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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2024

OR

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

For the transition period from __________ to ____________

Commission File Number: 001-39524

Joby Aviation, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**98-1548118**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
333 Encinal Street, Santa Cruz, CA	**95060**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (831) 201-6700

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

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 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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

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

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

The registrant had 708,440,711 shares of common stock outstanding as of May 3, 2024.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements contained in this Quarterly Report on Form 10-Q which are not historical facts are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). 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,” “Joby,” “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 Quarterly Report, words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “strive,” “would” 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 Quarterly Report and current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties. While we believe these expectations, forecasts, assumptions and judgments are reasonable, our forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. Our business, prospects, financial condition, operating results and the price of our common stock may be affected by a number of factors, whether currently known or unknown, including but not limited to those discussed in this Quarterly Report in Part I., Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the section titled “Risk Factors” in our annual report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 27, 2024. Any one or more of these factors could, directly or indirectly, cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. 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.

As a result of known and unknown risks and uncertainties, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. You should not place undue reliance on these forward-looking statements.

PART 1. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited)

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

	March 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 110,548	$ 204,017
Short-term investments	813,340	828,233
Total cash, cash equivalents and short-term investments	923,888	1,032,250
Other receivables	6,939	4,659
Prepaid expenses and other current assets	20,863	18,842
Total current assets	951,690	1,055,751
Property and equipment, net	103,606	103,430
Operating lease right-of-use assets	28,596	28,286
Restricted cash	762	762
Intangible assets	5,013	6,585
Goodwill	14,011	14,011
Other non-current assets	60,679	60,610
Total assets	$ 1,164,357	$ 1,269,435
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 3,731	$ 3,006
Operating lease liabilities, current portion	4,492	4,312
Accrued and other current liabilities	30,017	37,818
Total current liabilities	38,240	45,136
Operating lease liabilities, net of current portion	26,517	26,349
Warrant liability	46,969	62,936
Earnout shares liability	72,984	95,969
Other non-current liabilities	4,516	4,683
Total liabilities	189,226	235,073
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Preferred stock: $0.0001 par value - 100,000,000 shares authorized. No shares issued and outstanding.	—	—
Common stock: $0.0001 par value - 1,400,000,000 shares authorized; 705,312,495 and 698,262,025 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively.	70	70
Additional paid-in capital	2,318,932	2,282,475
Accumulated deficit	(1,342,290)	(1,247,703)
Accumulated other comprehensive loss	(1,581)	(480)
Total stockholders' equity	975,131	1,034,362
Total liabilities and stockholders' equity	$ 1,164,357	$ 1,269,435

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenue:		
Flight services	$ 25	$ —
Operating expenses:		
Flight services	15	—
Research and development (including related party purchases of $223 and $128 for the three months ended March 31, 2024 and 2023, respectively.)	115,636	75,518
Selling, general and administrative (including related party purchases of $36 and $24 for the three months ended March 31, 2024 and 2023, respectively.)	30,271	24,198
Total operating expenses	145,922	99,716
Loss from operations	(145,897)	(99,716)
Interest and other income, net	12,319	8,400
Gain (Loss) from change in fair value of warrants and earnout shares	39,027	(22,043)
Total other income (loss), net	51,346	(13,643)
Loss before income taxes	(94,551)	(113,359)
Income tax expense	36	34
Net loss	$ (94,587)	$ (113,393)
Net loss per share, basic and diluted	$ (0.14)	$ (0.19)
Weighted-average common stock outstanding, basic and diluted	681,749,388	605,184,671

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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

	Three Months Ended March 31,	
	2024	**2023**
Net loss	$ (94,587)	$ (113,393)
Other comprehensive gain (loss):		
Unrealized gain (loss) on available-for-sale securities	(872)	3,245
Foreign currency translation gain (loss)	(229)	27
Total other comprehensive gain (loss)	(1,101)	3,272
Comprehensive loss	$ (95,688)	$ (110,121)

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

JOBY AVIATION, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)
(In thousands, except share data)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance at January 1, 2024	698,262,025	$ 70	$ 2,282,475	$ (1,247,703)	$ (480)	$ 1,034,362
Net loss	—	—	—	(94,587)	—	(94,587)
Stock-based compensation	—	—	35,328	—	—	35,328
Issuance of common stock upon exercise of stock options	1,016,414	—	943	—	—	943
Issuance of common stock upon release of restricted stock units	6,034,056	—	—	—	—	—
Vesting of early exercised stock options and common stock issued in private placement	—	—	186	—	—	186
Other comprehensive loss	—	—	—	—	(1,101)	(1,101)
Balance at March 31, 2024	705,312,495	$ 70	$ 2,318,932	$ (1,342,290)	$ (1,581)	$ 975,131

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

JOBY AVIATION, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (CONTINUED)
(unaudited)
(In thousands, except share data)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance at January 1, 2023	622,602,815	$ 61	$ 1,908,179	$ (734,653)	$ (8,846)	$ 1,164,741
Net loss	—	—	—	(113,393)	—	(113,393)
Stock-based compensation	—	—	14,157	—	—	14,157
Issuance of common stock upon exercise of stock options	945,803	—	614	—	—	614
Issuance of common stock upon release of restricted stock units	5,836,813	—	—	—	—	—
Vesting of early exercised stock options	—	—	104	—	—	104
Issuance of common stock in private placement	137,174	—	—	—	—	—
Other comprehensive loss	—	—	—	—	3,272	3,272
Balance at March 31, 2023	629,522,605	$ 61	$ 1,923,054	$ (848,046)	$ (5,574)	$ 1,069,495

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Cash flows from operating activities		
Net loss	$ (94,587)	$ (113,393)
Reconciliation of net loss to net cash used in operating activities:		
Depreciation and amortization expense	8,507	7,067
Stock-based compensation expense	27,017	17,258
(Gain)/Loss from change in the fair value of warrants and earnout shares	(39,027)	22,070
Net accretion of investments in marketable debt securities	(5,492)	(3,670)
Changes in operating assets and liabilities		
Other receivables and prepaid expenses and other current assets	(4,230)	(8,517)
Other non-current assets	(234)	2,629
Accounts payable and accrued and other current liabilities	1,243	(1,083)
Non-current liabilities	168	(929)
Net cash used in operating activities	(106,635)	(78,568)
Cash flows from investing activities		
Purchases of marketable securities	(160,033)	(126,445)
Proceeds from sales and maturities of marketable securities	179,546	116,072
Purchases of property and equipment	(6,885)	(8,756)
Net cash provided by (used in) investing activities	12,628	(19,129)
Cash flows from financing activities		
Proceeds from issuance of common stock in private placement, net	—	50
Proceeds from the exercise of stock options and warrants issuance	1,010	612
Repayments of tenant improvement loan and obligations under finance lease	(472)	(240)
Net cash provided by financing activities	538	422
Net change in cash, cash equivalents and restricted cash	(93,469)	(97,275)
Cash, cash equivalents and restricted cash, at the beginning of the period	204,779	150,067
Cash, cash equivalents and restricted cash, at the end of the period	$ 111,310	$ 52,792
Reconciliation of cash, cash equivalents and restricted cash to balance sheets		
Cash and cash equivalents	$ 110,548	$ 49,795
Restricted cash	762	2,997
Cash, cash equivalents and restricted cash	$ 111,310	$ 52,792
Non-cash investing and financing activities		
Unpaid property and equipment purchases	$ 1,865	$ 1,357
Property and equipment purchased through finance leases	$ 849	$ —
Right of use assets acquired through operating leases	$ 1,399	$ —

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

JOBY AVIATION, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

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 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, 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,” in the Company’s annual report on Form 10-K for the year ended December 31, 2023.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The Condensed Consolidated Financial Statements are unaudited and 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.

The Condensed Consolidated Financial Statements include accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

There have been no changes to the Company’s significant accounting policies described in Note 2 “Summary of Significant Accounting Policies” to the audited Consolidated Financial Statements in the Company’s annual report on Form 10-K for the year ended December 31, 2023, that have had a material impact on the Condensed Consolidated Financial Statements and related notes.

Certain information and footnote disclosures normally included in the Company’s annual audited Consolidated Financial Statements and accompanying notes have been condensed or omitted in these accompanying interim Condensed Consolidated Financial Statements and footnotes. Accordingly, the accompanying interim Condensed Consolidated Financial Statements included herein should be read in conjunction with the audited Consolidated Financial Statements and accompanying notes included in the Company’s annual report on Form 10-K for the year ended December 31, 2023.

The results of operations presented in this quarterly report on Form 10-Q are not necessarily indicative of the results of operations to be expected for the year ending December 31, 2024, any other interim periods, or any future year or period. In the opinion of management, these unaudited Condensed Consolidated Financial Statements include all adjustments and accruals, consisting only of normal, recurring adjustments that are necessary for a fair statement of the results of all interim periods reported herein.

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 March 31, 2024 and December 31, 2023, restricted cash primarily related to a security deposit for a lease obligation of approximately $0.8 million.

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. Fair Value Measurements

Assets and liabilities recorded at fair value on a recurring basis in the condensed 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 6) are classified as Level 1 because they are directly observable in the market. The Company classifies the Private Placement Warrants (as defined in Note 6) 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 6) 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 condensed 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 March 31, 2024 and December 31, 2023 (in thousands):

	March 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Money market funds	$ 104,810	$ —	$ —	$ 104,810
Cash equivalents	$ 104,810	$ —	$ —	$ 104,810
Term deposits	$ —	$ 43,076	$ —	$ 43,076
Asset backed securities	—	55,833	—	55,833
Government debt securities	—	256,966	—	256,966
Corporate debt securities	—	457,465	—	457,465
Available-for-sale investments	—	813,340	—	813,340
Total fair value of assets	$ 104,810	$ 813,340	$ —	$ 918,150
Liabilities measured at fair value				
Common stock warrant liabilities (Public)	$ 13,455	$ —	$ —	$ 13,455
Common stock warrant liabilities (Private)	—	8,996	—	8,996
Common stock warrant liabilities (Delta)	—	—	24,518	24,518
Warrant liability	13,455	8,996	24,518	46,969
Earnout Shares Liability	—	—	72,984	72,984
Total fair value of liabilities	$ 13,455	$ 8,996	$ 97,502	$ 119,953

	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

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

	March 31, 2024				
	Cost or Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance for credit losses	Fair value
Assets measured at fair value					
Term deposits	$ 43,076	$ —	$ —	$ —	$ 43,076
Asset backed securities	55,939	—	(106)	—	55,833
Government debt securities	257,223	19	(276)	—	256,966
Corporate debt securities	457,945	44	(524)	—	457,465
Total	$ 814,183	$ 63	$ (906)	$ —	$ 813,340

	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	$ 828,203	$ 589	$ (559)	$ —	$ 828,233

There were no transfers between Level 1, Level 2 or Level 3 financial instruments in the three months ended March 31, 2024 and 2023.

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 condensed consolidated statement 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, 2024	$ 95,969	$ 27,734
Change in fair value	(22,985)	(3,216)
Fair value as of March 31, 2024	$ 72,984	$ 24,518

The fair value of the Earnout Shares Liability and Common stock warrant liabilities (Delta) (see Note 6) are based on significant unobservable inputs, which represent Level 3 measurements within the fair value hierarchy.

Note 4. Balance Sheet Components

Property and Equipment, Net

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

	March 31, 2024	December 31, 2023
Equipment	$ 89,723	$ 84,639
Buildings	22,186	21,384
Leasehold improvements	20,296	18,771
Computer software	15,408	15,114
Molds and tooling	16,951	16,306
Land	6,270	6,270
Vehicles and aircraft	1,778	1,617
Furniture and fixtures	875	640
Construction in-progress	4,073	6,055
Gross property and equipment	177,560	170,796
Accumulated depreciation and amortization	(73,954)	(67,366)
Property and equipment, net	$ 103,606	$ 103,430

Depreciation and amortization expense of property and equipment for the three months ended March 31, 2024 and 2023 was $7.0 million and $5.5 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):

	March 31, 2024	December 31, 2023
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	(17,015)	(15,443)
Intangible assets, net	$ 5,013	$ 6,585

Amortization expense related to intangible assets for the three months ended March 31, 2024 and 2023 was $1.5 million and $1.5 million, respectively. As of March 31, 2024 the weighted-average amortization period of intangible assets was 1.4 years.

The following table presents the estimated future amortization expense of acquired amortizable intangible assets as of March 31, 2024 (in thousands):

Fiscal Year	Amount
2024 (remainder)	$ 2,846
2025	2,167
	$ 5,013

Prepaid Expenses and Other Current Assets

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

	March 31, 2024	December 31, 2023
Prepaid equipment	$ 3,694	$ 3,471
Prepaid software	6,866	3,809
Prepaid taxes	2,067	1,603
Prepaid insurance	3,984	6,192
Other	4,252	3,767
Total	$ 20,863	$ 18,842

Other non-current assets

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

	March 31, 2024	December 31, 2023
Contractual agreement asset	$ 59,611	$ 59,611
Long term prepaid insurance	373	413
Other non-current assets	695	586
Total	$ 60,679	$ 60,610

Accrued and other current liabilities

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

	March 31, 2024	December 31, 2023
Vendor related accruals	$ 10,947	$ 11,391
Payroll accruals including performance related stock based compensation	8,098	16,265
Contract liabilities under contracts with customers	3,218	2,534
Deferred research and development credits	$ 3,552	3,633
Other accruals and current liabilities	4,202	3,995
Total	$ 30,017	$ 37,818

Note 5. Commitments and Contingencies

Contingencies

As of March 31, 2024, the Company had $12 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 Condensed 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 condensed consolidated results of operations in a given period. As of March 31, 2024, and December 31, 2023, 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 March 31, 2024 and December 31, 2023.

Note 6. 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 three months ended March 31, 2024, 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 $21.9 million. For the three months ended March 31, 2024 and 2023, the Private Placement Warrant liability was remeasured to fair value as of March 31, 2024 and 2023, resulting in gain of $5.1 million and a loss of $1.9 million, respectively, which is included within the gain (loss) from change in the fair value of warrants and earnout shares in the condensed consolidated statements of operations.

The Public Warrants were initially recognized as a liability on August 10, 2021 at a fair value of $32.8 million. For the three months ended March 31, 2024 and 2023, the public warrant liability was remeasured to fair value based upon the market price as of March 31, 2024 and 2023, resulting in a gain of $7.6 million and a loss of $2.9 million, respectively, classified within the gain (loss) from change in the fair value of warrants and earnout shares in the condensed 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 condensed 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 March 31, 2024.

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 three months ended March 31, 2024 and 2023, the Company recognized a gain related to the change in the fair value of the Earnout Shares Liability of $23.0 million and a loss of $13.0 million, respectively, included within the gain (loss) from change in fair value of warrants and earnout shares in the condensed consolidated statement of operations.

Assumptions used in the valuation are as follows:

	March 31, 2024	December 31, 2023
Expected volatility	75.00 %	75.30 %
Risk-free interest rate	4.20 %	3.90 %
Dividend rate	0.00 %	0.00 %
Expected term (in years)	7.36	7.61

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 $5.4327, 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 condensed consolidated balance sheets and the Delta Warrant as liability on the condensed 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 $16.1 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 March 31, 2024 and 2023, resulting in a gain of $3.2 and a loss of $4.2 million, respectively, which is included within the gain (loss) from change in the fair value of warrants and earnout shares in the condensed consolidated statements of operations

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

	March 31, 2024	December 31, 2023
Expected volatility	75.00 %	75.30 %
Risk-free interest rate	4.20 %	3.90 %
Dividend rate	— %	— %
Expected term (in years)	8.5	8.8

Note 7. 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 granted under the 2016 Plan have a six year vesting period.

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 January 1, 2024, the number of shares available for issuance under 2021 plan increased by 27,930,481 shares.

The fair value of the RSU's granted under the 2021 Plan was determined by the Company's Board of Directors on the date of grant. Generally, RSUs granted under the 2021 Plan have a four year vesting period.

Restricted Stock Units

A summary of RSU activity for the three months ended March 31, 2024 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, 2023	31,076,699	$ 6.41	$ 206,660
Granted	10,064,357	$ 6.07	
Vested	(6,034,073)	$ 6.28	
Forfeited	(421,497)	$ 6.01	
Balances—March 31, 2024	34,685,486	$ 6.34	$ 185,914

The total fair value of RSUs vested for the three months ended March 31, 2024 and 2023 was $37.9 million and $26.7 million, respectively.

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 were awarded in connection with the achievement of specified goals in 2023 ("2023 Bonus Plan"). The RSU awards were granted when the achievement of each goal was approved by the Compensation Committee in 2023, and the RSUs vested in equal installments in each of January, February, March and April 2024 provided the employee or consultant continued to be a service provider through the relevant vesting dates. The target bonus opportunity was 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 were classified as a liability until such time that the respective milestones were met, at which point the liability was reclassified to equity. If it was determined that the milestone could not be met, the liability was reversed.

On February 12, 2024, the Compensation Committee approved a performance-based program under which RSUs are awarded. Each RSU represents the right to receive, upon vesting, up to 1.25 shares of the Company's common stock, based on the achievement of certain specified objectives tied to five goals during 2024 ("2024 Bonus Plan"). Each goal has criteria for achievement of a minimum, target or maximum achievement level, expressed as a percentage, and the amount of the awards that will vest is calculated by summing the actual achievement percentages as of December 31, 2024. The maximum possible amount that will vest is 125%. If exactly the minimum or target levels are achieved, 45% and 100% of the awards, respectively, will vest. The RSUs awarded under the 2024 Bonus Plan will vest in equal installments on each of January 14, 2025, February 10, 2025, March 4, 2025 and April 7, 2025, subject in each case to the participant's continued status as a service provider through respective vesting date. In accordance with ASC 718 *Compensation - Stock Compensation*, the Company has determined that 2024 Bonus Plan awards are equity awards with performance condition, and classified them as an equity.

The Company recorded stock-based compensation expense of $7.3 million and $3.3 million during the three months ended March 31, 2024 and 2023 in relation to 2024 Bonus Plan and 2023 Bonus Plan.

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.

On February 12, 2024, the Compensation Committee approved a long-term performance-based RSU awards ("LPA Awards") to certain employees of the Company. The LPA Awards have the same performance conditions as the awards granted under the 2024 Bonus Plan and will vest in three equal annual installments on the anniversary of the grant date, provided that performance conditions are satisfied and the employee continues to be a service provider through the respective vesting dates. In accordance with ASC 718 *Compensation - Stock Compensation*, Management has determined that these LPA awards are equity awards with performance and service conditions, and classified them as an equity.

The Company recorded stock-based compensation expense of $1.5 million and nil during the three months ended March 31, 2024 and 2023, in relation to LPA and LTI awards.

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 January 1, 2024, the number of shares available for issuance under 2021 ESPP increased by 3,491,310 shares. The stock-based compensation expense recognized for the 2021 ESPP was $1.3 million and $0.8 million for the three months ended March 31, 2024 and 2023, respectively.

Stock-based Compensation Expense

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

	Three Months Ended March 31,	
	2024	2023
Research and development expenses	$ 20,670	$ 13,044
Selling, general and administrative expenses	6,347	4,214
Total stock-based compensation expense	$ 27,017	$ 17,258

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 March 31, 2024 and December 31, 2023,1,730,478 and 1,988,511 shares, respectively, were subject to repurchase at a weighted average price of $0.08 per share and $0.09 per share, respectively, and $0.1 million and $0.2 million, respectively, was recorded within the other non-current liabilities on the Company's condensed consolidated balance sheets.

In addition, upon completion of the Reverse Recapitalization2,677,200 Series C Preferred shares which were subject to time-based vesting conditions were converted to restricted common shares. As of March 31, 2024 and December 31, 2023, the number of such shares that were subject to repurchase was 1,449,183 and 1,561,599, respectively.

Note 8. 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 $0.2 million and $0.2 million during the three months ended March 31, 2024 and 2023, respectively.

Toyota Motor Corporation ("Toyota") is a beneficial owner of more than10% 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 nil and nil during the three months ended March 31, 2024 and 2023, respectively. 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 9. 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 the three months ended March 31, 2024 and 2023, 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):

	Three Months Ended March 31,	
	2024	2023
Numerator:		
Net loss attributable to common stockholders	$ (94,587)	$ (113,393)
Denominator:		
Weighted-average shares outstanding	681,749,388	605,184,671
Net loss per share attributable to common stockholders, basic and diluted	$ (0.14)	$ (0.19)

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:

	Three Months Ended March 31,	
	2024	2023
Common stock warrants	28,783,333	28,783,333
Unvested restricted stock awards	34,685,486	23,855,690
Options to purchase common stock and unvested restricted stock awards	13,992,365	17,782,326
Unvested early exercised common stock options	1,730,478	3,338,985
Total	79,191,662	73,760,334

Note 10. 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 2. 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 condensed consolidated results of operations and financial condition. The discussion should be read together with our Condensed Consolidated Financial Statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q. This discussion and analysis includes forward looking statements that involve risks and uncertainties. Please see the section of this Quarterly Report on Form 10-Q 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 which was subsequently published in final form in the Federal Register, 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 March 31, 2024, we had an accumulated deficit of $1,342.3 million. We have funded our operations primarily with proceeds from the issuance of stock, convertible notes and the proceeds from our merger in August 2021 with Reinvent Technology Partners (“RTP”), a special purpose acquisition company, through which we became a publicly-traded company.

Key Factors Affecting Operating Results

For a more comprehensive discussion of the risks and uncertainties that could impact the Company’s business, please see the section entitled “Risk Factors” in the Company’s annual report on Form 10-K for the year ended December 31, 2023.

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. For a more comprehensive discussion, please see the section entitled "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2023.

Government Certification

We signed a revised, stage 4 "G-1" certification basis for our aircraft with the FAA in July 2022, which was published in final form in the Federal Register in March 2024. 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.

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 skyports. 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.

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.

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 Three Months Ended March 31, 2024 to the Three Months Ended March 31, 2023

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

	Three Months Ended March 31,		Change	
	2024	2023	($)	(%)
Revenue:				
Flight services	$ 25	$ —	25	100%
Operating expenses:				
Flight services	15	—	15	100%
Research and development	115,636	75,518	40,118	53 %
Selling, general and administrative	30,271	24,198	6,073	25 %
Total operating expenses	145,922	99,716	46,206	46 %
Loss from operations	(145,897)	(99,716)	(46,181)	46 %
Interest and other income, net	12,319	8,400	3,919	47 %
Gain (Loss) from change in fair value of warrants and earnout shares	39,027	(22,043)	61,070	(277)%
Total other income (loss), net	51,346	(13,643)	64,989	(476)%
Loss before income taxes	(94,551)	(113,359)	18,808	(17)%
Income tax expenses	36	34	2	6 %
Net loss	$ (94,587)	$ (113,393)	18,806	(17)%

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 $40.1 million, or 53%, to $115.6 million during the three months ended March 31, 2024 from $75.5 million during the three months ended March 31, 2023. The increase was primarily attributable to increases in personnel to support aircraft engineering, software development, manufacturing process development, and certification, decrease in expense reduction due to lower grants earned as part of our government contracts, as well as increased quantity of materials used in prototype development and testing.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by $6.1 million, or 25%, to $30.3 million during the three months ended March 31, 2024 from $24.2 million during the three months ended March 31, 2023. The increase was primarily attributable to increased headcount to support operations growth, including IT, legal, facilities, HR, and finance, as well as an increase professional services cost related to legal, accounting and recruiting support.

Total Other Income (loss), Net

Total other income (loss), net increased by $65.0 million, or 476%, to $51.3 million income, net during the three months ended March 31, 2024 from total other income (loss), net of $13.6 million loss during the three months ended March 31, 2023. The increase was primarily driven by a $61.1 million change in fair value of warrants and earnout shares and a $3.9 million increase in interest and other income due to increased interest rates on 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 March 31, 2024, 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 March 31, 2024, we had cash, cash equivalents and restricted cash of $111.3 million and short-term investment in marketable securities of $813.3 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 service 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):

	Three Months Ended March 31,		Change	
	2024	**2023**	**($)**	**(%)**
Net cash (used in) provided by:				
Operating activities	$ (106,635)	$ (78,568)	(28,067)	36 %
Investing activities	12,628	(19,129)	31,757	(166)%
Financing activities	538	422	116	27 %
Net decrease in cash, cash equivalents, and restricted cash	$ (93,469)	$ (97,275)	3,806	(4)%

Net Cash Used in Operating Activities

Net cash used in operating activities for the three months ended March 31, 2024 was $106.6 million, consisting primarily of a net loss of $94.6 million, adjusted for non-cash items and statement of operations impact from investing and financing activities which includes $27.0 million stock-based compensation expense and $8.5 million depreciation and amortization expense, partially offset by a $39.0 million gain from change in the fair value of warrants and earnout shares, a net increase in our net working capital of $3.1 million and $5.5 million net accretion and amortization of our investments in marketable securities.

Net cash used in operating activities for the three months ended March 31, 2023 was $78.6 million, consisting primarily of a net loss of $113.4 million, adjusted for non-cash items and statement of operations impact from investing and financing activities which included $22.1 million loss from change in the fair value of warrants and earnout shares, $17.3 million stock-based compensation expense and $7.1 million depreciation and amortization expense, partially offset by a net increase in our net working capital of $7.9 million and $3.7 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 three months ended March 31, 2024 of $12.6 million was primarily due to proceeds from the sales and maturities of marketable securities of $179.5 million, partially offset by purchases of marketable securities of $160.0 million and purchases of property and equipment of $6.9 million.

Net cash used in investing activities for the three months ended March 31, 2023 of $19.1 million was primarily due to purchases of marketable securities of $126.4 million and purchases of property and equipment of $8.8 million, partially offset by proceeds from the sales and maturities of marketable securities of $116.1 million.

Net Cash Provided by Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2024 of $0.5 million was primarily due to proceeds from exercise of stock options of $1.0 million, partially offset by repayment of tenant improvement loan and obligations under finance lease of $0.5 million.

Net cash provided by financing activities for the three months ended of $0.4 million was primarily due to proceeds from exercise of stock options and issuance of common stock warrants issuance of $0.6 million, partially offset by repayment of tenant improvement loan and capital lease obligations of $0.2 million.

Critical Accounting Estimates

Management's discussion and analysis of our financial condition and results of operations is based on our Condensed Consolidated Financial Statements, which have been prepared in accordance with U.S. GAAP. The preparation of these Condensed 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 Management's Discussion and Analysis of Financial Condition and Results of Operations section of the audited Consolidated Financial Statements contained in the Company's annual report on Form 10-K for the year ended December 31, 2023.

Recent Accounting Pronouncements

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

Item 3. 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 $924.6 million as of March 31, 2024. 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 Condensed Consolidated Financial Statements.

Item 4. 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 Quarterly Report. Based upon this evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this Quarterly Report, the design and operation of our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

During the most recently completed fiscal quarter, there was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to
materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are 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 1A. Risk Factors.

Our business, prospects, financial condition, operating results and the price of our common stock may be affected by a number of factors, whether currently known or unknown, including but not limited to those described as risk factors, any one or more of which could, directly or indirectly, cause our actual operating results and financial condition to vary materially from past, or anticipated future, operating results and financial condition. For a more comprehensive discussion of the risks and uncertainties that could impact the Company's business, please see the section entitled "Risk Factors" in the Company's annual report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 27, 2024. Any of these factors, in whole or in part, as well as other risks not currently known to us or that we currently consider material, could materially and adversely affect our business, prospects, financial condition, operating results and the price of our common stock.

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

None

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

On March 4, 2024, Bonny Simi, the Company's President of Operations, adopted a trading plan intended to satisfy Rule 10b5-1(c) to sell, subject to certain conditions, up to 367,742 shares of Company common stock beginning June 3, 2024 and ending May 30, 2025. This includes up to 36,457 shares to be sold upon the vesting of RSUs granted to Ms. Simi. The actual number of shares that will be released to Ms. Simi 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 March 15, 2024, Didier Papadopoulos, the Company's President of Aircraft OEM, adopted a trading plan intended to satisfy Rule 10b5-1(c) to sell, subject to certain conditions, up to 233,379 shares of Company common stock beginning July 1, 2024 and ending June 27, 2025. This includes up to 203,700 shares to be sold upon the vesting of RSUs granted to Mr. Papadopoulos. The actual number of shares that will be released to Mr. Papadopoulos 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 March 15, 2024, Paul Sciarra, Chairman of the Company's board of directors, terminated an existing trading plan intended to satisfy Rule 10b5-1(c) (the "Terminated Plan"). The Terminated Plan was adopted on December 15, 2023, was scheduled to expire on February 15, 2025, and provided for the sale of up to 4,849,900 shares subject to certain conditions. As of the date of termination Mr. Sciarra had sold 202,080 under the Terminated Plan.

Item 6. Exhibits.

The following exhibits are filed or furnished as a part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

Exhibit Number	Description	Form	Exhibit	Filing Date	Filed Herewith
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	
10.1#+	2024 Performance Award Program				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
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)				

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

+ Indicates a management contract or compensatory plan.

* 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 Exchange Act, 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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		Joby Aviation, Inc.
Date: May 7, 2024	By:	/s/ JoeBen Bevirt
		JoeBen Bevirt
		Chief Executive Officer, Chief Architect and Director
Date: May 7, 2024	By:	/s/ Matthew Field
		Matthew Field
		Chief Financial Officer and Treasurer

Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

JOBY AVIATION, INC.

2024 PERFORMANCE AWARD PROGRAM

(effective January 1, 2024)

This Performance Award Program (this "***Program***") has been adopted by the Compensation Committee of the Board of Directors (the "***Board***") of Joby Aviation, Inc. (the "***Company***") under the Company's 2021 Incentive Award Plan (the "***Plan***") effective as of January 1, 2024 (the "***Effective Date***"). Capitalized terms not otherwise defined herein shall have the meaning ascribed in the Plan.

Purpose and Participants

The purpose of the Program is to provide an incentive to employees of the Company's Participating Subsidiaries (as defined below) to achieve certain business and operational goals for calendar year 2024, as set forth on Exhibit A attached hereto.

"***Participants***" in the Program include all permanent employees of the Company's subsidiaries listed on Exhibit B (the "***Participating Subsidiaries***"), whether full-time or part-time. If a Participant transitions from a permanent full-time or part-time employee role to a consulting role, or if a Participant changes employment from a Participating Subsidiary to another Company subsidiary that does not participate in the Program, any Awards previously granted under the Program will continue to vest provided that the individual continues to be a Service Provider (as defined in the Plan) through the applicable vesting date.

Other employees or consultants may be granted Awards under the Program on the same or different terms as Participants in the sole discretion of the Administrator, in which case any reference to a "Participant" herein shall also be deemed to refer to such individuals.

Interns, contractors, seasonal workers and other temporary employees are not eligible Participants.

Certain Definitions

As used in this Program, the following terms have the following meanings:

- "***Administrator***" means the Compensation Committee of the Board, unless otherwise designated by the Board.
- "***Award***" means an award of Restricted Stock Units ("***RSUs***") that is granted under this Program and is subject to performance conditions.
- "***Determination Date***" means the date determined by the Administrator to evaluate the achievement of each Goal, such date to be no later than January 14, 2025.

- “***Discretionary Leave of Absence***” means a leave of absence other than a leave mandated by applicable law or specifically provided for under the Company’s Employee Leave Policy, as in effect at the time of the leave.
- “***Earned Percentage***” has the meaning set forth on Exhibit A attached hereto.
- “***Goal***” has the meaning set forth on Exhibit A attached hereto.
- “***Grant Date***” means the Initial Grant Date, and each other date that the Administrator specifies for the grant of an Award hereunder.
- “***Initial Grant Date***” means the date that the Administrator approves the first set of Awards under this Program.
- “***Performance Period***” means January 1, 2024 through December 31, 2024.
- “***Proration Multiplier***” means:
    - *for any Participant who commenced employment with a Participating Subsidiary after January 1, 2024*: the ratio of (i) the number of calendar months the Participant will have been employed by the Participating Subsidiary as of December 31, 2024 (assuming the Participant continues to be employed through December 31, 2024), over (ii) 12.[1]
    - *for any Participant who was employed by a Participating Subsidiary on January 1, 2024*: 1.0.
    - *for any Participant who commenced employment with a Participating Subsidiary on or after December 1, 2024*: 0.
- “***Specified Price***” means the volume weighted average trading price of the Common Stock over the 20 consecutive trading days ending on January 26, 2024, which was $6.02.
- “***Target Amount***” for a Participant means the target amount established by the Administrator for such Participant or, if no target amount has been established by the Administrator for such Participant, 10% of the Participant’s annualized base salary for salaried employees or annualized base wages for hourly employees, in either case effective as of the day immediately prior to the Grant Date (or, if the Award is approved via Unanimous Written consent, as of with a date selected to be as near as practicable prior to distribution of the Unanimous Written Consent for approval). For hourly employees a Participant’s annualized base wages will be calculated based on the Participant’s expected annual hours multiplied by their hourly pay rate. If the expected number of hours is expressed as a range (i.e. 20-25 hours), the annualized base pay shall be calculated based upon the upper end of the stated range. For salaried employees, a Participant’s annualized salary shall be as reflected in the Participant’s most recent offer letter, compensation change letter, employment status change letter or other employment agreement. In no case will geographic differential pay, shift differential, bonus pay or any other non-base pay be considered in determining a Participant’s annual base salary or wages.

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[1] For example, if an employee is hired on March 15, 2024, the Proration Multiplier will be 10/12.

Awards

On the Initial Grant Date, each Participant who is a Service Provider as of such date shall be granted an Award comprised of a number of RSUs calculated by dividing (a) the product of the Participant's Target Amount multiplied by the Proration Multiplier by (b) the Specified Price, rounded down to the nearest whole number of RSUs. On each Grant Date thereafter, each Participant who is a Service Provider as of such date and who has not previously been granted an Award under the Program shall, at the discretion of the Administrator, be granted an Award comprised of a number of RSUs calculated by dividing (a) the product of the Participant's Target Amount multiplied by the Proration Multiplier by (b) the Specified Price, rounded down to the nearest whole number of RSUs.

On the Determination Date, the Administrator shall determine which Goal(s) have been achieved during the Performance Period and validate the Earned Percentage.

Each Award that is granted hereunder will vest in equal installments on each of January 14, 2025, February 10, 2025, March 4, 2025 and April 7, 2025 (each a "**Vesting Date**"), subject in each case to the Participant's continued status as a Service Provider (as defined in the Plan) through such vesting date. If a Participant is on a Discretionary Leave of Absence as of an applicable Vesting Date, the Award will vest following the Participant's return to active service, consistent with the Company's discretionary leave of absence policy.

Within 30 days after each Vesting Date, the Company shall settle each RSU that vests on such Vesting Date by issuing the Participant a number of shares of Company Common Stock equal to the product determined by multiplying (a) the number of RSUs underlying the Award held by the Participant by (b) the Earned Percentage by (c) 25%, cumulatively rounded down to the nearest whole share.

By way of example, if a Participant who was employed for all of 2024 and 2025 was granted an Award of 750 RSUs and the Earned Percentage was determined to be 110%, the Participant would be issued 207 shares of Company Common Stock on or around January 14, 2025 and 206 shares of Company Common Stock on or around each of February 10, March 4, and April 7, 2025, determined by multiplying (a) 750, by (b) 110%, by (c) 25%, cumulatively rounded.
Consistent with the terms of the Plan, vested Awards will generally be deposited in a Participant's account within 30 days after the vesting date.

Miscellaneous

The other provisions of the Plan shall apply to the RSUs granted under this Program, except to the extent such other provisions are inconsistent with this Program. All applicable terms of the Plan apply to this Program as if fully set forth herein, and all grants of RSUs hereby are subject in all respects to the terms of the Plan. The grant of RSUs under this Program shall be made solely by and subject to the terms set forth in an Award Agreement in a form approved by the Administrator and duly executed by an executive officer of the Company.

* * * * *

EXHIBIT A

2024 Performance Goals

The table below sets forth the performance goals under this Program (each a "***Goal***") for the Performance Period, and the corresponding potential number of shares that will be issued for each RSU that vests (expressed as a percentage of the total RSUs subject to an Award) for each of the Goals depending on whether the Goal is achieved at the Minimum, Target, or Maximum Achievement Percentage. The Administrator has sole discretion to amend, modify, remove or replace any Goal prior to its achievement.

The Administrator shall determine the Achievement Percentage for each Goal and the aggregate Earned Percentage on the Determination Date as follows:

- If the Administrator determines that the Minimum Achievement Percentage for a particular Goal has not been achieved during the Performance Period, the Achievement Percentage for that Goal shall be 0%.

- If the Administrator determines that the Minimum, Target or Maximum Achievement Percentage for a particular Goal has been exactly achieved, the Achievement Percentage for that Goal shall be as noted in the applicable column for that Goal in the table below.

- Unless otherwise noted below, if the Administrator determines that the number of objectives completed is between the thresholds for Minimum and Target Achievement Percentage or between the Target and Maximum Achievement Percentage for a particular Goal, the Achievement Percentage for that Goal shall be prorated based on the number of the objectives completed relative to Goal's threshold levels.

- If objectives are completed above the Maximum Achievement Percentage for a particular Goal, the Achievement Percentage for that Goal shall be as noted in the Maximum Achievement Percentage column for that Goal in the table below.

- The "***Earned Percentage***" shall be calculated by summing the Achievement Percentages achieved for each Goal. The maximum possible Earned Percentage is 125%. Solely as an example, assuming that the Achievement Percentages for Goals 1 through 5 were 37.5%, 30%, 25%, 12.5% and 5%, respectively, the Earned Percentage would be 110%.

Goal Description	Achievement Percentage (Minimum)	Achievement Percentage (Target)	Achievement Percentage (Maximum)
Goal 1: **[*****]**[2]	15%	30%	37.5%
Payout determined by how many of the following objectives are completed by December 31, 2024: [******]	10 items completed	15 items completed	19 items completed
Goal 2: **FAA Required Tests**[3]	15%	30%	37.5%
Payout determined by how many of the following objectives are completed by December 31, 2024: [******]	[*****]	[*****]	[*****]
Goal 3: Manufacturing[4]	10%	20%	25%
Payout determined by how many aircraft and conforming major structures objectives are manufactured by December 31, 2024: [******]	[*****]	[*****]	[*****]
Goal 4: [*****] [5]	n/a	10%	12.5%
Complete [*****]	n/a	[*****]	[*****]
Goal 5: Commercialization[6]	5.0%	10%	12.5%
Achievement Percentage determined by how many [*****] are completed by December 31, 2024. **[*****]**	[*****]	[*****]	[*****]

[2] Once Minimum threshold is achieved achievement level will be prorated. For each additional objective achieved between the Minimum and Target thresholds, the Achievement Percentage will be increased by 3.0%. For each additional objective achieved between the Target and Maximum thresholds, the Achievement Percentage will be increased by 1.875%. For goals referencing [*****], [*****] will be determined to have occurred when [*****].

[3] Once Minimum threshold is achieved achievement level will be prorated. For each additional objective achieved between the Minimum and Target thresholds, the Achievement Percentage will be increased by 7.5%. For each additional objective achieved between the Target and Maximum thresholds, the Achievement Percentage will be increased by 3.75%.

[4] Once Minimum threshold is achieved achievement will be prorated. For each additional aircraft or conforming part completed between the Minimum and Target thresholds, the Achievement Percentage will be increased by 3.33%. For each additional aircraft or conforming part completed between the Target and Maximum thresholds, the Achievement Percentage will be increased by 2.5%

[5] There will be no proration applied to Goal 4.

[6] There will be no proration applied to Goal 5.

[*****] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

EXHIBIT B

Participating Subsidiaries

Joby Aero, Inc.
Joby Germany GmbH
Joby Austria GmbH
Joby U.K. Limited
[*****]
Joby Elevate, Inc.
[*****]

EXHIBIT 31.1

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 Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024 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 officers 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 7, 2024

By: /s/ JoeBen Bevirt
JoeBen Bevirt
Chief Executive Officer and Chief Architect
(Principal Executive Officer)

EXHIBIT 31.2

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 Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024 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 officers 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 7, 2024	By:	/s/ Matthew Field
		Matthew Field
		Chief Financial Officer and Treasurer (Principal Financial Officer)

EXHIBIT 32.1

**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 Quarterly Report of Joby Aviation, Inc. (the "Company") on Form 10-Q for the quarterly period ended March 31, 2024, 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: May 7, 2024

/s/ JoeBen Bevirt

Name:	JoeBen Bevirt
Title:	Chief Executive Officer and Chief Architect (Principal Executive Officer)

EXHIBIT 32.2

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 Quarterly Report of Joby Aviation, Inc. (the "Company") on Form 10-Q for the quarterly period ended March 31, 2024, 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: May 7, 2024

/s/ Matthew Field

Name: Matthew Field

Title: Chief Financial Officer and Treasurer
(Principal Financial Officer)