

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2023

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 number 001-39463

Joby Aviation, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

**333 Encinal Street,
Santa Cruz, CA**

(Address of Principal Executive Offices)

98-1548118

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

95060

(Zip Code)

(831) 201-6700

Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001	JOBY	New York Stock Exchange
Warrants to purchase common stock	JOBY WS	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act:

None

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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. (Check one):

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of voting and non-voting common equity held by non-affiliates on June 30, 2023, the last business day of the registrant’s most recently completed second fiscal quarter, was approximately \$5.62 billion, based upon the closing sales price of the common stock as reported on the New York Stock Exchange. Shares of common stock held by executive officers and directors have been excluded from this calculation because such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. ☐ Yes ☐ No

APPLICABLE ONLY TO CORPORATE REGISTRANTS:

The registrant had outstanding 702,857,098 shares of common stock as of February 21, 2024.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s Proxy Statement for the 2024 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. The registrant’s Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the registrant’s fiscal year ended December 31, 2023.

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Part I

Special Note Regarding Forward-Looking Statements

Statements contained in this Annual Report on Form 10-K which are not historical facts are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, without limitation, statements regarding the future financial position, business strategy and plans and objectives of management of Joby Aviation, Inc. (the “Company,” “we,” “us” or “our”). These statements constitute projections and forecasts and are not guarantees of performance. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this Annual Report, words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “strive,” “would”, “look forward to” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

These forward-looking statements are based on information available as of the date of this Annual Report and current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties including those set forth in Part I, Item 1A “Risk Factors” and elsewhere in this Annual Report and in other documents we file with the U.S. Securities and Exchange Commission. These risks and uncertainties may cause actual results or performance to differ materially from the expectations expressed or implied. 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.

Market and Industry Data

This Annual Report includes industry and market data obtained from periodic industry publications, third-party surveys and studies, including from Morgan Stanley and government and industry sources. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable. Although we believe the industry and market data to be reliable as of the date of this Annual Report, this information could prove to be inaccurate. Industry and market data could be wrong because of the method by which sources obtained their data and because information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. Each publication, study and report speaks as of its original publication date (and not as of the date of this Annual Report). Certain of these publications, studies and reports were published before the COVID-19 pandemic and therefore do not reflect any impact of COVID-19 on any specific market. In addition, we do not know all of the assumptions regarding general economic conditions or growth that were used in preparing the forecasts from the sources relied upon or cited herein.

Item 1. Business

Overview

We are developing an all-electric, vertical take-off and landing (“eVTOL”) air taxi which we intend to operate in cities around the world. Our mission is to help the world connect faster and more easily with the people and places that matter most by delivering a new form of clean, fast, quiet and convenient aerial transportation service. The Joby eVTOL is designed to transport a pilot and four passengers at speeds of up to 200 mph with a range of 100 miles. According to our modeling, more than 99% of urban routes in cities such as New York City and Los Angeles are significantly shorter than this, enabling higher utilization through faster turnaround times of our aircraft. By combining the freedom of air travel with the efficiency of our aircraft, we expect to deliver journeys that are up to 5 times faster than driving, and it is our goal to steadily drive down end-user pricing in the years following commercial launch to make the service widely accessible.

Our aircraft has been specifically designed with multiple redundancies across systems and components for enhanced safety and to achieve a considerably lower noise footprint than that of similarly sized conventional aircraft or helicopters. It is quiet at takeoff and near silent when flying overhead, which we anticipate will allow us to operate from new airport locations nearer to where people live and work, in addition to utilizing the more than 5,000 heliport and airport infrastructure facilities already in existence in the U.S.

We are in the process of certifying our aircraft with the U.S. Federal Aviation Administration (“FAA”). This involves a rigorous process of design, testing, verification and quality control. We have also begun working with regulators in other countries, including the United Kingdom, Japan, South Korea and the United Arab Emirates (“UAE”) to pursue commercialization opportunities in those markets. While foreign certification in many countries leverages our work with

the FAA, in some, such as the UAE, it may also provide a path to commercial operations prior to receiving certification in the United States.

Through 2023 we have flown more than 30,000 miles in our prototype aircraft. In November 2023, we completed our first urban flight exhibition at an event in New York City hosted by Mayor Eric Adams and the New York City Economic Development Corporation, and attended by critical stakeholders such as the Port Authority of New York and New Jersey and elected officials.

We do not currently intend to sell our aircraft to independent third parties or individual customers as a primary business model. Instead, we plan to manufacture, own and operate our aircraft ourselves, building a vertically integrated transportation company that will deliver transportation services to customers, including government agencies such as the U.S. Air Force (“USAF”) through sales or contracted operations, and to individual end-users through a convenient app-based aerial ridesharing service. We believe this vertically-integrated business model will generate the greatest economic returns, while providing us with end-to-end control over the customer experience to optimize for customer safety, comfort and value. There may be circumstances in which it is either required (for example, due to operating restrictions on foreign ownership in other countries) or otherwise desirable to sell aircraft in the future. We do not expect this would change our core focus on building a vertically integrated transportation company. We began initial service operations with the U.S. Department of Defense (“DOD”) in September 2023 and are targeting commercial passenger operations in 2025.

We operate a powertrain and electronics engineering and manufacturing facility in San Carlos, California, as well as 130,000 square feet of additive and subtractive manufacturing, machining, aircraft assembly and flight test facilities in Marina, California. These facilities are utilized to design, build and test the components, systems and assemblies for our aircraft as we refine our design and hone our production process. We believe that our California operations will both be able to support our initial low-rate production plans as well as serve as a testing and development facility for future innovations. Our high-rate production facility is planned for Dayton, Ohio where we have identified a 140-acre site that has the potential to support significant growth over time, with enough land to build over two million square feet of manufacturing space. With strong financial incentives and support from state and local governments, we look forward to expanding our manufacturing in the birthplace of aviation as our business grows.

Our preparations for commercial passenger service include forming sector-leading relationships with partners such as Toyota, Uber, Delta Air Lines, and SK Telecom in South Korea, all of whom have invested in Joby, as well as global partners such as ANA Airlines in Japan and the Road and Transport Authority in Dubai. We have also established relationships with infrastructure providers including fixed base operators of landing sites such as Atlantic Aviation, Helo Holdings, Inc. (“HHI”) and Skyports to facilitate infrastructure development in key markets. Additionally, we have long-standing relationships in research and development with federal government agencies as we evolved our design for the fastest, quietest eVTOL in its class.

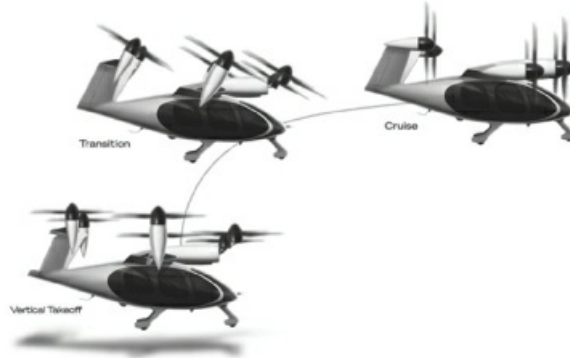
Joby Aero, Inc. (“Legacy Joby”) was incorporated in Delaware on November 21, 2016. In August 2021, Legacy Joby and Reinvent Technology Partners, a Cayman Islands exempted company and special purpose acquisition company (“RTP”), completed a merger and other transactions pursuant to which a subsidiary of RTP was merged with and into Legacy Joby and Legacy Joby survived as a wholly owned subsidiary of RTP. In connection with the transactions, Legacy Joby changed its name to Joby Aviation, Inc. See Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Part II, Item 8. “Financial Statements and Supplementary Data” for more information.

Our principal executive office is located at 333 Encinal Street, Santa Cruz, CA 95060. Our telephone number is (831) 201-6700. Our website address is www.jobyaviation.com. The U.S. Securities and Exchange Commission (“SEC”) maintains a website at www.sec.gov, that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. We also make available, free of charge, all of our SEC filings on our website at ir.jobyaviation.com as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. The information contained on any of the websites referenced in this Annual Report on Form 10-K are not part of or incorporated by reference into this or any other report we file with or furnish to the SEC.

Our Aircraft

Our team of world-class engineers has been working for more than a decade to develop an aircraft specifically designed for aerial ridesharing. Over that period, we have built a team that is deeply committed to vertically integrated engineering, testing, prototyping and manufacturing. Developing much of the aircraft in-house has required greater up-front investment, but has also allowed us to develop systems and components that are specifically engineered for their intended applications. We believe this has resulted in an aircraft with best-in-class capabilities across key performance metrics, while reducing

reliance on program critical third-party suppliers that add cost to the final product and risk to development and certification schedules.



We designed our aircraft to be safe, quiet and performant - all characteristics that we believe are critical to unlocking the aerial ridesharing market.

- **Safe:** Distributed electric propulsion has greater redundancy than centrally-located internal combustion engines. Each of our six propellers is powered by two independent electric motors, each in turn driven by independent drive-units. Each drive-unit draws power from one of four separate batteries onboard the aircraft.

This emphasis on redundancy is extended to other critical subsystems of the aircraft, including the flight computers, control surfaces, communications network and actuators. The result is a design intended to enhance safety across critical aircraft systems compared to similarly sized conventional aircraft and helicopters.

While these advancements in technology contribute to the overall safety of the aircraft, we recognize that safely delivering a commercial aviation operation requires both organizational and cultural commitments. We've made safety a core value, and we actively promote that value across the team.

Given our intent to both manufacture and operate our aircraft, we are developing a comprehensive, vertically-integrated, Enterprise Safety Management System ("SMS"), covering aircraft, manufacturing, operations, maintenance and flight training. Through the enterprise approach, SMS interfaces will facilitate the exchange of information to continuously improve the safety of our aircraft and operations.

- **Quiet:** Developing an aircraft with a low noise footprint that allows for regular operations within metropolitan areas is critical to community acceptance. In addition to the benefits afforded by an all-electric powertrain, we've spent substantial engineering resources to reduce the noise signature of the aircraft even further. The result is an aircraft that is significantly quieter than a twin-engine helicopter, exhibiting a noise profile in the range of 65 dBA during takeoff and landing (the noisiest configuration), roughly the volume of a normal speaking voice. In over-head flight as low as 500 feet the aircraft is near silent. We have independently validated the noise footprint of our prototype aircraft through our work with NASA.
- **Performant:** Our commitment to vertical integration and in-house development has allowed for optimization of systems and components across the aircraft, resulting in better energy efficiency, range, and speed than what would otherwise be available using commercial-off-the-shelf components. Our aircraft demonstrates energy efficiency comparable to best-in-class electric ground vehicles. While we anticipate our average journey to be around 25 miles, we believe the expected range and speed of our aircraft will allow us to service a more diverse set of passengers and trips, resulting in greater operational flexibility and reduced operating costs.

The end result is a transformational new electric aircraft that is uniquely capable of pioneering this exciting new market - all with a minimal environmental footprint.

The innovations that we've produced to deliver this best-in-class performance are supported by extensive proprietary intellectual property and defended by a robust patent portfolio. Over more than a decade of development, we have generated broad fundamental patents around the architecture of our aircraft and the core technologies that enable our best-in-class performance. We intend to continue to build our intellectual property ("IP") portfolio with respect to the technologies that we develop and refine.

Charging

We have developed proprietary charging infrastructure optimized for electric aircraft. Joby’s Global Electric Aviation Charging System (GEACS) is designed to support the safe and efficient operation of all electric aircraft under development today, including our own quiet, emissions-free air taxi. After 10 years of development, in 2023, we announced that we would open-source and share the specifications for the universal charging interface we developed, making it freely available to our industry. We believe this will help spur adoption of new transportation technologies and specifically, of air taxis.

The Urban Air Mobility Market

Ground-Based Transportation Networks are Under Strain

Population growth and urbanization are stretching ground-based transportation infrastructure to its limits. Today, more than fifty percent of the world’s 7.8 billion people live in urban areas. The top fifteen megacities alone are home to more than 300 million inhabitants, and the United Nations (“UN”) predicts that by 2050 the world’s urban population will grow by an additional 2.5 billion people.

Transportation is the life-blood of urban areas, and population growth combined with increased urbanization will continue to push this infrastructure to the brink. According to recent research, the cost of traffic congestion to the U.S. economy alone was more than \$190 billion in 2019. The same study found that, in the top 15 metro areas alone, automobile commuters spent an aggregate of nearly 5 billion hours per year in traffic congestion and burned an extra 1.83 billion gallons of fuel.

New light rail lines cost more than \$100 million per mile in the U.S. and routinely exceed twice that number. Moving beneath the surface to expand our subway networks is even more expensive, with new subway lines often costing nearly a \$1 billion per mile. These ground-based networks can’t scale efficiently, and the costs are prohibitive. We believe that cities need a new, sustainable mobility solution.

Sizable Untapped Market Opportunity

Developing sustainable mobility solutions is particularly critical and timely given the threat that climate change poses to our communities and to our planet. According to the U.S. Environmental Protection Agency (“EPA”), the top source of CO2 emissions in the U.S. is the transportation sector. Any solution to current and future transportation demands must embrace sustainability.

Over the past two decades, improvements in lithium-ion batteries and power electronics alongside the ever-increasing performance of microelectronics have enabled the development and deployment of new sustainable energy and transportation solutions. The success of electric ground vehicles has fueled continued investments in improving these technologies. Battery energy densities, in particular, have improved enough that application to aviation is now practical. Additionally, we believe that other future technologies, such as hydrogen and solid-state batteries, have the potential to play an important role in decarbonizing flight in the longer term.



We believe that deploying a new type of aerial mobility network in cities represents an extensive market opportunity. Fundamentally, an aerial mobility network is nodal vs. the path-based nature of ground mobility. Each new node added to the network adds connectivity to all the other nodes, whereas each new mile of road, rail, or tunnel only extends one single route by one mile. In a nodal network, a linear increase in the number of nodes leads to an exponential increase in the number of connections.

In addition, the challenges associated with getting in and out of city centers can make frequent, casual travel impractical. We expect that streamlining this experience will open up previously untapped sources of latent demand, much the same way that the development of modern jetliners unlocked demand for transatlantic travel.

Leading investment banks and consulting firms have recently assessed the scale of this market. According to a 2021 report by Morgan Stanley, the urban air mobility sector's total addressable market is projected to reach \$1 trillion globally by 2040. While this may initially reflect replacement of loud, carbon-fuel focused transportation with clean energy eVTOL options, we believe additional use cases and applications will emerge as the market evolves.

Business Model

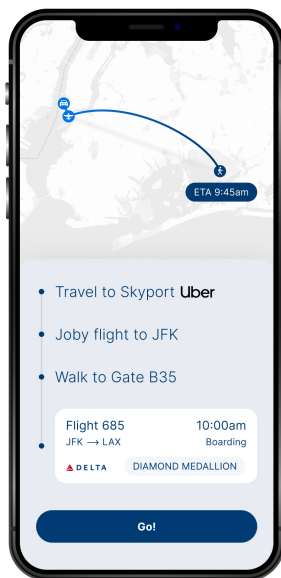
Our business model is based on capturing the most value through vertical integration. We believe it is an important part of our design, manufacturing and operations as it enables us to develop a more performant aircraft and tightly-integrated operations with a goal of long-term, durable margins. Particularly in a new industry such as Urban Air Mobility, everything from the exacting requirements for an electric air taxi to the experience of end users utilizing new transportation solutions can best be managed with a vertical integration business model. When we started the business, the existing supply base did not have the technology we required in the size, dimensions and power needed. There are multiple examples of Joby-engineered parts, such as our flight control computer or direct drive electronic propulsion unit, that we believe generate more power in a smaller footprint and with fewer moving parts than ever before possible. Close collaboration between design, production and testing teams yield tight, iterative cycles which yield innovative solutions in less time than if we were dependent on outside vendors. We expect this will be a competitive advantage now and in future years as our experience operating the air taxi service will flow into the design of next generation products.

Our Aerial Ridesharing Service

We intend to build an aerial ridesharing service powered by a network of eVTOL aircraft that we will manufacture and operate. We are developing an app-based platform that will enable consumers to book rides directly through our service. We also plan to integrate access to our service into leading third-party demand aggregation platforms, including through our partnerships with Uber and Delta Air Lines. Whether our service is accessed through our own platform, or through a partner app, we will integrate ground transportation providers for the first and last mile with our aerial service, providing a seamless, end-to-end travel experience.

We refer to trips that integrate air and ground legs together as ‘multimodal’. By building network management software that efficiently sequences multimodal trips, we believe we can provide substantial time savings to travelers while coordinating the development of optimally-located skyport infrastructure. Additionally, we are developing software that will coordinate multiple riders into each air leg, allowing us to drive high utilization rates for our aircraft and, in turn, progressive reduction in end-user pricing.

We believe that our app-based aerial ridesharing service will be fast, convenient, comfortable, environmentally sustainable and, over time, progressively more affordable. By maintaining full control over the design, development, test, manufacture and operations of our aircraft, we intend to deliver a service that is optimized from beginning to end, positioning us to be the leading company in this market.



Our vertically integrated business model ensures we are not simply manufacturing aircraft for sale and receiving one-time revenues, but instead generating recurring revenues over the lifetime of the aircraft with corresponding benefits to contribution margin.

Additional Opportunities at Scale

We believe that being early to market with the right aircraft will provide important first mover advantages that will enable us to steadily drive down end-user pricing in the years following commercial launch. Emerging technologies often benefit from positive network effects as the product or service enters the market, and we expect this to hold true for aerial ridesharing.

As additional passengers enter the network, we expect utilization rates for our aircraft will increase, thereby improving unit economics and allowing costs to be amortized over a greater number of trips. At the same time, we believe reductions in per aircraft costs driven by greater manufacturing scale will be able to support progressively lower pricing while maintaining similar per aircraft unit profitability.

Certification

Type Certification

In the U.S., new aircraft designs are required to pass through the rigorous FAA design certification process, known as type certification, before the aircraft can be issued a standard airworthiness certificate to fly in the National Airspace System (“NAS”). This is an exacting process often extending over 5 or more years that requires extensive ground and in-flight testing with the FAA. We anticipate we will initially certify the aircraft for day and night visual flight rules (“VFR”) operations and we plan to amend the design to include instrument flight rules (“IFR”) capabilities.

Our aircraft was originally intended to be certified in line with the FAA's existing Part 23 requirements as a normal category piloted electric airplane that can also takeoff and land vertically. We began working with the FAA in 2017, and in 2020 we became the first eVTOL company to receive a signed, stage 4 G-1 certification basis from the FAA. The G-1 certification basis is an agreement with the FAA that lays out the specific requirements that need to be met by our aircraft for it to be certified for commercial operations. In May 2022, the FAA indicated that they were revisiting the decision to

certify all eVTOLs under Part 23 and would, instead, require certification under the “powered lift” classification. Based on the FAA’s revised certification requirements, we signed an updated G-1 certification basis in July 2022, which was published in the federal register in November 2022.

We think of the type certification process in five stages. Stages one to three can be considered the “definition” phase, while stages four and five are the “implementation” phase. Progress in type certification is not always linear, meaning it is possible to make simultaneous progress in different stages on different aircraft parts or systems, depending on their maturity.

- **Stage 1 - Certification Basis:** The company works with the FAA to define the scope of the type certification project, reaching an agreement on what type of aircraft is being built and which set of rules and regulations will apply.
- **Stage 2 - Means of Compliance:** The company looks more closely at the safety rules and identifies the means of demonstrating compliance with them.
- **Stage 3 - Certification Plans:** The company develops a wide range of detailed certification plans stipulating which tests need to be performed for each system area in order to satisfy the means of compliance.
- **Stage 4 - Testing & Analysis:** The company plans, documents and completes thousands of inspections, tests and analyses in accordance with the certification plans previously drawn up in the third stage.
- **Stage 5 - Show & Verify:** The results of the testing are verified by the FAA. Upon successful completion of this stage, a type certification is issued.

With a mature design based on more than 1,000 test flights to date, we are well on our way towards certification and are engaging with the FAA to perform the hard work and testing required to earn FAA type certification.

We expect the FAA type certificate will be reciprocated in certain international markets pursuant to bilateral agreements between the FAA and its counterpart civil aviation authorities. In 2022, we applied for aircraft certification in the United Kingdom and Japan, following announcements by regulators in those countries adopting streamlined certification processes based on FAA certification. In 2023, we signed an agreement with Road and Transport Authority of Dubai (“RTA”) for Joby to provide air taxi services in Dubai. The RTA agreement includes a roadmap for local approval by the UAE General Civil Aviation Authority that could precede type certification by the FAA. These arrangements provide a means of efficient international expansion as we develop commercial operations around the world.

Our path to certification leverages a large body of existing processes, procedures and standards. However, many of the rules for eVTOL certification and operations are still being finalized by the FAA, and the FAA could revise the existing rules and regulations or impose additional requirements that would extend our timeline for certification.

Production Certification

We are developing the systems and processes needed to obtain FAA production certification and intend to obtain our production certificate shortly after completion of our aircraft type certificate. We believe there are opportunities to leverage advanced manufacturing techniques such as additive manufacturing to further improve the performance of the aircraft. However, if additively manufactured components or other advanced production processes cannot be certified expediently, our aircraft can be produced using conventional aerospace manufacturing techniques.

Operating Certification

The U.S. Department of Transportation (“DOT”) and the FAA exercise regulatory authority over air transportation operations in the U.S. Our intended transportation service is expected to be regulated by the Federal Aviation Regulations, including 14 Code of Federal Regulations 135 (“Part 135”). We received our Part 135 Air Carrier Certificate in 2022, demonstrating the advancement of our procedures and training program and, importantly, enabling our team to begin utilizing the operations and customer technology platforms that will underpin our multi-modal ridesharing service in the future. Air carriers holding Part 135 operations specifications can conduct on-demand operations, which may include limited scheduled operations. If such an air carrier receives a commuter air carrier authorization from the DOT, the air carrier may provide unlimited scheduled operations as well as on-demand operations. We also received our Part 145 Repair Station Certificate in February 2024, which qualifies us to perform select aircraft maintenance activities and will lay the foundation for us to perform maintenance, repair, and overhaul services on our eVTOL aircraft once it is certified for commercial operations.

The FAA recently indicated that they do not expect the relevant operational regulations, or Special Federal Aviation Regulations (“SFARs”), for eVTOL aircraft to be finalized until late 2024. If the publication of the SFARs is further delayed or if there are other regulatory changes or revisions, this could delay our ability to obtain type certification, and could delay our ability to launch our commercial passenger service.

Our operations may become subject to additional federal, state and local requirements in the future.

Airspace Integration

The aircraft has been designed to be operated under fixed-wing flight rules and regulations with a qualified pilot in command onboard the aircraft.

As the density of air traffic increases, we believe there are opportunities to expand ground infrastructure and create air traffic efficiencies. Over time, we anticipate the importance of working with the FAA, local authorities and other stakeholders to identify and develop procedures along high demand routes to support increased scale and operational tempo. Constructs for operating along those routes may include specific airspace corridors like those outlined by the FAA. In the long term, digital clearance deliveries, airspace authorizations and automated coordination between service providers and operators may be required to further increase airspace scalability. We expect to continue to be involved in long-term activities to develop concepts and technologies (for example those led by the National Aeronautics and Space Administration (“NASA”) and the FAA) to further enable scaling towards mature and autonomous operations.

Policy Engagements with Decision Makers & Communities

Providing a successful air transportation service requires collaboration with local communities to assure the services provide the right solutions in the right locations. We plan to grow our engagement at the state and local levels within the U.S. and with key international partners in the coming years.

While the regulation of the aircraft and its operation with the NAS falls within the purview of the FAA, takeoff and landing locations often require state and local approval for zoning and land use. In many cases, existing airports and heliports are subject to regulations by local authorities.

Noise Regulations

The Airport Noise and Capacity Act of 1990 recognizes the rights of operators of airports to implement noise and access restrictions so long as such programs do not interfere unreasonably with interstate or foreign commerce or the national air transportation system. In addition, states and local municipalities are able to set ordinances for zoning and land use, which may include noise or other restrictions such as curfews. Finally, foreign governments may allow airports and/or municipalities to enact similar restrictions. Accordingly, minimizing the volume and characteristics of noise within and above communities has been an important focus for us in order to drive community acceptance.

Our aircraft has been designed to minimize noise to allow for operations in and out of new skyports that are nearer to where people want to live and work. At our noisiest configuration, the aircraft has a noise profile in the range of 65 dBA, roughly the volume of a normal talking voice. Given our low noise profile, we do not expect our operations to be constrained to on-airport operations.

Partnerships

We believe that our strategic relationships provide us with another point of competitive differentiation. Across each of the important activities of high-volume manufacturing, go-to-market strategy and pre-certification operations, we have established strong collaborations and relationships with Toyota, Delta, Uber, SK Telecom and the DOD to help achieve our objectives and de-risk our commercial strategy.

Toyota Motor Corporation

Toyota has invested nearly \$400 million in Joby to date, making Toyota our largest outside investor. In addition to their substantial financial backing, Toyota engineers are working shoulder to shoulder with their Joby counterparts on a daily basis, collaborating on projects such as factory planning and layout, manufacturing process development and design for manufacturability. Additionally, in 2023 we signed a long-term supply agreement with Toyota to supply key powertrain and actuation components for our aircraft.

We believe that our collaboration with Toyota has provided and continues to provide us with a significant competitive advantage as we design and build out our high-volume manufacturing capability. In addition to being the world’s largest automaker, Toyota is globally recognized for delivering quality, safety and reliability at scale, all of which are necessary characteristics in aerospace manufacturing. We believe this makes Toyota a strong collaboration partner as we continue to develop our high-volume manufacturing capabilities.

Uber Technologies, Inc.

We believe that our partnership with Uber Technologies, Inc. and our acquisition of Uber's Elevate business, provides us with two important competitive advantages in our go-to-market planning and execution.

First, through our acquisition of Elevate we were able to welcome experienced team members from Uber, along with a set of software tools focused on planning and operations the Elevate team had developed over several years. We believe the acquisition of Elevate positions us to make uniquely informed, data-driven decisions in the lead up to commercial launch, as well as accelerating our operational readiness.

Additionally, our collaboration agreement with Uber provides for the integration of our aerial ridesharing service into the Uber app across global markets. We believe this will provide a best-in-class platform to funnel demand to our aerial ridesharing service, while allowing us to reduce customer acquisition costs in the early years of commercial operations. Uber will also be reciprocally integrated into any future Joby Aviation mobile application on a non-exclusive basis to service the ground-based component of multi-modal journeys booked by customers through our application. The goal of this mutual integration is to ensure passengers can access a multi-modal travel experience, seamlessly transitioning from ground-to-air-to-ground with unified, one-click booking.

Delta Air Lines, Inc.

In October 2022, we entered into a collaboration agreement with Delta Air Lines, Inc. ("Delta") to develop a long-term strategic relationship for a premium airport transportation service that we plan to offer to Delta passengers in select markets through the Delta booking platform. At the same time, Delta invested \$60 million through a purchase of our common stock and also received warrants which, if exercised, could expand their total investment to \$200 million. We believe that our relationship with Delta, in addition to providing additional capital, will be another important method of customer acquisition when we launch our commercial passenger service, and will also provide opportunities to leverage Delta's expertise in providing a seamless passenger experience and expertise in building out infrastructure at key airports.

SK Telecom

In June 2023, SK Telecom, South Korea's leading telecommunications conglomerate ("SKT"), invested \$100 million in Joby. As one of the largest and most innovative companies in Asia, SKT operates many complementary lines of business including telecom data, navigation systems, EV charging network and operations, rideshare and real estate assets. Joby expects to participate alongside SKT in Korea's 2024 K-UAM Grand Challenge, a phased demonstration program designed to foster the adoption of aerial ridesharing in Korea.

U.S. Air Force

In December 2020, we became, to our knowledge, the first company to receive airworthiness approval for an eVTOL aircraft from the USAF, and in the first quarter of 2021 we officially began on-base operations under contract pursuant to the USAF's Agility Prime program. Our multi-year relationship with the USAF and other U.S. Government agencies provides us with a compelling opportunity to more thoroughly understand the operational capabilities and maintenance profiles of our aircraft in advance of commercial launch. We believe it will also provide an opportunity to test various aspects of the consumer-facing aerial ridesharing service. By operating our aircraft on U.S. military installations we expect to gain valuable insight that will result in a more reliable service at launch. In 2023, we marked our first delivery to a customer by delivering and flying the first eVTOL aircraft at Edwards Air Force base as part of our contract with the DOD worth up to \$131 million. The Joby aircraft will be used to demonstrate a range of logistics missions, in addition to providing a showcase for other federal agencies and airspace studies for NASA.

Future Market Opportunities

We believe there are opportunities to address markets that are adjacent to our core mobility business, including delivery and logistics as well as emergency services. We may make select investments to address these market adjacencies over time.

We also believe that developments in advanced flight controls, battery technologies and alternative methods of energy storage could have a meaningful impact on our core mobility business. Advanced flight controls, including additional "pilot assist" features and, in time, fully-autonomous flight, may allow us to drive-down cost and lower customer pricing as well as relieve operational constraints to scaling our service. Improvements in battery technology or alternative methods of energy storage may allow us to increase the range, speed and/or payload of our vehicles, dramatically expanding the range of trips and use-cases we can serve.

We are investing, and will continue to invest, strategically in these areas to ensure that we are well-positioned to capture the benefits offered by these new developments. From time to time, we may seek to partner with or acquire, when appropriate, companies that have products, personnel, and technologies that complement our strategic direction. For example, we believe that other future technologies, such as hydrogen fuel cells or solid-state batteries, have the potential to play an important role in decarbonizing flight in the longer term and may seek to invest in or develop these opportunities as they arise. In 2021 we acquired H2FLY, which, in 2023, accomplished the world's first piloted flight of a liquid hydrogen-powered electric aircraft.

Intellectual Property

Our success depends in part upon our ability to protect our core technology and intellectual property. To establish and protect our proprietary rights, we rely on a combination of intellectual property rights (e.g., patents, patent applications, trademarks, copyrights, and trade secrets, including know-how and expertise) and contracts (e.g., license agreements, confidentiality and non-disclosure agreements with third parties, employee and contractor disclosure and invention assignment agreements, and other similar contractual rights).

As of January 15, 2024, we have 223 issued or allowed patents (of which 169 are U.S. filings) and 193 pending patent applications (of which 106 are U.S. filings). The patent portfolio is primarily related to eVTOL vehicle technology and UAM/aerial rideshare technology. We regularly file patent applications and from time to time acquire patents from third parties.

Our patent filings include 104 issued or allowed patents and 132 pending patent applications relating to our aircraft, its architecture, powertrain, acoustics, energy storage and distribution systems, flight control system and system resiliency, as well as certain additional aircraft configurations and technologies. Additionally, we have 119 issued or allowed patents and 61 pending patent applications related to aerial rideshare technology, such as fleet and infrastructure utilization, routing, air traffic coordination, rideshare software applications, vertiport infrastructure, and ancillary computer technologies.

Our Commitment to Environmental, Social and Governance ("ESG") Leadership

By developing an efficient, all-electric aircraft with no operating emissions, a low noise footprint and high levels of safety, we believe we can make a meaningful contribution to tackling the dual challenges of congestion and climate change.

We are building a dedicated, diverse and inclusive workforce to achieve this goal while adhering to best practices in risk assessment, mitigation and corporate governance. In 2023 we released our first ESG report, in which we described how we oversee and manage ESG factors material to our business.

Our ESG initiative is organized into three pillars, which, in turn, contain focus areas for our attention and action:

- **Environmental** - Our Environmental pillar is focused on being a good steward of the natural environment through our own operations and the production and development of innovative designs that reduce resource use and energy consumption.
- **Social** - Our Social pillar is focused on promoting diversity, equity, and inclusion, while underpinning all of our activities with a core focus on health and safety.
- **Governance** - Our Governance pillar focuses on upholding our commitment to ethical business conduct, integrity, and corporate responsibility, and integrating strong governance and enterprise risk management oversight across all aspects of our business.

Our Focus on Sustainable Manufacturing and Safety

Our engineering and design standards are designed with the goal of operating in an efficient, safe, sustainable and compliant manner, and encourage us to be leaders in pursuing environmentally friendly production practices. Our Environmental Sustainability Team works closely with our Facilities team and operating units to track energy consumption and material inputs and outputs, to build strategies for energy reduction and to review the proper handling and disposal of our materials. In 2023, we reported our first greenhouse gas inventory for our offices and manufacturing locations. Where possible, we strive to increase our percentage of electricity that is renewable, further reducing our manufacturing impact. In 2023, we also expanded two recycling programs for the manufacturing processes. We now recycle our aircraft batteries after testing or end-of-life and expanded our carbon fiber scraps to include additional types of carbon fiber. These programs allow us to streamline our manufacturing lines while reducing our impact.

With safety as a core value, we emphasize the importance of safety in everything that we do. This includes adherence to safety rules, best practices, and compliance. Every employee is trained in the safety policies and procedures that are relevant to their role, and we encourage all employees to participate in company-wide safety initiatives, including participating in our non-punitive safety reporting program to identify hazards and reduce risks. Employees are encouraged to own and participate in safety and we conduct regular audits to ensure proper safety procedures are being used and that hazard identification and risk assessment information is being conducted.

Social and Human Capital

To achieve our goal of enabling the world to connect faster and more easily with the people and places that matter most, we will need to attract and retain employees with a diverse set of skills and perspectives as we grow our business. Many of our employees are located in highly competitive labor markets. In addition to competitive cash and equity compensation, offering employees a compelling vision and an opportunity to positively impact their communities is a key part of our strategy to grow our workforce. Additionally, we invest in the communities where we operate, with programs enabling accessibility, education and training. This has multiple benefits including broadening the reach of new technologies such as electric aviation, improving awareness and social license to operate in communities, extending opportunities to underserved communities, and developing our future workforce. For example, we are working with Aviation High School in New York City to prepare the next generation of aircraft maintenance technicians and aerospace leaders for career opportunities created by the electric age of flight.

Our annual employee engagement survey captures team member feedback. The measurement model is a combination of vendor content and in-house-developed content led by our Industrial/Organizational Psychologists on the Talent Development & Analytics team. For 2023, we achieved a response rate of 85% and the survey included 48 items capturing 13 key areas of the employee experience.

As of January 31, 2024, we had 1,777 employees. None of our employees are represented by a labor union. We believe we have good relationships with our employees and have not experienced any interruptions of operations due to labor disagreements.

Diversity and Inclusion

We work diligently to create a diverse, inclusive and equitable work environment. We provide equal opportunities for growth, success, promotion, learning and development, and aim to achieve parity in the way we organize, assign and manage projects. We encourage employee engagement through resource groups including Women of Joby and Joby Pride. We also host seminars to discuss gender and racial equality issues and other topics that are important to our employees. We are focused on building support across all teams and individuals, ensuring everyone has a voice, and treats each other with respect.

Competition

We believe that the primary sources of competition for our service are ground-based mobility solutions, other eVTOL developers/operators and local/regional incumbent aircraft charter services.

We believe the primary factors that will drive success in the UAM market include:

- the performance of our eVTOL aircraft relative to both competitive eVTOL aircraft and traditional aircraft;
- the ability to certify the aircraft and begin service operations in a timely manner;
- the ability to manufacture efficiently at scale;
- the ability to scale the service adequately to drive down end-user pricing;
- the ability to capture first-mover advantage, if any;
- the ability to offer services and routes that provide adequate value proposition for passengers;
- the ability to develop or otherwise capture the benefits of next generation technologies; and
- the ability to deliver products and services to a high-level of quality, reliability and safety.

While there are differentiated approaches to vehicle designs and business models, we believe that our aircraft and vertically-integrated approach offer the greatest long-term prospects to certify and produce the best aircraft to serve our customers and, in turn, to monetize the full value chain from development through operations.

Item 1A. Risk Factors

RISK FACTORS

In the course of conducting our business operations, we are exposed to a variety of risks. Any of the risk factors we describe below have affected or could materially adversely affect our business, financial condition, results of operations, and brand. The market price of shares of our common stock could decline, possibly significantly or permanently, if one or more of these risks and uncertainties occurs. Certain statements in “Risk Factors” are forward-looking statements. See “Special Note Regarding Forward-Looking Statements.”

Risks Related to Our Business and Industry

Certification & Regulatory

We may be unable to obtain relevant regulatory approvals for the commercialization of our aircraft or operation of our mobility service.

The commercialization of new aircraft and the operation of an aerial mobility service requires certain regulatory authorizations and certifications, including Type Certification, Production Certification and an air carrier certificate issued by the FAA under Part 119 with Part 135 operations specifications. While we have received our Part 135 Air Carrier Certificate and anticipate being able to obtain the remaining required authorizations and certifications, we may be unable to do so on the timeline we project or at all. Circumstances outside of our control could delay the receipt of our required certifications. For example, FAA staffing depends, in large part, on the annual appropriations process and their ability to retain and recruit sufficient resources with relevant experience. Failure to pass an annual appropriation bill has in the past resulted in temporary government shutdowns. A future shutdown, or a failure by Congress to pass an FAA reauthorization bill (or extension) could delay the rulemaking and certification process. If we fail to obtain any of the required authorizations or certificates, or do so in a timely manner, or any of these authorizations or certificates 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 and may have an adverse impact on our business, financial condition and results of operations.

Regulatory authorities may disagree with our view that integrating our service into the National Airspace System is possible without changes to existing regulations and procedures.

There are a number of existing laws, regulations and standards that apply to our aircraft and our service, including standards that were not originally intended to apply to electric aircraft. While our aircraft and our service are designed, at launch, to operate within the existing U.S. regulatory framework, the FAA or other regulatory authorities within the markets in which we intend to operate may disagree with this view, which may prohibit, restrict, or delay our ability to launch in the relevant market. Regulatory authorities have in the past and may in the future introduce changes specifically to address high-volume flights that could delay our ability to launch our service and have an adverse impact on our business, financial condition and results of operations.

If current airspace regulations are not modified to increase air traffic capacity, our business could be subject to considerable capacity limitations.

A failure to increase air traffic capacity in the airspace serving key markets, including around major airports, could create capacity limitations for our future operations and could have a material adverse effect on our business. Weaknesses in the National Airspace System and the Air Traffic Control (“ATC”) system, such as outdated procedures and technologies, could result in capacity constraints during peak travel periods or adverse weather conditions, resulting in delays and disruptions to our service. While our aircraft is designed to operate in the National Airspace System under existing rules, our business at scale will likely require airspace allocation for UAM operations and could result in regulatory changes. Our inability to obtain sufficient access to the National Airspace System or to comply with any regulatory changes could increase our costs and pricing of our services, which could reduce demand and have an adverse impact on our business, financial condition and results of operations.

Changes in government regulation could increase our operating costs or extend our certification timeline.

Aerospace manufacturers and aircraft operators are subject to extensive regulatory and legal requirements that involve significant compliance costs. In May 2022, the FAA decided to certify eVTOLs under the “powered lift” classification, rather than existing Part 23 requirements for Normal Category Airplanes. In addition, the FAA indicated that they do not expect the relevant operational regulations, or Special Federal Aviation Regulations (“SFARs”), for eVTOL aircraft to be finalized until late 2024. If the publication of the SFARs is further delayed, if the FAA requires further modification to our existing G-1 certification basis, or if there are other regulatory changes or revisions this could delay our ability to obtain type certification, and could delay our ability to launch our commercial passenger service.

The DOT and the FAA could issue additional regulations relating to the operation of our aircraft or further revise existing requirements that could require significant expenditures, resulting in additional time to certification as well as increased costs for us and our passengers. Additional laws, regulations, taxes and airport rates and charges have been proposed from time to time that could significantly increase the cost of our operations or reduce the demand for air travel. If adopted, these measures could have the effect of raising fares, reducing revenue and increasing costs, which could have an adverse impact on our business, financial condition and results of operations.

To sell air transportation services in the United States, we will also need DOT authorization of the sale of any charter flights and by-the-seat ridesharing services. The DOT further prescribes standards for, among other things, advertising, ticket refunds, baggage liability, consumer disclosures, customer service commitments, customer complaints and the transportation of passengers with disabilities. In the future, the DOT may adopt additional regulations that increase the costs or otherwise adversely impact our business, financial condition and results of operations.

We may be subject to security regulation that will increase our operating costs.

The Transportation Security Administration (“TSA”) is responsible for certain civil aviation security matters, including the regulation of air carriers that operate under Part 135 of the Federal Aviation Regulations as well as passenger and baggage screening at U.S. airports. Because we are introducing an innovative service that operates from both airports and skyports, the security regulatory scheme that will apply is uncertain. If the TSA imposes burdensome security requirements on our services, it could reduce the convenience of our service for our customers, resulting in lower demand and higher cost and have an adverse impact on our business, financial condition and results of operations.

We are subject to stringent U.S. export and import control laws and regulations, which may change. We may be unable to comply with these laws and regulations or U.S. government licensing policies, or to secure required authorizations in a timely manner.

Our business is subject to stringent U.S. import and export control laws and regulations as well as economic sanctions laws and regulations. We are required to import and export our products, software, technology and services, and run our operations in the United States, in full compliance with such laws and regulations, which may include the Export Administration Regulations (“EAR”), the International Traffic in Arms Regulations (“ITAR”), and economic sanctions administered by the Treasury Department’s Office of Foreign Assets Control (“OFAC”). Similar laws impact our business in other jurisdictions. These trade controls prohibit, restrict, or regulate our ability to, directly or indirectly, export or transfer certain hardware, technical data, technology, software, or services to certain countries and territories, entities, and individuals, and for certain end uses. If we are found to be in violation of these laws and regulations it could result in civil and criminal penalties, including the loss of export or import privileges, debarment and reputational harm. While none of our current technologies require us to maintain a registration under ITAR, we may become subject to ITAR in the future.

Pursuant to these trade control laws and regulations, we are required, among other things, to (i) determine the proper licensing jurisdiction and export classification of products, software and technology, and (ii) obtain licenses or other forms of authorization to conduct our business. These requirements include the need to get permission to release controlled technology to foreign person employees and other foreign persons. Changes in U.S. trade control laws and regulations, or reclassifications of our products or technologies, may restrict our operations. The inability to secure and maintain necessary licenses and other authorizations could negatively impact our ability to compete successfully or to operate our business as planned. Any changes in the export control regulations or U.S. licensing policy, such as those necessary to implement U.S. commitments to multilateral control regimes, may restrict our operations. Given the great discretion the government has in issuing or denying such authorizations, there can be no assurance we will be successful in our future efforts to secure and maintain necessary licenses, registrations, or other regulatory approvals which may have an adverse impact on our business, financial condition and results of operations.

We will be subject to rapidly changing and increasingly restrictive laws, regulations and other obligations relating to privacy, data protection, and data security, which may be costly and difficult to comply with.

We will be collecting, using, and disclosing personal information of passengers and others in the course of operating our business. These activities are or may become regulated by a variety of domestic and foreign laws and regulations relating to privacy, data protection, and data security, which are complex, rapidly evolving, and increasingly restrictive.

Several states and foreign countries have granted residents expanded rights related to their personal information, including the right to request deletion of their personal information and receive detailed reports of how their personal information is used and shared. Such laws and any laws adopted in the future could have potentially conflicting requirements that would make compliance challenging.

Despite our best efforts, we may not be successful in complying with the rapidly evolving privacy, data protection, and data security requirements. Any actual or perceived non-compliance could result in litigation and proceedings against us by governmental entities, passengers, or others, which could result in fines, civil or criminal penalties, limited ability or inability to operate our business, offer services, or market our platform in certain jurisdictions, negative publicity and harm to our brand and reputation, which could have a material adverse effect on our business, financial condition or results of operations.

Market & Service

The market for UAM has not been established with precision, is still emerging and may not achieve the growth potential we expect or may grow more slowly than expected.

The UAM market is still emerging and has not been established with precision. It is uncertain to what extent market acceptance will grow, if at all. This market is new, rapidly evolving, characterized by rapidly changing technologies, price competition, additional competitors, evolving government regulation and industry standards, new aircraft and unknown consumer demands and behaviors. We intend to initially launch operations in a limited number of metropolitan areas. The success of these markets and the opportunity for future growth in these markets may not be representative of the potential market for UAM in other metropolitan areas. Our success will depend to a substantial extent on regulatory approval and availability of eVTOL technology, as well as the willingness of commuters and travelers to widely adopt air mobility as an alternative to ground transportation. If the public does not perceive UAM as beneficial, or chooses not to adopt UAM then the market for our offerings may not develop, may develop more slowly than we expect or may not achieve the growth potential we expect. As a result, the number of potential passengers using our services cannot be predicted with any degree of certainty, and we cannot assure you that we will be able to operate in a profitable manner in any of our targeted markets. Any of the foregoing could materially adversely affect our business, financial condition and results of operations.

There may be reluctance by consumers to adopt this new form of mobility, or unwillingness to pay our projected prices.

Our growth is highly dependent upon consumer adoption of an entirely new form of mobility offered by eVTOL aircraft and the UAM market. If consumers do not adopt this new form of mobility or are not willing to pay the prices we project for our services, our business may never materialize.

Our success in a given market will depend on our ability to develop a service network that provides passengers significant time savings when compared with alternative modes of transportation and accurately assess and predict passenger demand and price sensitivity, which may fluctuate based on a variety of factors, including general economic conditions, quality of service, negative publicity, safety incidents, perceived political or geopolitical affiliations, or general dissatisfaction with our services. If we fail to attract passengers, deliver sufficient value to our passengers, or accurately predict demand and price sensitivity, it would harm our financial performance and our competitors' products may achieve greater market adoption and may grow at a faster rate than our service.

We may not be able to launch our aerial ridesharing service beginning in 2025, as currently projected.

We will need to address significant regulatory, political, operational, logistical, and other challenges in order to launch our aerial ridesharing service. We do not currently have infrastructure in place to operate the service and such infrastructure may not be available or may be occupied on an exclusive basis by competitors. We also have not yet received FAA certification of our aircraft or other required airspace or operational authority and approvals, which are essential to operate our service, and for aircraft production and operation.

Our pre-certification operations may also reveal issues with our aircraft, which could result in certification delays. For example, in February 2022, one of our remotely piloted, experimental prototype aircraft was involved in an accident during flight testing. At this time, we do not expect the accident to have a significant impact on our business operations or

certification timing. Any delay in the financing, design, manufacture and commercial release of our aircraft, which are often experienced by aircraft manufacturers, could materially damage our brand, business, prospects, financial condition and operating results. If we are not able to overcome these challenges, our business, prospects, operating results and financial condition will be negatively impacted and our ability to grow our business will be harmed.

We may be unable to effectively build a customer-facing business or app.

The application through which users will book trips is still under development. We may experience difficulty in developing the applications necessary to operate the business, including the customer-facing application. The software underlying the application will be complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after the code has been released. The third-party software that we incorporate into our platform may also be subject to errors or vulnerabilities. Any errors or vulnerabilities, whether in our proprietary code or any third-party software on which we rely, could result in negative publicity, a loss of users or revenue, access or other performance issues, security incidents, or other liabilities. Such vulnerabilities could also prevent passengers from booking flights, which would adversely affect our passenger utilization rates, or disrupt communications within the Company (e.g., flight schedules or passenger manifests), which could affect our performance. We may need to expend significant financial and development resources to address any errors or vulnerabilities. Any failure to timely and effectively resolve any such errors or vulnerabilities could adversely affect our business, financial condition and results of operations as well as negatively impact our reputation or brand.

We may be unable to reduce end-user pricing at rates sufficient to drive expected growth for our service.

We may not be able to reduce end-user pricing over time to increase demand, address new market segments and develop a significantly broader customer base. We expect that our initial end-user pricing may be most attractive to relatively affluent consumers, and we will need to address new markets and expand our customer base in order to further grow our business. In particular, we intend for our aerial ridesharing service to be economically accessible to a broad segment of the population and appeal to the customers of ground-based ridesharing services, taxis, and other methods of transportation.

Reducing end-user pricing is dependent on accurately estimating the unit economics of our aircraft and the corresponding service. Our estimates rely, in part, on future technology advancements, such as aerial and ground-based autonomy. If our estimates are inaccurate regarding factors such as production volumes, utilization rates, demand elasticity, operating conditions, deployment volumes, production costs, indirect cost of goods sold, landing fees, charging fees, electricity availability and/or other operating expenses, or if technology such as aerial and ground-based autonomy fails to develop, mature or be commercially available within the periods we expect, we may be unable to offer our service at pricing that is sufficiently compelling to bring about the local network effects that we are predicting and may have an adverse impact on our business, financial condition and results of operations.

Our competitors may commercialize their technology before us, or we may not be able to fully capture the first mover advantage that we anticipate.

While we believe we are well positioned to be first to market with an eVTOL piloted aerial ridesharing service, we expect this industry to be increasingly competitive and our competitors could get to market before or at the same time as 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 or existing companies 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 eVTOL aircraft and aerial ridesharing, making it easier for them to obtain the permits and authorizations required to operate an aerial ridesharing service.

Many of our current and potential competitors are larger and have substantially greater resources or are affiliated with larger companies that may allocate greater resources than we have and expect to have in the future, which may allow them to devote greater resources to the development, certification and marketing of their products and services or to offer lower prices. Our competitors may also establish strategic relationships amongst themselves or with third parties that may further enhance their resources and offerings. Some have more experience in the aerospace industry than we have, and foreign competitors could benefit from subsidies or other protective measures offered by their home countries. If our competitors commercialize their technology before us, or if we do not capture the first mover advantage that we anticipate, it may harm our business, financial condition, operating results and prospects.

If we are unable to integrate our service with ground transportation services it may limit customer adoption and harm our business.

Our service will depend, in part, on third-party ground operators to take customers from their origin to their departure skyport and from their arrival skyport to their ultimate destination. While we expect to be able to integrate these third-party ground operators into our service, we cannot guarantee that we will be able to do so effectively, at prices that are favorable to us, or at all. We do not intend to own or operate the ground portion of our multimodal service. Our business and our brand will be affiliated with these third-party ground operators, and we may experience harm to our reputation if they suffer from financial instability, poor service, negative publicity, accidents, or safety incidents which could have an adverse impact on our business, financial condition and results of operations.

Our reputation may be harmed by the broader industry, and customers may not differentiate our services from our competitors.

Passengers and other stakeholders may not differentiate between us and the broader aviation industry or, more specifically, the UAM service industry. If other participants in this market have problems such as safety, technology development, engagement with certification authorities or other regulators, community engagement, security, data privacy, flight delays, or customer service, such problems could impact the public perception of the entire industry, including our business. We may fail to adequately differentiate our brand, our services and our aircraft from others in the market which could impact our ability to attract passengers or engage with other key stakeholders and have an adverse impact on our business, financial condition and results of operations.

Our prospects may be adversely affected by changes in consumer preferences, discretionary spending and other economic conditions that affect demand for our services, including changes resulting from the COVID-19 pandemic.

Our business is primarily concentrated on UAM services, which we expect may be vulnerable to changes in consumer preferences, discretionary spending and other market changes. The global economy has in the past, and will in the future, experience periods of economic instability, inflation and recession, such as the financial impact of the global COVID-19 pandemic. During such periods, passengers may reduce overall spending on discretionary purchases. Such changes could result in reduced consumer demand for our services, which could adversely impact our business, financial condition and results of operations.

If we are unable to obtain and maintain adequate facilities and infrastructure, including access to key infrastructure such as airports, we may be unable to offer our service in a way that is useful to passengers.

To operate and expand our proposed aerial ridesharing service, we must secure or otherwise develop adequate landing, charging and maintenance infrastructure in desirable locations in metropolitan areas for our aircraft. We may not be able to ensure that our plans for new service can be implemented in a commercially viable manner given present landing fee structures and infrastructure constraints, including those imposed by inadequate facilities at desirable locations and increasingly congested airports and heliports. Access to these facilities may be prohibitively expensive, unavailable, or may be inconsistent with our projections. Additionally, our industry has not aligned around a single charging standard. While we have developed a charging system designed to support all types of electric aircraft, if skyport operators select a different charging system it could result in longer charge times and increase our operating costs.

There is also a complex patchwork of federal, regional and municipal regulatory considerations applicable to asset management and property development in general, and aviation assets and infrastructure in particular. Applicable regulations can vary widely by locality. Local community groups, some of which may be opposed to property development in general, and new aviation infrastructure in particular, can impact the application of these regulations or the development of new regulations. Additionally, we may not be able to obtain necessary permits and approvals and to make necessary infrastructure changes to enable adoption of our aircraft, such as installation of charging equipment. If we are unable to acquire or maintain space for passenger terminal or maintenance operations in desirable locations, this could prevent our service from being practical for our customers and have a material adverse effect on our business, results of operations and financial condition.

Our aircraft utilization may be lower than expected due to weather and other factors.

Our aircraft may not be able to fly safely in poor weather conditions, including snowstorms, thunderstorms, high winds, lightning, hail, known icing conditions and/or fog. Our inability to operate in these conditions will 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. This is achieved, in part, by reducing turnaround times at airports. 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. The success of our business is dependent, in part, on the utilization rate of our aircraft, and reductions in utilization will adversely impact our financial performance, cause passenger dissatisfaction and may have an adverse impact on our business, financial condition and results of operations.

Aircraft and Production

Our aircraft may fail to achieve performance expectations.

Our aircraft may fail to achieve our performance expectations. For example, our aircraft may have a higher noise profile, carry a lower payload or have shorter maximum range than we estimate. Our aircraft also use a substantial amount of software code to operate. Software is inherently complex and often contains defects and errors when first introduced. While we have performed extensive testing, in some instances we are still relying on projections and models to validate the expected performance of our aircraft. To date, we have been unable to validate the performance of our aircraft over the expected lifetime of the aircraft. We may incur significant costs to address any performance issues, or if not detected or addressed, such issues could negatively impact our business, financial condition, operating results and prospects.

We expect to introduce new and additional features and capabilities to the aircraft and our service over time. For example, we may initially operate under VFR only, and then add the ability to operate under IFR pursuant to block upgrade to the aircraft. We may be unable to develop or certify these upgrades in a timely manner or at all which may have an adverse impact on our business, financial condition and results of operations.

We may not be able to produce aircraft in the volumes and on the timelines we project.

There are significant challenges associated with producing aircraft in the volumes that we are projecting. Our manufacturing facility and processes remain in the prototype stage. The aerospace industry has traditionally been characterized by significant barriers to entry, including large capital requirements, investment costs of designing and manufacturing aircraft, long lead times to bring aircraft to market, the need for specialized design and development expertise, extensive regulatory requirements, and the need to establish maintenance and service locations. As a manufacturer of electric aircraft, we face a variety of added barriers to entry including additional costs of developing and producing an electric powertrain, regulations associated with the transport of lithium-ion batteries and unproven customer demand for a fully electric aerial mobility service. Additionally, we are developing production lines for components and at volumes for which there is little precedent within the traditional aerospace industry.

We have not yet constructed a high-volume production facility in which to manufacture and assemble our aircraft. Final designs for the build out of the planned manufacturing facility are still in process, and various aspects of the component procurement and manufacturing plans have not yet been determined. We are currently evaluating, qualifying and selecting our suppliers for the planned production aircraft, and we have engaged suppliers for certain necessary components. However, we may not be able to engage suppliers for the remaining components in a timely manner, at an acceptable price, in the necessary quantities or at all.

We will need to do extensive testing to ensure that the aircraft is in compliance with all applicable regulations prior to beginning mass production. In addition to certification of the aircraft, we will be required to obtain approval from the FAA to manufacture completed aircraft pursuant to an FAA-approved type design (e.g., type certificate). Production approval involves initial FAA manufacturing approval and extensive ongoing oversight of mass-produced aircraft. If we are unable to obtain production approval for the aircraft, or the FAA imposes unanticipated restrictions as a condition of approval, our projected costs of production could increase substantially.

The timing of our production ramp is dependent upon finalizing certain aspects of the design, engineering, component procurement, testing, build out, and manufacturing plans in a timely manner and upon our ability to execute these plans within the current timeline. It also depends on being able to obtain timely Production Certification from the FAA and sufficient staffing to support production objectives. We intend to fund the build out of our manufacturing facility using existing cash and future financing opportunities. If we are unable to obtain the funds required on the timeline that we anticipate, our plans for building our manufacturing plants could be delayed. If any of the foregoing risks occurs, it could adversely affect our business, financial condition, operating results and prospects.

Crashes, accidents or incidents of eVTOL aircraft or involving lithium-ion batteries involving us or our competitors could have a material adverse effect on our business, financial condition, and results of operations.

Test flying prototype aircraft is inherently risky, and crashes, accidents or incidents involving our aircraft are possible. In February 2022, one of our remotely piloted, experimental prototype aircraft was involved in an accident during flight testing. At this time, we do not expect the accident to have a significant impact on our business operations or certification timing. This, or any other such occurrence may negatively impact our development, testing and certification efforts, and could result in re-design, certification delay and/or postponements or delays to our commercial service launch.

Operating aircraft is subject to various risks, and we expect demand for our aerial ridesharing services to be impacted by accidents or other safety issues regardless of whether such accidents or issues involve our aircraft. Such accidents or incidents could also have a material impact on our ability to obtain or maintain FAA certification for our aircraft and could impact confidence in our aircraft type or the eVTOL industry as a whole, particularly if such accidents were due to a safety issue. We believe that regulators and the general public are still forming their opinions about the safety and utility of aircraft that are highly reliant on lithium-ion batteries and advanced flight control software capabilities and that operate in and around urban areas. An accident or incident involving either our aircraft or a competitor's aircraft while these opinions are being formed could have a disproportionate impact on the longer-term view of the emerging UAM market.

Additionally, adverse publicity stemming from actual or alleged behavior of any of our employees or third-party contractors could expose us to significant reputational harm and potential legal liability. The insurance we carry may be inapplicable or inadequate to cover any such matter, in which case we may be forced to bear substantial losses. Any such incident, even if unrelated to the safety of our aircraft or our services, could result in passengers being reluctant to use our services, which could adversely impact our business, results of operations, financial conditions and prospects.

We will initially rely on a single type of aircraft to support our commercial UAM business, which makes us vulnerable to design defects or mechanical problems.

Our service will initially rely on a single aircraft type. Our dependence on our aircraft makes us particularly vulnerable to any design defects, performance shortfalls or mechanical problems associated with our aircraft or its component parts. Any actual or perceived safety issues may result in significant reputational harm to our businesses, in addition to legal liability, increased maintenance, safety infrastructure and other costs. Such issues could result in delaying or cancelling planned flights, increased regulation, grounding of aircraft or other systemic consequences, which could have a material adverse impact on our business, financial condition, operating results and prospects.

We depend on suppliers and service partners for raw materials, parts and components.

Despite our high degree of vertical integration, we still rely on purchased parts and materials for aircraft production and manufacturing equipment which we source from suppliers globally, some of whom are currently single source suppliers. Many of the components used in our aircraft must be custom made for us. This exposes us to multiple potential sources of production constraints, disruption, delivery failure, or component shortages. While we believe that we may be able to establish alternate supply relationships and can obtain replacement components, we may be unable to do so in the short term, or at all, at prices that are favorable to us. While we have not experienced material supply chain disruptions to date, we may in the future, which could cause delays in our production process for both prototype and commercial production aircraft. Furthermore, if we experience significant increased demand, or need to replace our existing suppliers, there can be no assurance that additional supplies will be available when required on terms that are acceptable to us, or at all. The disruption in the supply of components from suppliers could lead to delays in aircraft production, which could adversely affect our business, financial condition, operating results and prospects.

Our aircraft may require maintenance at frequencies or at costs which are unexpected.

Our aircraft are highly technical vehicles that require regular maintenance and support. We are still developing our understanding of the long-term maintenance profile of the aircraft. If useful lifetimes are shorter than expected this may lead to greater maintenance costs than we anticipate. If our aircraft and related equipment require maintenance more frequently than we plan for or at costs that exceed our estimates, that would disrupt the operation of our service and result in higher operating cost, which could have a material adverse effect on our business, financial condition and results of operations.

U.S. Government Contracts and Pre-Certification Operations

The U.S. government may modify or terminate one or more of our existing contracts.

The U.S. government may modify or terminate its contracts with us, without prior notice and at its convenience. In addition, funding may be reduced or withheld as part of the annual U.S. Congressional appropriations process due to fiscal constraints, changing priorities or other reasons. Any loss or reduction of expected funding and/or modification or termination of one or more of our U.S. government contracts could have a material adverse effect on our access to government testing facilities and/or our ability to secure pre-certification operating experience and/or revenues, which could have an adverse impact on our business, financial condition and results of operations.

We may be unable to grow our relationship with the U.S. government and the Department of Defense, which will limit our ability to operate prior to receiving an FAA certification of airworthiness.

We are projecting that we will enter into additional contracts with the U.S. government which would enable us to operate our aircraft as a service provider for the Department of Defense or other U.S. government agencies both prior to receiving an airworthiness certificate from the FAA and after. Failure to obtain these contracts would limit our ability to gain operational learnings about our aircraft and secure meaningful revenue, which could have a material adverse effect on our business, financial condition and results of operations.

We conduct a portion of our business pursuant to U.S. government contracts, which are subject to unique risks.

Contracts with the U.S. government are subject to extensive regulations. New regulations, or changes to existing regulations, could result in increased compliance costs, and we could be subject to withheld payments and/or reduced future business if we fail to comply with new or existing requirements in the future. Compliance costs attributable to current or future regulations such as these could negatively impact our financial condition and operating results.

Contracts with the U.S. government are also subject to a variety of other requirements and risks including government reviews, audits, investigations, False Claims Act cases, suspension and debarment as well as other legal actions and proceedings that generally do not apply to purely commercial contracts. In addition, transactions involving government contractors may be subject to government review and approvals. Failure to comply with these requirements or secure necessary approvals could negatively impact our business, financial condition and operating results.

Risks Related to Our Finances and Operations

We have incurred significant losses since inception, we expect to incur losses in the future, and we may not be able to achieve or maintain profitability.

We have incurred significant losses since inception. We incurred net losses of \$513.1 million, \$258.0 million and \$180.3 million for the years ended December 31, 2023, 2022 and 2021, respectively. We have not yet started commercial operations, and it is difficult for us to predict our future operating results. As a result, our losses may be larger than anticipated, and we may not achieve profitability when expected, or at all, and even if we do, we may not be able to maintain or increase profitability.

We expect our operating expenses to increase over the next several years as we move towards commercial launch, expand our manufacturing operations, increase our flight cadence, hire more employees and continue research and development efforts relating to new products and technologies. These efforts may be more costly than we expect and may not result in increased revenue or growth in our business. Any failure to generate revenue sufficient to keep pace with our investments and other expenses could prevent us from achieving or maintaining profitability or positive cash flow. Furthermore, if our future growth and operating performance fail to meet investor or analyst expectations, or if we have future negative cash flow or losses resulting from our investment in acquiring customers or expanding our operations, this could have a material adverse effect on our business, financial condition and results of operations.

We will need additional capital in the future, including to build high-volume manufacturing, and to develop a skyport network to support a high-volume service.

Our proposed operations contemplate significant manufacturing capacity, aircraft fleet and infrastructure development, including additional skyports where our aircraft can land, both within the United States and internationally. Construction of manufacturing facilities, skyports or other operating facilities will require significant capital expenditures, as will future expansion of and improvements to our operations.

In addition, as our facilities and aircraft mature, our business will require capital expenditures for the maintenance, renovation and improvement of such locations to remain competitive. This creates an ongoing need for capital, and, to the extent we cannot fund capital expenditures from cash flows from operations, we will need to borrow or otherwise obtain funds.

Prior to the consummation of the Merger, we financed our operations and capital expenditures primarily through private financing rounds. In the future, we may need to raise capital through public or private financing or other arrangements. Such financing may not be available on acceptable terms, or at all, and our failure to raise capital when needed could harm our business. For example, the global COVID-19 health crisis and related financial impact resulted in significant disruption and volatility of global financial markets. Similar pandemics or other disruptions to global markets could adversely impact our ability to access capital. In addition, increased interest rates in 2022 and 2023 led to a widespread slowdown in investment and funding opportunities, especially for pre-revenue companies, that is expected to continue in the near-term.

We may sell equity securities or debt securities in one or more transactions at prices and in a manner that may materially dilute our current investors. Any debt financing, if available, may involve restrictive covenants that could reduce our operational flexibility or profitability. Debt financing, if available, may result in a significant financial burden if interest rates remain high for a prolonged period or increase in the future. If we cannot raise funds on acceptable terms, we may not be able to grow our business or respond to competitive pressures which may have an adverse impact on our business, financial condition and results of operations.

We have broad discretion in how we use our assets, and we may not use them effectively.

Our management has broad discretion in the use of our assets, including capital raised. We may use capital for general corporate purposes, including working capital, operating expenses, and capital expenditures, and we may acquire complementary businesses, products, offerings, or technologies. We may also spend or invest in a way with which our stockholders disagree. If our management fails to use our capital effectively, our business could be seriously harmed.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

As of December 31, 2023, Joby had approximately \$608.6 million and \$82.0 million of federal and state net operating loss carryforwards (“NOLs”) and \$44.9 million and \$36.4 million federal and state research and development tax credits. Under the Tax Cuts and Jobs Act, federal NOLs generated by the Company in tax years through December 31, 2017 may be carried forward for 20 years and may fully offset taxable income in the year utilized and federal NOLs generated by the Company in tax years beginning after December 31, 2017 may be carried forward indefinitely but may only be used to offset 80% of our taxable income annually. Under Sections 382 and 383 of the Code, if a corporation undergoes an “ownership change,” the corporation’s ability to use its pre-change federal NOLs and other tax attributes (such as research and development tax credits) to offset its post-change income and taxes may be limited. In general, an “ownership change” occurs if there is a greater than 50 percentage point change (by value) in a corporation’s equity ownership by certain stockholders over a rolling three-year period. We may have experienced ownership changes in the past and may experience ownership changes in the future as a result of subsequent shifts in our stock ownership (some of which shifts are outside our control). As a result, our ability to use our pre-change federal NOLs and other tax attributes to offset future taxable income and taxes could be subject to limitations. Similar provisions of state tax law may also apply. For these reasons, even if we achieve profitability, we may be unable to use a material portion of our NOLs and other tax attributes which may have an adverse impact on our business, financial condition and results of operations.

If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and our ability to comply with applicable regulations could be impaired.

As a public company we are required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting for each annual report on Form 10-K to be filed with the SEC. This assessment needs to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Additionally, our independent registered public accounting firm is required to attest to the effectiveness of our internal control over financial reporting. An adverse report may be issued if our auditor is not satisfied with the level at which our controls are documented, designed, or operating.

In connection with the audit of our consolidated financial statements as of and for the year ended December 31, 2022, we identified a material weakness in our internal control over financial reporting which was fully remediated as of the year ended December 31, 2023. If we fail to implement and maintain effective internal control over financial reporting could

result in errors in our financial statements that may lead to a restatement of our financial statements or cause us to fail to meet our reporting obligations. In addition, our internal control over financial reporting will not prevent or detect all errors and fraud. Because of the inherent limitations in all control systems, no evaluation can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

In order to maintain and improve the effectiveness of our internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight. If any of these new or improved controls and systems, or the existing systems and third-party software applications that we rely on for financial reporting, do not perform as expected, we may experience further deficiencies in our controls and we may not be able to meet our financial reporting obligations.

If there are material weaknesses or failures in our ability to meet any of the requirements related to the maintenance and reporting of our internal control, investors may lose confidence in the accuracy and completeness of our financial reports and that could cause the price of our common stock to decline. In addition, we could become subject to investigations by the SEC, the New York Stock Exchange (“NYSE”) or other regulatory authorities, which could require additional management attention and which could adversely affect our business.

We may be unable to protect our intellectual property rights from unauthorized use by third parties.

Our success depends, in part, on our ability to protect our proprietary intellectual property rights, including technologies deployed in our current or future aircraft or utilized in arranging air transportation. To date, we have relied primarily on patents and trade secrets to protect our proprietary technology. Our software is also subject to certain protection under copyright law, though we have chosen not to register any of our copyrights to date. We routinely enter into non-disclosure agreements with our employees, consultants, third parties and others and take other measures to protect our intellectual property rights, such as limiting access to our trade secrets and other confidential information. We intend to continue to rely on these and other means, including patent protection, in the future. However, the steps we take to protect our intellectual property may be inadequate, and unauthorized parties may attempt to copy aspects of our intellectual property or obtain and use information that we regard as proprietary. If successful, these attempts may harm our ability to compete, accelerate the development of our competitors’ programs, and/or harm our competitive position in the market. Moreover, our non-disclosure agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to ours. Our competitors or third parties may not comply with the terms of these agreements, and we may not be able to successfully enforce such agreements or obtain sufficient remedies if they are breached. In addition, we accept government funding for the development of some intellectual property which may result in the government obtaining some rights in our intellectual property. The intellectual property rights we own or license may not provide competitive advantages and could be challenged or circumvented by our competitors.

Further, obtaining and maintaining patent, copyright, and trademark protection can be costly. We may choose not to, or may fail to, pursue or maintain such forms of protection for our technology in the United States or foreign jurisdictions, which could harm our ability to maintain our competitive advantage in such jurisdictions. It is also possible that we will fail to identify patentable aspects of our technology before it is too late to obtain patent protection, that we will be unable to devote the resources to file and prosecute all patent applications for such technology, or that we will lose protection for failing to comply with all procedural, documentary, payment, and other obligations during the patent prosecution process. The laws of some countries do not protect proprietary rights to the same extent as the laws of the United States, and mechanisms for enforcement of intellectual property rights in some foreign countries may be inadequate to prevent other parties from infringing our proprietary technology. We may also fail to detect unauthorized use of our intellectual property, or be required to expend significant resources to monitor and protect our intellectual property rights, including engaging in litigation, which may be costly, time-consuming, and divert the attention of management and resources, and may not ultimately be successful. If we fail to meaningfully establish, maintain, protect and enforce our intellectual property rights, our business, financial condition and results of operations could be adversely affected.

If conflicts arise between us and our strategic partners, our business could be adversely affected, or these parties may act in a manner adverse to us.

If conflicts arise between our collaborators or strategic partners and us, the other party may act in a manner adverse to us which could limit our ability to implement our strategies. Our collaborators or strategic partners may develop, either alone or with others, products in related fields that are competitive with our products. Specifically, conflicts with Toyota Motor Corporation may adversely impact our ability to manufacture aircraft or scale production, while conflicts with Uber Technologies, Inc. and Delta Air Lines may adversely impact our ability to successfully launch and maintain our consumer-facing UAM services. Conflicts with foreign partners may adversely impact our ability to scale operations

outside the U.S. effectively. If such conflicts arise it may adversely affect our business, financial condition and results of operations.

We may invest significant resources in developing new offerings and exploring the application of our proprietary technologies for other uses and those opportunities may never materialize.

While our primary focus is on the design, manufacture and operation of our eVTOL aircraft and the related aerial mobility service, we may invest significant resources in developing new technologies, services, products and offerings. However, we may not realize the expected benefits of these investments.

Such research and development initiatives may also have a high degree of risk and involve unproven business strategies and technologies with which we have limited operating or development experience. They may involve claims and liabilities, expenses, regulatory challenges and other risks that we may not be able to anticipate. We may not be able to predict whether consumer demand for such initiatives will exist or be sustained at the levels that we anticipate, or whether any of these initiatives will generate sufficient revenue to offset any expenses or liabilities associated with these investments. For example, our subsidiary, H2FLY, is working on the development of an optimized fuel cell system for hydrogen-electric aircraft. Any such research and development efforts could distract management from current operations and would divert capital and other resources from our more established technologies. Even if we are successful in developing new products, services, offerings or technologies, regulatory authorities may subject us to new rules or restrictions in response to our innovations that may increase our expenses or prevent us from successfully commercializing new products, services, offerings or technologies and have an adverse impact on our business, financial condition and results of operations.

Any material disruption in our information systems could adversely affect our business.

Our systems, or those of third-parties upon which we rely, may experience service interruptions, outages, or degradation because of hardware and software defects or malfunctions, human error or intentional bad acts by third parties or our employees, contractors, or service providers, natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks, cyberattacks or other events. Our insurance may not be sufficient, and we may not have sufficient remedies available to us from our third-party service providers, to cover all of our losses that may result from such issues which may have an adverse impact on our business, financial condition and results of operations.

If we or our third-party service providers experience a security breach, or if unauthorized parties otherwise obtain access to our customers' data, our reputation may be harmed, demand for services may be reduced, and we may incur significant liabilities.

We rely on information technology networks and systems to operate and manage our business and store our confidential and proprietary information. Our services will also involve the storage, processing and transmission of our customers' data, including personal and financial information. We also engage and plan to engage third-party service providers to store and process this data. While we believe we and our service providers take reasonable steps to secure these networks and systems, our information technology infrastructure may be vulnerable to computer viruses or physical or electronic intrusions that our security measures may not detect. Any such security incident, including those resulting from cybersecurity attacks, phishing attacks, unauthorized access or usage, virus or similar breach or disruption could result in the loss, destruction, alteration or disclosure of this data, which could damage our reputation and lead to litigation, regulatory investigations, or other liabilities. These attacks may come from individual hackers, corporations, criminal groups, and state-sponsored organizations. Even the perception of inadequate security may damage our reputation and negatively impact our ability to win new customers and retain existing customers. Further, we could be required to expend significant capital and other resources to address any data security incident or breach, which may not be fully covered by our insurance or at all, and which may involve payments for investigations, forensic analyses, legal advice, public relations advice, system repair or replacement, or other services. Any actual or alleged security breaches or alleged violations of federal, state, or foreign laws or regulations relating to privacy and data security could result in mandated user notifications, litigation, government investigations, significant fines, and expenditures; divert management's attention from operations; deter customers from using our services; damage our brand and reputation; force us to cease operations for some length of time; and materially adversely affect our business, results of operations, and financial condition.

Techniques used to sabotage or obtain unauthorized access to systems or networks are constantly evolving and, in some instances, are not identified until after they have been launched against a target. We and our service providers may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventative and mitigating

measures. If we are unable to efficiently and effectively maintain and upgrade our system safeguards, we may incur unexpected costs and certain of our systems may become more vulnerable to unauthorized access or disruption.

Our intended initial operations are concentrated in a small number of metropolitan areas and airports which makes our business particularly susceptible to natural disasters, outbreaks and pandemics, growth constraints, economic, social, weather, and regulatory conditions or other circumstances affecting these metropolitan areas.

We intend to initially service larger metropolitan areas that will be the source of the majority of our revenue. As a result, our business and financial results are particularly susceptible to natural disasters, outbreaks and pandemics, growth constraints, economic, social, weather, and regulatory conditions or other circumstances applicable to these metropolitan areas. Because we will initially have a limited number of locations, a significant interruption or disruption in service at an individual skyport or metropolitan area where we have a significant volume of flights could have a severe impact on our business, results of operations and financial condition.

Our concentration in large metropolitan areas and heavily trafficked airports also makes our business susceptible to an outbreak of a contagious disease, such as COVID-19, both due to the high volume of travelers flying into and out of such airports and the ease at which contagious diseases can spread through densely populated areas.

Disruption of operations at skyports, whether caused by labor relations, utility or communications issues, power outages, or changes in federal, state and local regulatory requirements could harm our business. Certain airports may regulate our flight operations, including limiting the number of landings per year, banning our operations or introducing new permitting requirements, which could significantly disrupt our operations. In addition, demand for our advanced air mobility services could be impacted if drop-offs or pick-ups of passengers become inconvenient because of airport rules or regulations, or more expensive because of airport-imposed fees, which would adversely affect our business, financial condition and operating results.

We currently have subsidiaries located outside of the United States and plans for international operations in the future, which could subject us to political, operational and regulatory challenges.

While our primary operations are in the United States, we have established relationships with subsidiaries, suppliers and potential partners in select international markets. In addition, we currently have subsidiaries engaged in limited test manufacturing, R&D and other activities in foreign countries. We have also begun working with regulators in other countries, including the United Kingdom, Japan, South Korea and the UAE to pursue commercialization opportunities in those markets and have signed contracts with potential partners in each of these markets under which we make various commitments related to early operations. While foreign certification in many countries leverages our work with the FAA and in some cases, such as the UAE, it may also provide a path to commercial operations prior to receiving certification in the United States, applicable regulations outside the U.S. may differ from or be more stringent than analogous U.S. regulations. International operations are subject to a number of additional risks, including local political or economic instability, cross-border political tensions, challenges in effectively managing employees in foreign jurisdictions, including local labor laws that may be stricter or more costly to comply with than in the U.S., and exposure to potential liabilities under anti-corruption or anti-bribery laws, including the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and similar laws and regulations. If any of these risks materialize it could adversely impact our business, financial condition and results of operations.

We are subject to risks arising from natural disasters and severe weather conditions and risks associated with climate change, including the potential increased impacts of severe weather events on our operations and infrastructure.

Natural disasters, including wildfires, tornados, hurricanes, floods and earthquakes, and severe weather conditions, may damage our manufacturing plants, facilities or aircraft or disrupt our operating routes. Our Bonny Doon facilities, in particular, are located in an area that is at high risk due to wildfire. Our Bonny Doon facilities are also subject to a risk of closure due to zoning and permitting issues. Destruction or our inability to use any of our facilities for a prolonged period of time could materially impact our ability to meet our projected timelines.

The potential effects of climate change, such as increased frequency and severity of storms, floods, fires, sea-level rise and other climate-related events, could affect our operations, infrastructure and financial results. We could incur significant costs to improve the climate resiliency of our infrastructure and otherwise prepare for, respond to, and mitigate such effects. We cannot accurately predict the materiality of any potential losses or costs associated with the effects of climate change.

We are subject to many hazards and operational risks that can disrupt our business, including interruptions or disruptions in service at our facilities, for which we may not be able to secure adequate insurance policies, or secure insurance policies at reasonable prices.

Our operations are subject to many hazards and operational risks, including general business risks, product liability and damage to third parties, our infrastructure or properties that may be caused by natural disasters, power losses, telecommunications failures, terrorist attacks (including hijacking, use of the aircraft as a weapon, or use of the aircraft to disperse a chemical or biological agent), security related incidents or human errors. Additionally, our manufacturing operations are hazardous at times and may expose us to safety risks, including environmental risks and health and safety hazards to our employees or third parties. Furthermore, there is an increasing focus on environmental disclosure and regulation at the local, state and federal levels. Additional laws in these areas, if enacted, could be difficult or costly to comply with.

We maintain general liability insurance, aviation flight testing insurance, aircraft liability coverage, directors and officers (“D&O”) insurance, and other insurance policies and we believe our level of coverage is customary in the industry and adequate to protect against claims. However, there can be no assurance that our insurance will be sufficient to cover all potential claims or that present levels of coverage will be available in the future at reasonable cost or at all. Further, we expect our insurance needs and costs to increase as we build production facilities, manufacture aircraft, establish commercial operations, add routes, increase flight and passenger volumes and expand into new markets. It is too early to determine what impact, if any, the commercial operation of eVTOLs will have on our insurance costs which may have an adverse impact on our business, financial condition and result of operations.

We are dependent on our senior management team and other highly skilled personnel, including pilots and mechanics, and we may not be successful in attracting or retaining these personnel.

Our success depends, in significant part, on the continued services of our senior management team and on our ability to attract, motivate, develop and retain a sufficient number of other highly skilled personnel. While our efforts to hire key personnel have generally been successful overall, hiring in the areas of software development and verification has progressed more slowly than initially expected, due to high levels of competition in the markets in which we operate.

In addition, there is a shortage of pilots that is expected to exacerbate over time as more pilots in the industry approach mandatory retirement age. Trained and qualified aircraft mechanics are also in short supply. Our service is dependent on recruiting and retaining qualified pilots and mechanics, either or both of which may be difficult due to the corresponding personnel shortages. We compete against airlines and other air mobility and transportation services for pilots and other skilled labor, some of which will offer wages or benefit packages exceeding ours.

The loss of any of the members of our senior management team or other highly skilled personnel, or our inability to hire, train, and retain qualified pilots and mechanics could harm our business and prevent us from implementing our growth plans.

Our business may be adversely affected by union activities.

Although none of our employees are currently represented by a labor union, it is common throughout the aerospace and airline industries for employees to belong to a union, which can result in higher employee costs and an increased risk of work stoppages. As we expand our business our employees could join or form a labor union and we could be required to become a union signatory. We are also directly or indirectly dependent upon companies with unionized work forces, such as parts suppliers, and work stoppages or strikes organized by such unions could delay the manufacture of our aircraft or disrupt our operations, which could have a material adverse impact on our business, financial condition or operating results.

Additional Risks Related to Ownership of Our Common Stock

The price of our common stock has been and may continue to be volatile.

The price of our common stock has been volatile and will likely continue to fluctuate due to a variety of factors. The stock market in general, and the market for pre-revenue technology companies in particular, has had and may continue to have significant price and volume fluctuations. The market for our common stock may continue to be influenced by events or occurrences including: changes to the regulations that impact our business or adverse decisions by regulators; our ability to develop the market we expect for UAM services, whether due to competition, market acceptance, performance, pricing or other factors; manufacturing and operational challenges; our failure to meet financial projections or manage our cash;

actions by shareholders, including the sale of a large volume of shares or campaigns by activist investors or short-sellers; actions taken by our competitors; and public perception of our business and our industry as a whole.

These factors, along with the occurrence of any of the risk factors described in this Annual Report, many of which are not within our control, could cause the price of our common stock to decline materially, regardless of our operating performance.

We do not intend to pay cash dividends for the foreseeable future.

We currently intend to retain our future earnings, if any, to finance the further development and expansion of our business and do not intend to pay cash dividends in the foreseeable future. Any future decision to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in future agreements and financing instruments, business prospects and such other factors.

If analysts do not publish research about our business or if they publish inaccurate or unfavorable research, our stock price and trading volume could decline.

The market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us, our business, our market and our competitors. If one or more of the analysts who cover us downgrade our common stock, provide more favorable recommendations about our competitors or publish inaccurate or unfavorable research about our business, the price of our common stock would likely decline. If few analysts cover us, or if analysts who cover us cease coverage or fail to publish regular reports, demand for our common stock could decrease and our common stock price and trading volume may decline.

We may be subject to securities litigation, activist investors and short-selling campaigns, which are expensive and could divert management attention.

The market price of our common stock has been and may continue to be volatile. Companies that have experienced volatility in the market price of their stock have, in the past, been subject to securities class action litigation, activist investor campaigns and short-selling. We may be the target of these types of activities in the future, any for which could result in substantial costs and divert management's attention from other business concerns, which could seriously harm our business.

Future resales of common stock may cause the market price of our securities to drop significantly.

Certain Joby stockholders are contractually restricted from selling or transferring shares of common stock (the "Lock-up Shares") for an agreed-upon period of time. For example, certain significant stockholders have agreed to a five-year lockup, with 20% of the Lock-up Shares being released on each anniversary of the closing of the Merger, subject to provisions that allow for a complete release of the Lock-Up Shares if the Company undergoes a change of control (the "Major Company Equityholders Lock-Up Agreement"). Under the Sponsor Agreement (the "Sponsor Agreement"), by and among the Company, Reinvent Sponsor, LLC ("Sponsor") and RTP, the Sponsor's Lock-up Shares are subject to the same releases agreed to in the Major Company Equityholders' Lock-Up Agreement in addition to vesting conditions. Following the expiration of each lockup tranche, the applicable stockholders will no longer be restricted from selling shares of our common stock held by them, other than by applicable securities laws. As such, sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell their shares, could reduce the market price of our common stock. As of February 15, 2024, there were approximately 227,835,867 shares subject to the Major Company Equityholders Lock-Up Agreement. As restrictions on resale end, the sale or possibility of sale of these shares could have the effect of increasing the volatility in our share price or the market price of our common stock could decline if the holders of currently restricted shares sell them or are perceived by the market as intending to sell them.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management & Strategy

We have established a risk-based process for assessing, identifying and managing material cybersecurity threats. Our security program utilizes various tools, including physical, administrative and technical safeguards designed to help prevent and respond to cybersecurity threats and incidents. As risks are identified, we implement a variety of measures to manage and mitigate these risks such as firewalls, intrusion detection processes/systems, and vulnerability management. We have a Cyber Defense Center that utilizes incident response plans and various tools such as Splunk and Crowdstrike to respond and recover from cyber incidents. We also have an outside firm on retainer should the need arise to obtain additional assistance.

In addition, we have established an Information Security Awareness Program focused on several areas:

- Formal training on topics such as phishing each month;
- During Cyber Security Awareness month we provide additional training on topics like IT Policy, access management, and effective password management;
- Company-wide informal training through lunch & learn sessions and department meetings;
- Tabletop exercises with key personnel during which we simulate cybersecurity threats to test our capabilities and continually improve our response protocols.

We are actively engaged with the Aviation Information Sharing and Analysis Center (ISAC) which gathers, analyzes and shares information to combat cyber-related threats and weaknesses. We use this information to ensure we are aware of possible threats that could occur within our industry.

During the last three fiscal years, our business strategy, results of operations and financial condition have not been materially affected by risks from cybersecurity threats. For more information on our cybersecurity related risks, see Item 1A “Risk Factors” in this Annual Report on Form 10-K.

Governance

The Audit Committee of our Board of Directors is primarily responsible for oversight of the Company’s risk assessment and risk management, including cybersecurity risks. The committee meets at least annually with our Head of Information Technology, who provides a report on the Company’s current risk assessment as well as mitigation efforts. The Audit Committee also periodically updates the Board of Directors on risk matters.

Keith Moss, our Head of Information Technology, oversees our cybersecurity and information security program. He has over 30 years of experience in various CISO and information technology roles, and was previously the IT Director at Ford Motor Company North America. He holds a Master of Science in Computer Engineering and a Bachelor of Science in Computer Science from the University of Michigan and an MBA from Bowling Green State University.

Item 2. Properties

Our corporate headquarters are located in Santa Cruz, California, and consist of approximately 162,000 square feet. We operate primarily out of facilities located in the U.S., in Santa Cruz, San Carlos and Marina, California, Washington, D.C. and internationally in Munich and Stuttgart, Germany, Linz, Austria, San Jose, Costa Rica, and Shenzhen, China. All of our facilities, except for the newly-purchased corporate headquarters, are located on land that is leased from third parties or, in the case of certain of our Santa Cruz facilities, from entities partially or wholly owned by our CEO, JoeBen Bevirt.

The facilities that house our prototype production line in Marina, California span approximately 130,000 square feet and are leased from the City of Marina. We have also entered into a ground lease agreement with the City of Marina that can be extended for up to 50 years.

We believe our facilities are adequate and suitable for our current needs and that, should it be needed, suitable additional or alternative space will be available to accommodate our operations.

Our testing facility in Santa Cruz, California is a retired rock quarry. While the nature of this facility is suitable for advanced R&D and testing activities, this facility lacks compliance with applicable building codes, zoning codes and similar regulations and ordinances. We have transitioned most of the research and development work to our facility in Santa Cruz. In addition, we are working with the County of Santa Cruz to bring the site into compliance for our remaining limited testing operations at the facility.

Item 3. Legal Proceedings

We are subject to a variety of claims that arise from time to time in the ordinary course of our business. While management currently believes that resolving claims against us, individually or in aggregate, will not have a material adverse impact on our financial position, results of operations or statement of cash flows, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. If an unfavorable final outcome were to occur, it may have a material adverse impact on our financial position, results of operations or cash flows for the period in which the effect becomes reasonably estimable.

Item 4. Mine Safety Disclosures

Not applicable.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock and public warrants to purchase common stock are traded on The New York Stock Exchange under the symbols "JOBY" and "JOBY WS", respectively.

Holders

As of February 15, 2023, there were approximately 302 holders of record of our common stock. Because many of our shares of common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of beneficial owners represented by these record holders.

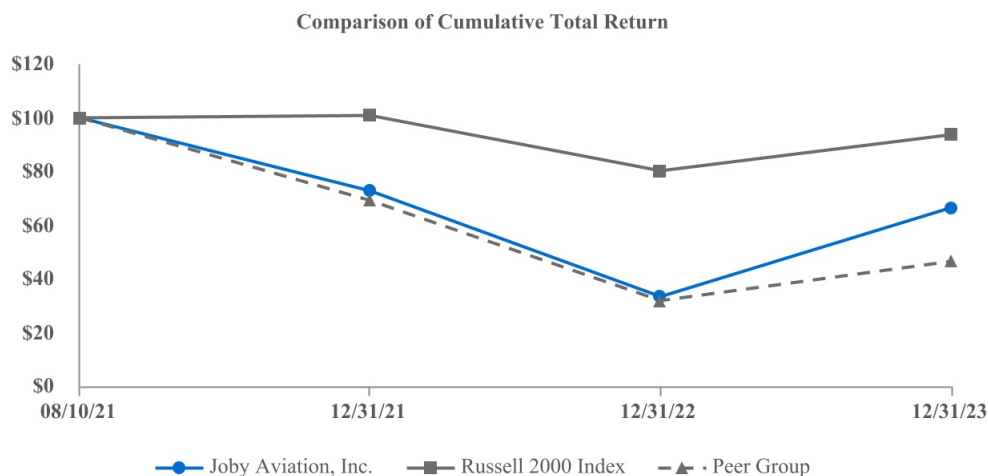
Dividends

We have never declared or paid any cash dividends on our capital stock and we do not anticipate paying any cash dividends in the foreseeable future. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition. The payment of any cash dividends will be within the discretion of our board of directors. Our ability to declare dividends may be limited by the terms of financing or other agreements entered into by us or our subsidiaries from time to time.

Stock Performance Graph

This performance graph shall not be deemed "soliciting material" or to be "filed" with the SEC for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of Joby Aviation, Inc. under the Securities Act, or the Exchange Act. The returns shown are based on historical results and are not intended to suggest future performance.

The following graph compares the cumulative total stockholder return of our common stock to the Russell 2000 Index and in a peer group consisting of Archer Aviation Inc., Eve Holding, Inc., Joby Aviation, Inc., Lilium N.V., Vertical Aerospace Ltd. ("Peer Group"). The chart shows the annual change in value of \$100 invested in each of our common stock, the index and the Peer Group on August 10, 2021, the date of our Merger with RTP, and assumes reinvestment of dividends, if any. Each of the companies in our Peer Group went public via merger with a special purpose acquisition company ("SPAC"). For Peer Group companies that completed their SPAC merger after August 10, 2021, the cumulative return for the Peer Group was weighted based on the market capitalization of each company based on the date of its SPAC merger.



Recent Sale of Unregistered Securities and Use of Proceeds

Recent Sale of Unregistered Securities

None.

Use of Proceeds

None.

Issuer Purchases of Equity Securities

None.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information that our management believes is relevant to an assessment and understanding of our consolidated results of operations and financial condition. The discussion should be read together with our consolidated financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. We have elected to omit discussion on the earliest of the three years covered by the consolidated financial statements presented. Refer to Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations located in our Annual Report on Form 10-K for the year ended December 31, 2022, filed on March 1, 2023, for reference to discussion of the fiscal year ended December 31, 2021, the earliest of the three fiscal years presented. This discussion and analysis includes forward looking statements that involve risks and uncertainties. Please see the section of this Annual Report on Form 10-K titled "Special Note Regarding Forward-Looking Statements."

Overview

We have spent more than a decade designing and testing a piloted all-electric, vertical take-off and landing ("eVTOL") aircraft that we intend to operate as part of a fast, quiet and convenient service in cities around the world. The aircraft is quiet when taking off, near silent when flying overhead and is designed to transport a pilot and four passengers at speeds of up to 200 mph, with a range optimized for urban markets of 100 miles on a single charge. The low noise enabled by the all-electric powertrain will allow the aircraft to operate around dense, urban areas while blending into the background noise of cities. With more than 1,000 successful test flights already completed, and as the first eVTOL aircraft developer to receive a signed, stage 4 G-1 certification basis, we believe we are well positioned to be the first eVTOL manufacturer to earn airworthiness certification from the Federal Aviation Administration ("FAA").

We do not currently intend to sell these aircraft to independent third parties or individual consumers as a primary business model. Instead, we plan to manufacture, own and operate our aircraft, building a vertically integrated transportation company that will deliver transportation services to our customers, including government agencies such as the U.S. Air Force ("USAF") through sales or contracted operations, and to individual end-users through a convenient app-based aerial ridesharing service. We delivered our first aircraft for initial service operations with the U.S. Department of Defense ("DOD") in September 2023 and are targeting commercial passenger operations in 2025. We believe this vertically-integrated business model will generate the greatest economic returns, while providing us with end-to-end control over the customer experience to optimize for customer safety, comfort and value. There may be circumstances in which it is either required (for example, due to operating restrictions on foreign ownership in other countries) or otherwise desirable to sell aircraft in the future. We do not expect this would change our core focus on building a vertically integrated transportation company.

Since our inception in 2009, we have been primarily engaged in research and development of eVTOL aircraft. We have incurred net operating losses and negative cash flows from operations in every year since our inception. As of December 31, 2023, we had an accumulated deficit of \$1,247.7 million. We have funded our operations primarily with proceeds from the issuance of stock, convertible notes and the proceeds from our February 2021 merger with Reinvent Technology Partners, a special purpose acquisition company (the "Merger").

Key Factors Affecting Operating Results

See the section entitled "Risk Factors" for a further discussion of these considerations.

Development of the Urban Air Mobility ("UAM") Market

Our revenue will be directly tied to the continued development of short distance aerial transportation. While we believe the market for UAM will be large, it remains undeveloped and there is no guarantee of future demand. We delivered our first aircraft for initial service operations with the DOD in September 2023 and are targeting commercial passenger operations in 2025. Our business will require significant investment leading up to launching these services, including, but not limited to, final engineering designs, prototyping and testing, manufacturing, software development, certification, pilot training, infrastructure and commercialization.

We believe one of the primary drivers for adoption of our aerial ridesharing service 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 aerial ridesharing service may 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, air taxi or ride-hailing services; the development of adequate infrastructure; consumers' perception about the safety, 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 or more permanent work-from-home behaviors persist. We anticipate initial operations with our U.S. government customers to be followed by operations in selected high-density metropolitan areas where traffic congestion is particularly acute and operating conditions are suitable for early eVTOL operations.

Competition

We believe that the primary sources of competition for our service are ground-based mobility solutions, other eVTOL developers/operators and local/regional incumbent aircraft charter services. While we expect to be first to market with an eVTOL facilitated aerial ridesharing service, we expect this industry to be dynamic and increasingly competitive; and our competitors could get to market before us, either generally or in specific markets. Even if we are first to market, we may not receive any competitive advantage or may be overtaken by other competitors. If new or existing aerospace companies launch competing solutions in the markets in which we intend to operate or 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 eVTOL aircraft and aerial ridesharing, making it easier for them to obtain the permits and authorizations required to operate an aerial ridesharing service in the markets in which we intend to launch or in other markets. If we do not capture the first mover advantage that we anticipate, it may harm our business, financial condition, operating results and prospects.

Government Certification

We agreed to a signed, stage 4 “G-1” certification basis for our aircraft with the FAA in 2020. This agreement lays out the specific requirements that need to be met by our aircraft for it to be certified for commercial operations. Reaching this milestone marks a key step towards certifying any new aircraft in the U.S. Our aircraft was originally intended to be certified in line with the FAA’s existing Part 23 requirements for Normal Category Airplanes, with special conditions introduced to address requirements specific to our unique aircraft. In May 2022, the FAA indicated that they were revisiting the decision to certify all eVTOLs under Part 23 and would, instead, require certification under the “powered lift” classification. Based on the FAA’s revised certification requirements, we re-signed an updated stage 4 “G-1” certification basis in July 2022, which was published in the federal register in November 2022.

In 2022, we received our Part 135 operating certificate, which is required for us to operate an on-demand air service. While that currently allows us to operate the service with conventional aircraft, the FAA will need to publish operational regulations related to eVTOLs before we add our aircraft to our Part 135 operating certificate. The FAA has indicated that they do not expect the relevant operational regulations, or Special Federal Aviation Regulations (“SFARs”), for eVTOL aircraft to be finalized until late 2024. If the publication of the SFARs is further delayed, if the FAA requires further modifications to our existing G-1 certification basis, or if there are other regulatory changes or revisions, this could delay our ability to obtain type certification, and could delay our ability to launch our commercial passenger service.

In addition to certifying our aircraft, we will also need to obtain authorizations and certifications related to the production of our aircraft and the deployment of our aerial ridesharing service. We anticipate being able to meet the requirements of such authorizations and certifications. If we fail to obtain any of the required authorizations or certifications, or do so in a timely manner, or if 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.

U.S. Government Contracts

In December 2020, we became, to our knowledge, the first company to receive airworthiness approval for an eVTOL aircraft from the USAF, and in the first quarter of 2021 we officially began on-base operations under contract pursuant to the USAF’s Agility Prime program. Our multi-year relationship with the DOD and other U.S. government agencies provides us with a compelling opportunity to more thoroughly understand the operational capabilities and maintenance profiles of our aircraft in advance of commercial launch. In addition to the operational learnings and advanced research support, our contracts, which we expanded in July 2022 and again in April 2023, have a total potential value of more than \$131 million through 2026. We are actively pursuing additional contracts and relationships that would further secure these on-base operations going forward. Our U.S. government contracting parties may modify, curtail or terminate its contracts with us without prior notice, either at its convenience or for default based on performance, or may decline to accept

performance or exercise subsequent option years. We may also be unable to secure additional contracts or continue to grow our relationship with the U.S. government and/or DOD.

Vertically-Integrated Business Model

Our business model is to serve as a vertically-integrated eVTOL transportation service provider. Present projections indicate that payback periods on 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 projections are dependent on certifying and delivering aircraft on time and at a cost that will allow us to offer our service at prices that a sufficient number of customers will be willing to pay for the time and efficiency savings they receive from utilizing our eVTOL services. Our aircraft include parts and manufacturing processes unique to eVTOL aircraft, in general, and our product design, in particular. We have used our best efforts 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. Our vertically-integrated business model also relies, in part, on developing and certifying component parts rather than sourcing already certified parts from third-party suppliers. While we believe this model will ultimately result in a more performant aircraft and better operating economics, the increased time and effort required to develop and certify these components may result in delays compared to alternative approaches.

Our vertically-integrated approach is also dependent on recruiting, developing and retaining the right talent at the right time to support engineering, certification, manufacturing, and go-to-market operations. As we progress through the certification process, we will have an increasing need to accelerate hiring in selected areas. If we are unable to add sufficient headcount it could impact our ability to meet our expected timelines for certification and entry into service.

The success of our business is also dependent, in part, on the utilization rate of our aircraft, which is the amount of time our aircraft spend in the air carrying passengers. We intend to maintain a high daily aircraft utilization rate, and reductions in utilization will adversely impact our financial performance. High daily aircraft utilization is achieved in part by reducing turnaround times at airports. 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.

Components of Results of Operations

Revenue

Flight services

Flight services revenue primarily includes consideration received for our performance of customer-directed flights and on-base operations for various DOD agencies. We recognize revenue as we fulfill our performance obligations in an amount that reflects the consideration we expect to receive.

Operating expenses

Flight services

Flight services expenses consist primarily of costs related to flight, flight support, and maintenance personnel, expenses associated with support aircraft such as rent and fuel, depreciation of capitalized ground support equipment, and our aircraft electricity cost, as directly attributed to our performance of the flight services. Flight services expenses do not include the costs of manufacturing our aircraft and aircraft parts as such costs are expensed when incurred as Research and Development Expenses (see below).

Research and Development Expenses

Research and development expenses consist primarily of personnel expenses, including salaries, benefits, and stock-based compensation, costs of consulting, equipment and materials, depreciation and amortization and allocations of overhead, including rent, information technology costs and utilities. Research and development expenses are partially offset by payments we received in the form of government grants, including those received under the Agility Prime program.

We expect our research and development expenses to increase as we increase staffing to support aircraft engineering and software development, build aircraft, and continue to explore and develop next generation aircraft and technologies.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of personnel expenses, including salaries, benefits, and stock-based compensation, related to executive management, finance, legal, and human resource functions. Other costs include business development, contractor and professional services fees, audit and compliance expenses, insurance costs and general corporate expenses, including allocated depreciation, rent, information technology costs and utilities.

We expect our selling, general and administrative expenses to increase as we hire additional personnel and consultants to support our operations and comply with applicable regulations, including the Sarbanes-Oxley Act ("SOX") and other SEC rules and regulations.

Investment in SummerBio, LLC

Following the outbreak of the COVID-19 pandemic, our management determined that certain previously developed technology that was accessible to us could be repurposed and applied to providing high-volume, rapid COVID-19 diagnostic testing through its investment in SummerBio, LLC ("SummerBio"), a related party. The Company accounted for its investment in SummerBio under the equity method of accounting with an ownership interest of approximately 44.5% as of December 31, 2022.

In June 2022, SummerBio notified us of its decision to wind down testing operations and close the business, which SummerBio substantially executed by the end of December 2022.

The Company recognized income of nil and \$19.5 million (net of impairment loss) for the years ended December 31, 2023 and 2022, respectively.

Gain (Loss) from changes in Fair Value of Warrants and Earnout Shares Liabilities

Publicly-traded warrants ("Public Warrants"), private placement warrants issued to Sponsor ("Private Placement Warrants"), warrants issued to Delta Air Lines, Inc. ("Delta Warrants") and shares of common stock owned by Sponsor subject to certain terms on vesting, lock-up and transfer ("Earnout Shares") are recorded as liabilities and subject to remeasurement to fair value at each balance sheet date. We expect to incur an incremental income (expense) in the consolidated statements of operations for the fair value adjustments for these outstanding liabilities at the end of each reporting period.

2022 Acquisitions

On March 9, 2022, we completed the acquisition of an aerospace composite manufacturing company, whereby we acquired all the purchased assets and assumed selected liabilities in exchange for a total consideration consisting of (i) \$1.5 million in cash, and (ii) RSUs with the aggregate acquisition date value of \$0.1 million. The acquisition was accounted for as a business combination as the assets acquired and liabilities assumed constituted a business in accordance with ASC 805 *Business Combinations*. The purchase consideration of \$1.5 million was allocated to the following: \$1.1 million in favorable lease assets, \$0.4 million of acquired machinery and equipment, \$0.1 million of acquired current assets, and \$0.1 million of acquired current liabilities.

On May 17, 2022, we completed the acquisition of an aerospace software engineering company that specializes in full-lifecycle software and firmware development and verification to aviation regulatory standards, in exchange for total cash consideration of \$7.2 million. The acquisition was accounted for as a business combination as the assets acquired and liabilities assumed constituted a business in accordance with ASC 805 *Business Combinations*. Part of the cash consideration in an amount of \$2.2 million was temporarily retained by us to satisfy our post-closing indemnification claims, if any, against the seller. This retained amount of \$2.2 million was released and paid to the seller during the three month ended June 30, 2023.

In relation to the acquisition, we issued 790,529 RSUs with an aggregate acquisition date value of approximately \$4.5 million. We also paid \$0.5 million to the employees of the acquired company, and settled accounts payable to the acquired company of \$0.2 million. The RSUs vest contingent upon each employee's continued employment with the Company or its subsidiaries, and are recognized as stock-based compensation expense over the RSUs' vesting terms, commencing on the acquisition date.

The purchase consideration of \$7.2 million was, preliminary, allocated to \$3.3 million of goodwill, primarily resulting from the combined workforce and expected increased regulatory efficiencies, \$2.5 million of total intangible assets comprising of \$2.4 million of acquired customer relationships intangible asset and \$0.1 million of acquired developed technology intangible asset, \$1.5 million of acquired current assets, primarily cash and accounts receivable, \$0.3 million of acquired

fixed assets, and \$0.4 million of acquired current liabilities. Amounts recognized as of the acquisition date are provisional and subject to change within the measurement period as the Company's fair value assessments are finalized. In September 2022, the company made certain measurement period adjustments, which included a working capital adjustment with the seller in accordance with the agreement terms, resulting in an increase to the purchase consideration of \$0.1 million which was paid during the three months ended December 31, 2022. No other adjustments were made through the end of the measurement period which ended on May 16, 2023.

On November 30, 2022, the Company completed the purchase of certain real property, improvements and other assets ("Property") from Frederick Electronics Corporation, a Maryland corporation and Plantronics, Inc., a Delaware corporation ("Sellers") for a cash purchase price of \$25.5 million. The Property consists of approximately 162,000 square feet across five buildings located at 333 Encinal Street, Santa Cruz, California and will be used as the Company's corporate headquarters. The acquisition was accounted for as an asset acquisition as substantially all of the fair value of the gross assets acquired was represented by a group of similar assets. The purchase consideration was allocated to \$6.3 million of land, \$17.7 million of buildings and site improvements and \$1.5 million of equipment, fixtures and furniture.

Interest and Other Income, Net

Interest income consists primarily of interest earned on our cash and cash equivalents and investments in marketable securities.

Provision for Income Taxes

Our provision for income taxes consists of an estimate of federal, state, and foreign income taxes based on enacted federal, state, and foreign tax rates, as adjusted for allowable credits, deductions, uncertain tax positions, changes in deferred tax assets and liabilities, and changes in tax law. Due to the level of historical losses, we maintain a valuation allowance against U.S. federal and state deferred tax assets as it has been concluded it is more likely than not that these deferred tax assets will not be realized.

Results of Operations

Comparison of the Year Ended December 31, 2023 to the Year Ended December 31, 2022

The following table summarizes our historical results of operations for the periods indicated (in thousands, except percentage):

	December 31,		Change	
	2023	2022	(\$)	(%)
Revenue:				
Flight services	\$ 1,032	\$ —	1,032	100%
Operating expenses:				
Flight services	200	—	200	100%
Research and development	367,049	296,281	70,768	24 %
Selling, general and administrative	105,877	95,922	9,954	10 %
Total operating expenses	473,126	392,203	80,923	21 %
Loss from operations	(472,094)	(392,203)	(79,891)	20 %
Interest and other income, net	45,561	16,787	28,774	171 %
Income from equity method investment	—	19,463	(19,463)	(100)%
Gain/(loss) from change in fair value of warrants and earnout shares	(86,378)	98,002	(184,379)	(188)%
Total other income (loss), net	(40,817)	134,252	(175,069)	(130)%
Loss before income taxes	(512,911)	(257,951)	(254,960)	99 %
Income tax expense	139	92	47	51 %
Net loss	<u>\$ (513,050)</u>	<u>\$ (258,043)</u>	<u>(255,007)</u>	<u>99 %</u>

Revenue

Flight Services

Flight services revenue primarily includes consideration for our performance of customer-directed flights and on-base operations for various DOD agencies. We recognize revenue as we fulfill our performance obligations in an amount that reflects the consideration we expect to receive.

Operating expenses

Flight services

Flight services expenses consist primarily of costs related to flight, flight support, and maintenance personnel, expenses associated with support aircraft such as rent and fuel, depreciation of capitalized ground support equipment, and our aircraft electricity cost, as directly attributed to our performance of the flight services. Flight services expenses do not include the costs of manufacturing our aircraft and aircraft parts as such costs are expensed when incurred as Research and Development Expenses.

Research and Development Expenses

Research and development expenses increased by \$70.8 million, or 24%, to \$367.0 million during the year ended December 31, 2023 from \$296.3 million during the year ended December 31, 2022. The increase was primarily attributable to increases in personnel to support aircraft engineering, software development, manufacturing process development, and certification, as well as increased quantity of materials used in prototype development and testing. These costs were partially offset by government research and development grants earned through operations as part of our Department of Defense contracts.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by \$10.0 million, or 10%, to \$105.9 million during the year ended December 31, 2023 from \$95.9 million during the year ended December 31, 2022. The increase was primarily attributable to increased headcount to support operations growth, including IT, legal, facilities, HR, and finance, as well as an increase in professional services cost related to legal, accounting and recruiting support.

Total Other Income (loss), Net

Total other income (loss), net decreased by \$175.1 million, or 130%, to a loss of \$40.8 million during the year ended December 31, 2023 from a gain of \$134.3 million during the year ended December 31, 2022. The decrease was primarily driven by a \$184.4 million loss from changes in fair value of warrants and earnout shares, a \$19.5 million decrease in income from equity method investment due to winding down of SummerBio's business operations, partially offset by \$28.8 million increase in interest and other income due to increased interest rates on higher invested funds.

Liquidity and Capital Resources

Sources of Liquidity

We have incurred net losses and negative operating cash flows from operations since inception, and we expect to continue to incur losses and negative operating cash flows for the foreseeable future until we successfully commence sustainable commercial operations. To date, we have funded our operations primarily with proceeds from the Merger and issuance of stock and convertible notes. From inception through December 31, 2023, we raised net proceeds of \$1,067.9 million from the Merger, \$843.3 million from the issuances of redeemable convertible preferred stock and convertible notes prior to the Merger, \$60.0 million from issuance of shares and warrants to Delta Air Lines, Inc., \$180.2 million in net proceeds from our registered direct offering to certain institutional investors and net proceeds of \$99.9 million from our issuance of shares to SKT. As of December 31, 2023, we had cash, cash equivalents and restricted cash of \$204.8 million and short-term investment in marketable securities of \$828.2 million. Restricted cash, totaling \$0.8 million, reflects cash temporarily retained for security deposit on leased facilities. We believe that our cash, cash equivalent and short-term investments will satisfy our working capital and capital requirements for at least the next twelve months.

Long-Term Liquidity Requirements

We expect our cash and cash equivalents on hand together with the cash we expect to generate from future operations will provide sufficient funding to support us through the initial launch of our commercial operations in 2025. Until we generate sufficient operating cash flow to fully cover our operating expenses, working capital needs and planned capital expenditures, or if circumstances evolve differently than anticipated, we expect to utilize a combination of equity and debt financing to fund any future remaining capital needs. If we raise funds by issuing equity securities, dilution to stockholders may result. Any equity securities issued may also provide for rights, preferences, or privileges senior to those of holders of common stock. If we raise 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 in the past, and may in the future, experience periods of upheaval that could impact the availability and cost of equity and debt financing.

Our principal uses of cash in recent periods were to fund our research and development activities, personnel cost and support services. Near-term cash requirements will also include spending on manufacturing facilities, ramping up production and supporting production certification, scaled manufacturing operations for commercialization, infrastructure and skyport development, pilot training facilities, software development and production of aircraft. We do not have material cash requirements related to current contractual obligations. As such, our cash requirements are highly dependent upon management's decisions about the pace and focus of both our short and long-term spending.

Cash requirements can fluctuate based on business decisions that could accelerate or defer spending, including the timing or pace of investments, infrastructure and production of aircraft. Our future capital requirements will depend on many factors, including our revenue growth rate, the timing and the amount of cash received from our customers, the expansion of sales and marketing activities, and the timing and extent of spending to support development efforts. In the future, we may enter into arrangements to acquire or invest in complementary businesses, products, and technologies, which could require us to seek additional equity or debt financing. If we require additional financing we may not be able to raise such financing on acceptable terms or at all. If we are unable to raise additional capital or generate cash flows necessary to continue our research and development and invest in continued innovation, we may not be able to compete successfully, which would harm our business, results of operations, and financial condition. If adequate funds are not available, we may need to reconsider our investments in production operations, the pace of our production ramp-up, infrastructure investments in skyports, expansion plans or limit our research and development activities, which could have a material adverse impact on our business prospects and results of operations.

Cash Flows

The following tables set forth a summary of our cash flows for the periods indicated (in thousands, except percentage):

	Year Ended December 31,		Change	
	2023	2022	(\$)	(%)
Net cash (used in) provided by:				
Operating activities	\$ (313,831)	\$ (235,925)	\$ (77,906)	33 %
Investing activities	80,304	(630,789)	711,093	(113)%
Financing activities	288,239	60,456	227,783	377 %
Net increase (decrease) in cash, cash equivalents, and restricted cash	<u>\$ 54,712</u>	<u>\$ (806,258)</u>	<u>\$ 860,970</u>	<u>(107)%</u>

Net cash used in operating activities for the year ended December 31, 2023 was \$313.8 million, consisting primarily of a net loss of \$513.1 million, adjusted for non-cash items and statement of operations impact from investing and financing activities which includes \$93.6 million in stock-based compensation expense, a \$86.4 million loss from change in the fair value of warrants and earnout shares, \$30.5 million in depreciation and amortization expense and a net decrease in our net working capital of \$8.9 million, partially offset by \$20.2 million net accretion of our investments in marketable securities.

Net cash used in operating activities for the year ended December 31, 2022 was \$235.9 million, consisting primarily of a net loss of \$258.0 million, adjusted for non-cash items and statement of operations impact from investing and financing activities which includes \$69.1 million in stock-based compensation expense, \$24.0 million in depreciation and amortization expense and a net decrease in our net working capital of \$51.8 million, primarily related to distributions from equity investment in Summerbio, partially offset by a \$98.0 million gain from change in the fair value of warrants and

earnout shares, \$19.5 million in income from equity method investment and a \$5.2 million net accretion and amortization of our investments in marketable securities.

Net Cash Provided by (Used in) Investing Activities

Net cash provided by investing activities for the year ended December 31, 2023 of \$80.3 million was primarily due to proceeds from the sales and maturities of marketable securities of \$920.9 million, partially offset by purchases of marketable securities of \$810.0 million and purchases of property and equipment of \$30.6 million

Net cash used in investing activities for the year ended December 31, 2022 of \$630.8 million was primarily due to purchases of marketable securities of \$1,359.0 million, purchases of property and equipment of \$54.9 million and acquisition of assets of \$5.7 million, partially offset by proceeds from the sales and maturities of marketable securities of \$788.8 million.

Net Cash Provided by Financing Activities

Net cash provided by financing activities for the year ended December 31, 2023 of \$288.2 million was primarily due to net proceeds of \$180.2 million from our registered direct offering to certain institutional investors and net proceeds of \$99.9 million from our issuance of common shares to SKT, proceeds from the issuance of common stock under the employee stock purchase plan of \$6.9 million and \$2.1 million, proceeds from exercise of stock options and issuance of common stock warrants, partially offset by repayments for finance lease obligations and tenant improvement loan totaling \$0.8 million.

Net cash provided by financing activities for the year ended December 31, 2022 of \$60.5 million was primarily due to proceeds from the issuance of common stock and warrants of \$60.1 million, \$1.4 million from exercise of stock options, partially offset by repayments for capital lease obligations and tenant improvement loan totaling \$1.0 million.

Critical Accounting Estimates

Management's discussion and analysis of our financial condition and results of operations is based on our Consolidated Financial Statements, which have been prepared in accordance with U.S. GAAP. The preparation of these Consolidated Financial Statements requires us to make estimates and assumptions for the reported amounts of assets, liabilities, revenue, expenses and related disclosures. Our 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 significant accounting policies of the Company are described in more detail in Note 2 to our Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K. We believe the following accounting policies and estimates to be critical to the preparation of our Consolidated Financial Statements.

Stock-Based Compensation

We measure and record the expense related to stock-based payment awards based on the fair value of those awards as determined on the date of grant. When the observable market price or volatility we use to determine grant date fair value does not reflect certain material non-public information known to the Company but unavailable to marketplace participants at the time the market price is observed, we determine whether an adjustment to the observable market price is required. We recognize stock-based compensation expense over the requisite service period of the individual grant, generally equal to the vesting period and use the straight-line method to recognize stock-based compensation, and account for forfeitures as they occur. Some of our awards contain service-based vesting condition as well as performance-based vesting condition. We consider the probability of achieving each of the performance goals at the end of each reporting period and recognize expense over the requisite period when achievement of the goal is determined to be probable, and adjust the expense if the probability of achieving the goal later changes. The Company estimates the probabilities based on available information about the progress made towards performance goals at each reporting period. Our performance based awards issued under annual Bonus Plan are classified as a liability until such time that the respective milestones have been met, at which point the liability is reclassified to equity. If it is determined that the milestone cannot be met, the liability is reversed.

We selected the Black-Scholes-Merton ("Black-Scholes") option-pricing model as the method for determining the estimated fair value for stock options and awards under our ESPP program. The Black-Scholes model requires the use of

highly subjective and complex assumptions, which determine the fair value of share-based awards, including the option's expected term, expected volatility of the underlying stock, risk-free interest rate and expected dividend yield.

Expected volatility - We estimate the expected volatility of our common stock on the date of grant based on the historical stock price volatility of our own common shares within the same length of period as the expected term. Where, in some cases, our common share trading history is shorter than the expected term, and for periods prior to the Merger since we were not a publicly traded company, we estimated the expected volatility for our stock options and awards under our ESPP program by using an average of historical volatilities of selected industry peers deemed to be comparable to our business corresponding to the expected term of the awards.

Risk-free interest rate - The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities corresponding to the expected term of the awards.

Expected dividend yield - The expected dividend rate is zero as we currently have no history or expectation of declaring dividends on our common stock.

Expected term - The expected term represents the period these stock awards are expected to remain outstanding and is based on historical experience of similar awards, giving consideration to the contractual terms of the stock-based awards, vesting schedules, and expectations of future employee behavior.

Accounting for Long-Lived Assets

In accounting for long-lived assets, we make estimates about the expected useful lives, projected residual values, and the potential for impairment. In estimating useful lives and residual values of our property and equipment, we have relied upon actual industry experience with the same or similar property and equipment types and our anticipated utilization of the property and equipment. Changing market prices of new and used property and equipment, government regulations, and changes in our maintenance program or operations could result in changes to these estimates.

Our long-lived assets are evaluated for impairment as of the end of each reporting period for events and circumstances that indicate the assets may be impaired. Indicators include operating or cash flow losses, significant decreases in market value, or changes in technology.

If we conclude that events and circumstances indicate the assets may be impaired, to determine if impairment exists for our property and equipment used in operations, we group our property and equipment by type (the lowest level for which there are identifiable cash flows) and then estimate their future cash flows based on projections of capacity, asset age, maintenance requirements, and other relevant conditions. An impairment occurs when the sum of the estimated undiscounted future cash flows are less than the aggregate carrying value of the assets. The impairment loss recognized is the amount by which the assets' carrying value exceeds its estimated fair value. We estimate our property and equipment's fair value using third party valuations which consider the effects of the current market environment, age of the assets, and marketability.

We have not identified any events and circumstances that would indicate that our long-lived assets may be impaired. Accordingly, we have not recorded any impairment charge to our existing property and equipment during the twelve months ended December 31, 2023.

Accounting for Leases

We determine if an arrangement is a lease, or contains a lease, at inception. We analyze our contractual arrangements to evaluate whether they have any embedded leases. The asset component of our operating leases is recorded as right-of-use assets, and the liability component is recorded as current lease liabilities and long-term lease liabilities in our consolidated balance sheets. Right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. Due to significant volume of contractual arrangements we enter, we may not be able to identify all embedded leases arrangements, resulting in understatement of our right-of-use assets and liabilities.

As most of our leases do not provide an implicit rate, we use incremental borrowing rate ("IBR") to calculate present value of future minimum lease payments, which is the estimated rate we would be required to pay for fully collateralized borrowing over the period similar to lease terms. Determining IBR requires us to estimate our credit rating for secured borrowing and to identify appropriate interest rates for comparable companies with similar credit rating. If we are not able to correctly estimate IBR, our right-of-use assets and liabilities may be incorrect.

Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Determining that options are reasonably certain to be exercised requires us to make certain assumptions about our

future operations and space and assets requirements. Incorrect assumptions may result in our lease term being incorrect, impacting our right-of-use assets and liabilities.

Assumptions made by us at the commencement date are re-evaluated upon occurrence of certain events, including a lease modification. A lease modification results in a separate contract when the modification grants the lessee an additional right of use not included in the original lease and when lease payments increase commensurate with the standalone price for the additional right of use. When a lease modification results in a separate contract, it is accounted for in the same manner as a new lease. If we are not able to re-evaluate lease changes and modifications appropriately, our right-of-use assets and liabilities may be incorrect.

Recent Accounting Pronouncements

See Note 2 of our Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K for more information regarding recently issued accounting pronouncements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

We are exposed to market risk for changes in interest rates applicable to our short-term investments. We had cash, cash equivalents, restricted cash and investments in short-term marketable securities totaling \$1,033.0 million as of December 31, 2023. Cash equivalents and short-term investments were invested primarily in money market funds, U.S. treasury bills and government and corporate bonds. Our investment policy is focused on the preservation of capital and supporting our liquidity needs. Under the policy, we invest in highly rated securities, issued by the U.S. government and corporations or liquid money market funds. We do not invest in financial instruments for trading or speculative purposes, nor do we use leveraged financial instruments. We utilize external investment managers who adhere to the guidelines of their investment policies. A hypothetical 10% change in interest rates would not have a material impact on the value of our cash, cash equivalents or short-term investments or our interest income.

Foreign Currency Risk

We are not exposed to significant foreign currency risks related to our operating expenses as our foreign operations are not material to our consolidated financial statements.

Item 8. Financial Statements and Supplementary Data

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JOBY AVIATION, INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Joby Aviation, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Joby Aviation, Inc. and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive loss, changes in redeemable convertible preferred stock, shareholders' equity (deficit), and cash flows, for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 26, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition — Refer to Notes 2 and 13 to the financial statements

Critical Audit Matter Description

The Company receives payments from certain United States ("U.S.") government entities as part of the Company's research and development and service arrangements with these entities. To evaluate if these payments are contributions received or are in exchange for goods or services and are therefore within the scope of Financial Accounting Standard Board Accounting Standards Codification Topic 606, Revenue from Contracts with Customers ("ASC 606"), the Company first determines if counterparties meet ASC 606's definition of a customer in the context of the arrangements. The counterparty is a customer if it obtains goods or services that are an output of the Company's ordinary activities in exchange for consideration.

We identified management's accounting evaluation and conclusion on whether certain of the Company's agreements entered into with U.S. government entities during 2023 represent contracts with a customer in the scope of ASC 606 as a critical audit matter. This required a high degree of auditor judgement and an increased extent of effort, including the involvement of professionals in our firm having expertise in revenue recognition when performing audit procedures to evaluate the accounting conclusion.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management's accounting evaluation and conclusion on whether certain of the Company's agreements entered into with U.S. government entities during 2023 are in the scope of ASC 606 included the following, among others:

- We tested the effectiveness of the control over management's review of complex non-routine transactions that includes transactions with U.S. government entities.
- With the assistance of professionals in our firm having expertise in revenue recognition, we evaluated management's accounting evaluation and conclusion on whether certain of the Company's agreements entered into with U.S. government entities during 2023 result in the Company being obligated to transfer goods or services to the U.S. government entities.
- We evaluated whether the assertions and assumptions made by management supporting their conclusion regarding the application of certain of the Company's agreements entered into with U.S. government entities during 2023 were consistent with underlying agreements.
- We evaluated the Company's disclosures related to the accounting for certain of the Company's agreements entered into with U.S. government entities during 2023 for conformity with the relevant requirements under ASC606.

/s/ Deloitte & Touche LLP

San Jose, California

February 26, 2024

We have served as the Company's auditor since 2020.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Joby Aviation, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Joby Aviation, Inc. and subsidiaries (the “Company”) as of December 31, 2023, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated February 26, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s report on internal control over financial reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed 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. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

San Jose, California

February 26, 2024

JOBY AVIATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	December 31,	
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 204,017	\$ 146,101
Short-term investments	828,233	910,692
Total cash, cash equivalents and short-term investments	1,032,250	1,056,793
Restricted cash	—	3,204
Other receivables	4,659	4,021
Prepaid expenses and other current assets	18,842	20,160
Total current assets	1,055,751	1,084,178
Property and equipment, net	103,430	92,103
Operating lease right-of-use assets	28,286	25,149
Restricted cash	762	762
Intangible assets	6,585	12,581
Goodwill	14,011	14,011
Other non-current assets	60,610	64,200
Total assets	\$ 1,269,435	\$ 1,292,984
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 3,006	\$ 7,710
Operating lease liabilities, current portion	4,312	3,710
Accrued expenses and other current liabilities	37,818	18,783
Total current liabilities	45,136	30,203
Operating lease liabilities, net of current portion	26,349	23,613
Warrant liability	62,936	28,783
Earnout shares liability	95,969	44,055
Other non-current liabilities	4,683	1,589
Total liabilities	235,073	128,243
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred stock: \$0.0001 par value - 100,000,000 shares authorized at December 31, 2023 and 2022. No shares issued and outstanding at December 31, 2023 and 2022.	—	—
Common stock: \$0.0001 par value - 1,400,000,000 shares authorized at December 31, 2023 and 2022, 698,262,025 and 622,602,815 shares issued and outstanding at December 31, 2023 and 2022, respectively	70	61
Additional paid-in capital	2,282,475	1,908,179
Accumulated deficit	(1,247,703)	(734,653)
Accumulated other comprehensive loss	(480)	(8,846)
Total stockholders' equity	1,034,362	1,164,741
Total liabilities and stockholders' equity	\$ 1,269,435	\$ 1,292,984

The accompanying notes are an integral part of these consolidated financial statements.

JOBY AVIATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)

	Year Ended December 31,		
	2023	2022	2021
Revenue:			
Flight services	\$ 1,032	\$ —	\$ —
Operating expenses:			
Flight services	200	—	—
Research and development (including related party purchases of \$1,667, \$1,600 and \$2,339 for the years ended December 31, 2023, 2022, and 2021 respectively)	367,049	296,281	197,568
Selling, general and administrative (including related party purchases of \$286, \$360 and \$533 for the years ended December 31, 2023, 2022 and 2021 respectively)	105,877	95,922	61,521
Total operating expenses	473,126	392,203	259,089
Loss from operations	(472,094)	(392,203)	(259,089)
Interest and other income (loss), net	45,561	16,787	(1,278)
Income from equity method investment	—	19,463	29,405
Transaction expenses related to merger	—	—	(9,087)
Gain (loss) from change in fair value of warrants and earnout shares	(86,378)	98,002	49,853
Convertible note extinguishment loss	—	—	(665)
Total other income (loss), net	(40,817)	134,252	68,228
Loss before income taxes	(512,911)	(257,951)	(190,861)
Income tax expense (benefit)	139	92	(10,537)
Net loss	\$ (513,050)	\$ (258,043)	\$ (180,324)
Net loss per share, basic and diluted	\$ (0.79)	\$ (0.44)	\$ (0.61)
Weighted-average common shares outstanding, basic and diluted	647,907,598	585,544,043	294,851,732

The accompanying notes are an integral part of these consolidated financial statements.

JOBY AVIATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)

	Year Ended December 31,		
	2023	2022	2021
Net loss	\$ (513,050)	\$ (258,043)	\$ (180,324)
Other comprehensive income (loss):			
Unrealized gain (loss) on available-for-sale securities	8,240	(7,985)	(546)
Foreign currency translation gain (loss)	126	(739)	(103)
Total other comprehensive income (loss)	8,366	(8,724)	(649)
Comprehensive loss	<u>\$ (504,684)</u>	<u>\$ (266,767)</u>	<u>\$ (180,973)</u>

The accompanying notes are an integral part of these consolidated financial statements.

JOBY AVIATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands, except share data)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Gain (Loss)	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance at January 1, 2021	332,764,215	\$ 768,312	122,058,940	\$ 12	\$ 12,579	\$ (296,286)	\$ 527	\$ (283,168)
Net loss	—	—	—	—	—	(180,324)	—	(180,324)
Other comprehensive loss	—	—	—	—	—	—	(649)	(649)
Issuance of redeemable convertible preferred stock	11,601,210	77,619	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options	—	—	2,435,543	—	1,113	—	—	1,113
Repurchase of common stock	—	—	(138,291)	—	—	—	—	—
Vesting of early exercised stock options	—	—	—	—	568	—	—	568
Stock-based compensation	—	—	—	—	26,932	—	—	26,932
Issuance of common stock upon vesting of restricted stock units	—	—	26,634	—	—	—	—	—
Issuance of common stock upon exercise of SVB warrants	—	—	752,732	—	—	—	—	—
Issuance of redeemable convertible preferred stock upon exercise of In-Q-Tel warrants	68,629	—	—	—	691	—	—	691
Issuance of common stock upon conversion of Uber convertible notes	—	—	7,716,780	1	77,398	—	—	77,399
Conversion of redeemable convertible preferred stock into common stock in connection with the reverse recapitalization	(344,434,054)	(845,931)	344,434,054	34	845,897	—	—	845,931
Issuance of common stock upon the reverse recapitalization, net of issuance costs	—	—	127,333,290	13	823,167	—	—	823,180
Other noncash compensation	—	—	—	—	5,086	—	—	5,086
Cancellation of common shares upon reorganization, net	—	—	(445,353)	—	—	—	—	—
Balance at December 31, 2021	—	\$ —	604,174,329	\$ 60	\$ 1,793,431	\$ (476,610)	\$ (122)	\$ 1,316,759
Net loss	—	—	—	—	—	(258,043)	—	(258,043)
Other comprehensive loss	—	—	—	—	—	—	(8,724)	(8,724)
Issuance of common stock upon exercise of stock options	—	—	2,532,788	—	1,530	—	—	1,530
Issuance of common stock upon vesting of restricted stock units	—	—	4,864,507	—	—	—	—	—
Issuance of common stock in private placement	—	—	11,044,232	1	43,905	—	—	43,906
Shares withheld related to net share settlement	—	—	(13,041)	—	(85)	—	—	(85)
Vesting of early exercised stock options	—	—	—	—	326	—	—	326
Stock-based compensation	—	—	—	—	69,072	—	—	69,072
Balance at December 31, 2022	—	\$ —	622,602,815	\$ 61	\$ 1,908,179	\$ (734,653)	\$ (8,846)	\$ 1,164,741
Net loss	—	—	—	—	—	(513,050)	—	(513,050)
Other comprehensive loss	—	—	—	—	—	—	8,366	8,366
Issuance of common stock upon exercise of stock options	—	—	2,923,022	3	1,907	—	—	1,910
Issuance of common stock in private placement	—	—	59,160,449	6	279,893	—	—	279,899
Issuance of common stock upon vesting of restricted stock units	—	—	11,694,630	—	—	—	—	—
Issuance of common stock under Employee Stock Purchase Plan	—	—	1,881,109	—	6,918	—	—	6,918
Vesting of early exercised stock options and common stock issued in private placement	—	—	—	—	523	—	—	523
Stock-based compensation	—	—	—	—	85,055	—	—	85,055
Balance at December 31, 2023	—	\$ —	698,262,025	\$ 70	\$ 2,282,475	\$ (1,247,703)	\$ (480)	\$ 1,034,362

The accompanying notes are an integral part of these consolidated financial statements.

JOBY AVIATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities			
Net loss	\$ (513,050)	\$ (258,043)	\$ (180,324)
Reconciliation of net loss to net cash used in operating activities:			
Depreciation and amortization expense	30,493	23,995	15,943
Non-cash interest expense and amortization of debt costs	—	—	2,893
Stock-based compensation expense	93,636	69,072	26,932
Other non-cash compensation expense	—	—	5,046
(Gain)/loss from change in the fair value of warrants and earnout shares	86,378	(98,002)	(49,853)
Loss from transaction costs related to merger	—	—	9,087
Write-off of in-process research and development project	—	—	5,030
Income from equity method investment	—	(19,463)	(29,405)
Net accretion and amortization of investments in marketable debt securities	(20,202)	(5,237)	4,335
Deferred income taxes	—	—	(10,544)
Changes in operating assets and liabilities			
Other receivables and prepaid expenses and other current assets	(573)	(1,823)	(11,807)
Other non-current assets	309	20,016	10,480
Accounts payable and accrued and other liabilities	6,442	10,884	6,438
Non-current liabilities	2,736	22,676	—
Net cash used in operating activities	(313,831)	(235,925)	(195,749)
Cash flows from investing activities			
Purchase of marketable securities	(809,978)	(1,358,953)	(401,626)
Proceeds from sales and maturities of marketable securities	920,879	788,761	422,084
Purchases of property and equipment	(30,597)	(54,890)	(32,340)
Acquisitions, net of cash	—	(5,707)	(6,854)
Net cash provided by (used in) investing activities	80,304	(630,789)	(18,736)
Cash flows from financing activities			
Proceeds from merger	—	—	1,067,922
Payments for offering costs	—	—	(50,391)
Proceeds from issuance of convertible notes and convertible preferred stock, net	—	—	74,972
Proceeds from issuance of common stock in private placement, net	280,110	60,060	—
Proceeds from the issuance of common stock under the Employee Stock Purchase Plan	6,918	—	—
Proceeds from the exercise of stock options and warrants issuance	2,055	1,437	1,456
Repayments of tenant improvement loan and obligations under finance lease	(844)	(1,041)	(1,179)
Net cash provided by financing activities	288,239	60,456	1,092,780
Net change in cash, cash equivalents and restricted cash	54,712	(806,258)	878,295
Cash, cash equivalents and restricted cash, at the beginning of the year	150,067	956,325	78,030
Cash, cash equivalents and restricted cash, at the end of the year	\$ 204,779	\$ 150,067	\$ 956,325
Reconciliation of cash, cash equivalents and restricted cash to consolidated balance sheets			
Cash and cash equivalents	\$ 204,017	\$ 146,101	\$ 955,563
Restricted cash	762	3,966	762
Cash, cash equivalents and restricted cash in consolidated balance sheets	\$ 204,779	\$ 150,067	\$ 956,325
Non-cash investing and financing activities			
Unpaid property and equipment purchases	\$ 1,769	\$ 3,553	\$ 654
Property and equipment purchased through financing leases	\$ 5,221	\$ 694	\$ 926
Right-of-use assets acquired through operating leases	\$ 5,652	\$ 29,202	\$ —
Uber Elevate acquisition in exchange for Series C redeemable convertible preferred stock	\$ —	\$ —	\$ 77,154
Conversion of Uber note payable to Series C preferred stock	\$ —	\$ —	\$ 77,399
Conversion of preferred stock	\$ —	\$ —	\$ 846,622
Net non-cash assets acquired in merger	\$ —	\$ —	\$ 1,159

The accompanying notes are an integral part of these consolidated financial statements.

JOBY AVIATION, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Company and Nature of Business

Description of Business

Joby Aviation, Inc. (“Joby Aviation” or the “Company”) is a vertically integrated air mobility company that is building a clean, quiet, fully electric vertical takeoff and landing (“eVTOL”) aircraft to be used by the Company to deliver air transportation as a service. The Company is headquartered in Santa Cruz, California.

Merger with RTP

On August 10, 2021 (the “Closing Date”), Reinvent Technology Partners, a Cayman Islands exempted company and special purpose acquisition company (“RTP”), completed the transactions contemplated by that certain Agreement and Plan of Merger (the “Merger Agreement”), dated as of February 23, 2021, by and among RTP, RTP Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of RTP (“RTP Merger Sub”), and Joby Aero, Inc., a Delaware corporation (“Legacy Joby”). On the Closing Date, RTP was domesticated as a Delaware corporation, Merger Sub merged with and into Legacy Joby and the separate corporate existence of Merger Sub ceased (the “Merger”), and Legacy Joby survived as a wholly owned subsidiary of RTP, which changed its name to Joby Aviation, Inc.

In connection with the execution of the Merger Agreement, RTP entered into separate subscription agreements (each a “Subscription Agreement”) with a number of investors (each a “PIPE Investor”), pursuant to which the PIPE Investors agreed to purchase, and RTP agreed to sell to the PIPE Investors, shares of Common Stock (“PIPE Shares”), in a private placement (“PIPE Financing”). The PIPE Financing closed substantially concurrently with the consummation of the Merger.

The Merger, together with the other transactions described in the Merger Agreement and the PIPE Financing, are referred to herein as the (“Reverse Recapitalization”). The number of Legacy Joby common shares and redeemable convertible preferred shares for all periods prior to the Closing Date have been retrospectively increased using the exchange ratio that was established in accordance with the Merger Agreement. Please refer to Note 3, “Reverse Recapitalization,” for more details.

Significant Risks and Uncertainties

Management expects losses and negative cash flows to continue for the foreseeable future, primarily as a result of continued research and development efforts. The Company historically funded its research and development efforts through equity and debt issuances. In 2020, the Company received \$70.5 million in gross proceeds from additional issuances of Legacy Joby Series C Preferred Stock. In January 2021, the Company received \$75.0 million in gross proceeds from the issuance of a convertible promissory note. In August 2021, the Company raised approximately \$1.0 billion in net proceeds from the Reverse Recapitalization (Note 3). In October 2022, the Company received \$60.0 million from the issuance of stock and warrant (Note 11). In May 2023, the Company received \$180.2 million for the issuance of stock in a registered direct offering to certain institutional investors and in June 2023, the Company received \$99.9 million for the issuance of stock in a private placement to SK Telecom, Co., Ltd., a corporation organized under the laws of the Republic of Korea (“SKT”) (Note 12).

Failure to raise additional funding or generate sufficient positive cash flows from operations in the longer term could have a material adverse effect on the Company’s ability to achieve its intended business objectives.

The Company operates in a dynamic high-technology industry. The Company is subject to a number of risks, including the possibility of the Urban Air Mobility (“UAM”) market not achieving its expected potential; potential competition from ground-based mobility solutions and other eVTOL developers and operators; the Company’s ability to secure adequate infrastructure; the possibility that its aircraft may not meet the required safety and performance standards; the Company’s ability to obtain relevant regulatory approvals for the certification and manufacture of its aircraft and the commercialization of its service in a timely manner or at all; the ability of the U.S. government to modify or terminate existing contracts; the Company’s ability to raise future capital when needed; and risks related to the Company’s vertically-integrated business model.

The Company’s foreign operations are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing income tax and other laws, possible

limitations on foreign investment and income repatriation, government pricing or foreign exchange controls, and restrictions on currency exchange.

In March, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic and recommended containment measures worldwide. Although many of the restrictions have since been lifted or scaled back, the pandemic significantly impacted supply chains, employee workforce, governmental regulators and global capital markets. A resurgence of COVID-19 or the occurrence of a new global pandemic could significantly impact the Company's certification timeline, manufacturing capabilities or UAM operations.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include all adjustments necessary for the fair presentation of the Company's financial position, results of operations, and cash flows for the periods presented. Certain prior period amounts have been reclassified to conform to current year's presentation.

Foreign Currency

The Company determined that the local currency is the functional currency for its foreign operations. Assets and liabilities of each foreign subsidiary are translated to United States dollars using the current exchange rate at the balance sheet date. Income and expenses are translated using the average exchange rate during the period. Cumulative translation adjustments related to the Company's foreign subsidiaries are presented within the accumulated other comprehensive loss line on the consolidated balance sheets. Net gains and losses resulting from foreign currency transactions are included in interest and other income, net in the accompanying consolidated statements of operations.

Common Stock Warrants Liabilities

The Company evaluates terms of its common stock warrants to conclude if warrants meet the criteria to be classified within stockholders' equity. The agreements governing the common stock warrants may include provisions which could result in a different settlement value of the warrants depending on various inputs, for example depending on the registration status of the underlying shares, holder of warrants, or other events. If these inputs are not an input into the pricing of a fixed-for-fixed equity-linked instrument, and are not within the scope of allowed exceptions described in indexation accounting guidance, the common stock warrants are not considered to be indexed to the Company's own stock. In such cases, the Company records these warrants as liabilities on the consolidated balance sheets at fair value, with subsequent changes in their respective fair values recognized in the consolidated statements of operations at each reporting date.

Earnout Shares Liability

In connection with the Reverse Recapitalization and pursuant to the Sponsor Agreement by and among the Company, Reinvent Sponsor, LLC ("Sponsor") and RTP ("Sponsor Agreement"), Sponsor agreed to certain terms of vesting, lock-up and transfer with respect to the 17,130,000 common shares held by it ("Earnout Shares"). The terms of the Sponsor Agreement specify that the Earnout Shares will vest upon achieving certain specified Release Events, as further described in Note 11. In accordance with ASC 815-40, the Earnout Shares are not indexed to the Common Stock and therefore are accounted for as a liability ("Earnout Shares Liability") as of the Closing Date and subsequently remeasured at each reporting date with changes in fair value recorded as a component of other income (loss), net in the consolidated statements of operations.

The estimated fair value of the Earnout Shares Liability was determined using a Monte Carlo simulation using a distribution of potential outcomes on a monthly basis over the Earnout Period (as defined in Note 11) prioritizing the most reliable information available. The assumptions utilized in the calculation are based on the achievement of certain stock price milestones, including the current Company Common Stock price, expected volatility, risk-free rate, expected term and dividend rate.

Determination of the fair value of the Earnout Shares Liability involves certain assumptions requiring significant judgment and actual results may differ from assumed and estimated amounts.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, expenses, and disclosure of contingent assets and liabilities. The most significant estimates are related to the stock-based awards, long-lived assets and leases. These estimates and assumptions are based on current facts, historical experience and various other factors believed to be reasonable under related circumstances. The estimates form the basis for making judgments about the carrying values of assets and liabilities and the recording of expenses that are not readily apparent from other sources. Actual results may differ materially and adversely from these estimates.

Segments

Operating segments are defined as components of an entity where discrete financial information is evaluated regularly by the chief operating decision maker (“CODM”) in deciding how to allocate resources and in assessing performance. The Company operates as one operating segment because its CODM, who is its Chief Executive Officer, reviews Company’s financial information on a consolidated basis for purposes of making decisions regarding allocating resources and assessing performance. The Company has no segment managers who are held accountable by the CODM for operations, operating results, and planning of components below the consolidated level.

Fair Value of Financial Instruments

The Company’s financial instruments consist of cash and cash equivalents, short-term investments, other receivables, accounts payable, accrued liabilities, short-term and long-term debt, redeemable convertible preferred stock, common stock warrants, redeemable convertible preferred stock warrants, common stock warrants and earnout shares liability. The carrying amounts of cash and cash equivalents, short-term investments, other receivables, accounts payable, and accrued and other current liabilities approximate their fair values due to the short time to the expected receipt or payment. The carrying amount of the Company’s short-term debt approximates its fair value as the effective interest rate approximates market rates currently available to the Company. Common stock warrants which are initially recorded in equity at the value allocated to them are not subject to remeasurement in subsequent periods. At initial recognition, the Company recorded the common stock warrants liabilities and earnout shares liability on the balance sheet at their fair value. The common stock warrants liabilities and earnout shares liability are subject to remeasurement at each balance sheet date, with changes in fair value recognized as a component of other income, net in the consolidated statements of operations.

Concentrations of Credit Risk

Financial instruments that subject the Company to credit risk consist primarily of cash, cash equivalents and restricted cash, short-term investments and other receivables. At December 31, 2023 and 2022, cash and cash equivalents consisted of cash deposited with domestic and foreign financial institutions that are of high-credit quality. The Company is exposed to credit risk in the event of default by the domestic financial institutions to the extent that cash and cash equivalent deposits are in excess of amounts insured by the Federal Deposit Insurance Corporation. Foreign cash balances are not insured. The Company has not experienced any losses on its deposits since inception. Short-term investments consist of government and corporate debt securities and corporate asset backed securities that carry high-credit ratings and accordingly, minimal credit risk exists with respect to these balances.

The Company has other receivables due from United States and foreign government agencies under the Company’s government grant contracts. At December 31, 2023 and 2022, those government agencies receivables accounted for 73% and 44% of the Company’s other receivables, respectively. The Company provides for uncollectible amounts on an expected credit loss basis by recording an allowance for doubtful receivables based on historical information, current conditions, and reasonable and supportable forecasts.

Cash, Cash Equivalents, and Restricted Cash

The Company considers all highly liquid investments with remaining original maturity of three months or less from the date of purchase to be cash and cash equivalents. The recorded carrying amount of cash and cash equivalents approximates their fair value. At December 31, 2023, restricted cash primarily related to a security deposit for a lease obligation of approximately \$0.8 million. At December 31, 2022, restricted cash primarily related to (i) approximately \$2.2 million of cash temporarily retained by the Company to satisfy the Company’s post-closing indemnification claims, if any, against the seller, in connection with the acquisition of an aerospace software engineering company in May 2022 (Note 5) which was settled during the three months ended June 30, 2023, (ii) a security deposit for a lease obligation of approximately

\$0.8 million and (iii) collateral on a letter of credit associated with key equipment purchases of approximately \$1.0 million which was settled during the three months ended March 31, 2023.

Marketable Debt Securities

The Company classifies marketable debt securities as available-for-sale at the time of purchase and reevaluates such classification at each balance sheet date. The Company may sell these securities at any time for use in current operations even if they have not yet reached maturity. As a result, the Company classifies its marketable debt securities, including those with maturities beyond twelve months, as current assets in the consolidated balance sheets. These marketable debt securities are carried at fair value and unrealized gains and losses are recorded in the accumulated other comprehensive income (loss), which is reflected as a component of stockholders' equity (deficit). Realized gains and losses are reported in other income, net in the consolidated statements of operations.

Prior to January 1, 2022, these marketable debt securities were assessed as to whether those with unrealized loss positions are other than temporarily impaired. The Company considered impairments to be other than temporary if they were related to deterioration in credit risk or if it is likely the securities will be sold before the recovery of their cost basis. Realized gains and losses from the sale of marketable debt securities and declines in value deemed to be other than temporary were determined based on the specific identification method.

On January 1, 2022, the Company adopted ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, on a modified retrospective basis. At each reporting period, the Company evaluates its marketable debt securities at the individual security level to determine whether there is a decline in the fair value below its amortized cost basis (an impairment). In circumstances where the Company intends to sell, or are more likely than not required to sell, the security before it recovers its amortized cost basis, the difference between fair value and amortized cost is recognized as a loss in the consolidated statements of operations, with a corresponding write-down of the security's amortized cost. In circumstances where neither condition exists, the Company then evaluates whether a decline is due to credit-related factors. The factors considered in determining whether a credit loss exists include the extent to which fair value is less than the amortized cost basis, changes in the credit quality of the underlying security issuers, credit ratings actions, as well as other factors.

If Company concludes that credit loss exists, to determine the portion of a decline in fair value that is credit-related, the Company compares the present value of the expected cash flows of the security discounted at the security's effective interest rate to the amortized cost basis of the security. A credit-related impairment is limited to the difference between fair value and amortized cost, and recognized as an allowance for credit loss on the consolidated balance sheet with a corresponding adjustment to net income (loss). Any remaining decline in fair value that is non-credit related is recognized in other comprehensive income (loss), net of tax. Improvements in expected cash flows due to improvements in credit are recognized through reversal of the credit loss and corresponding reduction in the allowance for credit loss.

The Company did not record any allowance for credit losses during the year ended December 31, 2023.

Investment in SummerBio, LLC

Following the outbreak of the COVID-19 pandemic, the Company's management determined that certain previously developed technology that was accessible to the Company could be repurposed and applied in providing high-volume rapid COVID-19 testing through its investment in SummerBio, LLC ("SummerBio"), a related party. The Company has determined that it is not the primary beneficiary of SummerBio. Therefore, it accounted for its investment in SummerBio under the equity method of accounting with an ownership interest of approximately 44.5% as of December 31, 2022. In June 2022, SummerBio notified the Company of its decision to wind down testing operations and close the business, which SummerBio substantially completed by the end of December 2022.

The Company recognized income of nil, \$19.5 million (net of impairment loss) and \$29.4 million for the years ended December 31, 2023, 2022 and 2021, respectively, within income from equity method investment on the consolidated statement of operations for its investment in SummerBio.

Property and Equipment, net

Property and equipment, net is stated at cost less accumulated depreciation and amortization. Depreciation and amortization are primarily recorded using the straight-line method over the estimated useful lives of the assets, generally two years to thirty years. Leasehold improvements and equipment finances under capital leases are amortized over the shorter of the estimated useful life of the asset or the remaining term of the lease.

Asset Acquisitions and Business Combinations

Upon an acquisition, the Company performs an initial test to determine whether substantially all of the fair value of the gross assets transferred is concentrated in a single identifiable asset or a group of similar identifiable assets, such that the acquisition would not represent a business. If that test suggests that the set of assets and activities is a business, the Company then performs a second test to evaluate whether the assets and activities transferred include inputs and substantive processes that together, significantly contribute to the ability to create outputs, which would constitute a business. If the result of the second test suggests that the acquired assets and activities constitute a business, the Company accounts for the transaction as a business combination.

For transactions accounted for as business combinations, the Company allocates the fair value of acquisition consideration to the acquired identifiable assets and liabilities based on their estimated fair values. Acquisition consideration includes the fair value of any promised contingent consideration. The excess of the fair value of acquisition consideration over the fair value of acquired identifiable assets and liabilities is recorded as goodwill. Contingent consideration is remeasured to its fair value each reporting period with changes in the fair value of contingent consideration recorded in general and administrative expenses. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Management's estimates of fair value are based upon assumptions believed to be reasonable, but inherently uncertain and unpredictable, and as a result, actual results may differ from estimates. In certain circumstances, the allocations of the excess purchase price are based upon preliminary estimates and assumptions and subject to revision when the Company receives final information, including appraisals and other analyses. During the measurement period, which is one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings. Acquisition-related costs are expensed as incurred.

For transactions accounted for as asset acquisitions, the cost, including certain transaction costs, is allocated to the assets acquired on the basis of relative fair values. No goodwill is recognized in asset acquisitions.

Goodwill

Goodwill is recorded when the consideration transferred for a business acquisition exceeds the fair value of net identifiable assets and liabilities acquired. Goodwill is measured and tested for impairment annually on the first business day of the fiscal fourth quarter and whenever events or changes in circumstances indicate the carrying amount of goodwill may exceed its implied fair value. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of goodwill's reporting unit is less than its carrying amount, however the Company may determine to proceed directly to the quantitative impairment test.

If the Company assesses qualitative factors and concludes that it is more likely than not that the fair value of goodwill's reporting unit is less than its carrying amount or if the Company determines not to use the qualitative assessment, then a quantitative impairment test is performed. The quantitative impairment test requires comparing the fair value of the reporting unit to its carrying value, including goodwill. The Company has identified that its business operates as a single operating segment which is also a single reporting unit for purposes of testing for goodwill impairment. An impairment exists if the fair value of the reporting unit is lower than its carrying value, and the Company would record a goodwill impairment loss in the fiscal quarter in which the determination is made.

Intangible Assets

Intangible assets include identifiable intangible assets, primarily software technologies resulting from acquisitions (Note 5). Acquired intangible assets are initially recorded at fair value. The fair value of software technologies is estimated on the basis of replacement cost and the fair value of contractual agreement asset is based primarily on the discounted cash flow model. Software technologies are amortized on a straight-line basis over their estimated useful lives, generally three years to five years. The Company's estimates of useful lives of intangible assets are based on cash flow forecasts which incorporate various assumptions, including forecasted remaining useful life until technological obsolescence of software.

Contractual Agreement

The Company's contractual agreement asset (Note 5) is classified as other non-current assets on the consolidated balance sheet. The Company will amortize the contractual agreement asset in proportion to the estimated incremental cash flows earned under the agreement over an estimated period of three years. The Company expects to begin generating incremental cash flows under the contractual agreement asset in 2025.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment at least annually or whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets is measured by comparing the carrying amount of the asset to future net cash flows expected to be generated by the asset. If the Company determines that the carrying value of the asset may not be recoverable, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary. The Company did not record any impairment of long-lived assets in 2023, 2022 and 2021.

Leases

Effective January 1, 2022, the Company adopted ASU No. 2016-02, *Leases* (“ASC 842”), using the modified retrospective approach and utilizing the effective date as its date of initial application, for which prior periods are presented in accordance with the previous guidance in ASC Topic 840, *Leases* (“ASC 840”).

Under ASC 840, leases are evaluated and recorded as capital leases if one of the following is true at inception: (a) the present value of minimum lease payments meets or exceeds 90% of the fair value of the asset, (b) the lease term is greater than or equal to 75% of the economic life of the asset, (c) the lease arrangement contains a bargain purchase option, or (d) title to the property transfers to the Company at the end of the lease. The Company records an asset and liability for capital leases at present value of the minimum lease payments based on the incremental borrowing rate. Assets are depreciated over the useful life in accordance with the Company’s depreciation policy while rental payments and interest on the liability are accounted for using the effective interest method.

Leases that are not classified as capital leases are accounted for as operating leases. Operating lease agreements that have tenant improvement allowances are evaluated for lease incentives. For leases that contain escalating rent payments, the Company recognizes rent expense on the straight-line basis over the lease term, with any lease incentives amortized as a reduction of rent expense over the lease term.

Upon adoption of ASC 842, as described below under Recently Adopted Accounting Pronouncements, the Company determined if an arrangement is a lease, or contains a lease, at inception. Leases with a term greater than 12 months are recognized on the balance sheet as Right-of-Use (“ROU”) assets and current and long-term operating lease liabilities, as applicable. The Company has elected not to recognize on the balance sheet leases with terms of 12 months or less. The Company typically includes in its assessment of a lease arrangement an initial lease term and Company’s options to renew the lease when there is reasonable certainty that the Company will renew. The Company monitors its plan to renew its leases no less than on a quarterly basis. In addition, the Company’s lease agreements generally do not contain any residual value guarantees or restrictive covenants.

In accordance with ASC 842, the ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term. As most of the Company’s leases do not provide an implicit rate, the Company uses its incremental borrowing rate (“IBR”), which is the estimated rate the Company would be required to pay for fully collateralized borrowing over the period similar to lease terms, to determine the present value of future minimum lease payments. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. For lease agreements entered into or reassessed after the adoption of ASC 842, the Company does not combine lease and non-lease components. Variable lease payments are expenses as incurred.

Assumptions made by the Company at the commencement date are re-evaluated upon occurrence of certain events, including a lease modification. A lease modification results in a separate contract when the modification grants the lessee an additional right of use not included in the original lease and when lease payments increase commensurate with the standalone price for the additional right of use. When a lease modification results in a separate contract, it is accounted for in the same manner as a new lease.

Government Grants

The Company receives payments from government entities primarily for research and development deliverables as part of ongoing development of the Company’s technology and future services offering. Under the Company’s accounting policy for government grants received as a payment for research and development services, grants are recognized on a systematic basis over the periods in which these services are provided and are presented as a reduction of research and development expenses in the consolidated statement of operations. A grant that is compensation for expenses or losses already incurred, or for which there are no future related costs, is recognized in the consolidated statement of operations in the period in which it becomes receivable, typically, as a reduction of research and development expenses.

Revenue Recognition

Identifying the customer

The Company receives payments primarily from U.S. and foreign government entities as part of the Company's research and development and service arrangements with these entities. To evaluate if these arrangements are within the scope of ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), the Company first determines if counterparties meet ASC 606's definition of a customer in the context of the arrangements ("Customer").

The counterparty is a Customer if it obtains goods or services that are an output of the Company's ordinary activities in exchange for consideration. To determine if an arrangement with counterparty represents an exchange transaction, the Company analyses arrangements using the following indicators of an exchange transaction:

- The arrangement represents a reciprocal transfer that results in counterparty acquiring assets or services.
- Both the Company and counterparty agree on the amount of assets transferred in exchange for goods and services that are of commensurate value (versus counterparty having full discretion).
- The funds to be received by the Company allow for performance at a profit (versus partial cost-reimbursement basis).
- The goods or services provided by the Company directly benefit the counterparty or are for counterparty's own use.
- If there are potential public benefits, they are secondary to the potential direct benefit to the counterparty.
- The counterparty obtains proprietary rights or other privileges and exclusive knowledge of research outcomes.
- Contractual provisions of the arrangement provide for the assessment of penalties beyond the amount of assets transferred if the Company fails to perform (versus limited to delivery of assets/services already provided and the return of unspent funds).

Recognizing revenue

If the Company concludes that the arrangement's counterparty is not a Customer, the Company accounts for this arrangement as described in Government Grants and Research and Development sections of this footnote. If the Company concludes that counterparty is a Customer and arrangement is not a lease, the Company records revenue in accordance with ASC 606 core principle at the time when counterparty obtains control of promised goods or services in the amount that reflects the consideration expected to be received by the Company in exchange for those goods or services.

The Company uses five-step model to recognize the revenue: (1) identify the contract with the Customer; (2) identify performance obligation(s); (3) determine transaction price for the contract; (4) allocate the transaction price to the separate performance obligations in the contract; and (5) recognize revenue when, or as, performance obligations are satisfied.

Practical expedients, alternatives and policy elections

Allocation of transaction price to optional goods or services: When a Customer has a material right to acquire future goods or services and those goods or services are similar to the original goods or services in the contract and are provided in accordance with the terms of the original contract, then the Company, as a practical alternative to estimating the standalone selling price of the option, allocates the transaction price to the optional goods or services by reference to the goods or services expected to be provided and the corresponding expected consideration. A material right exists if the Customer is only able to obtain these future goods or services by entering into the original contract and the option provides the Customer with the ability to obtain the additional goods or services at a discount that is incremental to a discount typically given to that class of customer.

Immaterial promised goods or services: For promised goods or services that are immaterial in the context of the contract with the Customer, the Company does not assess whether these promises are performance obligations. If revenue related to

such immaterial promises is recognized before related goods or services are transferred to the Customer, the Company accrues costs related to transfer of these goods or services.

Incremental costs of obtaining a contract: The incremental costs of obtaining a contract are expensed when incurred if the amortization period of the asset that the Company otherwise would have recognized is one year or less.

Financing component adjustment: The promised amount of consideration is not adjusted for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a Customer and when the Customer pays for that good or service will be one year or less.

Taxes collected on behalf of the customers: The Company made an accounting policy election to exclude from the measurement of the transaction price all taxes assessed by a governmental authorities when these taxes are both imposed on and concurrent with a specific revenue-producing transaction and collected by the Company from a Customer.

Disclosure of remaining performance obligations: The Company does not disclose remaining performance obligations for contracts that have an original expected duration of one year or less.

Research and Development

The Company expenses research and development costs as incurred. Research and development expenses consist primarily of personnel expenses, including salaries, benefits, and stock-based compensation, costs of consulting, equipment and materials, depreciation and amortization and allocations of overhead, including rent, information technology costs and utilities. Research and development expenses are partially offset by payments the Company received in the form of government grants, including those received under the U.S. Air Force's transformative vertical lift program ("Agility Prime").

Selling, General and Administrative

Selling, general and administrative expenses primarily consist of personnel expenses, including salaries, benefits, and stock-based compensation, related to executive management, finance, legal and human resource functions. Other costs include business development, contractor and professional services fees, audit and compliance expenses, insurance costs and general corporate expenses, including allocated depreciation, rent, information technology costs and utilities.

Advertising Expense

The Company expenses advertising costs as incurred. Advertising expenses for the years ended December 31, 2023, 2022 and 2021 were \$0.2 million, \$0.1 million and \$0.2 million, respectively, included in selling, general and administrative expenses in the consolidated statements of operations.

Income Taxes

The Company uses the asset and liability method in accounting for income taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax expense or benefit is the result of changes in the deferred tax asset and liability. Valuation allowances are established when necessary to reduce deferred tax assets where it is more likely than not that the deferred tax assets will not be realized.

In evaluating the Company's ability to recover deferred tax assets, the Company considers all available positive and negative evidence, including historical operating results, ongoing tax planning, and forecasts of future taxable income on a jurisdiction-by-jurisdiction basis. Based on the level of historical losses, the Company has established a full valuation allowance to reduce its net deferred tax assets to the amount that is more likely than not to be realized.

A tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination by the taxing authorities, including resolutions of any related appeals or litigation processes, based on the technical merits of the position.

The Company recognizes interest and penalties related to unrecognized tax benefits within the income tax expense line in the accompanying consolidated statements of operations. Accrued interest and penalties are included within the related liabilities line in the consolidated balance sheets.

Net Loss per Share

Basic net loss per common share is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, without consideration of potentially dilutive securities. Diluted net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock and potentially dilutive securities outstanding for the period. For purposes of the diluted net loss per share calculation, the redeemable convertible preferred stock, common stock warrants, common stock subject to repurchase, stock options and earnout shares are considered to be potentially dilutive securities.

Basic and diluted net loss attributable to common stockholders per share is presented in conformity with the two-class method required for participating securities as the redeemable convertible preferred stock is considered a participating security. The Company's participating securities do not have a contractual obligation to share in the Company's losses. As such, the net loss is attributed entirely to common stockholders. Because the Company has reported a net loss for the reporting periods presented, the diluted net loss per common share is the same as basic net loss per common share for those periods.

Comprehensive Loss

Comprehensive loss includes all changes in equity (net assets) during the period from nonowner sources. The Company's comprehensive loss consists of its net loss, its cumulative translation adjustments, and its unrealized gains or losses on available-for-sale debt securities.

Stock-Based Compensation

The Company measures and records the expense related to stock-based payment awards based on the fair value of those awards as determined on the date of grant. When the observable market price or volatility that the Company uses to determine grant date fair value does not reflect certain material non-public information known to the Company but unavailable to marketplace participants at the time the market price is observed, the Company determines whether an adjustment to the observable market price is required. The Company recognizes stock-based compensation expense over the requisite service period of the individual grant, generally equal to the vesting period and uses the straight-line method to recognize stock-based compensation, and accounts for forfeitures as they occur. The Company accounts for awards containing performance-based vesting condition based on the probability of achieving each of the performance goals at the end of each reporting period and recognizes expense over the requisite period, when achievement of the goal is determined to be probable, and adjusts the expense if the probability of achieving the goal later changes. The Company selected the Black-Scholes-Merton ("Black-Scholes") option-pricing model as the method for determining the estimated fair value for stock options and employee stock purchase plan awards. The Black-Scholes model requires the use of highly subjective and complex assumptions, which determine the fair value of share-based awards, including the award's expected term, expected volatility of the underlying stock, risk-free interest rate and expected dividend yield.

Fair Value of Common Stock

Prior to the Merger on August 10, 2021, the fair value of the Company's common stock was determined by the board of directors with assistance from management and, in part, on input from an independent third-party valuation firm. The board of directors determined the fair value of common stock by considering a number of objective and subjective factors, including valuations of comparable companies, sales of redeemable convertible preferred stock, operating and financial performance, the lack of liquidity of the Company's common stock and the general and industry-specific economic outlook.

Redeemable Convertible Preferred Stock

Prior to the Merger on August 10, 2021, the redeemable convertible preferred stock was recorded outside of permanent equity because while it was not mandatorily redeemable, in the event of certain events considered not solely within the Company's control, such as a merger, acquisition, and sale of all or substantially all of the Company's assets (each, a "deemed liquidation event"), the redeemable convertible preferred stock would have become redeemable at the option of the holders of at least a majority of the then-outstanding shares. The Company had not adjusted the carrying values of the redeemable convertible preferred stock to the redemption amount of such shares because it was uncertain whether or when a deemed liquidation event would occur that would obligate the Company to pay the liquidation preferences to holders of shares of redeemable convertible preferred stock. All redeemable convertible preferred stock converted to common stock as a result of the Merger (Note 3).

New Accounting Pronouncements Not Yet Adopted

In December 2023, the Financial Accounting Standards Board (FASB) issued ASU 2023-09 *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* which requires public business entities to disclose in their rate reconciliation table additional categories of information about federal, state and foreign income taxes and to provide more details about the reconciling items in some categories if the items meet a quantitative threshold. The guidance also requires all entities to disclose annually income taxes paid (net of refunds received) disaggregated by federal (national), state and foreign taxes and to disaggregate the information by jurisdiction based on a quantitative threshold. For public business entities, the guidance is effective for annual periods beginning after 15 December 2024. The Company expects the adoption to have a disclosure only impact on its consolidated financial statements.

In November 2023, the Financial Accounting Standards Board (FASB) issued ASU 2023-07 *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires public entities to provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. The guidance also requires all public entities with a single reportable segment have to provide all the disclosures required by ASC 280, including the significant segment expense disclosures. The guidance applies to all public entities and is effective for fiscal years beginning after 15 December 2023, and for interim periods beginning after 15 December 2024. The Company expects the adoption to have a disclosure only impact on its consolidated financial statements.

Note 3. Reverse Recapitalization

On August 10, 2021, RTP and Legacy Joby completed the Merger, and RTP changed its name to Joby Aviation, Inc.

In connection with the execution of the Merger Agreement, on February 23, 2021, RTP entered into separate subscription agreements (each a "Subscription Agreement") with a number of investors (each a "PIPE Investor"), pursuant to which the PIPE Investors agreed to purchase, and RTP agreed to sell to the PIPE Investors, an aggregate of 83,500,000 shares of Common Stock ("PIPE Shares"), for a purchase price of \$10.00 per share, in a private placement ("PIPE Financing"). The PIPE Financing closed substantially concurrently with the consummation of the Merger.

Concurrently with the execution of the Merger Agreement, on February 23, 2021, RTP, Sponsor and Legacy Joby entered into the Sponsor Agreement pursuant to which 17,130,000 shares of the Company ("Earnout Shares") became subject to vesting with 20% of the Earnout Shares vesting in equal tranches when the volume-weighted average price of the Company's common stock is greater than \$12.00, \$18.00, \$24.00, \$32.00 and \$50.00 for any 20 trading days within a period of 30 trading days (the "Vesting Events"). After 10 years following the consummation of the Merger, any Earnout Shares which have not yet vested are forfeited.

Pursuant to ASC 805, for financial accounting and reporting purposes, Legacy Joby was deemed the accounting acquirer with RTP being treated as the accounting acquiree, and the Merger was accounted for as a reverse recapitalization (the "Reverse Recapitalization"). Accordingly, the financial statements of the Company represent a continuation of the financial statements of Legacy Joby, with the Merger being treated as the equivalent of the Legacy Joby issuing stock for the net assets of RTP, accompanied by a recapitalization. The net assets of RTP were stated at historical costs, with no goodwill or other intangible assets recorded, and were consolidated with Legacy Joby's financial statements on the Closing Date. Operations prior to the Closing Date are presented solely as those of Legacy Joby. The number of Legacy Joby common shares and redeemable convertible preferred shares for all periods prior to the Closing Date have been retrospectively increased using the exchange ratio that was established in accordance with the Merger Agreement (the "Exchange Ratio").

Upon the consummation of the Merger, the Company gave effect to the issuance of 127,333,290 shares of Common Stock for the previously issued RTP common stock and PIPE Shares that were outstanding at the Closing Date. The Company raised \$1,067.9 million of proceeds including the contribution of \$232.9 million of cash held in RTP's trust account from its initial public offering, net of redemptions of RTP public stockholders of \$424.2 million and reimbursements for RTP's expenses of \$33.3 million, and \$835.0 million of cash in connection with the PIPE Financing. The Company incurred \$50.4 million of transaction costs, consisting of banking, legal, and other professional fees, of which \$41.3 million was related to common stock issued during the Merger and was recorded as a reduction to additional paid-in capital. The remaining \$9.1 million was related to Earnout Shares and was expensed immediately upon consummation of the Merger as transaction expenses related to the Merger in the consolidated statements of operations.

Note 4. Fair Value Measurements

Assets and liabilities recorded at fair value on a recurring basis in the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair values. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The authoritative guidance on fair value measurements establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

- Level 1 - Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 - Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and
- Level 3 - Unobservable inputs that are significant to the measurement of the fair value of the assets or liabilities that are supported by little or no market data.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability.

The Company's financial assets consist of Level 1 and 2 assets. The Company classifies its cash equivalents and marketable debt securities within Level 1 or Level 2 because they are valued using either quoted market prices or inputs other than quoted prices which are directly or indirectly observable in the market, including readily-available pricing sources for the identical underlying security which may not be actively traded. The Company's fixed income available-for-sale securities consist of high quality, investment grade securities from diverse issuers. The valuation techniques used to measure the fair value of the Company's marketable debt securities were derived from non-binding market consensus prices that are corroborated by observable market data and quoted market prices for similar instruments.

The Company's financial liabilities measured at fair value on a recurring basis consist of Level 1, Level 2 and Level 3 liabilities. The Company's Public Warrants (as defined in Note 11) are classified as Level 1 because they are directly observable in the market. The Company classifies the Private Placement Warrants (as defined in Note 11) within Level 2, because they were valued using inputs other than quoted prices which are directly observable in the market, including readily available pricing for the Company's Public Warrants. The Company classifies Delta Warrant and Earnout Shares Liability (as defined in Note 11) within Level 3, because they were valued using unobservable inputs that are significant to the fair value measurement. The Delta Warrant and Earnout Shares Liability are measured at fair value on a recurring basis. Changes in fair value of Level 3 liabilities are recorded in total other income (loss), net, in the consolidated statements of operations.

The following tables set forth the fair value of the Company's financial assets and liabilities measured on a recurring basis by level within the fair value hierarchy as of December 31, 2023 and 2022 (in thousands):

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Money market funds	\$ 197,543	\$ —	\$ —	\$ 197,543
Cash equivalents	\$ 197,543	\$ —	\$ —	\$ 197,543
Term deposits	\$ —	\$ 42,538	\$ —	\$ 42,538
Asset backed securities	—	27,469	—	27,469
Government debt securities	—	265,681	—	265,681
Corporate debt securities	—	492,545	—	492,545
Available-for-sale investments	—	828,233	—	828,233
Total fair value of assets	\$ 197,543	\$ 828,233	\$ —	\$ 1,025,776
Liabilities measured at fair value				
Common stock warrant liabilities (Public)	\$ 21,097	\$ —	\$ —	\$ 21,097
Common stock warrant liabilities (Private Placement)	—	14,105	—	14,105
Common stock warrant liabilities (Delta)	—	—	27,734	27,734
Warrant liabilities	21,097	14,105	27,734	62,936
Earnout Shares Liability	—	—	95,969	95,969
Total fair value of liabilities	\$ 21,097	\$ 14,105	\$ 123,703	\$ 158,905

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Money market funds	\$ 108,119	\$ —	\$ —	\$ 108,119
Cash equivalents	108,119	—	—	108,119
Term deposits	—	40,709	—	40,709
Asset backed securities	—	54,707	—	54,707
Government debt securities	—	362,851	—	362,851
Corporate debt securities	—	452,425	—	452,425
Available-for-sale investments	—	910,692	—	910,692
Total fair value of assets	\$ 108,119	\$ 910,692	\$ —	\$ 1,018,811
Liabilities measured at fair value				
Common stock warrant liabilities (Public)	\$ 8,318	\$ —	\$ —	\$ 8,318
Common stock warrant liabilities (Private)	—	5,561	—	5,561
Common stock warrant liabilities (Delta)	—	—	14,903	14,903
Warrant liability	8,318	5,561	14,903	28,783
Earnout Shares Liability	—	—	44,055	44,055
Total fair value of liabilities	\$ 8,318	\$ 5,561	\$ 58,958	\$ 72,838

The following is a summary of the Company's available-for-sale securities (in thousands):

	December 31, 2023				
	Cost or Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance for credit losses	Fair value
Assets measured at fair value					
Term deposits	\$ 42,538	\$ —	\$ —	\$ —	\$ 42,538
Asset backed securities	27,465	21	(17)	—	27,469
Government debt securities	265,439	269	(27)	—	265,681
Corporate debt securities	492,761	299	(515)	—	492,545
Total	<u>\$ 828,203</u>	<u>\$ 589</u>	<u>\$ (559)</u>	<u>\$ —</u>	<u>\$ 828,233</u>

	December 31, 2022				
	Cost or Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance for credit losses	Fair Value
Term deposits	\$ 40,709	\$ —	\$ —	\$ —	\$ 40,709
Asset backed securities	55,016	—	(309)	—	54,707
Government debt securities	367,324	—	(4,473)	—	362,851
Corporate debt securities	455,854	—	(3,429)	—	452,425
Total	<u>\$ 918,903</u>	<u>\$ —</u>	<u>\$ (8,211)</u>	<u>\$ —</u>	<u>\$ 910,692</u>

The weighted-average remaining maturity of the Company's investment portfolio was less than one year as of the periods presented. No individual security incurred continuous significant unrealized losses for greater than 12 months. There were no transfers between Level 1, Level 2 or Level 3 financial instruments in the years ended December 31, 2023 and 2022.

In the years ended December 31, 2023 and 2022, the Company did not have any Level 3 financial assets measured at fair value on a recurring basis.

The following table sets forth a summary of the change in the fair value, which is recognized as a component of total other income (loss), net within the consolidated statements of operations, of the Company's Level 3 financial liabilities (in thousands):

	Earnout Shares Liability	Common stock warrant liabilities (Delta)
Fair value as of January 1, 2023	\$ 44,055	\$ 14,903
Change in fair value	51,914	12,830
Fair value as of December 31 2023	<u>\$ 95,969</u>	<u>\$ 27,733</u>

The fair value of the Earnout Shares Liability and Common stock warrant liabilities (Delta) (see Note 11) are based on significant unobservable inputs, which represent Level 3 measurements within the fair value hierarchy.

Note 5. Acquisitions

2021 Acquisitions

On January 11, 2021, the Company entered into certain agreements with Uber Technologies, Inc. ("Uber"), under which it acquired Uber Elevate, Inc. ("Uber Elevate"), a portion of Uber's business dedicated to development of aerial ridesharing. In connection with the acquisition, the Company issued Uber a Convertible Promissory Note ("Uber CPN") and entered into a collaboration agreement (the "Uber Agreement").

The following table summarizes the allocation of total consideration transferred to Uber between Uber Elevate and the contractual agreement asset (in thousands, except share and per share data):

Series C redeemable convertible preferred stock (8,924,009 shares at \$8.70 per share fair value)	\$	77,619
Less: premium on Uber CPN		(465)
Total consideration		77,154
Consideration allocated to contractual agreements asset and related deferred tax liability		(42,938)
Consideration allocated to Uber Elevate	\$	34,216

Uber Elevate

Uber Elevate was a business incubated within Uber, which had developed multiple proprietary software technologies and built a highly skilled engineering team focused on multimodal ride sharing coordination, connected airspace management, urban transportation and simulation, and certifiable aviation grade battery technology. The Uber Elevate acquisition was intended to complement the Company's existing technologies and expertise necessary to gain integration into the Uber app and progress commercialization of aerial ridesharing services.

The Company concluded that Uber Elevate represented a business, and acquisition of Uber Elevate was accounted as a business combination.

The purchase price allocation for Uber Elevate is as follows (in thousands):

Automation platform software technology	\$	7,200
Multimodal software technology		4,900
Simulation software technology		4,600
Total acquired finite-lived intangible assets		16,700
Goodwill		10,757
Property and equipment		630
Deferred tax asset		6,129
Total purchase consideration	\$	34,216

The factors contributing to the recognition of goodwill were based upon the Company's conclusion that there are strategic and synergistic benefits that are expected to be realized from the acquisition.

Under the terms of the Share Purchase Agreement, certain employees of Uber Elevate who continued their employment with the Company following the acquisition of Uber Elevate were allowed to retain their unvested Uber restricted stock unit awards. The total fair value of these awards was \$5.0 million and was recognized by the Company over the period between the acquisition date and awards vesting date, December 16, 2021. The Company recognized \$5.0 million as other non-cash compensation during the year ended December 31, 2021 with \$4.6 million and \$0.4 million included in research and development expenses and selling, general and administrative expenses, respectively.

During the fourth quarter of 2021, the Company recorded tax related measurement period adjustments to recognize deferred tax assets and liabilities reflecting tax versus book differences for assets acquired during the Uber Elevate transaction. In relation to these adjustments, the Company updated the allocation of the total consideration between the Uber Elevate business acquisition and the collaboration agreement's contractual asset. The adjustments reflect tax related facts and circumstances in existence as of the acquisition of Uber Elevate, the valuation of which was finalized during the fourth quarter of 2021. The impact of these adjustments resulted in an increase of \$5.8 million in goodwill, an increase of \$6.2 million in deferred tax assets, an increase of \$4.7 million in the contractual agreement asset, offset by a deferred tax liability of \$16.7 million. In addition, the Company released a deferred tax asset valuation allowance resulting in an income tax benefit of \$10.5 million, as the deferred tax liability provided the Company with a source of future taxable income.

Uber CPN

The Uber CPN was issued in exchange for gross proceeds of \$5.0 million, which is the note's face amount. The Uber CPN bore interest at simple interest rate of 5.00% per annum and matured 2 years after its issuance. Uber CPN was convertible into common or preferred stock of Legacy Joby, depending on the occurrence or non-occurrence of various equity financing scenarios, including an IPO or a merger with (or acquisition of) a SPAC. The Uber CPN was issued at a premium, as its fair value at issuance was \$74.5 million, \$0.5 million below its face amount. The Company recognized the \$0.5 million premium at issuance of Uber CPN as a reduction of the total consideration transferred to Uber for the

acquisition of the Uber Elevate. Upon closing of the Merger, the unpaid principal amount of \$75.0 million plus accrued and unpaid interest in the amount of \$2.2 million was converted into 7,716,780 shares of common stock of Joby Aviation.

Uber Agreement

Under the terms of the Uber Agreement, the Company and Uber agreed to continue focused development of their respective existing technologies to achieve mutual integration of their transportation services offerings to their customers.

The Uber Agreement embodies significant benefits to the Company, consisting primarily of customer demand aggregation, improved load factor as well as favorable commissions. The fair value of the asset representing these benefits (the “contractual agreement asset”) at inception was \$49.5 million.

Because the Uber Agreement was not a part of the Uber Elevate business combination, the Company used the relative fair value method to allocate the total consideration transferred to Uber between the purchase consideration for acquiring Uber Elevate business and the contractual agreement asset. The Company will amortize the contractual agreement asset in proportion to the estimated incremental cash flows earned under the Uber Agreement over an estimated period of three years. The Company expects to begin generating incremental cash flows under the contractual agreement asset in 2025.

On April 6, 2021, the Company completed the acquisition of an entity engaged in the development of transportation technology with application in the aviation sector, whereby it acquired all the outstanding shares of the entity in exchange for a purchase consideration of \$5.0 million in cash. The acquisition was accounted for as an asset acquisition because substantially all of the fair value of the gross assets acquired was represented by a group of similar assets. The purchase consideration was allocated to \$5.0 million of the acquired in-process research and development (“IPR&D”) assets, \$0.1 million of the acquired current liabilities and \$0.1 million of acquired current assets.

In relation to the acquisition, the Company issued 2,677,200 restricted shares of Legacy Joby Series C Preferred Stock with the aggregate acquisition date value of \$23.9 million. The Series C Preferred Stock was converted into an equivalent number of shares of Legacy Joby common stock on a one-to-one basis immediately prior to the closing of the Merger, and then into the restricted shares of the Company’s common stock at the time of the Merger. The restricted shares vest contingent upon each employee’s continued employment with the Company or its subsidiaries, and are recognized as stock-based compensation expense over the restricted shares vesting terms.

On December 21, 2021, the Company completed the acquisition of an entity engaged in the development of radar systems technology with application in the aviation and other sectors, whereby it acquired all the outstanding shares of the entity in exchange for a total consideration consisting of (i) \$2.8 million in cash, and (ii) 340,000 restricted stock units representing the right to receive an equivalent number of shares of the Company’s common stock upon vesting (“RSUs”) with the aggregate acquisition date value of \$2.4 million. The acquisition was accounted for as a business combination as the assets acquired and liabilities assumed constituted a business in accordance with ASC 805 Business Combinations. The purchase consideration of \$2.8 million was allocated to \$1.7 million of the acquired intangible assets, primarily developed technology, \$1.2 million of the acquired current assets, primarily cash and account receivables, and \$0.1 million of the acquired current liabilities.

2022 Acquisitions

On March 9, 2022, the Company completed the acquisition of an aerospace composite manufacturing company, whereby it acquired all the purchased assets and assumed selected liabilities in exchange for a total consideration consisting of (i) \$1.5 million in cash, and (ii) RSUs with the aggregate acquisition date value of \$0.1 million. The acquisition was accounted for as a business combination as the assets acquired and liabilities assumed constituted a business in accordance with ASC 805 *Business Combinations*. The purchase consideration of \$1.5 million was allocated to the following: a \$1.1 million in favorable lease assets, \$0.4 million of acquired machinery and equipment, \$0.1 million of acquired current assets, and \$0.1 million of acquired current liabilities.

On May 17, 2022, the Company completed the acquisition of an aerospace software engineering company that specializes in full-lifecycle software and firmware development and verification to aviation regulatory standards, in exchange for total cash consideration of \$7.2 million. The acquisition was accounted for as a business combination as the assets acquired and liabilities assumed constituted a business in accordance with ASC 805 *Business Combinations*. Part of the cash consideration in an amount of \$2.2 million was temporarily retained by the Company to satisfy the Company’s post-closing indemnification claims, if any, against the seller. This retained amount of \$2.2 million was released and paid to the seller during the three month ended June 30, 2023.

In relation to the acquisition, the Company issued 790,529 RSUs with an aggregate acquisition date value of approximately \$4.5 million. The Company also paid \$0.5 million to the employees of the acquired company, and settled accounts payable to the acquired company of \$0.2 million. The RSUs vest contingent upon each employee's continued employment with the Company or its subsidiaries, and are recognized as stock-based compensation expense over the RSUs' vesting terms, commencing on the acquisition date.

The purchase consideration of \$7.2 million was, preliminarily, allocated to \$3.3 million of goodwill, primarily resulting from the combined workforce and expected increased regulatory efficiencies, \$2.5 million of total intangible assets comprising of \$2.4 million of acquired customer relationships intangible asset and \$0.1 million of acquired developed technology intangible asset, \$1.5 million of acquired current assets, primarily consisting of cash and accounts receivable, \$0.3 million of acquired fixed assets, and \$0.4 million of acquired current liabilities. Amounts recognized as of the acquisition date are provisional and subject to change within the measurement period as the Company's fair value assessments are finalized. In September 2022, the Company made certain measurement period adjustments, which included a working capital adjustment with the seller in accordance with the agreement terms, resulting in an increase to the purchase consideration of \$0.1 million which was paid during the three months ended December 31, 2022. No other adjustments were made through the end of the measurement period which ended on May 16, 2023.

On November 30, 2022, the Company completed the purchase of certain real property, improvements and other assets ("Property") from Frederick Electronics Corporation, a Maryland corporation and Plantronics, Inc., a Delaware corporation ("Sellers") for a cash purchase price of \$25.5 million. The Property consists of approximately 162,000 square feet across five buildings located at 333 Encinal Street, Santa Cruz, California and will be used as the Company's corporate headquarters. The acquisition was accounted for as an asset acquisition as substantially all of the fair value of the gross assets acquired was represented by a group of similar assets. The purchase consideration was allocated to \$6.3 million of land, \$17.7 million of buildings and site improvements and \$1.5 million of equipment, fixtures and furniture.

Note 6. Balance Sheet Components

Property and Equipment, Net

Property and equipment, net consists of the following (in thousands):

	December 31,	
	2023	2022
Equipment	\$ 84,639	\$ 63,656
Buildings	21,384	21,384
Leasehold improvements	18,771	14,319
Computer software	15,114	10,920
Molds and tooling	16,306	10,298
Land	6,270	6,270
Vehicles and aircraft	1,617	1,582
Furniture and fixtures	640	682
Construction in-progress	6,055	6,094
Gross property and equipment	170,796	135,205
Accumulated depreciation and amortization	(67,366)	(43,102)
Property and equipment, net	\$ 103,430	\$ 92,103

Depreciation and amortization expense of property and equipment for the years ended December 31, 2023 and 2022 was \$24.4 million and \$18.4 million, respectively. Vehicles and aircraft includes utility automobiles used at the Company's various facilities and purchased aircraft to support the Company's air operations and training.

Intangible Assets, Net

The intangible assets consist of the following (in thousands):

	December 31,	
	2023	2022
Automation platform software	\$ 7,200	\$ 7,200
Multimodal software technology	4,900	4,900
System simulation software technology	4,600	4,600
Other intangibles	5,328	5,328
Gross intangible assets	22,028	22,028
Accumulated amortization	(15,443)	(9,447)
Intangible assets, net	<u>\$ 6,585</u>	<u>\$ 12,581</u>

Amortization expense related to intangible assets for the years ended December 31, 2023 and 2022 was \$0.1 million and \$5.6 million, respectively. As of December 31, 2023 the weighted-average amortization period of intangible assets was 1.53 years.

The following table presents the estimated future amortization expense of acquired amortizable intangible assets as of December 31, 2023 (in thousands):

Fiscal Year	December 31, 2023
2024	\$ 4,431
2025	2,154
	<u>\$ 6,585</u>

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following (in thousands):

	December 31,	
	2023	2022
Prepaid equipment	\$ 3,471	\$ 4,525
Prepaid software	3,809	5,522
Prepaid taxes	1,603	1,273
Prepaid insurance	6,192	7,702
Other	3,767	1,138
Total	<u>\$ 18,842</u>	<u>\$ 20,160</u>

Other non-current assets

Other non-current assets consist of the following (in thousands):

	December 31,	
	2023	2022
Contractual agreement asset	\$ 59,611	\$ 59,611
Long-term prepaid insurance	413	3,770
Other non-current assets	586	819
Total	<u>\$ 60,610</u>	<u>\$ 64,200</u>

Accrued and other current liabilities

Accrued and other current liabilities consist of the following (in thousands):

	December 31,	
	2023	2022
Vendor related accruals	\$ 11,391	\$ 7,508
Payroll accruals including performance related stock based compensation	16,265	5,992
Contract liabilities under contracts with customers	2,534	—
Deferred research and development credits	3,633	—
Acquisition-related obligation accrual	—	2,167
Other accruals and current liabilities	3,995	3,116
Total	<u>\$ 37,818</u>	<u>\$ 18,783</u>

Note 7. Debt

Tenant Improvement Loan

Under the terms of one of the Company's operating lease agreements (Note 8), the landlord provided the Company with a loan of \$1.6 million to be used in financing leasehold improvements. The loan was drawn by the Company in six separate installments, of which two installments were drawn in December 2018, for a total of \$0.5 million, and the remaining installments were drawn during the year ended December 31, 2019 for a total of \$1.1 million. Each loan installment is repayable in equal monthly payments over a period of six years, commencing in February 2019 and ending in October 2025. In the event of early lease termination by the Company, the loan is repayable within 30 days of the termination. Outstanding balances accrue interest at a rate of 8% per annum. The average effective interest rate for the loan is 8.1%. Maturities on the tenant improvement loan were as follows (in thousands):

	December 31, 2023
2024	\$ 310
2025	85
Total payable amount	395
Less: current portion of tenant improvement loan	(310)
Noncurrent portion of tenant improvement loan, net	<u>\$ 85</u>

Note 8. Leases

The Company leases various office and research and development facilities under operating lease agreements that expire at various dates through October 2050. Under the terms of the agreements, the Company is responsible for certain insurance, property taxes and maintenance expenses. In fiscal year 2022, The Company adopted ASC 842, recognizing operating lease right-of-use asset and liabilities on the consolidated balance sheet and continuing accreting rent expense on a straight-line basis over the term of the operating leases. Rent expense for 2023, 2022 and 2021 was \$7.0 million, \$5.9 million and \$5.7 million, respectively.

As a result of adopting ASC 842 in 2022, the Company recorded lease right-of-use, (ROU) asset of \$6.7 million and lease liabilities of \$28.7 million as of January 1, 2022, primarily related to ground and building leases based on the present value of future lease payments which were discounted at the Company's estimated IBR.

The IBR and the remaining lease terms of our facilities as of December 31, 2022 ranged from 2.3% to 9.2% and 3 months to 28 years, respectively. There was no impact to retained earnings upon the adoption of ASC 842.

In 2023, the Company recorded additional ROU assets of \$5.7 million and lease liabilities of \$5.7 million related to building leases based on the present value of future lease payments which were discounted at the Company's estimated IBR. The IBR and the remaining lease terms of our facilities as of December 31, 2023 ranged from 3.5% to 9.2% and 2 months to 26 years, respectively.

The Company purchased equipment with total gross book value of \$6.5 million under finance lease agreements, of which \$1.0 million and \$0.7 million was purchased during 2023 and 2022, respectively. Interest rates for the finance leases have ranged from 4.0% to 15.0% per annum. Accumulated depreciation for equipment acquired under the finance leases was \$2.7 million and \$1.6 million as of December 31, 2023 and 2022, respectively.

In addition to the equipment finance leases, the Company identified an embedded finance lease within the Company's purchase and sale agreement with Toyota for subassembly components in the amount of \$3.8 million as of December 31, 2023.

Supplemental balance sheet information related to leases was as follows (in thousands, except lease term and discount rate):

	December 31, 2023	December 31, 2022
Operating leases		
Assets		
Operating lease right-of-use assets	\$ 28,286	\$ 25,149
Liabilities		
Operating lease liabilities, current	\$ 4,312	3,710
Operating lease liabilities, non-current	26,349	23,613
Total operating lease liabilities	\$ 30,661	\$ 27,323
Finance leases		
Assets		
Financing lease right-of-use assets	\$ 10,150	\$ 4,903
Accumulated amortization	(2,701)	(1,638)
Financing lease right-of-use assets, net	\$ 7,449	\$ 3,265
Liabilities		
Finance lease liabilities, current	\$ 1,597	\$ 522
Finance lease liabilities, non-current	4,411	821
Total finance lease liabilities	\$ 6,008	\$ 1,343
Weighted-average remaining lease term (years)		
Operating leases	6.3 years	7.7 years
Finance leases	4.1 years	3.0 years
Weighted-average discount rate		
Operating leases	6.9 %	5.6 %
Finance leases	7.7 %	6.9 %

Maturities of lease liabilities as of December 31, 2023 were as follows:

	December 31, 2023	
	Operating Leases	Finance Leases
2024	\$ 6,011	\$ 1,669
2025	6,204	1,627
2026	6,175	1,329
2027	6,168	1,224
2028	5,636	1,174
2029 and thereafter	8,638	166
Total undiscounted lease payments	\$ 38,832	\$ 7,189
Less: imputed interest	(8,171)	(1,181)
Total lease liabilities	\$ 30,661	\$ 6,008

Lease Costs

The table below presents certain information related to the lease costs for the year ended December 31, 2023:

	Year Ended December 31,	
	2023	2022
Operating lease cost	\$ 5,760	\$ 5,640
Finance Leases		
Amortization of right-of-use assets	1,063	537
Interest on lease liabilities	243	66
Other Lease Costs		
Short-term lease cost	2,342	1,402
Variable lease cost ⁽¹⁾	2,414	1,235
Total lease cost	\$ 11,822	\$ 8,880

⁽¹⁾ Consist primarily of common-area maintenance, taxes and utilities

The table below presents certain supplemental information related to the cash flows for operating and finance leases recorded on the consolidated statements of cash flows:

	Year Ended December 31,	
	2023	2022
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ (5,559)	\$ (5,427)
Operating cash flows from finance leases	\$ (243)	\$ (66)
Finance cash flows from finance leases	\$ (583)	\$ (777)
Right-of-use assets obtained in exchange for lease obligations:		
Operating lease liabilities	\$ 5,652	\$ 29,202
Finance lease liabilities	\$ 5,221	\$ 694

Note 9. Commitments and Contingencies

Contingencies

As of December 31, 2023, the Company had \$13.0 million of unconditional purchase obligations with remaining terms in excess of one year. These obligations primarily relate to the Company's purchase agreements for certain aircraft parts through 2028.

The Company is subject to claims and assessments from time to time in the ordinary course of business. Accruals for litigation and contingencies are reflected in the Consolidated Financial Statements based on management's assessment, including the advice of legal counsel, of the expected outcome of litigation or other dispute resolution proceedings and/or the expected resolution of contingencies. Liabilities for estimated losses are accrued if the potential losses from any claims or legal proceedings are considered probable and the amounts can be reasonably estimated. Significant judgment is required in both the determination of probability of loss and the determination as to whether the amount can be reasonably estimated. Accruals are based only on information available at the time of the assessment due to the uncertain nature of such matters. As additional information becomes available, management reassesses potential liabilities related to pending claims and litigation and may revise its previous estimates, which could materially affect the Company's consolidated results of operations in a given period. As of December 31, 2023, and 2022, the Company was not involved in any material legal proceedings.

Indemnifications

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnifications. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future, but that have not yet been made. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. However, the Company may record charges in the future as a result of these indemnification obligations.

The Company has indemnified its Board of Directors and officers, to the extent legally permissible, against all liabilities reasonably incurred in connection with any action in which such individual may be involved by reason of such individual being or having been a director or officer, other than liabilities arising from willful misconduct of the individual. The Company currently has directors' and officers' insurance. The Company believes the estimated fair value of these obligations is minimal. The Company did not record any liabilities in connection with these possible obligations as of December 31, 2023 and 2022.

Note 10. Redeemable Convertible Preferred Stock

Upon the completion of the Merger, all outstanding Legacy Joby redeemable convertible preferred stock converted into shares of common stock (Note 3). As of December 31, 2023 and 2022, there were no holders of the Company's preferred stock.

Note 11. Stock Warrants and Earnout Shares

Private Placement and Public Warrants

In connection with the Merger, each of the 17,250,000 publicly-traded warrants ("Public Warrants") and 11,533,333 private placement warrants ("Private Placement Warrants" and, together with the Public Warrants, the "Common Stock Warrants") issued to Reinvent Sponsor, LLC (the "Sponsor") in connection with RTP's initial public offering and subsequent overallotment were converted into an equal number of warrants that entitle the holder to purchase one share of the Company's Common stock, par value \$0.0001 ("Common Stock") at an exercise price of \$11.50 per share, subject to adjustments, and will expire five years after the completion of the Merger or earlier upon redemption or the Company's liquidation. Once the Common Stock Warrants become exercisable, the Company may redeem the outstanding Common Stock Warrants subject to certain Common Stock price and other conditions as defined in the Warrant Agreement between RTP and Continental Stock Transfer & Trust Company ("Warrant Agreement") and the Sponsor Agreement by and among the Company, Sponsor and RTP ("Sponsor Agreement"). During the year ended December 31, 2023, no Common Stock Warrants were exercised.

The Private Placement Warrants were initially recognized as a liability on August 10, 2021, at a fair value of \$1.9 million. The Private Warrant liability was remeasured to fair value as of December 31, 2023, 2022 and 2021, resulting in a loss of \$8.5 million and gains of \$12.4 million and \$3.9 million, respectively, which is included within the gain (loss) from change in the fair value of warrants and earnout shares in the consolidated statements of operations.

The Public Warrants were initially recognized as a liability on August 10, 2021 at a fair value of \$2.8 million. The public warrant liability was remeasured to fair value based upon the market price as of December 31, 2023, 2022 and 2021, resulting in a loss of \$12.8 million and gains of \$18.6 million and \$5.9 million, respectively, which is included within the gain (loss) from change in the fair value of warrants and earnout shares in the consolidated statements of operations.

Earnout Shares Liability

In connection with the Reverse Recapitalization and pursuant to the Sponsor Agreement, Sponsor agreed to certain terms of vesting, lock-up and transfer with respect to the 17,130,000 common shares held by it (“Earnout Shares”). The terms of the Sponsor Agreement specify that the Earnout Shares will vest upon achieving certain specified release events. In accordance with ASC 815 *Derivatives and Hedging*, the Earnout Shares are not indexed to the Common Stock and therefore are accounted for as a liability (“Earnout Shares Liability”) as of the Closing Date and subsequently remeasured at each reporting date with changes in fair value recorded as a component of total other income (loss), net in the consolidated statements of operations.

Under the vesting schedule, 20% of the Earnout Shares vest in tranches when the volume-weighted average price of the Company's common stock quoted on the NYSE is greater than \$12.00, \$18.00, \$24.00, \$32.00 and \$50.00 for any 20 trading days within a period of 30 trading days (each such occurrence a “Triggering Event”). After ten years following the consummation of the Merger (the “Earnout Period”), any Earnout Shares which have not yet vested are forfeited. No Earnout Shares vested as of December 31, 2023.

Earnout Shares Liability at the closing of the Merger on August 10, 2021, was \$149.9 million based on a Monte Carlo simulation valuation model using a distribution of potential outcomes on a monthly basis over the Earnout Period using the most reliable information available. During the years ended December 31, 2023, 2022 and 2021, the Company recognized a loss related to the change in the fair value of the Earnout Shares Liability of \$51.9 million and gains of \$65.8 million and \$40.1 million, respectively, which is included within the gain (loss) from change in the fair value of warrants and earnout shares in the consolidated statement of operations.

Assumptions used in the valuation are as follows:

	December 31,		August 10,
	2023	2022	2021
Expected volatility	75.30 %	73.70 %	62.20 %
Risk-free interest rate	3.90 %	3.92 %	1.36 %
Dividend rate	0.00 %	0.00 %	0.00 %
Expected term (in years)	7.61	8.61	10.00

Delta Warrant

In connection with the umbrella agreement that the Company entered with Delta Air Lines, Inc. (“Delta”) on October 7, 2022, the Company sold and issued to Delta, in private placement, 11,044,232 shares of the Company’s Common Stock, at the per-share purchase price of \$.4327, for an aggregate cash consideration of \$60.0 million. In addition, the Company issued a warrant for Delta to purchase up to 12,833,333 shares of the Company's common stock in two tranches, subject to certain milestone achievement conditions (“Delta Warrant”).

The first and the second tranches of the warrant permit Delta to purchase up to 7,000,000 and 5,833,333 shares of Common Stock at exercise prices of \$10 and \$12, respectively, starting from the date the applicable milestones are satisfied and ending on the ten year anniversary of the warrant issuance date. The number of shares and exercise price for both tranches is subject to value cap adjustment if the 30 day volume weighted average price per share of the Company’s stock exceeds 150% of each respective tranche’s exercise price, but disregarding any price increases occurring within 10 business days after a public announcement of the achievement of an applicable milestone, if any.

The Company concluded that no assets or liabilities were transferred by either party beyond the Company’s issuance of common stock and warrants in exchange for the total cash consideration from Delta, that the umbrella agreement does not constitute a funded research and development agreement in the scope of ASC 730 *Research and Development* or a collaborative agreement in the scope of ASC 808 *Collaborative Agreements*, and that the Delta Warrant is a freestanding financial instrument not indexed to the Company’s own stock. Accordingly, the Company recognized the issuance of Common Stock as equity in additional paid-in capital on consolidated balance sheets and the Delta Warrant as liability on the consolidated balance sheets at fair value.

The Delta Warrant issuance was initially recognized as a liability on October 7, 2022, at a fair value of \$6.1 million based on a Monte Carlo simulation valuation model using the most reliable information available. The Delta Warrant's liability was remeasured to fair value as of December 31, 2023 and 2022, resulting in a loss of \$12.8 million and a gain of \$1.2 million, respectively, which is included within the gain (loss) from change in the fair value of warrants and earnout shares in the consolidated statements of operations.

Assumptions used in the valuation of Delta Warrants are as follows:

	December 31,		October 7,
	2023	2022	2022
Expected volatility	75.30 %	75.10 %	72.20 %
Risk-free interest rate	3.90 %	3.89 %	3.89 %
Dividend rate	0.00 %	0.00 %	0.00 %
Expected term (in years)	8.80	9.80	10.00

Note 12. Stockholders' Equity

The Company's Common Stock and Public Warrants trade on the NYSE under the symbol "JOBY" and "JOBY WS", respectively. 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 \$0.0001 per share: (i) 1,400,000,000 shares of common stock; and (ii) 100,000,000 shares of preferred stock.

The Company has retroactively adjusted the shares issued and outstanding prior to August 10, 2021 to give effect to the Exchange Ratio.

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 antitakeover defense. As of December 31, 2023 and 2022, there were no preferred stock issued and outstanding.

The holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders. The holders of common stock are not entitled to cumulative voting rights with respect to the election of directors, and as a consequence, minority stockholders are not able to elect directors on the basis of their votes alone. As of December 31, 2023 and 2022, no dividends have been declared to date.

The Company had reserved common stock, on an as-converted basis, for future issuance as follows:

	December 31,	
	2023	2022
Stock options outstanding under 2016 Stock Plan	13,574,585	17,093,447
Unvested RSU's under 2016 Stock Plan	4,675,812	6,635,600
Unvested RSU's under 2021 Stock Plan	26,400,887	21,901,527
Remaining shares available for future issuance under the 2021 plan	80,671,660	69,365,590
Common stock warrants	28,783,333	28,783,333
Total common stock reserved	154,106,277	143,779,497

Former Parent Reorganization

At incorporation, the Company issued to its then parent entity Joby Holdings, Inc., a Delaware corporation (the "Former Parent") 101,581,936 common shares and assumed the substantial majority of the Former Parent's workforce. As a result, an aggregate of 98,802,553 shares of the Company's common stock held by Former Parent were cancelled and retired, and an aggregate of 98,357,200 shares of the Company's common stock were issued by the Company to the prior stockholders of Former Parent.

Accordingly, Former Parent Reorganization did not have an impact on the Company's financial statements, other than the disclosure of the number of legally issued and outstanding common shares, which decreased by 445,353 common shares, and the number of fully vested common stock options, which increased by 445,353 options.

Other Stock Offerings

On May 5, 2023, the Company issued 43,985,681 shares of common stock at a price of \$4.10 per share in a registered direct offering to certain institutional investors for net proceeds of \$180.2 million, after deducting offering expenses payable by the Company of \$0.2 million.

On June 29, 2023, the Company issued 15,037,594 shares of common stock at a price of \$6.65 per share in a private placement to SKT for net proceeds of \$99.9 million, after deducting offering expenses payable by the Company of \$0.1 million. In connection with the investment, the Company entered into an agreement with SKT (the "Registration Rights Agreement") with respect to the issued shares (the "Registrable Securities") under which, subject to certain requirements and customary conditions, SKT may require the Company to register the Registrable Securities as described in the Registration Rights Agreement. The Registration Rights Agreement contains additional customary covenants between the Company and SKT and certain restrictions on transfer of the Registrable Securities. The registration rights will terminate at such time as Rule 144 is available for the sale of all of the Registrable Securities without limitation during a three-month period without registration and in certain events related to a change of control.

Note 13. Revenue Recognition

The Company's revenue is primarily from provision of flight services to its customers. The Company recognizes revenue when customers obtain control of promised goods or services in an amount that reflects the consideration the Company expects to receive for those goods or services.

Flight services

Flight services revenue primarily includes consideration for the Company's performance of customers directed flights and on-base operations for various U.S. Department of Defense agencies ("DOD"). These services are used by the DOD to demonstrate how eVTOL aircrafts can support a range of logistics missions, in realistic mission settings, including cargo and passenger transportation, and could be operated by both the Company's and DOD's personnel. On-base operations also include the training of DOD pilots and aircraft maintenance crews, as well as access to aircraft simulator, which provides the DOD with valuable insight into the performance of an eVTOL aircraft. Revenues are recognized as services are rendered and performance obligations are satisfied over time in accordance with contractual terms.

Flight services operating expenses primarily comprise of flight, flight support, and maintenance personnel, cost of operating flight-support aircraft, depreciation of capitalized ground support equipment and the Company's aircraft electricity costs, as directly attributed to the Company's performance of these flight services. Flight services operating expenses do not include aircraft and aircraft parts manufacturing costs as these costs are expensed as research and development costs by the Company when incurred, based on applicable research and development accounting guidance.

Contract Assets, Liabilities and Receivables

The Company generally satisfies performance of contract obligations by providing flight services to its customers in exchange for consideration. The timing of performance may differ from the timing of the customer's payment, which results in the recognition of a contract asset or a contract liability. A contract asset exists when the Company has a contract with a customer for which revenues has been recognized (i.e., services have been performed), but customer payment is contingent on a future event (i.e., satisfaction of additional performance obligations). These contract assets are transferred to receivables when the right to consideration becomes unconditional. Contract liabilities relate to deferred revenues in which advance consideration is received from customers for contracts where revenues are recognized based on future performance of services. The Company typically invoices customers on a monthly basis with the payment due between 30 and 60 days from the date of invoice.

There were no contract assets and receivables from the customers as of December 31, 2023, 2022 and 2021. There was no revenue from contracts with the customers during the years ended December 31, 2022, and 2021.

Contract liabilities represents payments by customers in advance of receiving the Company's flight services, see table below (in thousands).

	December 31,	
	2023	2022
Contract liabilities under contracts with customers	\$ 2,534	\$ —

Remaining Performance Obligations

Remaining performance obligations represent contracts for which work has not been performed and future revenue recognition is expected. The Company has elected the practical expedient permitting the exclusion of disclosing remaining performance obligations for contracts that have an original expected duration of one year or less. The Company's contracts with its customers can be cancelled without penalty and with a notice period of less than a year. Additionally, these contracts do not commit customers to acquire specific amounts of flight services and permit them to decrease the flight services under the contracts with a corresponding decrease in the consideration without penalty.

Note 14. Stock-based Compensation

Equity Compensation Plans

In November 2016, the Company's Board of Directors adopted the 2016 Stock Option and Grant Plan ("2016 Plan") under which officers, employees, directors, consultants and other key persons of the Company or its affiliates may be granted incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock and restricted stock units. On August 10, 2021, the Company's Board of Directors amended the 2016 Plan to provide that no new awards could be granted under the 2016 Plan.

Under the 2016 Plan, stock options were generally granted with an exercise price equal to the estimated fair value of the Company's common stock, as determined by the Company's Board of Directors on the date of grant. Options generally have contractual terms of ten years.

Outstanding options generally vest over six years, contain a one year cliff, are exercisable immediately and, upon early exercise, are subject to repurchase by the Company at the original exercise price. If an ISO is granted to an optionee who, at the time of grant, owns more than 10% of the voting power of all classes of capital stock, the term of the ISO is five years. Options issued under the 2016 Plan must be priced at no less than the fair value of the shares on the date of the grant provided, however, that the exercise price of an option granted to a 10% stockholder is not less than 110% of the fair value of the shares on the date of grant. The Board of Directors determines the exercisability provisions of a stock option agreement at its sole discretion.

The fair value of the RSU's granted under the 2016 Plan was determined by the Company's Board of Directors on the date of grant. Generally, RSUs have six years vesting period and contractual terms of ten years.

On August 10, 2021, the Company adopted the 2021 Equity Incentive Plan ("2021 Plan"). Under the 2021 Plan, the Company can grant incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units and performance awards to employees, directors and consultants. The number of shares available for issuance under the 2021 Plan will be increased on the first day of each fiscal year, beginning on January 1, 2022, in an amount equal to the lesser of (i) a number of shares equal to four percent (4%) of the total number of shares of all classes of common stock of the Company outstanding on the last day of the immediately preceding fiscal year, or (ii) such number of shares determined by the Company's Board of Directors. On December 31, 2023, the number of shares available for issuance under 2021 Plan was 80,671,660. On January 1, 2024, the number of shares available for issuance under 2021 plan increased by 27,930,481 shares.

Stock Options Activity

The summary of stock option activity for the year ended December 31, 2023 is as follows:

Stock Option Activity	Number of Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Balances—December 31, 2022	17,093,447	\$ 0.68	6.97	\$ 45,689
Additional shares authorized				
Options canceled and forfeited	(555,855)	\$ 0.65		
Repurchases	—			
Options granted	—			
Options exercised	(2,963,007)	\$ 0.57		
Balances—December 31, 2023	13,574,585	\$ 0.70	6.15	\$ 80,736
Vested and expected to vest	13,574,585	\$ 0.70	6.15	\$ 80,736
Shares exercisable (vested and unvested)	7,928,025	\$ 0.57	6.00	\$ 48,210

The weighted-average grant date fair value of options granted in the years ended December 31, 2023, 2022 and 2021 was nil, nil and \$9.16, respectively. The total intrinsic value of options exercised was \$15.2 million, \$12.0 million and \$20.1 million respectively, during the years ended December 31, 2023, 2022 and 2021.

Restricted Stock Units

A summary of RSU activity for the year ended December 31, 2023 is as follows: (in thousands, except per share data):

	Number of Shares	Weighted-Average Grant Date Fair Value Per Share	Aggregate Intrinsic Value (in thousands)
Balances—December 31, 2022	28,537,127	\$ 5.75	\$ 95,599
Granted	16,542,324	\$ 6.67	
Vested	(11,696,228)	\$ 5.18	
Forfeited	(2,306,524)	\$ 6.26	
Balances—December 31, 2023	31,076,699	\$ 6.41	\$ 206,660

The total fair value of RSUs vested for the years ended December 31, 2023, 2022 and 2021 was \$0.6 million, \$36.0 million and \$0.2 million, respectively.

On December 16, 2021, the Company's Board of Directors approved a performance-based bonus program under which RSUs were awarded in connection with the achievement of specified goals to be achieved in 2022 ("2022 Bonus Plan"). The RSUs awarded under 2022 Bonus Plan vested on January 1, 2023 and are included in Restricted Stock Units activity for the year ended December 31, 2023.

On February 27, 2023, the Company's Compensation Committee of the Board of Directors ("Compensation Committee") approved a performance-based bonus program under which RSUs will be awarded in connection with the achievement of specified goals in 2023 ("2023 Bonus Plan"). The RSU awards will be granted when the achievement of each goal is approved by the Compensation Committee in 2023, and the RSUs will vest in equal installments in each of January, February, March and April 2024 provided the employee or consultant continues to be a service provider through the relevant vesting dates. The target bonus opportunity is equal to 30% of the employee's base salary as of the applicable grant date, with stretch bonus goals that are one-third higher than the target amounts unless otherwise established by the Compensation Committee.

In accordance with ASC 718 Compensation - Stock Compensation, awards under 2023 Bonus Plan and 2022 Bonus Plan are classified as a liability until such time that the respective milestones are met, at which point the liability is reclassified to equity. If it is determined that the milestone cannot be met, the liability will be reversed.

In June 2023, the Compensation Committee approved long-term incentive performance-based RSU awards ("LTI Awards") to certain employees of the Company. The LTI Awards vest in a single installment on June 21, 2026, provided that (i) certain performance conditions are met on or prior to that date and (ii) the employee continues to be a service provider through the vesting date.

The Company considers the probability of achieving each of the performance goals at the end of each reporting period and recognizes expense over the requisite service period when achievement of the goal is determined to be probable, and adjusts the expense if the probability of achieving the goal later changes.

The Company recorded stock-based compensation expense of \$31.3 million for the year ended December 31, 2023, in relation to 2023 Bonus Plan and LTI awards. The Company recorded stock-based compensation expense of \$18.0 million for the year ended December 31, 2022, in relation to the 2022 Bonus Plan.

Employee Stock Purchase Plan

On August 10, 2021, the Company adopted the 2021 Employee Stock Purchase Plan ("2021 ESPP"). Under the 2021 ESPP, participating employees may be offered the option to purchase shares of the Company's Common Stock at a purchase price which equals 85% of the fair market value of the Company's common stock on the enrollment date or on the exercise date, whichever is lower. The number of shares of common stock available for issuance under the 2021 ESPP will be increased on the first day of each fiscal year beginning on January 1, 2022, in an amount equal to the lesser of (i) a number of shares of common stock equal to half percent (0.5%) of the total number of shares of all classes of common stock of the Company on the last day of the immediately preceding fiscal year, or (ii) such number of shares determined by the Company's Board of Directors. On December 31, 2023, the number of shares available for issuance under 2021 ESPP was 10,906,307. On January 1, 2024, the number of shares available for issuance under 2021 ESPP increased by 3,491,310 shares. During the year ended December 31, 2023, the Company issued 1,881,109 shares under the 2021 ESPP. The stock-based compensation expense recognized for the 2021 ESPP was \$3.7 million and \$0.4 million for the year ended December 31, 2023 and 2022, respectively.

The assumptions in the Black-Scholes option-pricing models used to determine the fair value of 2021 ESPP awards granted during the year ended December 31, 2023, were as follows:

	Year Ended December 31,	
	2023	2022
Expected volatility	58.5% - 85.1%	69.1% - 83.9%
Expected dividend yield	— %	— %
Expected term (in years)	0.5 - 1.0	0.5 - 1.0
Risk-free interest rate	4.9% - 5.4%	4.5% - 4.6%

Expected volatility - We estimate the expected volatility of our common stock on the date of grant based on the historical stock price volatility of our own common shares within the same length of period as the expected term.

Risk-free interest rate - The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities corresponding to the expected term of the awards.

Expected dividend yield - The expected dividend rate is zero as the Company currently has no history or expectation of declaring dividends on its common stock.

Expected term - The expected term represents the period these stock awards are expected to remain outstanding and is based on historical experience of similar awards, giving consideration to the contractual terms of the stock-based awards, vesting schedules, and expectations of future employee behavior.

Stock-based compensation expense

The following sets forth the total stock-based compensation expense for the Company's stock options included in the Company's consolidated statements of operations (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Research and development expenses	\$ 73,160	\$ 49,713	\$ 19,426
Selling, general and administrative expenses	20,476	19,357	7,506
Total stock-based compensation expense	<u>\$ 93,636</u>	<u>\$ 69,070</u>	<u>\$ 26,932</u>

As of December 31, 2023, total unrecognized compensation cost related to stock awards was \$200.0 million to be recognized over a weighted average remaining requisite service period of approximately 2.6 years.

Shares subject to repurchase

The Company allows certain option holders to exercise unvested options to purchase shares of common stock. Common shares received from such early exercises are subject to a right of repurchase at the original issuance price. The Company's repurchase right with respect to these shares lapses as the shares vest. These awards are typically subject to a vesting period of six years. As of December 31, 2023 and 2022, 1,988,511 and 3,923,509 shares, respectively, were subject to repurchase at a weighted average price of \$0.09 per share and \$0.10 per share, respectively, and \$0.2 million and \$0.4 million, respectively, was recorded within the other non-current liabilities on the Company's consolidated balance sheets.

In addition, upon completion of the Reverse Recapitalization, 2,677,200 Series C Preferred shares which were subject to time-based vesting conditions were converted to restricted common shares. As of December 31, 2023 and 2022, the number of such shares that were subject to repurchase was 1,561,599 and 2,007,595.

Note 15. Income Taxes

The components of loss before taxes are as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
United States	\$ (506,243)	\$ (249,550)	\$ (184,183)
International	(6,668)	(8,401)	(6,678)
Loss before income taxes	<u>\$ (512,911)</u>	<u>\$ (257,951)</u>	<u>\$ (190,861)</u>

The provision for income taxes is as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Current			
Federal	\$ —	\$ —	\$ —
State	6	7	1
Foreign	133	85	6
Total current provision	<u>139</u>	<u>92</u>	<u>7</u>
Deferred			
Federal	—	—	(7,917)
State	—	—	(2,627)
Total deferred benefit	<u>—</u>	<u>—</u>	<u>(10,544)</u>
Total provision (benefit)	<u>\$ 139</u>	<u>\$ 92</u>	<u>\$ (10,537)</u>

A reconciliation of the statutory U.S. federal rate to the Company's effective tax rate is as follows:

	Year Ended December 31,		
	2023	2022	2021
	%	%	%
Tax at federal statutory rate	(21.0)%	(21.0)%	(21.0)%
State taxes, net of federal benefit	(1.6)%	(9.1)%	(7.3)%
Permanent differences	16.8 %	(6.3)%	(0.1)%
Change in valuation allowance	9.0 %	41.8 %	27.9 %
Tax credits	(3.2)%	(5.4)%	(5.0)%
Effective income tax rate	0.0 %	0.0 %	(5.5)%

Significant components of the Company's net deferred tax assets as of December 31, 2023, 2022 and 2021 (in thousands):

	December 31,		
	2023	2022	2021
Deferred tax assets:			
Net operating loss carryforwards	\$ 138,735	\$ 161,239	\$ 124,591
Research and development credits	55,492	36,886	22,995
Accruals and reserves	2,479	148	518
Property and equipment	3,110	4,260	1,362
Stock-based compensation	16,396	14,416	4,651
Goodwill	4,311	4,920	3,819
Intangibles	2,234	900	355
Lease Liability	664	600	—
Capitalized R&D	88,985	42,676	—
Total deferred tax assets	312,406	266,045	158,291
Valuation allowance	(295,740)	(249,382)	(141,618)
Net deferred tax assets	16,666	16,663	16,673
Deferred tax liabilities			
Contractual agreement	(16,666)	(16,663)	(16,673)
Total deferred tax liabilities	(16,666)	(16,663)	(16,673)
Net deferred tax assets	\$ —	\$ —	\$ —

In connection with the acquisition of Uber Elevate on January 11, 2021, a deferred tax liability was established for the book versus tax basis difference associated with the contractual agreement asset (Note 6). This deferred tax liability created an additional source of income to realize the Company's deferred tax assets. As the Company continues to maintain a full valuation allowance against its net deferred tax assets, this additional source of income resulted in a corresponding release of the Company's previously recorded valuation allowance against its net deferred tax assets. Consistent with the applicable guidance, this release of the valuation allowance was recorded in the consolidated statements of operations as an income tax benefit.

The following shows the changes in the gross amount of unrecognized tax benefits as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Unrecognized tax benefits, beginning of the year	\$ 14,571	\$ 8,518	\$ 4,995
Increases related to prior year tax positions	684	219	3,523
Decreases related to prior year tax positions	(1,037)	—	—
Increases related to current year tax positions	6,023	5,834	—
Unrecognized tax benefits, end of year	<u>\$ 20,241</u>	<u>\$ 14,571</u>	<u>\$ 8,518</u>

The Company has adopted the accounting policy that interest and penalties recognized are classified as part of its income taxes. The Company does not anticipate that its total unrecognized tax benefits will significantly change due to settlement of examination or the expiration of statute of limitations during the next 12 months. Due to the full valuation allowance at December 31, 2023, current adjustments to the unrecognized tax benefit will have no impact on our effective income tax rate. Any adjustments made after the valuation allowance is released will have an impact on the tax rate.

In assessing the realizability of deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Due to the uncertainty of the business in which the Company operates, projections of future profitability are difficult and past operating results are not necessarily indicative of future profitability. Management does not believe it is more likely than not that the deferred income tax assets will be realized; accordingly, a full valuation allowance has been established on net deferred income tax assets. The valuation allowance increased by \$46.4 million during the year ended December 31, 2023, and by \$107.8 million during the year ended December 31, 2022.

As of December 31, 2023, the Company had federal net operating loss carryforwards (“NOLs”) of \$608.6 million, of which approximately \$15.8 million will begin to expire in 2036 and the remainder do not expire. As of December 31, 2022, the Company had federal NOLs of \$516.2 million of which approximately \$15.8 million will begin to expire in 2036 and the remainder do not expire. As of December 31, 2023 and 2022, the Company had state NOLs of \$82.0 million and \$745.0 million, respectively, that will begin to expire in 2031. In addition, the Company had foreign NOLs of \$17.1 million and \$9.9 million as of December 31, 2023 and 2022, respectively.

At December 31, 2023, the Company had federal research and development credits of \$44.9 million and California research and development credits of \$36.4 million. The federal credits will expire beginning 2036, while California credits have no expiration. At December 31, 2022, the Company had federal research and development credits of \$28.4 million and California research and development credits of \$26.1 million. The federal credits will expire beginning 2032, while California credits have no expiration.

The federal and state net operating loss and credit carryforwards may be subject to significant limitations under Sections 382 and 383 of the Internal Revenue Code (Code) and similar provisions of state law. These Code sections limit the federal net operating loss and credit carryforwards that may be used in any year in the event of an “ownership change”. A Section 382 “ownership change” generally occurs if one or more shareholders or groups of shareholders, who own at least 5% of the Company’s stock, increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three years period. The Company may have previously experienced, and may in the future experience, one or more Section 382 “ownership changes”. If so, the Company may lose some or all of the tax benefits of its NOLs and tax credits. The extent of such limitations for prior years, if any, has not been determined.

The Company currently has no federal or state tax examinations in progress nor has it had any federal or state tax examinations since its inception. As a result of the Company’s net operating loss and credit carryforwards all of its years are subject to federal and state examination.

Note 16. Related Party Transactions

The Company’s Chief Executive Officer and founder has ownership interests in certain vendors providing services to the Company. The services purchased from these vendors include rent of office space and certain utilities and maintenance services related to the property on which the rented premises are located. Expenses and related payments to these vendors totaled \$0.6 million, \$0.7 million and \$1.3 million during the years ended December 31, 2023, 2022 and 2021, respectively. The Company owed these vendors nil and nil as of December 31, 2023 and 2022, respectively.

In addition, the Company entered into certain transactions with SummerBio in the year ended December 2022. These transactions included purchases of COVID-19 testing services for the Company's employees and certain assets for a total amount of nil, \$1.3 million and \$1.6 million during the years ended December 31, 2023, 2022 and 2021, respectively.

Toyota Motor Corporation ("Toyota") is a beneficial owner of more than 10% of the voting interests of the Company and has the right to designate a director for election to the Company's Board of Directors. Toyota is developing prototypes and supplying parts and materials for some of the Company's manufactured subassembly components. The Company made payments to Toyota for these parts and materials totaling \$1.3 million during the year ended December 31, 2023. Additionally, the Company identified an embedded finance lease within the Company's purchase and sale agreement with Toyota for subassembly components in the amount of \$3.8 million as of December 31, 2023.

Note 17. Net Loss per Share Attributable to Common Stockholders

Basic net loss per share is computed by dividing the net loss by the weighted-average number of common shares outstanding for the period. Because the Company reported a net loss for 2023 and 2022, the number of shares used to calculate diluted net loss per common share is the same as the number of shares used to calculate basic net loss per common share for those periods presented because the potentially dilutive shares would have been antidilutive if included in the calculation.

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders (in thousands, except share and per share data):

	Year Ended December 31,		
	2023	2022	2021
Numerator:			
Net loss attributable to common stockholders	\$ (513,050)	\$ (258,043)	\$ (180,324)
Denominator:			
Weighted-average shares outstanding	647,907,598	585,544,043	294,851,732
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.79)	\$ (0.44)	\$ (0.61)

The following outstanding shares of potentially dilutive securities were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because including them would have been antidilutive:

	Year Ended December 31, 2023
Common stock warrants	28,783,333
Unvested restricted stock awards	1,561,599
Unvested restricted stock units	31,076,699
Unvested early exercised common stock options	1,988,511
Options to purchase common stock	13,574,585
Total	76,984,727

	Year Ended December 31,	
	2022	2021
Common stock warrants	28,783,333	28,783,333
Unvested restricted stock awards	2,007,595	3,029,781
Unvested restricted stock units	28,537,127	10,032,870
Unvested early exercised common stock options	3,923,509	6,454,354
Options to purchase common stock	17,093,447	20,807,198
Earnout Shares	17,130,000	17,130,000
Total	97,475,011	86,237,536

Note 18. Subsequent Events

The Company evaluated subsequent events and transactions that occurred up to the date financial statements were issued. The Company did not identify any subsequent events or transactions that would have required adjustment or disclosure in the financial statements.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosures

None.

Item 9A. Controls and Procedures

Management's Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (2) accumulated and communicated to our management, including our principal executive and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their control objectives.

Our management, under the supervision and with the participation of our principal executive officer and principal financial and accounting officer, evaluated the effectiveness of our disclosure controls and procedures at the end of the period covered by this Annual Report on Form 10-K. Based upon this evaluation, our principal executive officer and principal financial and accounting officer concluded that as of the end of the period covered by this Report, the design and operation of our disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2023.

Management's Report on Internal Control over Financial Reporting

Management, under the supervision of our principal executive officer and principal financial and accounting officer, is responsible for establishing and maintaining adequate internal control over our financial reporting as required by the Sarbanes-Oxley Act of 2002 and as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act.

Our management evaluated the design and operating effectiveness of our internal control over financial reporting based on the criteria established in the *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2023.

Our independent registered public accounting firm, Deloitte & Touche LLP, has audited the effectiveness of our internal control over financial reporting as of December 31, 2023, as stated in their report, which appears herein.

Remediation of Previously Reported Material Weakness

Management previously identified and disclosed a material weakness in our internal control over financial reporting for the year ended December 31, 2022 related to the lack of sufficient accounting resources with deep technical accounting knowledge to identify and resolve complex accounting issues in a timely manner. Over the course of the year ended December 31, 2023, we enhanced our technical accounting resources by hiring experienced staff and utilizing additional external experts to ensure sufficient support for timely resolution of complex, non-routine transactions.

Based upon the aforementioned remediation actions and testing of operating effectiveness of those remedial controls over a sustained period of financial reporting cycles, we have concluded that the previously reported material weakness has been fully remediated as of December 31, 2023.

Changes in Internal Control over Financial Reporting

During the most recently completed fiscal quarter, other than described above, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Trading Plans

On November 30, 2023, Matthew Field, the Company's Chief Financial Officer, adopted a trading plan intended to satisfy Rule 10b5-1(c) to sell, subject to certain conditions, up to 145,336 shares of Company common stock beginning March 1,

2024 and ending February 28, 2025. This includes up to 23,050 shares to be issued upon the vesting of RSUs granted to Mr. Field. The actual number of shares that will be released to Mr. Field and may be sold under the Rule 10b5-1 trading arrangement will be net of the number of shares sold by the Company to satisfy tax withholding obligations arising from the vesting of the RSUs and is not yet determinable.

On December 15, 2023, Paul Sciarra, Chairman of the Company's Board of Directors, adopted a trading plan intended to satisfy Rule 10b5-1(c) to sell, subject to certain conditions, up to 4,849,900 shares of Company common stock beginning March 15, 2024 and ending February 15, 2025.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item, including information about our Executive Officers, Non-Employee Directors and Corporate Governance matters, is incorporated by reference to the definitive Proxy Statement for our 2024 Annual Meeting of Stockholders, which will be filed with the SEC, no later than 120 days after December 31, 2023.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2024 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2023.

Item 12. Security Ownership of Certain Beneficial Owner and Management and Related Stockholder Matters

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2024 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2023.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2024 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2023.

Item 14. Principal Accounting Fees and Services

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2024 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2023.

Part IV

Item 15. Exhibits, Financial Statement Schedules

Consolidated Financial Statements

Our consolidated financial statements are listed in the “Index to Financial Statements” under Part II, Item 8 of this Annual Report on Form 10-K.

Financial Statement Schedules

All financial statement schedules have been omitted because they are not applicable, not material or the required information is shown in Part II, Item 8 of this Annual Report on Form 10-K.

Exhibits

The exhibits listed below are filed as part of this Annual Report on Form 10-K or are incorporated herein by reference, in each case as indicated below.

Exhibit Number	Description	Incorporation by Reference			Filed Herewith
		Form	Exhibit	Filing Date	
2.1†	Agreement and Plan of Merger, dated as of February 23, 2021, by and among the Registrant, RTP Merger Sub Inc. and Joby Aero, Inc.	S-4	2.1	7/6/2021	
3.1	Amended and Restated Certificate of Incorporation of Joby Aviation, Inc.	S-4	3.2	7/6/2021	
3.2	Bylaws of Joby Aviation, Inc.	8-K	3.1	9/21/2023	
4.1	Warrant Agreement, dated as of September 16, 2020, by and between the Registrant and Continental Stock Transfer & Trust Company, as warrant agent.	8-K	4.1	9/21/2020	
4.1(a)	Form of Amendment to the Warrant agreement, by and between the Registrant and Continental Stock Transfer & Trust Company, as warrant agent.	S-4	4.5	7/6/2021	
4.2	Specimen Warrant Certificate.	8-K	4.1	9/21/2020	
4.3	Description of the Registrant's Securities				X
10.1	Sponsor Agreement, dated as of February 23, 2021, by and among the Registrant, Reinvent Sponsor LLC and Joby Aero, Inc.	S-4	10.2	7/6/2021	
10.2	Form of Subscription Agreement, by and between the Registrant and the undersigned subscriber party thereto.	S-4	10.3	7/6/2021	
10.3†	Amended and Restated Registration Rights Agreement, by and among Joby Aviation, Inc. and the other parties thereto.	S-4	10.4	7/6/2021	
10.4	Form of Majority Company Equityholders Lock-Up Agreement.	S-4	10.5	7/6/2021	
10.5	Form of Indemnification Agreement.	S-1	10.11	8/17/2021	
10.6+	Joby Aviation, Inc. 2021 Incentive Award Plan.	S-1	10.12	8/17/2021	
10.7+	Form of Stock Option Agreement (included in Exhibit 10.8).	S-1	10.13	8/17/2021	
10.8+	Form of Restricted Stock Unit Award Agreement.	S-8	99.3	12/17/2021	
10.9+	Joby Aviation, Inc. 2021 Employee Stock Purchase Plan.	S-1	10.15	8/17/2021	
10.10#	Collaboration Agreement, dated as of January 11, 2021, by and between Joby Aero, Inc. and Uber Technologies, Inc.	S-4	10.23	7/6/2021	
10.11#	Amendment No. 1 dated September 1, 2022, to the Collaboration Agreement, dated January 11, 2021, by and between Joby Aero, Inc. and Uber Technologies, Inc.	10-Q	10.2	11/4/2022	
10.12#	Amended and Restated Collaboration Agreement, dated as of August 30, 2019, by and between Joby Aero, Inc. and Toyota Motor Corporation.	S-4	10.24	7/6/2021	
10.13#	Memorandum of Understanding, dated as of February 20, 2021, by and between Joby Aero, Inc. and Toyota Motor Corporation.	S-4	10.25	7/6/2021	
10.14#	Modification to Other Transaction for Prototype Agreement, dated as of July 14, 2020, by and between Joby Aero, Inc. and The United States Air Force.	S-4	10.26	7/6/2021	
10.15#	Other Transaction for Prototype Agreement between the United States Air Force and Joby Aero, Inc. dated March 3, 2022	10-Q	10.1	5/13/2022	
10.16#	Other Transaction for Prototype Agreement between the United States Air Force and Joby Aero, Inc. dated July 28, 2022	10-Q	10.1	11/4/2022	
10.17+	Non-employee Director Compensation Program	10-K	10.16	3/28/2022	

10.18+	Offer letter, dated December 21, 2020, by and between Joby Aero, Inc. and Eric Allison	10-K	10.17	3/28/2022	
10.19+	Offer letter, dated February 1, 2021, by and between Joby Aero, Inc. and Matt Field	10-K	10.18	3/28/2022	
10.20+	Letter Agreement, dated July 6, 2022, by and between Joby Aero, Inc. and Matt Field	10-Q	10.2	8/12/2022	
10.21#	Umbrella Agreement, dated October 7, 2022, among Delta Air Lines, Inc., Joby Aero, Inc., and Joby Aviation, Inc.	8-K	10.1	10/11/2022	
10.22	Subscription Agreement, dated October 7, 2022, between Delta Air Lines, Inc. and Joby Aviation, Inc.	8-K	10.2	10/11/2022	
10.23	Warrant Agreement, dated October 7, 2022, between Delta Air Lines, Inc. and Joby Aviation, Inc.	8-K	10.3	10/11/2022	
10.24	Registration Rights Agreement, dated October 7, 2022, between Delta Air Lines, Inc. and Joby Aviation, Inc.	8-K	10.4	10/11/2022	
10.25	Purchase and Sale Agreement, dated November 4, 2022, by and between Frederick Electronics Corporation, Plantronics, Inc., and Joby Aero, Inc.	8-K	10.1	11/9/2022	
10.26#	Parts Supply Agreement, between Joby Aero, Inc. and Toyota Motor Corporation., dated February 15, 2023.	10-Q	10.1	8/4/2023	
10.27#	Other Transaction for Prototype Agreement, between the United States Air Force and Joby Aero, Inc. dated as of April 4, 2023.	10-Q	10.2	8/4/2023	
10.28#	2023 Performance Award Program	10-Q	10.1	5/5/2023	
21.1	Significant Subsidiaries of Joby Aviation, Inc.				X
23.1	Consent of Deloitte & Touche LLP				X
24.1	Powers of Attorney (included on the signature page to the Report)				X
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
97.1	Joby Aviation, Inc. Policy for Recovery of Erroneously Awarded Compensation				X
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.				
101.SCH	Inline XBRL Taxonomy Extension Schema Document				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)				

† The annexes, schedules, and certain exhibits to this Exhibit have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant hereby agrees to furnish supplementally a copy of any omitted annex, schedule or exhibit to the SEC upon request.

+ Indicates a management contract or compensatory plan.

Certain portions of this exhibit (indicated by “[***]”) have been omitted pursuant to Regulation #S-K, Item 601(b)(10).

* These certifications are furnished to the SEC pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Cruz, State of California, on February 26, 2024.

Joby Aviation, Inc.

By: /s/ Matthew Field
Name: Matthew Field
Title: Chief Financial Officer

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints each of JoeBen Bevirt and Matthew Field, acting alone or together with another attorney-in-fact, as his or her true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, for such person and in his or her name, place and stead, in any and all capacities, to sign any or all further amendments to this Annual Report on Form 10-K and all further amendments, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the Registrant in the capacities indicated and on February 26, 2024.

Signature	Title
<u>/s/ JoeBen Bevirt</u> JoeBen Bevirt	Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ Matthew Field</u> Matthew Field	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ Aicha Evans</u> Aicha Evans	Director
<u>/s/ Halimah DeLaine Prado</u> Halimah DeLaine Prado	Director
<u>/s/ Reid Hoffman</u> Reid Hoffman	Director
<u>/s/ Michael Huerta</u> Michael Huerta	Director
<u>/s/ Tetsuo Ogawa</u> Tetsuo Ogawa	Director
<u>/s/ Dipender Saluja</u> Dipender Saluja	Director
<u>/s/ Paul Sciarra</u> Paul Sciarra	Director
<u>/s/ Laura Wright</u> Laura Wright	Director

**DESCRIPTION OF REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

The following description of the terms of our capital stock and warrants is not complete and is qualified in its entirety by reference to our Certificate of Incorporation, our Bylaws and the warrant agreement, all of which are included as exhibits to our Annual Report on Form 10-K. References to the "Company," "we," "us" or "our" refer to Joby Aviation, Inc. and its subsidiaries.

Authorized Capitalization

General

The total amount of Joby Aviation's authorized capital stock consists of 1,400,000,000 shares of our common stock, par value \$0.0001 per share, and 100,000,000 shares of our preferred stock, par value \$0.0001 per share.

The following summary describes all material provisions of our capital stock. We urge you to read our Certificate of Incorporation and our Bylaws.

Preferred Stock

Our board of directors has authority to issue shares of our preferred stock in one or more series, to fix for each such series such voting powers, designations, preferences, qualifications, limitations or restrictions thereof, including dividend rights, conversion rights, redemption privileges and liquidation preferences for the issue of such series all to the fullest extent permitted by the DGCL. The issuance of our preferred stock could have the effect of decreasing the trading price of our common stock, restricting dividends on our capital stock, diluting the voting power of our common stock, impairing the liquidation rights of our capital stock, or delaying or preventing a change in control of Joby Aviation.

Common Stock

Our common stock is not entitled to preemptive or other similar subscription rights to purchase any of Joby Aviation's securities. Our common stock is neither convertible nor redeemable. Unless our board of directors determines otherwise, we will issue all of our capital stock in uncertificated form.

Voting Rights

Each holder of our common stock is entitled to one vote per share on each matter submitted to a vote of stockholders, except as provided by our Certificate of Incorporation and outlined below. Our Bylaws provide that the holders of a majority of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, will constitute a quorum at all meetings of the stockholders for the transaction of business. When a quorum is present, the affirmative vote of a majority of the votes cast is required to take action, unless otherwise specified by law, our Bylaws or our Certificate of Incorporation, and except for the election of directors, which is determined by a plurality vote. There are no cumulative voting rights. In addition, the affirmative vote of holders of 66 2/3% of the voting power of all of the then outstanding voting stock will be required to take certain actions, including amending certain provisions of our amended and restated certificate of incorporation, such as the provisions relating to amending our amended and restated bylaws, the classified board and director liability.

To comply with restrictions imposed by federal law on foreign ownership of U.S. air transportation operations, our Certificate of Incorporation and our Bylaws restrict voting of shares of our capital stock by non-U.S. citizens. The restrictions imposed by federal law currently require that no more than 25% of our voting stock be voted, directly or indirectly, by persons who are not U.S. citizens, and that our president and at least two-thirds of the members of our board of directors be U.S. citizens. Under our Organizational Documents, Joby Aviation or any designated transfer agent shall maintain a Foreign Stock Record for registered Joby Aviation common stock known to us to be owned and/or controlled by Non-Citizens. In the event that we determine that the Joby Aviation common stock registered on the Foreign Stock Record exceeds the Permitted Percentage, sufficient shares shall be removed from the Foreign Stock Record in reverse chronological order based upon the date of registration therein so that the number of shares entered does not exceed the Permitted Percentage; provided, that upon the vesting of any Sponsor Shares pursuant to the Sponsor Agreement, such Sponsor Shares held by the Sponsor shall be deemed registered on the Foreign Stock Record as of the date of the Merger and before the registration of any Joby Aviation capital stock held by any other

Non-Citizen. If Non-Citizens at any time own and/or control in excess of the Permitted Percentage, the voting rights of the shares of Joby Aviation common stock in excess and not registered on the Foreign Stock Record will be automatically suspended until the earlier of (i) the transfer of such shares to a person or entity who is not a Non-Citizen or (ii) the registration of such shares on the Foreign Stock Record.

Dividend Rights

Each holder of shares of our capital stock is entitled to the payment of dividends and other distributions as may be declared by our board of directors from time to time out of our assets or funds legally available for dividends or other distributions. These rights are subject to the preferential rights of the holders of our preferred stock, if any, and any contractual limitations on our ability to declare and pay dividends.

Other Rights

Each holder of our common stock is subject to, and may be adversely affected by, the rights of the holders of any series of our preferred stock that we may designate and issue in the future.

Liquidation Rights

If we are involved in voluntary or involuntary liquidation, dissolution or winding up of our affairs, or a similar event, each holder of our common stock will participate pro rata in all assets remaining after payment of liabilities, subject to prior distribution rights of our preferred stock, if any, then outstanding.

Redeemable Warrants

Public Warrants

As of December 31, 2023, there were 17,250,000 Public Warrants outstanding. Each warrant entitles the registered holder to purchase one share of common stock at a price of \$11.50 per share, subject to adjustment as discussed below. The warrants will expire August 10, 2026, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

We are not obligated to deliver any shares of common stock pursuant to the exercise of a warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act covering the issuance of the common stock issuable upon exercise of the warrants is then effective and a current prospectus relating thereto is current, subject to our satisfying our obligations described below with respect to registration, or a valid exemption from registration is available, including as a result of a notice of redemption described below under “Redemption of warrants when the price per share of common stock equals or exceeds \$10.00”. No warrant will be exercisable for cash or on a cashless basis, and we will not be obligated to issue any shares to holders seeking to exercise their warrants, unless the issuance of the shares upon such exercise is registered or qualified under the securities laws of the state of the exercising holder, or an exemption is available.

In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a warrant, the holder of such warrant will not be entitled to exercise such warrant and such warrant may have no value and expire worthless.

We have agreed to maintain the effectiveness of a registration statement covering the issuance, under the Securities Act, of the shares of common stock issuable upon exercise of the warrants and a current prospectus relating thereto, until the expiration of the warrants in accordance with the provisions of the warrant agreement. Notwithstanding the above, if our shares of common stock are, at the time of any exercise of a warrant, not listed on a national securities exchange such that they satisfy the definition of a “covered security” under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of public warrants who exercise their warrants to do so on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act and, in the event we so elect, we will not be required to maintain in effect a registration statement, but will use our commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. In such event, each holder would pay the exercise price by surrendering the warrants for that number of shares of common stock equal to the lesser of (A) the quotient obtained by dividing (x) the product of the number of shares of common stock underlying the warrants, multiplied by the excess of the “fair market value” (defined below) less the exercise price of the warrants by (y) the fair market value and (B) 0.361. The “fair market value” shall mean the volume weighted average price of

the shares of common stock for the 10 trading days ending on the trading day prior to the date on which the notice of exercise is received by the warrant agent.

Redemption of warrants when the price per share of common stock equals or exceeds \$18.00. We may redeem the outstanding warrants (except as described herein with respect to the private placement warrants):

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon not less than 30 days' written notice of redemption to each warrant holder; and
- if and only if, the last reported sale price of the shares of common stock for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holders (which we refer to as the "Reference Value") equals or exceeds \$18.00 per share (as adjusted for share splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like)

We will not redeem the warrants as described above unless a registration statement under the Securities Act covering the issuance of the shares of common stock issuable upon exercise of the warrants is then effective and a current prospectus relating to those shares of common stock is available throughout the 30-day redemption period. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws.

We have established the last of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the warrant exercise price. If the foregoing conditions are satisfied and we issue a notice of redemption of the warrants, each warrant holder will be entitled to exercise his, her or its warrant prior to the scheduled redemption date. However, the price of the shares of common stock may fall below the \$18.00 redemption trigger price (as adjusted for share splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like) as well as the \$11.50 (for whole shares) warrant exercise price after the redemption notice is issued.

Redemption of warrants when the price per share of common stock equals or exceeds \$10.00. We may redeem the outstanding warrants:

- in whole and not in part;
- at \$0.10 per warrant upon a minimum of 30 days' prior written notice of redemption provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to the table below, based on the redemption date and the "fair market value" (as defined below) of our shares of common stock except as otherwise described below;
- if, and only if, the Reference Value (as defined above under "Redemption of warrants when the price per share of common stock equals or exceeds \$18.00") equals or exceeds \$10.00 per share (as adjusted for share splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like); and
- if the Reference Value is less than \$18.00 per share (as adjusted for share splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like), the private placement warrants must also be concurrently called for redemption on the same terms as the outstanding public warrants, as described above.

The numbers in the table below represent the number of shares of common stock that a warrant holder will receive upon exercise in connection with a redemption by us pursuant to this redemption feature, based on the "fair market value" of our shares of common stock on the corresponding redemption date (assuming holders elect to exercise their warrants and such warrants are not redeemed for \$0.10 per warrant), determined based on volume weighted average price of our shares of common stock during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of warrants, and the number of months that the corresponding redemption date precedes the expiration date of the warrants, each as set forth in the table below. We will provide

our warrant holders with the final fair market value no later than one business day after the 10-trading day period described above ends.

The share prices set forth in the column headings of the table below will be adjusted as of any date on which the number of shares issuable upon exercise of a warrant is adjusted as set forth in the first three paragraphs under the heading “- Anti-dilution Adjustments” below. The adjusted share prices in the column headings will equal the share prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the number of shares deliverable upon exercise of a warrant immediately prior to such adjustment and the denominator of which is the number of shares deliverable upon exercise of a warrant as so adjusted. The number of shares in the table below shall be adjusted in the same manner and at the same time as the number of shares issuable upon exercise of a warrant.

Redemption Date (period to expiration of warrants)	>10.00	11.00	12.00	13.00	14.00	15.00	16.00
60 months	0.261	0.281	0.297	0.311	0.324	0.337	0.348
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348
54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340
36 months	0.213	0.239	0.263	0.285	0.305	0.323	0.339
33 months	0.205	0.232	0.257	0.280	0.301	0.320	0.337
30 months	0.196	0.224	0.250	0.274	0.297	0.316	0.335
27 months	0.185	0.214	0.242	0.268	0.291	0.313	0.332
24 months	0.173	0.204	0.233	0.260	0.285	0.308	0.329
21 months	0.161	0.193	0.223	0.252	0.279	0.304	0.326
18 months	0.146	0.179	0.211	0.242	0.271	0.298	0.322
15 months	0.130	0.164	0.197	0.230	0.262	0.291	0.317
12 months	0.111	0.146	0.181	0.216	0.250	0.282	0.312
9 months	0.090	0.125	0.162	0.199	0.237	0.272	0.305
6 months	0.065	0.099	0.137	0.178	0.219	0.259	0.296
3 months	0.034	0.065	0.104	0.150	0.197	0.243	0.286
0 months	-	-	0.042	0.115	0.179	0.233	0.281

The exact fair market value and redemption date may not be set forth in the table above, in which case, if the fair market value is between two values in the table or the redemption date is between two redemption dates in the table,

the number of shares of common stock to be issued for each warrant exercised will be determined by a straight-line interpolation between the number of shares set forth for the higher and lower fair market values and the earlier and later redemption dates, as applicable, based on a 365 or 366-day year, as applicable. For example, if the volume weighted average price of our shares of common stock during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is \$11.00 per share, and at such time there are 57 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.277 shares of common stock for each whole warrant. For an example where the exact fair market value and redemption date are not as set forth in the table above, if the volume weighted average price of our shares of common stock during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is \$13.50 per share, and at such time there are 38 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.298 shares of common stock for each whole warrant. In no event will the warrants be exercisable in connection with this redemption feature for more than 0.361 shares of common stock per warrant (subject to adjustment). Finally, as reflected in the table above, if the warrants are out of the money and about to expire, they cannot be exercised on a cashless basis in connection with a redemption by us pursuant to this redemption feature, since they will not be exercisable for any shares of common stock.

This redemption feature differs from the typical warrant redemption features used in many other blank check offerings, which typically only provide for a redemption of warrants for cash (other than the private placement warrants) when the trading price for the shares of common stock exceeds \$18.00 per share for a specified period of time. This redemption feature is structured to allow for all of the outstanding warrants to be redeemed when the shares of common stock are trading at or above \$10.00 per share, which may be at a time when the trading price of our shares of common stock is below the exercise price of the warrants. We have established this redemption feature to provide us with the flexibility to redeem the warrants without the warrants having to reach the \$18.00 per share threshold set forth above under “- Redemption of warrants when the price per share of common stock equals or exceeds \$18.00.” Holders choosing to exercise their warrants in connection with a redemption pursuant to this feature will, in effect, receive a number of shares for their warrants based on an option pricing model with a fixed volatility input as of the date of RTP’s initial public offering. This redemption right provides us with an additional mechanism by which to redeem all of the outstanding warrants, and therefore have certainty as to our capital structure as the warrants would no longer be outstanding and would have been exercised or redeemed. We will be required to pay the applicable redemption price to warrant holders if we choose to exercise this redemption right and it will allow us to quickly proceed with a redemption of the warrants if we determine it is in our best interest to do so. As such, we would redeem the warrants in this manner when we believe it is in our best interest to update our capital structure to remove the warrants and pay the redemption price to the warrant holders.

As stated above, we can redeem the warrants when the shares of common stock are trading at a price starting at \$10.00, which is below the exercise price of \$11.50, because it will provide certainty with respect to our capital structure and cash position while providing warrant holders with the opportunity to exercise their warrants on a cashless basis for the applicable number of shares. If we choose to redeem the warrants when the shares of common stock are trading at a price below the exercise price of the warrants, this could result in the warrant holders receiving fewer shares of common stock than they would have received if they had chosen to wait to exercise their warrants for shares of common stock if and when such shares of common stock were trading at a price higher than the exercise price of \$11.50.

No fractional shares of common stock will be issued upon exercise. If, upon exercise, a holder would be entitled to receive a fractional interest in a share, we will round down to the nearest whole number of the number of shares of common stock to be issued to the holder. If, at the time of redemption, the warrants are exercisable for a security other than the shares of common stock pursuant to the warrant agreement, the warrants may be exercised for such security. At such time as the warrants become exercisable for a security other than the shares of common stock, Joby Aviation (or surviving company) will use its commercially reasonable efforts to register under the Securities Act the security issuable upon the exercise of the warrants.

Redemption procedures. A holder of a warrant may notify us in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such warrant, to the extent that after giving effect to such exercise, such person (together with such person’s affiliates), to the warrant agent’s actual knowledge, would

beneficially own in excess of 9.8% (or such other amount as a holder may specify) of the shares of common stock issued and outstanding immediately after giving effect to such exercise.

Anti-dilution Adjustments. If the number of issued and outstanding shares of common stock is increased by a capitalization or share dividend payable in shares of common stock, or by a split-up of shares of common stock or other similar event, then, on the effective date of such capitalization or share dividend, split-up or similar event, the number of shares of common stock issuable on exercise of each warrant will be increased in proportion to such increase in the issued and outstanding shares of common stock. A rights offering to holders of shares of common stock entitling holders to purchase shares of common stock at a price less than the “historical fair market value” (as defined below) will be deemed a capitalization of a number of shares of common stock equal to the product of (1) the number of shares of common stock actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for shares of common stock) and (2) one minus the quotient of (x) the price per share of common stock paid in such rights offering and (y) the historical fair market value. For these purposes, (1) if the rights offering is for securities convertible into or exercisable for shares of common stock, in determining the price payable for shares of common stock, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (2) “historical fair market value” means the volume weighted average price of shares of common stock during the 10 trading day period ending on the trading day prior to the first date on which the shares of common stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if we, at any time while the warrants are outstanding and unexpired, pay a dividend or make a distribution in cash, securities or other assets to the holders of shares of common stock on account of such shares of common stock (or other securities into which the warrants are convertible), other than (a) as described above, (b) any cash dividends or cash distributions which, when combined on a per share basis with all other cash dividends and cash distributions paid on the shares of common stock during the 365-day period ending on the date of declaration of such dividend or distribution does not exceed \$0.50 (as adjusted for share splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like) but only with respect to the amount of the aggregate cash dividends or cash distributions equal to or less than \$0.50 per share, then the warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each share of common stock in respect of such event.

If the number of issued and outstanding shares of common stock is decreased by a consolidation, combination, reverse share split or reclassification of shares of common stock or other similar event, then, on the effective date of such consolidation, combination, reverse share split, reclassification or similar event, the number of shares of common stock issuable on exercise of each warrant will be decreased in proportion to such decrease in issued and outstanding shares of common stock.

Whenever the number of shares of common stock purchasable upon the exercise of the warrants is adjusted, as described above, the warrant exercise price will be adjusted by multiplying the warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of shares of common stock purchasable upon the exercise of the warrants immediately prior to such adjustment and (y) the denominator of which will be the number of shares of common stock so purchasable immediately thereafter.

In case of any reclassification or reorganization of the issued and outstanding shares of common stock (other than those described above or that solely affects the par value of such shares of common stock), or in the case of any merger or consolidation of us with or into another corporation (other than a consolidation or merger in which we are the continuing corporation and that does not result in any reclassification or reorganization of our issued and outstanding shares of common stock), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of us as an entirety or substantially as an entirety in connection with which we are dissolved, the holders of the warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the warrants and in lieu of our shares of common stock immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the warrants would have received if such holder had exercised their warrants immediately prior to such event.

However, if such holders were entitled to exercise a right of election as to the kind or amount of securities, cash or other assets receivable upon such consolidation or merger, then the kind and amount of securities, cash or other assets for which each warrant will become exercisable will be deemed to be the weighted average of the kind and amount received per share by such holders in such consolidation or merger that affirmatively make such election, and if a tender, exchange or redemption offer has been made to and accepted by such holders (other than a tender, exchange or redemption offer made by Joby Aviation in connection with redemption rights held by shareholders of Joby Aviation as provided for in our amended and restated certificate of incorporation and bylaws) under circumstances in which, upon completion of such tender or exchange offer, the maker thereof, together with members of any group (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) of which such maker is a part, and together with any affiliate or associate of such maker (within the meaning of Rule 12b-2 under the Exchange Act) and any members of any such group of which any such affiliate or associate is a part, own beneficially (within the meaning of Rule 13d-3 under the Exchange Act) more than 50% of the issued and outstanding shares of common stock, the holder of a warrant will be entitled to receive the highest amount of cash, securities or other property to which such holder would actually have been entitled as a shareholder if such warrant holder had exercised the warrant prior to the expiration of such tender or exchange offer, accepted such offer and all of the shares of common stock held by such holder had been purchased pursuant to such tender or exchange offer, subject to adjustment (from and after the consummation of such tender or exchange offer) as nearly equivalent as possible to the adjustments provided for in the warrant agreement. Additionally, if less than 70% of the consideration receivable by the holders of shares of common stock in such a transaction is payable in the form of common stock in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the warrant properly exercises the warrant within 30 days following public disclosure of such transaction, the warrant exercise price will be reduced as specified in the warrant agreement based on the per share consideration minus Black-Scholes Warrant Value (as defined in the warrant agreement) of the warrant.

The warrants have been issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 50% of the then issued and outstanding public warrants to make any change that adversely affects the interests of the registered holders of public warrants.

The warrant holders do not have the rights or privileges of holders of ordinary shares and any voting rights until they exercise their warrants and receive shares of common stock. After the issuance of shares of common stock upon exercise of the warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by shareholders.

Private Placement Warrants

As of December 31, 2023, there were 11,533,333 private placement warrants outstanding. The private placement warrants (including the shares of common stock issuable upon exercise of the private placement warrants) will not be redeemable by us (except as described under “Description of Securities - Redeemable Warrants - Public Redeemable Warrants - Redemption of warrants when the price per share of common stock equals or exceeds \$10.00”) so long as they are held by the Sponsor or its permitted transferees. The Sponsor, or its permitted transferees, has the option to exercise the private placement warrants on a cashless basis and have certain registration rights described herein. Otherwise, the private placement warrants have terms and provisions that are identical to those of the public warrants. If the private placement warrants are held by holders other than the Sponsor or its permitted transferees, the private placement warrants will be redeemable by us in all redemption scenarios and exercisable by the holders on the same basis as the public warrants.

Except as described under “Description of Securities - Redeemable Warrants - Public Redeemable Warrants - Redemption of warrants when the price per share of common stock equals or exceeds \$10.00,” if holders of the private placement warrants elect to exercise them on a cashless basis, they would pay the exercise price by surrendering his, her or its warrants for that number of shares of common stock equal to the quotient obtained by dividing (x) the product of the number of shares of common stock underlying the warrants, multiplied by the excess of the “historical fair market value” (defined below) less the exercise price of the warrants by (y) the historical fair market value. For these purposes, the “historical fair market value” shall mean the average last reported sale price of

the shares of common stock for the 10 trading days ending on the third trading day prior to the date on which the notice of warrant exercise is sent to the warrant agent.

Anti-takeover Effects of the Certificate of Incorporation and the Bylaws

The Certificate of Incorporation and the Bylaws contain provisions that may delay, defer or discourage another party from acquiring control of Joby Aviation. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of Joby Aviation to first negotiate with our board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give our board of directors the power to discourage mergers that some stockholders may favor.

Special Meetings of Stockholders

The Certificate of Incorporation provides that a special meeting of stockholders may be called by the (a) the Chairperson of our board of directors, (b) our board of directors, (c) our Chief Executive Officer or (d) our President, provided that such special meeting may be postponed, rescheduled or cancelled by our board of directors or other person calling the meeting.

Action by Written Consent

The Certificate of Incorporation provides that any action required or permitted to be taken by the stockholders must be effected at an annual or special meeting of the stockholders, and may not be taken by written consent in lieu of a meeting.

Requirements for Advance Notification of Stockholder Nominations and Proposals

The Bylaws provide for advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

Classified Board of Directors

Our Certificate of Incorporation provides that our board of directors is divided into three classes, with the classes as nearly equal in number as possible and each class serving three-year staggered terms. The board of directors or any individual director may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least a majority of the voting power of all of the then outstanding shares our voting stock entitled to vote at an election of directors.

Delaware Anti-Takeover Statute

Section 203 of the DGCL provides that if a person acquires 15% or more of the voting stock of a Delaware corporation, such person becomes an “interested stockholder” and may not engage in certain “business combinations” with such corporation for a period of three years from the time such person acquired 15% or more of such corporation’s voting stock, unless: (1) the board of directors of such corporation approves the acquisition of stock or the merger transaction before the time that the person becomes an interested stockholder, (2) the interested stockholder owns at least 85% of the outstanding voting stock of such corporation at the time the merger transaction commences (excluding voting stock owned by directors who are also officers and certain employee stock plans), or (3) the merger transaction is approved by the board of directors and at a meeting of stockholders, not by written consent, by the affirmative vote of 2/3 of the outstanding voting stock which is not owned by the interested stockholder. A Delaware corporation may elect in its certificate of incorporation or bylaws not to be governed by this particular Delaware law. Under the Certificate of Incorporation, Joby Aviation opted out of Section 203 of the DGCL, but will provide other similar restrictions regarding takeovers by interested stockholders.

Limitations on Liability and Indemnification of Officers and Directors

The Certificate of Incorporation provides that we will indemnify our directors to the fullest extent authorized or permitted by applicable law. We expect to enter into agreements to indemnify our directors, executive officers and other employees as determined by our board of directors. Under the Bylaws, we are required to indemnify each of our directors and officers if the basis of the indemnitee's involvement was by reason of the fact that the indemnitee is or was our director or officer or was serving at our request as a director, officer, employee or agent for another entity. We must indemnify our officers and directors against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the indemnitee in connection with such action, suit or proceeding if the indemnitee acted in good faith and in a manner the indemnitee reasonably believed to be in or not opposed to our best interests, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the indemnitee's conduct was unlawful. The also require us to advance expenses (including attorneys' fees) incurred by a director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding, provided that such person will repay any such advance if it is ultimately determined that such person is not entitled to indemnification by us. Any claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Exclusive Jurisdiction of Certain Actions

The Certificate of Incorporation provides that: (i) unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if such court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) and any appellate court thereof will, to the fullest extent permitted by law, be the sole and exclusive forum for: (A) any derivative action or proceeding brought on our behalf, (B) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or stockholders to us or to our stockholders, (C) any action arising pursuant to any provision of the DGCL, the Bylaws or Certificate of Incorporation (as either may be amended from time to time), or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (D) any action asserting a claim against us or any current or former director, officer or stockholder governed by the internal affairs doctrine; (ii) unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act; (iii) notwithstanding the foregoing, the forum selection provisions will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts of the United States have exclusive jurisdiction; and (iv) any person or entity purchasing or otherwise acquiring any interest in any security of Joby Aviation will be deemed to have notice of and consented to these provisions.

Although the Certificate of Incorporation contains the forum selection provisions described above, it is possible that a court could find that such provisions are inapplicable for a particular claim or action or that such provisions are unenforceable. For example, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, there is uncertainty as to whether a court would enforce such forum selection provisions as written in connection with claims arising under the Securities Act.

Transfer Agent and Warrant Agent

The transfer agent and warrant agent for our common stock and warrants, respectively, is Continental Stock Transfer & Trust Company. The transfer agent's address is 1 State Street, 30th Floor, New York, New York, 10004-1561.

Joby Aviation, Inc.
Significant Subsidiaries
(as of December 31, 2023)

Subsidiary Name	Jurisdiction of Incorporation or Organization
Domestic	
Joby Aero, Inc.	Delaware
Joby Elevate, Inc.	Delaware
Joby Manufacturing, Inc.	Delaware
Joby Motors, LLC	Delaware
Geordi, LLC	Delaware
Avionyx, Inc.	Florida
International	
Joby Metal Shenzhen Co., Ltd.	PRC
Joby Germany GmbH	Germany
Avionyx, S.A.	Costa Rica
H2Fly GmbH	Germany

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-260608, 333-258868 and 333-267736 on Form S-3 and Registration Statement Nos. 333-261742 and 333-273779 on Form S-8 of our reports dated February 26, 2024, relating to the financial statements of Joby Aviation, Inc. and the effectiveness of Joby Aviation, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2023.

/s/ Deloitte & Touche LLP

San Jose, California
February 26, 2024

CERTIFICATION
PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, JoeBen Bevirt, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2023 of Joby Aviation, 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: February 26, 2024

By: /s/ JoeBen Bevirt

JoeBen Bevirt

Chief Executive Officer and Chief Architect
 (Principal Executive Officer)

CERTIFICATION
PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Matthew Field, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2023 of Joby Aviation, 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: February 26, 2024

By: /s/ Matthew Field

Matthew Field

Chief Financial Officer and Treasurer
 (Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Joby Aviation, Inc. (the "Company") on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, JoeBen Bevirt, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my 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 the Company.

Date: February 26, 2024

Name:	<u>/s/ JoeBen Bevirt</u>
Title:	JoeBen Bevirt Chief Executive Officer and Chief Architect (Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Joby Aviation, Inc. (the "Company") on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew Field, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my 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 the Company.

Date: February 26, 2024

/s/ Matthew Field

Name:

Matthew Field

Title:

Chief Financial Officer and Treasurer
(Principal Financial Officer)

JOBY AVIATION, INC.

POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

Joby Aviation, Inc. (the “**Company**”) has adopted this Policy for Recovery of Erroneously Awarded Compensation (the “**Policy**”), effective as of October 2, 2023 (the “**Effective Date**”). Capitalized terms used in this Policy but not otherwise defined herein are defined in Section 11.

1. Persons Subject to Policy

This Policy shall apply to current and former Officers of the Company. Each Officer shall be required to sign an acknowledgment pursuant to which such Officer will agree to be bound by the terms of, and comply with, this Policy; however, any Officer’s failure to sign any such acknowledgment shall not negate the application of this Policy to the Officer.

2. Compensation Subject to Policy

This Policy shall apply to Incentive-Based Compensation received on or after the Effective Date. For purposes of this Policy, the date on which Incentive-Based Compensation is “received” shall be determined under the Applicable Rules, which generally provide that Incentive-Based Compensation is “received” in the Company’s fiscal period during which the relevant Financial Reporting Measure is attained or satisfied, without regard to whether the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.

3. Recovery of Compensation

In the event that the Company is required to prepare a Restatement, the Company shall recover, reasonably promptly, the portion of any Incentive-Based Compensation that is Erroneously Awarded Compensation, unless the Committee has determined that recovery would be Impracticable. Recovery shall be required in accordance with the preceding sentence regardless of whether the applicable Officer engaged in misconduct or otherwise caused or contributed to the requirement for the Restatement and regardless of whether or when restated financial statements are filed by the Company. For clarity, the recovery of Erroneously Awarded Compensation under this Policy will not give rise to any person’s right to voluntarily terminate employment for “good reason,” or due to a “constructive termination” (or any similar term of like effect) under any plan, program or policy of or agreement with the Company or any of its affiliates.

4. Manner of Recovery; Limitation on Duplicative Recovery

The Committee shall, in its sole discretion, determine the manner of recovery of any Erroneously Awarded Compensation, which may include, without limitation, reduction or cancellation by the Company or an affiliate of the Company of Incentive-Based Compensation or Erroneously Awarded Compensation, reimbursement or repayment by any person subject to this Policy of the Erroneously Awarded Compensation, and, to the extent permitted by law, an offset of the Erroneously Awarded Compensation against other compensation payable by the Company or an affiliate of the Company to such person. Notwithstanding the foregoing, unless otherwise prohibited by the Applicable Rules, to the extent this Policy provides for recovery of Erroneously Awarded Compensation already recovered by the Company pursuant to Section 304 of the

Sarbanes-Oxley Act of 2002 or Other Recovery Arrangements, the amount of Erroneously Awarded Compensation already recovered by the Company from the recipient of such Erroneously Awarded Compensation may be credited to the amount of Erroneously Awarded Compensation required to be recovered pursuant to this Policy from such person.

5. Administration

This Policy shall be administered, interpreted and construed by the Committee, which is authorized to make all determinations necessary, appropriate or advisable for such purpose. The Board of Directors of the Company (the “**Board**”) may re-vest in itself the authority to administer, interpret and construe this Policy in accordance with applicable law, and in such event references herein to the “Committee” shall be deemed to be references to the Board. Subject to any permitted review by the applicable national securities exchange or association pursuant to the Applicable Rules, all determinations and decisions made by the Committee pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company and its affiliates, equityholders and employees. The Committee may delegate administrative duties with respect to this Policy to one or more directors or employees of the Company, as permitted under applicable law, including any Applicable Rules.

6. Interpretation

This Policy will be interpreted and applied in a manner that is consistent with the requirements of the Applicable Rules, and to the extent this Policy is inconsistent with such Applicable Rules, it shall be deemed amended to the minimum extent necessary to ensure compliance therewith.

7. No Indemnification; No Liability

The Company shall not indemnify or insure any person against the loss of any Erroneously Awarded Compensation pursuant to this Policy, nor shall the Company directly or indirectly pay or reimburse any person for any premiums for third-party insurance policies that such person may elect to purchase to fund such person’s potential obligations under this Policy. None of the Company, an affiliate of the Company or any member of the Committee or the Board shall have any liability to any person as a result of actions taken under this Policy.

8. Application; Enforceability

Except as otherwise determined by the Committee or the Board, the adoption of this Policy does not limit, and is intended to apply in addition to, any other clawback, recoupment, forfeiture or similar policies or provisions of the Company or its affiliates, including any such policies or provisions of such effect contained in any employment agreement, bonus plan, incentive plan, equity-based plan or award agreement thereunder or similar plan, program or agreement of the Company or an affiliate or required under applicable law (the “**Other Recovery Arrangements**”). The remedy specified in this Policy shall not be exclusive and shall be in addition to every other right or remedy at law or in equity that may be available to the Company or an affiliate of the Company.

9. Severability

The provisions in this Policy are intended to be applied to the fullest extent of the law; provided, however, to the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

10. Amendment and Termination

The Board or the Committee may amend, modify or terminate this Policy in whole or in part at any time and from time to time in its sole discretion. This Policy will terminate automatically when the Company does not have a class of securities listed on a national securities exchange or association.

11. Definitions

“Applicable Rules” means Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder, the listing rules of the national securities exchange or association on which the Company’s securities are listed, and any applicable rules, standards or other guidance adopted by the Securities and Exchange Commission or any national securities exchange or association on which the Company’s securities are listed.

“Committee” means the committee of the Board responsible for executive compensation decisions comprised solely of independent directors (as determined under the Applicable Rules), or in the absence of such a committee, a majority of the independent directors serving on the Board.

“Erroneously Awarded Compensation” means the amount of Incentive-Based Compensation received by a current or former Officer that exceeds the amount of Incentive-Based Compensation that would have been received by such current or former Officer based on a restated Financial Reporting Measure, as determined on a pre-tax basis in accordance with the Applicable Rules.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Financial Reporting Measure” means any measure determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures derived wholly or in part from such measures, including GAAP, IFRS and non-GAAP/IFRS financial measures, as well as stock or share price and total equityholder return.

“GAAP” means United States generally accepted accounting principles.

“IFRS” means international financial reporting standards as adopted by the International Accounting Standards Board.

“Impracticable” means (a) the direct costs paid to third parties to assist in enforcing recovery would exceed the Erroneously Awarded Compensation; provided that the Company (i) has made reasonable attempts to recover the Erroneously Awarded Compensation, (ii) documented such attempt(s), and (iii) provided such documentation to the relevant listing

exchange or association, (b) to the extent permitted by the Applicable Rules, the recovery would violate the Company's home country laws pursuant to an opinion of home country counsel; provided that the Company has (i) obtained an opinion of home country counsel, acceptable to the relevant listing exchange or association, that recovery would result in such violation, and (ii) provided such opinion to the relevant listing exchange or association, or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

"Incentive-Based Compensation" means, with respect to a Restatement, any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures and received by a person: (a) after beginning service as an Officer; (b) who served as an Officer at any time during the performance period for that compensation; (c) while the issuer has a class of its securities listed on a national securities exchange or association; and (d) during the applicable Three-Year Period.

"Officer" means each person who serves as an executive officer of the Company, as defined in Rule 10D-1(d) under the Exchange Act.

"Restatement" means an accounting restatement to correct the Company's material noncompliance with any financial reporting requirement under securities laws, including restatements that correct an error in previously issued financial statements (a) that is material to the previously issued financial statements or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"Three-Year Period" means, with respect to a Restatement, the three completed fiscal years immediately preceding the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare such Restatement, or, if earlier, the date on which a court, regulator or other legally authorized body directs the Company to prepare such Restatement. The "Three-Year Period" also includes any transition period (that results from a change in the Company's fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence. However, a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months shall be deemed a completed fiscal year.

**FORM OF ACKNOWLEDGMENT AGREEMENT
PERTAINING TO THE JOBY AVIATION, INC.
POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION**

In consideration of, and as a condition to, the receipt of future cash and equity incentive compensation from Joby Aviation, Inc. (the “**Company**”), the undersigned individual (“**Executive**”) and the Company are entering into this Acknowledgment Agreement.

1. Executive agrees that compensation received by Executive may be subject to reduction, cancellation, forfeiture and/or recoupment to the extent necessary to comply with (a) the Policy for Recovery of Erroneously Awarded Compensation adopted by the Board of Directors of the Company (as amended from time to time, the “**Policy**”), and (b) any Other Recovery Arrangements (as defined in the Policy). Executive acknowledges that Executive has received and has had an opportunity to review the Policy and any Other Recovery Arrangements applicable to Executive.
2. Executive acknowledges and agrees to the terms of the Policy and any Other Recovery Arrangements, including that any compensation received by Executive shall be subject to and conditioned upon the provisions of the Policy and any Other Recovery Arrangements applicable to Executive.
3. Executive further acknowledges and agrees that Executive is not entitled to indemnification in connection with any enforcement of the Policy or any Other Recovery Arrangements applicable to Executive and expressly waives any rights to such indemnification under the Company’s organizational documents or otherwise.
4. Executive agrees to take all actions requested by the Company in order to enable or facilitate the enforcement of the Policy and any Other Recovery Arrangements applicable to Executive (including, without limitation, any reduction, cancellation, forfeiture or recoupment of any compensation that Executive has received or to which Executive may become entitled).
5. To the extent any recovery right under the Policy and any Other Recovery Arrangements applicable to Executive conflicts with any other contractual rights Executive may have with the Company or any affiliate, Executive understands that the terms of the Policy and the Other Recovery Arrangements shall supersede any such contractual rights. Executive agrees that no recovery of compensation under the Policy and the Other Recovery Arrangements will be an event that triggers or contributes to any right of Executive to resign for “good reason” or “constructive termination” (or similar term) under any agreement with the Company or any affiliate.

[Remainder of page intentionally left blank]

EXECUTIVE:

Name:

Title:

Date:

COMPANY:

Name: Kate DeHoff

Title: General Counsel & Corporate Secretary

Date:

Acknowledgement of Joby Aviation, Inc. Policy for Recovery of Erroneously Awarded Compensation