of this Instrument;

III - personal data received from the other Party as a result of this Instrument must be deleted once it has been processed, except when the Law allows such data to be kept after this event.

**PARAGRAPH ONE**

The Parties authorize the disclosure of personal data expressly contained in this Instrument, such as name, CPF, position of the legal representatives who subscribed to this instrument and those mentioned as responsible for receiving any notifications, for the purpose of publicizing credit operations on their institutional website, committing to inform about the use of such personal data, when applicable, to their respective data subjects, as well as undertake to collect consent, when necessary, as provided for in the LGPD.

**PARAGRAPH TWO**

The Security Incident, as well as unauthorized improper access and the leak or loss of personal data, will be the sole responsibility of the Party giving rise to it, and solidarity or subsidiarity will not apply if the other Party has not processed the personal data object of the incident and has not violated the personal data protection legislation.

**THIRTY-THIRD**  
**PROCESSING OF PERSONAL DATA BY THE BNDES SYSTEM**

The BNDES System, whenever it is characterized as a controller of personal data, in accordance with the Corporate Policy for Personal Data Protection of the BNDES System (PCPD) and the Corporate Policy for Information Security of the BNDES System (PCSI), may only process the personal data shared based on the hypotheses provided for in the LGPD (legal basis), following the principles provided for in this legislation, in particular that of adequacy, security, prevention and minimization.

**PARAGRAPH ONE**

Personal data processing, including administrators, partners, service providers and individuals may occur in the cases shown in the Terms of Use and Privacy Notice of the Client's Portal, available at the following link:  
<https://www.bnDES.gov.br/wps/portal/site/home/financiamento/roteiros/portal-do-cliente>. Among the intended purposes we highlight the following:

- I - to execute contractual obligations (e.g., data of the company's collaborators to enable notifications, contact information of legal representatives, administrators or commercial contacts to enable billing to be sent and financial resources to be released);
- II - for compliance with legal or regulatory obligations (e.g. data from partners, administrators and guarantee providers to carry out the necessary steps to comply with the rules on the prevention of money laundering, financing of terrorism and the proliferation of weapons of mass destruction);
- III - to protect the credit granted (e.g. data of partners and guarantee providers to carry out consultations and sharing with institutions that provide services related to credit analysis, including the Credit Information System - SCR); and
- IV - to improve and optimize CLIENT's experience (e.g. contact information of company collaborators to send offers of products similar to those contracted).

**PARAGRAPH TWO**

The personal data processed, including those related to financing/loan operations or another form of financial support, may be shared with the people listed in the Terms of Use and Privacy Notice of the Client's Portal, available at the following link:  
<https://www.bnDES.gov.br/wps/portal/site/home/financiamento/roteiros/portal-do-cliente>, which we highlight the following:

- I - international organizations, with which the BNDES System raises funds, such as the Inter-American Development Bank (IDB) and the World Bank, for the purpose of demonstrating the correct application of funds, subject to the provisions of the LGPD on the subject;
- II - with control entities and bodies, such as the Central Bank of Brazil, the Federal Court of Accounts, the Federal Comptroller General's Office, the Federal Public Prosecutor's Office and the Federal Police, whenever requested by these entities; and
- III - with entities and bodies that are members of the Direct and Indirect Public Administration (such as Ministries, autarchies and public companies), for the purposes of accountability and execution/formulation of public policies, for the fulfillment of other legal or regulatory obligations or, also, in accordance with the other legal bases provided for in the LGPD.

### **PARAGRAPH THREE**

The data subjects of personal data processed may answer questions related to the legislation on personal data protection through e-mail to be sent to the following e-mail address: dpo\_encarregado@bndes.gov.br, and exercise the rights mentioned below through the Fala.BR Channel - Integrated Platform for Ombudsman and Access to Information, available at <https://www.bnnes.gov.br/wps/portal/site/home/quem-somos/canais-atendimento/ouvidoria/ouvidoria-envie-sua-mensagem>, as informed in the Terms of Use and Privacy Notice:

- I - access to data;
- II - confirmation of the existence of processing;
- III - correction of incomplete, inaccurate or outdated data;
- IV - withdrawal of consent, ratifying the processing carried out under the support of the consent previously expressed;
- V - knowing with which public and private entities the BNDES shared its data; and
- VI - request for anonymization, blocking or deletion of unnecessary, excessive or processed data in violation of the provisions of the General Personal Data Protection Regulation (LGPD).

### **THIRTY-FOURTH COMMUNICATIONS**

All notices under this Instrument shall be in writing and shall be sent by registered mail or electronic mail (e-mail) to the following addresses or to such other addresses as the CREDITOR or the CLIENT and the INTERVENING PARTY may designate:

**BNDES:** Av. República do Chile, no. 100, Centro Rio de Janeiro - RJ  
CEP 20.031-917  
Tel.: [\*\*\*]  
Email: [\*\*\*]  
C/O: [\*\*\*]

**CLIENT:** Rodovia Presidente Dutra, s/nº - km 134 – Edif. E-571 – Eugênio de Melo São José dos Campos - SP  
CEP 12247-004  
Tel.: [\*\*\*]  
Email: [\*\*\*]  
C/O: [\*\*\*]

**INTERVENING PARTY:** Avenida Brigadeiro Faria Lima No. 2170, Putim  
São José dos Campos - SP CEP 12227-901  
Tel.: [\*\*\*]  
Email: [\*\*\*]

## **SOLE PARAGRAPH**

Any communications under this Instrument will be valid and considered delivered on the receipt date, as evidenced by a protocol signed by the party to which it is delivered; in the case of transmission by mail, upon acknowledgment of receipt; or, in the case of transmission by electronic mail (e-mail), on the sending date of the correspondence, if sent by the end of the recipient's business day and, if after that time, on the subsequent business day.

## **THIRTY-FIFTH JURISDICTION**

The Forums are elected to settle disputes arising from this Instrument, which cannot be resolved out of court, those of Rio de Janeiro and the headquarters of the CREDITOR.

## **THIRTY-SIXTH** **EFFECTIVENESS OF THE INSTRUMENT**

The effectiveness of this Instrument is subject to its return to the CREDITOR, which may occur electronically, within 60 (sixty) days, as of the date on which it was attached to the end of this Instrument, with the signature of the legal representatives of the CLIENT and the INTERVENING PARTY, and the CREDITOR must send electronic correspondence to the CLIENT about the fulfillment of this condition.

## **PARAGRAPH ONE**

The term established in the main section of this Clause may be extended by the CREDITOR upon communication to the CLIENT.

## **PARAGRAPH TWO**

In the event that the extension of the period provided for in Paragraph One is granted, the CLIENT will pay to the CREDITOR the Credit Reserve Charge of 0.1% (one tenth percent), chargeable for a period of 30 days, or fraction thereof, levied on the amount of the credit, for a period counted from the 61st (sixty-first) day as of the date on which it was attached to the end of this Instrument up until the effective Instrument or termination date for non-compliance with the condition(s) of effectiveness, the respective payment being required for the initial use of the credit, from which it will be deductible, or after the termination of the Instrument.

## **THIRTY-SEVENTH EXTINCTION**

If the obligation borne by the CLIENT, established in Clause Thirty-Six (Effectiveness of the Instrument), is not fulfilled within the period established in said Clause, this Instrument shall be deemed to have expired by operation of law, in which case the CREDITOR shall notify the CLIENT of such expiration.

THE CLIENT EVE SOLUÇÕES DE MOBILIDADE AÉREA URBANA LTDA. presented the Debt Clearance Certificate related to Federal Taxes and Active Debt of the Federal Government - CND No. B104.705D.6D6E.F750, issued on September 24, 2024, by the Federal Revenue Service of Brazil and the Attorney General's Office of the National Treasury, and valid until March 23, 2025.

The INTERVENING PARTY EMBRAER S.A. presented the Debt Clearance Certificate related to Federal Taxes and Active Debt of the Federal Government - CND No. E266.FB09.87D1.DD97, issued on April 18, 2024, by the Federal Revenue Service of Brazil and the Attorney General's Office of the National Treasury, and valid until October 15, 2024.

The CREDITOR is hereby represented by the undersigned and identified Superintendent and Head of Department, pursuant to the power of attorney drawn up in Book 1009, pages 098-102, of the 22nd Notary Public's Office of the Judicial District of the Capital of the State of Rio de Janeiro on April 4, 2024.

The parties sign, by means of a digital certificate issued in the ICP-Brasil standard, in accordance with the provisions of article 1 and article 10, paragraph 1 of Provisional Measure no. 2.200-2/2001. For all purposes, they declare that the type of signature used meets the provisions of § 4 of art. 784 of the Code of Civil Procedure and consider the date affixed to the end of the instrument as that of the legal formalization of this Instrument.

Rio de Janeiro, October 07, 2024.

**For the CREDITOR:**

---

BANCO NACIONAL DE DESENVOLVIMENTO ECONÔMICO E SOCIAL - BNDES

**For the CLIENT:**

---

EVE SOLUÇÕES DE MOBILIDADE AÉREA URBANA LTDA.

**For the INTERVENING PARTY:**

---

EMBRAER S.A.

Certain identified information has been excluded from this exhibit because it is both not material and is the type that the registrant treats as private or confidential. Omitted Information is indicated by [\*\*\*]

**FOURTH AMENDMENT [VEI0039-24] TO THE  
MASTER SERVICES AGREEMENT BETWEEN  
EMBRAER S.A. AND EVE UAM, LLC**

THIS Fourth Amendment [VEI0039-24] ("Amendment 4") to the Master Service Agreement between Embraer S.A. and Eve UAM, LLC dated December 14, 2021, as amended from time to time (the "Original Agreement"), is made and entered this in September 09, 2024, to be effective as of September 30, 2023 by and between:

**EMBRAER S.A.**, joint-stock corporation (sociedade anônima) organized under the laws of the Federative Republic of Brazil having its principal place of business at Avenida Brigadeiro Faria Lima, 2170, in the City of São José dos Campos, State of São Paulo, Brazil ("Embraer"); and,

**EVE UAM, LLC**, limited liability company organized under the laws of the State of Delaware, United States of America, having its principal place of business at 1400 General Aviation Drive, Melbourne, FL 32935, United States ("Eve");

Embraer and Eve are referred to herein, individually, as a "Party", and collectively as the "Parties".

Whereas, Embraer and Eve have agreed to revise certain terms of the Original Agreement to extend the Expiration Date of SOW1.2.1 from September 30, 2023 to December 31, 2024.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and agreements herein contained, sufficiency and receipt of which are hereby acknowledged, the Parties hereto agree to amend the Original Agreement as follows:

All capitalized terms used herein, unless otherwise defined or indicated, shall have the same meaning as referred to in the Original Agreement.

**1. MODIFIED CLAUSE**

The Parties agree to delete the terms of Clause 2 of the Exhibit 7 (eVTOL Industrialization Phase 1 - SOW1.2.1) of the Original Agreement and replace it for the following terms:

"2. Term of SOW. This SOW 1.2.1 is effective beginning on March 06<sup>th</sup>, 2023 ("Effective Date") and will remain in effect until [\*\*\*], unless earlier terminated in accordance with the Master Agreement."

**2. ENTIRE AGREEMENT**

The Original Agreement, as modified from time to time in writing by the Parties, and as modified by this Amendment 4, including all Exhibits, constitutes the complete and exclusive agreement between the Parties relating to the subject matter hereof and cancels and supersedes all previous agreements between the Parties relating thereto, whether written or oral. Furthermore, the terms and conditions contained in this Amendment 4 do not create or represent a precedent for the interpretation of any other agreements that have been or will be executed between the Parties not in relation to the subject matter hereof.

All other terms and conditions set forth in the Original Agreement, not expressly modified by this Amendment 4, are hereby expressly ratified by the Parties, incorporated by reference and remain in full force and effect. In case of any conflict between this Amendment 4 and the Original Agreement, this Amendment 4 shall prevail.

If any provision of the Original Agreement, as amended from time to time, is or becomes void or unenforceable by force or operation of law, the other provisions shall remain valid and enforceable.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Embraer and Eve have caused this Amendment 4 to be duly executed and delivered by their authorized representatives, in duplicate originals, to be effective as of the day first above written.

**EVE UAM, LLC**

/s/ Luiz Felipe Ribeiro Valentini

Name: Luiz Felipe Ribeiro Valentini

Title: Chief Technology Officer

/s/ Eduardo Siffert Couto

Name: Eduardo Siffert Couto

Title: Chief Financial Officer

**EMBRAER S.A.**

/s/ Antonio Carlos Garcia

Name: Antonio Carlos Garcia

Title: Chief Financial Officer

/s/ Roberto de Deus Chaves

Name: Roberto de Deus Chaves

Title:

Certain identified information has been excluded from this exhibit because it is both not material and is the type that the registrant treats as private or confidential. Omitted Information is indicated by [\*\*\*]

**FIRST AMENDMENT TO THE**  
**SUPPLY AGREEMENT (GND0132-23) FOR THE EVE-100 PROGRAM**  
**(THIS DOCUMENT REFERENCE GDN0012-24)**

This [First] Amendment ("Amendment") is made and entered to be effective as of November 29th, 2023 the ("Effective Date"), by and between EVE UAM, LLC., a limited liability company organized under the laws of the State of Delaware, United States, having its principal place of business at 1400 General Aviation Drive, Melbourne, FL 32935, United States and Embraer S.A., a corporation existing under the laws of the Federative Republic of Brazil, having its principal place of business at Avenida Brigadeiro Faria Lima, 2170, in the city of São José dos Campos, State of São Paulo, Brazil acting on behalf of Eve pursuant to the Master Services Agreement (defined below) ( **where the context requires, Eve and Embraer collectively, the "Buyer" or "Buyer Group"**), and Nidec Aerospace LLC, a company existing under the laws of Delaware, United States of America and having its principal place of business at 8050 West Florissant Avenue, Ferguson, Missouri 63136, USA ("Supplier"), is in regard to the Supply Agreement **GND0132-23** entered into by Embraer and Supplier on June 16<sup>th</sup>, 2023 for the supply of certain equipment and related services, as amended from time to time (collectively the "Original Agreement").

EVE and Embraer are hereinafter collectively referred to as "Buyer".

Embraer and Supplier are referred to herein, individually, as a "Party", and collectively as the "Parties".

All capitalized terms used herein, unless otherwise defined or indicated, shall have the same meaning as referred to in the Original Agreement.

WHEREAS, Buyer and Supplier have decided to revise certain terms of the Original Agreement;

WHEREAS, Embraer and EVE have entered into that certain Master Services Agreement, dated December 14th, 2021 (the "Master Services Agreement"), pursuant to which Embraer will render services to EVE, to among other things, select suppliers in connection with the development and production of the EVE-100, and, for purposes of this Agreement, Embraer is acting on behalf of EVE solely as a service provider pursuant to the Master Services Agreement;

WHEREAS, [\*\*\*];

WHEREAS, Supplier agrees to supply of certain aeronautical products for use in the full scale Proof of Concept Electrical Vertical Takeoff and Landing vehicle ("POC2") which was formalized by Buyer in the letter [\*\*\*] Commercial Settlement - EPU for eVTOL POC and is herein described in the Exhibit A.1;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, sufficiency and receipt of which are hereby acknowledged, the Parties hereto agree to amend the Original Agreement as follows:

**1- MODIFIED OR ADDED EXHIBITS**

**1.1 The following Exhibit attached hereto is hereby included and become an integral part of the Original Agreement:**

Exhibit A      [\*\*\*]  
Exhibit A.1      [\*\*\*]  
Exhibit D.1      [\*\*\*]  
Exhibit I      [\*\*\*]

**2- MODIFIED OR ADDED PROVISIONS**

**2.1 Section 2.1 of the Original Agreement is hereby deleted in its entirety and replaced with the following:**

***2.1 Subject of Agreement***

According to the terms and conditions of this Agreement, Supplier agrees to design, develop, certify, industrialize, manufacture, test, provide support for certification at any Airworthiness Authority and supply the Products for use or installation on the Aircraft. Supplier must furthermore provide the Services and Customer Support in accordance with the terms of the Product Support Agreement – Exhibit G, and cooperate, as reasonably requested by Buyer, with all Other Program Participants.

Supplier acknowledges that it is expecting to have a production capability to supply [\*\*\*] Shipsets to Buyer per year or the equivalent of [\*\*\*] Shipset delivered per calendar month.

Buyer does guarantee to Supplier: (i) one hundred percent ([\*\*]%) of the first [\*\*\*] years after [\*\*\*] or [\*\*\*] Shipsets, whichever occurs later, of any Products to be purchased by Buyer under this Agreement and/or under any Purchase Order and (ii) [\*\*\*] of any Products to be purchased by Buyer under this Agreement and/or under any Purchase Order. If volume falls below [\*\*\*] shipsets per calendar year starting the second year after start of production, parties agree to meet and work together on a resolution to this situation which could include a price increase or a jointly agreed contract termination as possible solutions. The Parties agree that Buyer, at any time during the life of this Agreement and in its sole discretion, may purchase similar or comparable products and/or services from other suppliers so long as Buyer purchases the volumes of Product as described herefore in this Section.

Notwithstanding the foregoing, Parties agree that (a) if any Product is, in Buyers' reasonable judgment, not technologically competitive, for reasons including, but not limited to, availability in the marketplace of significant changes in technology, design, materials, specifications or manufacturing processes which result in a reduced weight or improved appearance, performance, functionality, maintainability or reliability, or (b) in case of an Event of Default by Supplier; the provisions established on item (i) above shall not apply and Buyer shall be allowed, at its sole discretion, to procure or purchase similar or comparable products and/or services to those provided under this Agreement, from any third parties. In case of item "(a)", Buyer agrees to entitle Supplier to participate in the procurement process and submit a revised proposal. If such proposal is competitive to the potential alternate source, Buyer agrees to maintain the provisions established on item (i) above.

Buyer grants to Supplier the right to perform an audit at Buyer's premises by a third-party audit company selected by Supplier and approved by Buyer and such approval shall not be unreasonably withheld. Any audit shall be at the cost and expense of Supplier unless the audit determines a discrepancy of the terms under the Section 2.1 by Buyer, in which case Buyer shall reimburse the reasonable cost of the audit to Supplier. Such audit shall include all data necessary, as determined by the independent auditor, to validate the minimum volume commitment of [\*\*\*]. In the event a discrepancy is discovered by the independent auditor, Buyer agrees to add to the [\*\*\*] committed volume for the year subsequent of the year for which the audit was performed, the quantity of Products that were not purchased by Buyer from Supplier as indicated in the audit report.

In case Buyer fails to comply with the [\*\*\*] committed volume for at least [\*\*\*] consecutive years, Supplier is entitled at its own discretion to do not concede the Volume based discount as per Section 3.4.3.1 in this Agreement as well as to do not apply any cap in the Price Adjustment for the subsequent years until the volume commitment be fulfilled by Buyer according to this Section 2.1.

In addition, Parties agree that for every ten kilograms [\*\*\*] of Shipset weight reduction, starting at five hundred and fifty kilograms [\*\*\*], Buyer will increase at one point five percent [\*\*\*] the volume share committed in this Section 2.1 with a cap of [\*\*\*] increase.

According to the terms and conditions of this Agreement, Supplier agrees to design, develop, manufacture, test, supply, ship, transfer, and support to Embraer the Products listed in Exhibit A.1 – [\*\*\*].

**2.2 Section 3.4.1 of the Original Agreement is hereby deleted in its entirety and replaced with the following:**

Price will be adjusted according to the following formula (upwards or downwards, as the case may be):

[\*\*\*]

---

3.3 The following provision is added to the Original Agreement as Section 7.2.5:

7.2.5 *Termination by Embraer Upon Certain Events*

[\*\*\*]

[\*\*\*]

3.4 Section 6.8.3 of the Original Agreement is hereby replaced in its entirety with the following:

[\*\*\*]

The software load content will be mutually agreed by both Parties.

For software loads including modifications classified as "Immediate must fix item" or "High Priority", according to the definitions stated in Exhibit D – Statement of Work (SOW) Supplier agrees to use its reasonable commercial efforts to release the respective load in the shorter period possible, according to the terms set forth herein in this Agreement.

For the avoidance of doubt, the cycle of software loads addressed in this Section 6.8.3 shall not take into account the planned loads for the development and certification of subsequent Aircraft models.

3.5 Section 7.5.3 of the Original Agreement is hereby replaced in its entirety with the following:

[\*\*\*]

[\*\*\*]

[\*\*\*]

[\*\*\*]

[\*\*\*]

[\*\*\*]

3.6 Section 7.7.2 of the Original Agreement is hereby replaced in its entirety with the following:

7.7.2 Supplier's Limitation of Liability

7.7.2.1 [\*\*\*].

7.7.2.2 [\*\*\*].

[\*\*\*]

**3- ENTIRE AGREEMENT**

The Original Agreement, as modified from time to time in writing by the Parties and jointly with this Amendment, including all Exhibits, constitutes the complete and exclusive agreement between the Parties relating to the subject matter hereof and cancels and supersedes all previous agreements between the Parties relating thereto, whether written or oral. Furthermore, the terms and conditions contained in this Amendment do not create or represent a precedent for the interpretation of any other agreements that have been or will be executed between the Parties not relation to the subject matter hereof.

All other terms and conditions set forth in the Original Agreement, not expressly modified by this Amendment, are hereby expressly ratified by the Parties, incorporated by reference, and remain in full force and effect. In case of any conflict between this Amendment and the Original Agreement, this Amendment shall prevail.

If any provision of the Original Agreement, as amended from time to time, is or becomes void or unenforceable by force or operation of law, the other provisions shall remain valid and enforceable.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed and delivered by their duly authorized officers and to be effective as of the Effective Date above written.

**By EVE UAM, LLC:**

/s/ Luiz Felipe Ribeiro Valentini

Name: /s/ Luiz Felipe Ribeiro Valentini

Title: Chief Technology Officer

/s/ Eduardo Siffert Couto

Name: /s/ Eduardo Siffert Couto

Title: Chief Financial Officer

**By EMBRAER S.A.:**

/s/ Fernando Bertoncini

Name: /s/ Fernando Bertoncini

Title: Director, Procurement, Contracts

/s/ Erik Adriano da Silva

Name: /s/ Erik Adriano da Silva

Title: Director, Procurement, Contracts

**By NIDEC AEROSPACE LLC:**

/s/ Vincent Braley

Name: /s/ Vincent Braley

Title: Chief Executive Officer

Name:

Title:

Certain identified information has been excluded from this exhibit because it is both not material and is the type that the registrant treats as private or confidential. Omitted Information is indicated by [\*\*\*].

**AMENDMENT TO THE  
MASTER SERVICES AGREEMENT BETWEEN  
ATECH NEGÓCIOS EM TECNOLOGIAS S.A. AND EVE UAM, LLC**

THIS Amendment to the Master Services Agreement ("Amendment") is made and entered as of January 1<sup>st</sup>, 2024, by and between:

**Atech Negócios em Tecnologias S.A.**, a company organized under the laws of Brazil, having its principal place of business at Rua do Rocio, 313, 5th floor, Vila Olímpia, in the city of São Paulo, São Paulo, Brazil ("Atech"); and

**Eve UAM, LLC** a limited liability company organized under the laws of the State of Delaware, United States, having its principal place of business at 1400 General Aviation Drive, Melbourne, FL 32935, United States ("Eve").

Atech and Eve are referred to herein, individually, as a "Party", and collectively as the "Parties".

**WHEREAS**, on December 14, 2021, Atech and Eve entered into that certain Master Services Agreement (the "Original Agreement"); and

**WHEREAS**, Atech and Eve wish now to amend certain provisions of the Original Agreement.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and agreements herein contained, sufficiency and receipt of which are hereby acknowledged, the Parties hereto agree to amend the Original Agreement as follows:

**1. MODIFIED SECTION**

Section 3.2 of the Original Agreement is hereby amended by deleting the provision in its entirety and replacing it with the following:

**3.2 Sales, Marketing and Customer Support in Brazil**

**3.2.1. Sales, Marketing and Customer Support in Brazil**. With the exception of the conditions of clause 3.2.2., Atech shall be the prime contractor and Face-to-the-Customer for the provision of Services and/ Products related to UATM Solutions to customers in Brazil, [\*\*\*]. The Parties agree to enter into a written agreement, prior to concluding any deal with the customer, further detailing the commercialization by Atech of the UATM Solutions in Brazil.

**3.2.2. Sales and Marketing exclusively relating to Vertiports and Fleet Operators' solutions in Brazil**. Eve shall be the prime contractor and face-to-the-customer in the provision of Services and/or Products related to UATM Solutions regarding [\*\*\*], and/or (ii) [\*\*\*].

**3.2.2.1.** Notwithstanding the above, for any new business opportunities carried out in Brazil by Eve for any and/all Specific Customers, Eve must grant to Atech [\*\*\*] to provide Services and/or Products to any Specific Customers. Upon receipt of the RFR notification, Atech will have [\*\*\*] days to either decline or respond to Eve. Eve shall [\*\*\*] for the provisions of such Services and/or Products where Atech has reasonably demonstrated a local capability to support these Specific Customers in a highly competitive manner, with respect to industry standard lead times, high quality standards and in cost in comparison with other global suppliers of similar products, services and solutions, at similar volumes, in each case under and pursuant to the provisions of this Agreement. [\*\*\*].

**1.1** Section 13 of the Exhibit A SOW number: 003 is hereby amended by replacing it with the following:  
"3. Fees. The hourly rate for Development and Systems Engineering activities related to UATM Solutions Phase 2, as defined in the SOW01, is [\*\*\*].  
The hourly rate for the Safety Engineering and UX Design has been agreed to be [\*\*\*].

This scope considers [\*\*\*]."

Services will be paid on a [\*\*\*] basis for resources fully allocated in the UATM Solutions Phase 2, [\*\*\*].

## **2. MISCELLANEOUS**

The Original Agreement, as modified by this Amendment, including all Exhibits thereto, constitutes the complete and exclusive agreement between the Parties relating to the subject matter hereof and cancels and supersedes all previous agreements between the Parties relating thereto, whether written or oral. Furthermore, the terms and conditions contained in this Amendment do not create or represent a precedent for the interpretation of any other agreements that have been or will be executed between the Parties not in relation to the subject matter hereof.

All other terms and conditions set forth in the Original Agreement not expressly modified by this Amendment are hereby expressly ratified by the Parties, incorporated by reference and remain in full force and effect.

If any provision of the Original Agreement is or becomes void or unenforceable by force or operation of law, the other provisions shall remain valid and enforceable.

On and after the date hereof, each reference in the Original Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Original Agreement, and each reference to the Original Agreement in any other agreements, documents or instruments executed and delivered pursuant to or in connection with the Original Agreement, shall be deemed to mean and be a reference to the Original Agreement as amended by this Amendment.

This Amendment may be executed in any number of separate counterparts (including by portable document format (.pdf) or other electronic means), each of which is an original but all of which taken together shall constitute one and the same instrument.

Sections 12.3, 12.4 and 12.5 of the Original Agreement are hereby incorporated in this Amendment *mutatis mutandis*.

IN WITNESS WHEREOF, Atech and Eve have caused this Amendment to be duly executed and delivered by their authorized representatives, in duplicate originals, to be effective as of the day first above written.

**EVE UAM, LLC**

/s/ Eduardo Siffert Couto

Name: Eduardo Siffert Couto  
Title: Chief Financial Officer

---

/s/ Johann Christian Jean Charles Bordais

Name: Johann Christian Jean Charles Bordais  
Title: Chief Executive Officer

---

**ATECH NEGÓCIOS EM TECNOLOGIAS S.A.**

/s/ Marcos Ribeiro Resende

Name: Marcos Ribeiro Resende  
Title: Director

---

/s/ Rodrigo Persico de Oliveira

Name: Rodrigo Persico de Oliveira  
Title: President

---

**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: November 4, 2024

/s/ Johann Bordais  
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: November 4, 2024

/s/ Eduardo Couto  
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 September 30, 2024, 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: November 4, 2024

*/s/ Johann Bordais*  
\_\_\_\_\_  
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 September 30, 2024, 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: November 4, 2024

*/s/* Eduardo Couto  
Eduardo Couto  
Chief Financial Officer  
(Principal Financial and Accounting Officer)