
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2025

OR

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

Commission file number 001-39668

Archer Aviation Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

85-2730902

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

190 West Tasman Drive, San Jose, CA

(Address of principal executive offices)

95134

(Zip Code)

(650) 272-3233

Registrant's telephone number, including area code

N/A

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

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A common stock, par value \$0.0001 per share	ACHR	New York Stock Exchange
Warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of \$11.50 per share	ACHR WS	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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

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

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

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

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

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

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of June 30, 2025, the last business date of the registrant's recently completed second fiscal quarter, was approximately \$6.5 billion, based on the closing price reported for such date on the New York Stock Exchange.

As of February 25, 2026, the number of shares of the registrant's Class A common stock outstanding was 744,538,832.

Documents Incorporated by Reference

Part III of this Form 10-K (the "Annual Report") incorporates by reference certain information from the Registrant's Definitive Proxy Statement ("Proxy Statement") relating to the 2026 Annual Meeting of Stockholders or an amendment to this report under cover of Form 10-K/A to be filed within 120 days of the end of its fiscal year ended December 31, 2025.

Archer Aviation Inc.
10-K
For the Fiscal Year Ended December 31, 2025

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements. All statements, other than statements of present or historical fact, included or incorporated by reference in this Annual Report regarding our future financial performance, as well as our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans, and objectives of management are forward-looking statements. When used in this Annual Report, the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “future,” “intends,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “should,” “will,” “would,” the negative of such terms and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

These forward-looking statements are based on information available as of the date of this Annual Report, and current expectations, assumptions, hopes, beliefs, intentions and strategies regarding future events. Accordingly, forward-looking statements in this Annual Report and in any document incorporated herein by reference 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 a number 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. Some factors that could cause actual results to differ include those described in Part I, Item 1A, “Risk Factors” in this Annual Report. Readers are urged to carefully review and consider the various disclosures made in this Annual Report and other documents we file from time to time with the Securities and Exchange Commission (“SEC”) that disclose risks and uncertainties that may affect our business. Moreover, new risks emerge from time to time. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks and uncertainties, the future events and circumstances discussed in this Annual Report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Annual Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements.

As used herein, “Archer,” the “Company,” “Registrant,” “we,” “us,” “our,” and similar terms include Archer Aviation Inc. and its subsidiaries, unless the context indicates otherwise.

“Archer” and our other registered and common law trade names and trademarks of ours appearing in this Annual Report are our property. This Annual Report contains additional trade names and trademarks of other companies. We do not intend our use or display of other companies’ trade names or trademarks to imply an endorsement or sponsorship of us by such companies, or any relationship with any of these companies.

Part I

Item 1. Business

Overview

Archer is developing the technologies and aircraft to power the future of advanced aviation. We are building a platform to deliver advanced aircraft, technologies and services to customers worldwide across commercial and defense sectors.

Midnight is our electric vertical take-off and landing (“eVTOL”) aircraft purpose-built for air taxi operations globally. To prepare for commercial operations, we are working with aviation authorities, governments, and strategic partners in key U.S. and international markets to certify Midnight and build out air taxi networks. These planned networks will connect major population and business centers with key transportation hubs in select metropolitan areas through partnerships with airline operators to integrate eVTOL flights into passenger journeys and collaborations with infrastructure partners to develop vertiports.

- In the U.S., we have applied to participate in the eVTOL Integration Pilot Program (“eIPP”), a White House initiative to accelerate air taxi deployments in American cities. We have partnered with cities across California, Florida, Texas, Georgia, and New York on multiple applications to launch initial air taxi operations under the eIPP later this year. As part of broader commercialization strategy in the U.S., we recently acquired control of Hawthorne Municipal Airport (“Hawthorne Airport”) located near Los Angeles International Airport and Downtown Los Angeles. We plan for the airport to serve as the operational hub for our Los Angeles network and an innovation hub for developing and commercializing next-generation AI-powered aviation technologies.
- Outside the U.S., through our Launch Edition program, we are offering aircraft, technologies, and services to governments and customers to support the commercialization of Midnight in select international markets with the United Arab Emirates (“UAE”) leading the way. In the UAE, we have been working closely with the country’s federal aviation regulator, the General Civil Aviation Authority (“GCAA”), over the past year to establish the optimal regulatory pathway for commercial operations. Following hot weather flight testing last year, we are on track to deliver additional Midnight aircraft this year in preparation for initial passenger operations and are working with strategic partners to build out a vertiport network across Abu Dhabi and the country. Our commercial readiness progress is driving growing global demand across Europe, Middle East, Africa and Asia-Pacific for this new category of transportation.

We are also advancing a dual-use hybrid-electric, autonomous vertical take-off and landing (“VTOL”) aircraft platform for both defense and commercial customers. Through our strategic partnership with Anduril Industries Inc. (“Anduril”), this aircraft platform is intended to meet the vertical lift needs of the U.S. and its Allies for decades to come. For commercial customers, that aircraft can be tailored for cargo and medical evacuation.

To support certification and early commercial deployments, we are currently scaling production of our aircraft and electric powertrain at our “golden manufacturing lines” in Silicon Valley and our high-volume facility in Georgia. We are also developing artificial intelligence (AI) and autonomy technologies to support the advancement of our air traffic control system from concept to a scalable reality.

Our Planned Lines of Business

By maintaining an innovative and disciplined approach to new product and service development, manufacturing, and commercialization we believe that we can deliver advanced aviation technologies and solutions that can service a broad range of industries and use cases. We intend to operate in the following areas:

- **Commercial:** This is planned to consist of the sale of our commercial aircraft and related technologies and services, as well as providing direct-to-consumer air taxi services in select metropolitan areas worldwide.
- **Defense:** This is planned to consist of the sale of next-generation aircraft and related technologies for defense applications. Our initial product is intended to be the hybrid-electric VTOL aircraft discussed earlier that we are jointly developing with Anduril. Our team is advancing opportunities around at how we can bring the proprietary technologies we’ve built for our commercial aircraft to defense applications, such as our electric battery pack and electric engines. In November 2025, we announced our first deal for third-party adoption of these technologies in the defense sector, with Anduril and EDGE Group choosing to use our electric powertrain to power their Omen autonomous air vehicle. We have also been continuing to advance our partnership with the Department of Defense (“DoD”), which started in 2021, on a series of projects through the United States Air Force’s (“USAF”) AFWERX program with the goal of helping the AFWERX Agility Prime program assess the transformational potential of the vertical flight market and related technologies for DoD purposes.

Our Aircraft

Air Taxi Aircraft

Midnight is built on a proprietary 12-tilt-6 distributed electric propulsion platform and is designed to carry four passengers plus a pilot. It prioritizes safety and delivers significantly reduced noise compared to traditional helicopters. Midnight integrates key in-house developed advanced aviation technologies, including what we believe to be cutting-edge electric propulsion and flight control systems, with systems and components from leading aerospace suppliers, many of which are already used on certified aircraft, with the goal of reducing certification risk, development time and cost.

The aircraft is purpose-built for urban air taxi operations, with range and payload optimized for high-frequency, short distance trips of around 20-miles, supported by minimal charging time between trips. Its design focuses on combining high function and high emotion, with the goal of inspiring a passenger experience reminiscent of the Golden Age of aviation in the 1950s.

Midnight's design, with redundant electric motors and simpler propulsion systems than traditional helicopters, aims to reduce failure points and achieve high-assurance safety and reliability standards. Our aircraft has engaged in extensive flight test campaigns that expand the flight envelope and collect safety-critical data to support certification with the Federal Aviation Administration ("FAA") and safe performance evaluation.

Dual-Use Cargo Aircraft

Our dual-use autonomous cargo VTOL aircraft is designed around both a low thermal and acoustic signature purpose built for next generation cargo and defense use cases. Our goal is to bring together our ability to rapidly develop advanced VTOL aircraft using our existing commercial parts and supply chains and Anduril's deep expertise in AI, missionization, and systems integration, to enable more efficient and effective deployment of critical advanced aviation capabilities than traditional alternatives. To support this effort, we are investing in the development of our hybrid-propulsion platform, as well as in critical capabilities like the manufacturing of composites. In 2025, we aimed to accelerate our development of this aircraft by acquiring key intellectual property, such as Overair Inc.'s patent portfolio and a license to Karem Aircraft's tiltrotor and rotor technology.

Manufacturing Operations & Supply Chain

We continue to be focused in the near term on ramping our production capabilities across our manufacturing and test facilities in California and Georgia. The Midnight aircraft we build during this new product introduction phase will be used in certification and early commercial deployments. As part of our production certificate efforts, the FAA continues to conduct reviews and inspections of our manufacturing operations.

During this new product introduction phase, we are utilizing a "golden manufacturing line" approach at one of our Silicon Valley facilities for final assembly of our early Midnight builds and then applying lessons learned to inform the design and ramp of our high-volume manufacturing in Georgia.

A key aspect of our strategy has been to focus our internal component development efforts on the key enabling technologies like our electric and hybrid propulsion systems, flight control software and composites. For those areas that are not differentiating technologies we aim to leverage the existing aerospace supply base to supply us with components many of which are already being used in certified aircraft today. We depend on U.S. and non-U.S. suppliers and service providers to meet quality, performance, cost and delivery requirements as we work towards developing and manufacturing, and ultimately commercialization of, our aircraft. Key raw materials used for our aircraft include aluminum and composites.

Competition

The commercial aerospace and defense industries include many strong U.S. and international competitors. Key competitive factors include long development cycles, rapid technological change, and intense competition. In the defense industry specifically, it is typical to work on development programs in partnership with companies who may also be your competitors and involve a competitive bid process to be awarded a contract.

In our planned commercial air taxi service, we also compete with ground based alternatives, such as personal automobiles and ride-sharing services, as well as existing aircraft and helicopter charter services. The market for these services is intensely competitive, with key differentiating factors including safety, trip duration, technology, overall user experience, and cost.

We seek to differentiate ourselves by delivering aircraft, advanced aviation technologies and services that deliver superior design and performance, safety, reliability and quality. For additional information about competition, see "Risk Factors" in Item 1A of this Annual Report.

Government Regulation and Compliance

Globally, our commercial aircraft will be required to comply with regulations governing aircraft design, production and airworthiness. In the United States, the regulations are put forth by the FAA and Department of Transportation (“DOT”). Outside the United States, similar requirements are generally administered by the national civil aviation and transportation authorities of each country. We continue to focus our efforts on obtaining certification from the FAA of our aircraft in the United States, the GCAA of the UAE and engaging with key decision makers in the initial cities in the United States and UAE which we plan to operate our aircraft. We also work with similar government authorities in the other international markets where we are targeting commercialization.

The following describes the key certifications necessary for us to design, manufacture, sell and operate our aircraft in the United States:

- **Designing our aircraft:** Type certification in the United States is formalized by the FAA’s approval process for new aircraft designs and covers the design of the aircraft and all required components and systems. The FAA outlines the process for type certification in Order 8110.4C, which defines the 4 phases that lead to type certification. Our initial aircraft type certification is required to meet the criteria set forth by the FAA through a “special class” definition under 14 CFR Part 21.17(b). In May 2024, the FAA published the Final Rule with the final airworthiness criteria for our Midnight aircraft and in June 2024, we then finalized our G-1 Issue Paper containing the certification basis with the FAA, which formally closed the FAA’s work in the second phase of our certification program. In the third phase of our certification program, we collaborated with the FAA for full agreement on the Means of Compliance, which is the full set of details defining the methodology, design, analysis and testing standards that will be used to demonstrate that the aircraft is safe and complies with the Airworthiness Criteria. We initially submitted a comprehensive proposal for Midnight’s Means of Compliance to the FAA back in December 2021 and in January 2026, Midnight’s Means of Compliance was fully FAA accepted. As part of the third phase of our certification program, we are also working with the FAA to review and provide final acceptance of our subject specific certification plans (“SSCPs”). SSCPs provide precise detail on each of the specific tests and analyses that must be completed during the fourth and final phase of our Type Certification program, known as the implementation phase, in which we actually demonstrate to the FAA that Midnight meets all relevant FAA requirements necessary to receive a Type Certificate. In June 2025, we began the piloted test flight phase of our Midnight program and are preparing for formal type inspection authorization testing as part of the implementation phase. We believe that we are now substantially complete with the third phase of our certification program and are largely focused on the fourth phase of the certification program, and we estimate that we have received approximately 15% of the compliance verification documents in that phase.
- **Producing our aircraft:** Production certification is the FAA’s approval for us to be able to manufacture our Midnight aircraft as approved by the FAA per the Type Certified design. To obtain a Production Certificate from the FAA, we must demonstrate that our organization and our personnel, facilities, and quality system can produce our aircraft such that they conform to its approved type design. We are working to develop the systems and processes we will need to obtain a FAA Production Certificate with the goal of obtaining such certification shortly following receipt of Midnight’s Type Certification.
- **Selling our aircraft:** Airworthiness certification from the FAA signifies that an aircraft meets its approved design and is in a condition for safe operation in the U.S. National Airspace System. Each of the aircraft manufactured by us will need to be issued an airworthiness certificate. We expect that the airworthiness certificates issued to each of our aircraft will be a Standard Airworthiness certificate in the Normal Category, as defined by the FAA.
- **Operating our UAM service:** The FAA and the DOT have primary regulatory authority over air transportation operations in the United States. To operate our UAM service, among other requirements, we are required to hold a Part 135 Air Carrier and Operator Certificate and. In 2024, we obtained our Part 135 Air Carrier and Operator Certificate from the FAA, which allows us to begin operating aircraft commercially under Part 135 of the Federal Aviation Regulations to refine our systems and procedures in advance of launching Midnight into commercial service. In February 2024, we received our Part 145 Repair Station Certificate, which lays the foundation for us to operate repair stations that perform maintenance, repair and overhaul services on our aircraft, and we received our Part 141 Certificate which enables us to train and qualify pilots in our training academy. We expect that as we build out our UAM operations there will be additional federal, state and local laws, regulations and other requirements that will cover our operations. For example, take-off and landing locations (e.g., airports and heliports) typically require state and local approval for zoning and land use and their ongoing use is subject to regulations by local authorities in addition to the FAA requirements. Therefore, we have already begun, and will continue to grow, our engagement and collaboration with the cities in which we intend to operate our UAM service in an effort to ensure that it operates in a safe manner.

We have been working closely with the GCAA over the past year to determine the most appropriate regulatory pathway to support our planned early commercial operations there. The GCAA has transitioned our Midnight aircraft into a Restricted Type Certification program, advancing the regulatory path for the aircraft's entry into service in the region. Our work with the GCAA is designed to operate in parallel with our certification efforts in the U.S. and other jurisdictions around the world. The Restricted Type Certification approach is meant to offer a streamlined approach toward early-stage commercial operations specific to Midnight in the UAE.

Our operations at the Hawthorne Airport are regulated by the FAA, DOT, U.S. Transportation Security Administration, U.S. Environmental Protection Agency, state and local environmental agencies, the California Department of Transportation ("Caltrans"), and the City of Hawthorne. The City of Hawthorne is the owner and FAA-recognized sponsor of Hawthorne Airport and operates the airport subject to federal, state, and local law and the city's grant agreements with the FAA. The airport is subject to regular inspection by Caltrans, environmental agencies, and local fire marshals. In addition, property on the airport must comply with the applicable requirements of the Americans With Disabilities Act of 1990 ("ADA") and related state statutes to the extent such property is a "public accommodation" as defined under the ADA.

We believe we are in material compliance with laws and regulations currently applicable to our business. We continue to monitor existing and pending laws and regulations and while the impact of regulatory changes cannot be predicted with certainty, we do not expect compliance to have a material adverse effect on our business. See Part I, Item 1A, "Risk Factors" in this Annual Report for a more comprehensive description of risks related to government regulation affecting our business.

Our Employees and Human Capital

Our strategy has been and continues to be to hire top talent across various disciplines to build the best products and deliver the best services possible. We believe we have assembled a world-class team with extensive experience across the key engineering and manufacturing disciplines, including, in aerodynamics, electric propulsion, batteries, and flight controls, as well as key personnel necessary to help us ensure that we progress efficiently through the certification of our aircraft and towards the operation of our commercial business. The fabric of this team is that we are curious, talented, and passionate people. We embrace collaboration and creativity and encourage the iteration of ideas to address the complex challenges our industry faces. We believe our team and culture differentiates us versus our competitors and will be a key driver of our long-term success.

Because we recognize that our people are critical for our continued success, we are committed to fostering an environment that supports employee wellbeing, development, and performance. Furthermore, we are committed to making safety a part of everything we do. Our approach to safety is a part of every aspect of our company, from design and engineering to our manufacturing, flight test, and aircraft operations. We are committed to not just meeting, but exceeding, the rigorous safety standards of our industry. We work hard to foster a robust employee safety culture that emphasizes accountability and transparency. The safety culture we want at Archer is focused on the following key principles:

- Safety is a part of our ethical responsibility to our employees, customers, and the communities in which we do business
- Safety is essential to our success, and therefore we must not leave safety questions unanswered, we must work to address risks when they are discovered
- Safety cannot be delegated, all Archer's must take personal responsibility for fostering the safety culture at Archer

As of December 31, 2025, we had a workforce of 1,660 people, including 1,160 full-time employees and 500 contingent workers. We have not experienced any work stoppages and generally consider our relationship with our employees to be good. None of our employees are subject to a collective bargaining agreement or represented by a labor union.

Intellectual Property

We rely on various intellectual property laws, confidentiality procedures and contractual terms to protect our proprietary technology and our brand. We have registered and applied for the registration of U.S. and international trademarks, service marks and domain names. We have also filed patent applications in the United States and foreign countries covering certain of our technology and intellectual property. In general, our issued patents expire between 2040 and 2046.

Available Information

Our website is located at www.archer.com and our investor relations website is located at investors.archer.com. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and our Proxy Statements, and any amendments to these reports, are and will be available through our investor relations website, free of charge, after we file them with the SEC.

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Further, corporate governance information, including our amended and restated certificate of incorporation, amended and restated bylaws, corporate governance guidelines, board committee charters, and code of business conduct and ethics, and other policies, are also available on our investor relations website under the heading “Governance Documents.”

The live webcasts and replays of our earnings calls are made available via our investor relations website. Our investor relations website also provides notifications of news or announcements regarding our financial performance and certain other news and information that may be material or of interest to our investors, including SEC filings, investor events, press and earnings releases. We use the following, as well as other social media channels, to disclose public investors, the media and others:

- our website (www.archer.com);
- Facebook account (<https://www.facebook.com/FlyArcher>);
- LinkedIn (<https://www.linkedin.com/company/flyarcher> and <https://www.linkedin.com/in/adam-goldstein-7b662121/>);
- Instagram (<https://www.instagram.com/flyarcher/> and <https://www.instagram.com/adamgoldstein.archer/>);
- TikTok account (<https://www.tiktok.com/@flyarcher>);
- X (@flyarcher, @ArcherAviation, and @adamgoldstein13); and
- YouTube (<https://www.youtube.com/c/ArcherAviation>).

Our officers may use similar social media channels to disclose public information. It is possible that certain information we or our officers post on our website and on social media could be deemed material, and we encourage investors, the media and others interested in Archer to review the business and financial information we or our officers post on our website and on the social media channels identified above. The information on our website and those social media channels is not incorporated by reference into this Annual Report on Form 10-K.

Item 1A. Risk Factors

Investing in our securities involves risks. You should consider carefully the risks and uncertainties described below, together with all of the other information in this Annual Report, including Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes, before deciding whether to purchase any of our securities. Our business, results of operations, financial condition, and prospects could also be harmed by risks and uncertainties that are not presently known to us or that we currently believe are not material. If any of these risks actually occur, our business, results of operations, financial condition, and prospects could be materially and adversely affected. Unless otherwise indicated, references in these risk factors to our business being harmed will include harm to our business, reputation, brand, financial condition, results of operations, and prospects. In any such event, the market price of our securities could decline, and you could lose all or part of your investment.

Risks Related to Our Business and Industry

We are an early-stage company with a history of losses, and we expect to incur significant expenses and continuing losses for the foreseeable future.

As of December 31, 2025, we incurred a net loss of \$618.2 million, and we have incurred a net loss of approximately \$2.3 billion since inception. We expect to continue incurring operating and net losses each quarter until at least the time we begin generating significant revenues from our planned lines of business. Even if we successfully launch our planned lines of business, there can be no assurance that they will be financially viable.

We expect losses could increase as we develop and expand operations, including to:

- design, develop, and certify our aircraft in the United States and other countries;
- design and develop UAM networks and operations;
- expand our business lines and operations, including our defense program, operations at Hawthorne Airport, and aviation services and technologies;
- engage third parties on the design, development, manufacturing, certification and marketing of our products and services;
- attract, retain and motivate talented employees;
- expand our aircraft manufacturing capabilities and manufacture an inventory;
- build inventories of parts and components for our aircraft;
- expand design, development and servicing capabilities;
- increase sales and marketing activities and develop distribution infrastructure; and
- develop pilot training programs.

We may also be unable to manage growth effectively, which could strain resources and create operational challenges such as hiring, training, and managing personnel, distracting management, and harming our brand and financial results. Expansion may require additional office space, infrastructure, personnel, and increased insurance coverage. We expect insurance needs and costs to rise as we build production facilities, manufacture aircraft, establish commercial operations, add routes, increase flight and passenger volumes, and expand into new markets. It is too early to predict the impact of commercial eVTOL operations on insurance costs, which may adversely affect our business, financial condition, and results of operations.

Because these costs are expected before significant revenues, our losses in future periods are expected to be significant. In addition, we may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in the revenues we expect, which could further increase our losses.

We are developing our eVTOL aircraft and related UAM operations, which remain in the early stages, and our business and future prospects are subject to significant risks.

We were incorporated in October 2018 and have a limited operating history in designing, developing, and certifying eVTOL aircraft. Our eVTOL aircraft is in the development stage, and we depend on continued engagement with the FAA, DOT, and other regulators in the U.S. and certain other countries to obtain required certifications and authorizations for aircraft design, production, and operations. Delays, interruptions, or unwillingness by regulatory agencies to engage with us could postpone or prevent certification. For example, the U.S. government shutdown in 2025 disrupted operations at certain agencies, including the FAA. Although we plan to develop Hawthorne Airport into our flagship Los Angeles hub, including for the LA28 Olympic Games, there can be no assurance we will receive all required approvals on time, if at all. In addition, our competitors may obtain regulatory approvals in the U.S. or non-U.S. markets before we do.

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Our operations also depend on the performance and availability of a Midnight aircraft platform, and any delays, defects, or grounding of this aircraft could significantly disrupt our business. In addition, we may face airspace integration and operational constraints, including airspace capacity limits, air traffic control restrictions, vertiport availability, and local operating limitations, which could reduce aircraft utilization, limit the number of flights we can operate, and adversely affect our business and the scaling of our planned operations.

We and our partners may not be able to obtain necessary production certificates, ramp up manufacturing, or develop supply chains capable of meeting quality, price, engineering, design, target aircraft specifications, and production standards, as well as required production volumes. We face significant challenges in the following areas, any of which could harm our business:

- designing, certifying, manufacturing, and operating safe, reliable, and quality aircraft that meet intended use cases and target aircraft specifications;
- obtaining and maintaining timely regulatory approvals for manufacturing, marketing, selling, operating UAM networks, or conducting defense-related programs;
- building and protecting a respected brand and expanding our customer base;
- marketing, selling, and servicing our aircraft and other technologies;
- maintaining spare parts availability and customer support;
- scaling manufacturing and operations efficiently;
- managing growth effectively;
- obtaining and maintaining adequate facilities and infrastructure;
- attracting, retaining, and motivating skilled employees; and
- adapting to technological change, competitive pressures, market trends, and evolving global regulations.

As an organization, we have no experience in volume aircraft manufacturing and we may be unable to scale our production to meet future demand or achieve targeted, cost, quality and delivery metrics. Some of our current and potential competitors are larger, have more experience in the aerospace industry or have substantially greater resources, enabling them to develop technologies faster, promote and sell offerings more effectively. In particular, our competitors may receive FAA or foreign government certifications for their eVTOL aircraft before we are able to do so. Competitors may also form strategic partnerships that enhance their capabilities, and some foreign competitors could benefit from subsidies or protective measures, placing us at a competitive disadvantage.

We are developing aircraft and related services intended to support multiple use cases and market entry strategies, which may not achieve our anticipated benefits. For example, through our Launch Edition program, we are offering aircraft, services and technologies to governments and customers to support the commercialization of our Midnight aircraft in markets outside the U.S., including early trial operations, pilot training, maintenance and certification support. Agreements with program partners remain conditional, and there is no assurance we will execute definitive agreements timely, or at all. In the U.S., we have applied for participation in the eIPP, but selection is not guaranteed. If selected, we plan to conduct trial operations in participating cities. Investments and expenses in early adopter markets and UAM networks, such as Southern California, including vertiport and charging infrastructure and customer-focused products and services, may not achieve anticipated competitive advantages or benefits.

Our business plan requires a significant amount of capital. In addition, our future capital needs may require us to issue additional equity or debt securities that may dilute our stockholders or introduce covenants that may restrict our operations or our ability to pay dividends.

We expect our capital expenditures and operating expenses to continue to be significant as we develop our aircraft and business, and to be driven primarily by aircraft development, certification, and customer demand. We believe our current cash and cash equivalents and other sources of liquidity, including existing borrowings, will be sufficient to fund our current operating plan for at least the next 12 months. However, we expect that over the coming years we will continue to make significant investments in our business, including development of aircraft and related technologies and services for our commercial and defense businesses, manufacturing ramp up, UAM network build out, development of Hawthorne Airport, and investments in our brand.

Our investments and expenses may be greater than currently anticipated or there may be unforeseen costs, and we may not succeed in acquiring sufficient capital to offset these expenses and achieve significant revenue generation. We have a limited operating history and no historical data on the demand for our planned products and services. As a result, our future capital requirements are difficult to predict and our actual capital requirements may be different from those we currently anticipate. We may need to seek equity or debt financing to fund future capital requirements. Such financing might not be available to us when

needed or on terms that are acceptable, or at all. Additionally, we also issue equity securities as consideration for products and services provided to us by certain vendors, which results in dilution to our stockholders.

Our ability to obtain the necessary capital to carry out our current business plan is subject to a number of factors, including general economic and market conditions, as well as investor sentiment regarding our planned business. These factors may make the timing, amount, terms and conditions of any such financing unattractive or unavailable to us. The current macroeconomic environment may increase our cost of financing or make it more difficult to raise additional capital on favorable terms, if at all. If we are unable to raise sufficient capital, we may have to significantly reduce our spending and/or delay or curtail operations or planned activities.

Further, disruptions in the financial services sector, including liquidity constraints, bank failures, or counterparty insolvencies, could limit our access to cash and financial instruments. In addition, our future capital needs and other business needs or plans could require us to issue additional equity or debt securities or obtain a credit facility. The issuance of additional equity or equity-linked securities could dilute our stockholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations or our financial flexibility.

The markets for our offerings are still in development and our growth strategies will require additional resources. If these markets do not materialize, grow more slowly than we expect or fail to reach the scale we anticipate, our business, results of operations, and prospects could be harmed.

The markets for eVTOL aircraft are still developing, and our success depends on our ability to design, develop, and certify eVTOL aircraft, promote air taxis as a substitute for existing methods of transportation and execute our marketing and growth strategies. If the public, or, for our defense program, government entities, do not see eVTOL aircraft/UAM as beneficial or choose not to adopt eVTOL aircraft/UAM as a result of concerns regarding safety, noise, affordability or for other reasons, then the market for our offerings may grow more slowly than expected or may not reach our anticipated potential.

Management regularly makes strategic decisions about how to deploy limited resources, such as aircraft, personnel and funds across various opportunities to commercialize and grow our business, and the opportunities we pursue may not ultimately be successful. For example, we have submitted proposals to participate in the eIPP and to devote significant resources to the program, which may require us to forgo certain other opportunities. If we are not selected, the program is cancelled, or our test operations under the program are not successful, our prospects may be adversely affected.

Growth of our business requires significant investments. If we lack sufficient capital to support these investments or if our competitors adopt more effective strategies, our competitive position and business will be affected. Expanding operations also require improving operational systems, internal controls, infrastructure, human resources, and other systems, which will require significant capital expenditures and valuable management and employee resources.

The eVTOL aircraft industry may not develop as expected, eVTOL aircraft may not be certified, adopted or become an attractive alternative to existing modes of transportation, which could adversely affect our prospects, business, financial condition and results of operations.

eVTOL aircraft involve a complex set of technologies and infrastructure, including charging, which we must continue to further develop and rely on our commercial and defense program customers to adopt. Before our eVTOL aircraft can fly passengers, we must obtain extensive government certifications and approvals from the FAA, DOT and other regulatory authorities in the U.S. and other countries. There are currently no FAA-certified eVTOL aircraft for commercial operations in the United States and regulatory standards and certification pathways for eVTOL aircraft continue to evolve globally. We may not achieve timely or successful certification in the United States or internationally, or at all, which could delay or prevent commercialization of our aircraft. The FAA and the DOT have primary regulatory authority over air transportation operations in the United States. As we build out our UAM operations, additional federal, state, and local requirements may apply, including approvals for take-off and landing locations, zoning, and land use.

In order to achieve FAA certification, the performance, reliability and safety of eVTOL aircraft must be established, none of which can be assured. In particular, there is a risk that we will not obtain one or more certifications from the FAA that are required for ultimate commercial use of our aircraft, or that we will experience delays in receiving one or more of these certifications. Even if we obtain aircraft certifications, operators must receive regulatory approvals to operate eVTOL aircraft, and pilots must be licensed, which could further delay adoption and limit customer demand. Additional challenges to adoption include regulatory and licensing requirements, infrastructure readiness, market acceptance, and public perception of safety.

Existing laws, regulations and standards may apply to eVTOL aircraft, including standards those not originally intended for electric aircraft. The promulgation of additional federal, state, and local laws and regulations that address eVTOL aircraft more specifically, such as the operational regulations, or Special Federal Aviation Regulation (“SFAR”), adopted by the FAA in October 2024, could delay commercial launch or require us to modify our approach to certification. We have designed our

aircraft to be certified under the current FAA regulatory framework and substantial regulatory changes could delay certification or require changes to our aircraft design or certification strategy, resulting in additional costs and delays. We are seeking certification of our aircraft in other countries, and evolving or uncertain foreign regulatory frameworks could delay these efforts.

There can be no assurance that the market will accept eVTOL aircraft, that we will be able to execute on our business strategy, or that our offerings utilizing eVTOL aircraft will obtain the necessary government approvals or succeed commercially. Public skepticism of this technology may be heightened and there could be negative public perception surrounding eVTOL aircraft, including the overall safety and the potential for injuries or death occurring as a result of accidents involving eVTOL aircraft, regardless of whether any involve us. Any of the risks could adversely affect our prospects, business, financial condition and results of operations.

Our future success depends on our senior management team and other highly skilled personnel and our ability to attract and retain these individuals.

Our future success depends, in part, on our ability to continue to attract and retain highly skilled personnel, including pilots, engineers and aircraft mechanics. In particular, we are dependent on the continued contributions of members of our management team. The loss of any key personnel could adversely affect our business and our ability to execute our strategy. Although we have entered into employment offer letters with certain key personnel, these arrangements are generally at-will and do not provide for any guaranteed term of employment.

Competition for highly skilled personnel is intense, particularly in the San Francisco Bay Area, and we may incur significant costs to attract and retain qualified individuals. We have experienced, and expect to continue to experience, difficulty in hiring and retaining qualified personnel, including due to industry-wide shortages of pilots and certified aircraft mechanics. Equity awards are an important component of our compensation strategy, and a decline in the perceived value of our equity could adversely affect our ability to attract and retain talent.

Operation of aircraft involves inherent risks, and any accident involving aircraft, including eVTOL aircraft, could result in losses, adverse publicity, and reputational harm.

The operation of aircraft involves various risks, and air transportation has and may in the future be impacted by accidents or other safety issues, regardless of whether they involve our eVTOL aircraft or third-party eVTOL aircraft. Air transportation hazards, such as adverse weather conditions, fire and mechanical failures, may cause injury or death, reducing confidence in a particular aircraft type or the industry as a whole, which could lead to a reduction in passenger volume. Safety statistics for air travel are reported by multiple parties, including the DOT and National Transportation Safety Board, and are often separated into categories of transportation. Because our aircraft may include multiple transportation methods, fliers may have difficulty assessing safety, and accident classifications could negatively affect perceptions of eVTOL aircraft and air taxi services.

Safety and reliability are critical for attracting and retaining customers. Failure to maintain satisfactory standards of safety and reliability could adversely impact our ability to attract and retain customers and expose us to negative publicity. Such incidents could involve employees, contractors, partners or third-party operators. Accidents, incidents, regulatory actions, or investigations involving our aircraft or those operated by others could result in reputational harm, legal liability, financial losses, or operational disruptions, which may not be fully covered by insurance. Events occurring in or near take-off and landing sites, such as vertiports, could also disrupt operations until the accident has been cleared and repairs or investigations are completed.

Additionally, the battery packs that we use in our aircraft and sell to third parties, use battery (including lithium-ion) cells, which on rare occasions, can rapidly release the energy by venting smoke and flames in a manner that can ignite nearby materials. While we have taken safety measures, battery failures could result in lawsuits, recalls, or costly redesigns, any of which would be time-consuming and expensive. Any incident involving battery cells, even if it does not involve our aircraft, or negative public perceptions about the suitability of lithium-ion cells for aerospace applications, could seriously harm our business.

From time to time, we and our manufacturing partners store battery cells (including lithium-ion cells), which if mishandled, could disrupt operation of our facilities or our manufacturers, cause manufacturing delays, create adverse publicity or trigger recalls. Safety incidents involving competitors, partners, or customers may also indirectly affect public confidence in our aircraft and the eVTOL industry generally.

We currently rely and will continue to rely on third-party partners to provide and store the parts and components required to manufacture our aircraft, and to supply critical components and systems, which exposes us to risks outside our control.

We depend on a limited number of suppliers and service providers, including single-source and custom manufacturers, for the parts, components and materials used in our aircraft. If any supplier or service partner is unable to meet demand due to supply chain disruptions, changes in their tax and government incentives, quality issues, natural or man-made disasters, climate

events, trade restrictions, tariffs, sanctions, financial distress, or other causes, this could result in production delays, increased costs, delays to our certification timeline, product redesign, revenue loss, reduced competitive advantage, and reputational harm. Further, if we are unable to successfully manage our relationship with our suppliers or service providers, the quality and availability of our aircraft may be harmed. Replacing suppliers or qualifying alternative manufacturing capacity would be costly and time-consuming, and prolonged disruptions at the operations or manufacturing facilities of any supplier or service provider could adversely affect our operations and prospects.

We do not control our suppliers or service providers or such parties' labor and other legal compliance practices, including their environmental, health and safety practices. If our current suppliers or service providers, or any other suppliers or service providers which we may use in the future, violate U.S. or foreign laws or regulations, we may be subjected to extra duties, significant monetary penalties, adverse publicity, the seizure and forfeiture of products that we are attempting to import or the loss of our import privileges.

We are or may be subject to risks associated with strategic relationships or other opportunities and may not be able to identify adequate strategic relationship opportunities, or form strategic relationships, in the future.

We have entered into, and may continue to pursue, strategic relationships, joint ventures, minority investments, acquisitions, and licensing arrangements, including our previously announced partnership with Anduril to jointly develop a next generation aircraft for military applications, our acquisitions of certain intellectual property, manufacturing and other assets and our proposed manufacturing relationship with Stellantis. These arrangements expose us to risks including intellectual property leakage, counterparty non-performance, operational disruptions, cost overruns, reputational harm, and integration challenges.

Onboarding new strategic partners involves various inherent risks that could adversely affect our production capacity, product quality, and negatively impact revenue, margins and costs. Additionally, where our strategic relationships involve milestone-based payments or performance criteria, our operating results may vary significantly from quarter to quarter, and there can be no assurance that we or our partners will complete certain technical milestones or that partners will fulfill their payment obligations. Any reduction, delay or termination of expected funding from strategic partners could disrupt our development timelines, or materially impact our business and financial results.

When appropriate opportunities arise, we may acquire or license additional assets, products, technologies or businesses that are complementary to our existing business. In addition to possible stockholder approval, we may need approvals and licenses from relevant government authorities for the acquisitions or licenses and to comply with any applicable laws and regulations, which could result in increased delay and costs, and may disrupt our business strategy if we fail to do so. Furthermore, acquisitions or licenses and the subsequent integration of new assets and businesses into our own would likely require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our operations. Acquisitions or licenses could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business. Moreover, the costs of identifying and consummating acquisitions may be significant.

There can be no assurance that we will identify or successfully execute future strategic opportunities. Acquisitions or licenses may require regulatory approvals, significant capital, management attention, and integration efforts, and may not result in anticipated benefits, and could expose us to unknown liabilities. If we are unable to successfully source and execute on strategic relationship opportunities in the future, our overall growth could be impaired.

We are party to certain purchase agreements and other contract orders for our Midnight aircraft and the provision of related services that contain conditions with respect to the purchase of our aircraft or that require us to perform and provide certain deliverables. If the conditions to or performance obligations under such contracts are not met, or if such contracts are otherwise canceled, modified or delayed, our prospects, results of operations, liquidity and cash flow will be harmed.

We are party to certain purchase agreements to deploy Midnight aircraft and related technologies and services, including the United Purchase Agreement (as defined below) and contracts with USAF, that contain conditions with respect to the purchase of our aircraft or that require us to perform and deliver certain tests, certificates and other services. Payment obligations under the agreement with United Airlines Inc. ("United") for the conditional purchase of up to \$1.0 billion worth of aircraft, with an option for another \$500.0 million worth of aircraft (as amended, the "United Purchase Agreement"), for example, are conditioned upon, among other things, us receiving certification of our aircraft by the FAA and further negotiation and reaching mutual agreement on certain material terms, such as aircraft specifications, warranties, usage and transfer of the aircraft, performance guarantees, delivery periods, most favored nation provisions, the type and extent of assistance to be provided by United in obtaining certification of the aircraft for its intended use, territorial restrictions, rights to jointly developed intellectual property, escalation adjustments and other matters. The obligations of United to consummate an order pursuant to the United Purchase Agreement will arise only after all such material terms are agreed by the parties. Payment obligations under the USAF Contracts are predicated upon, among other things, our ability to complete the design, development

and ground test of our Midnight aircraft, our delivery of certain test reports and certificates, the receipt of an FAA Airworthiness Certificate, the development of pilot and maintenance training workshops, the completion of flight tests and the delivery of a certain number of our Midnight production aircraft. The obligations of the USAF to provide funding will arise only after a particular deliverable has been received and accepted by the USAF. Further, with respect to the United Purchase Agreement, in addition to other termination rights set forth in the United Purchase Agreement and the Collaboration Agreement with United (the "United Collaboration Agreement"), if the parties do not agree on such material terms, either party will have the right to terminate the agreements if such party determines in its discretion that it is not likely that such material terms will be agreed in a manner that is consistent with such party's business and operational interests (as those interests may change from time to time). The USAF Contracts may be terminated by the USAF upon advanced written notice and may also be subject to stop orders issued by the USAF. If the United Purchase Agreement, the USAF Contracts or any future purchase agreements or contracts are canceled, modified or delayed, or otherwise not consummated, or if we are otherwise unable to convert our strategic relationships or collaborations into revenue, our prospects, results of operations, liquidity and cash flow will be affected.

Further, we are subject to counterparty risk with respect to our existing purchase agreements and may become further subject to such risk if and when we enter into additional purchase agreements, which could adversely impact our business, results of operations, financial condition and prospects. Our business is, and may in the future be, subject to the risks of non-payment and non-performance by our counterparties. Additionally, the availability of financing for the purchase of our aircrafts is based in part on our counterparties' creditworthiness, and there can be no assurance that they will be able to secure financing from third parties.

We are in the early stages of developing our defense program and have not developed, and may be unable to develop a VTOL aircraft that meets the requirements of the defense industry, and we can provide no assurance that we will achieve some or any of the expected benefits of the program.

Our defense program is in its early stages and its success depends on a number of factors including, anticipating and addressing defense industry requirements, timely and successful research and development; effective pricing; demand forecasting, inventory management, controlling manufacturing and supply costs and quality and reliability of our aircraft. Our defense strategy may require us to work with prime contractors, joint venture partners, and other third parties, and our ability to achieve our objectives will depend in part on our ability to establish, manage, and maintain these relationships on commercially reasonable terms.

Unanticipated problems in developing aircraft for our defense program, including delays or performance failures by partners or suppliers, could also divert resources, delay development or enhancements of our aircraft and increase costs. Problems in the design or quality of our aircraft, including components provided by third parties may impact our business, reputation and customer demand.

If we fail to successfully manage our defense program, including our relationships with strategic partners, contractors and suppliers, and the development, manufacturing, and marketing our aircraft, we may incur higher than expected costs, weaker than anticipated demand for our defense program and aircraft, and changes in demand for our products and services, any of which can harm our business, financial condition, and operating results.

Some of the contract orders for our Midnight aircraft are with U.S. government entities, which are subject to unique risks.

We have purchase agreements with the USAF, a U.S. governmental organization, and may enter into contracts with other governmental organizations in the future. Sales to U.S. and foreign government customers involve unique risks, including:

- new or changes to regulations, could increase compliance costs, and payments may be withheld and/or future business reduced if we fail to comply with new or existing requirements;
- government demand and payment may be impacted by public sector budget cycles and funding approvals, with payment reductions or delays resulting from sudden, unforeseen and disruptive events such as government shut downs, governmental defaults on indebtedness, political changes, geopolitical conflicts, terrorism, natural disasters, or public health emergencies;
- governments routinely audit contractors, and any unfavorable audit could result in reduced or cancelled purchases, fines, or, if improper or illegal activities are identified, civil or criminal liability;
- governments may require certain products to be manufactured, sourced or offered solely in their country or in higher-cost locations and we may not be able to meet these requirements, affecting our ability to sell to such customers; and
- a government agency's refusal to grant certain certifications or clearance or its determination that our products or services do not meet certain standards, may harm our reputation and negatively affect our relationships with other government agencies.

Any of these factors could delay or limit purchases from government customers and adversely affect our business and operating results.

Failure to comply with the debt covenants in our loan agreements could result in our inability to borrow additional funds and adversely impact our business.

Our outstanding credit agreements contain restrictive financial and operational covenants including covenants relating to our liquidity. As of December 31, 2025, we were in compliance with the applicable covenants under our credit facilities.

A covenant breach could accelerate repayment obligations, restrict additional borrowing, and adversely affect liquidity and operations, as well as our ability to pursue other business opportunities that we would otherwise consider in our best interests. In addition, our creditors could proceed against any loan collateral, which could adversely affect our operations,

Our business may be impacted by political and macroeconomic challenges, including the effects of inflation, volatile interest rates or an economic downturn or recession.

Political and macroeconomic conditions and related effects, such as inflation, interest rate volatility, trade and regulatory changes, tariffs, federal budget and debt ceiling uncertainty, banking sector instability, geopolitical conflicts, supply chain disruptions, and regional or global economic downturns, have affected and may continue to affect our business, strategy, financial condition, and results of operations. The existence of inflation in certain economies has resulted in, and may continue to result in, volatile interest rates and capital costs, supply shortages, increased costs of labor, components, manufacturing and shipping, as well as weakening exchange rates and other similar effects. Our mitigation efforts may be ineffective or delayed, and adverse conditions could materially harm our business, liquidity, and results of operation. Even if such measures are effective, there could be a delay between the adverse effect of macroeconomic conditions and the timing of when those beneficial actions impact our results of operations.

Our initial air taxi operations will be concentrated in a limited number of metropolitan areas.

We expect to initially launch our air taxi operations in limited jurisdictions subject to receipt of the necessary approvals, which will increase our exposure to localized infrastructure, regulatory, economic, weather, and operational risks of these jurisdictions. Any changes to local laws or regulations within these jurisdictions that affect our ability to operate or increase our operating expenses in these markets would have an adverse effect on our business, financial condition and operating results.

Disruption at the operations of our initial take-off and landing locations, including labor issues, utility or communications disruptions or outages, or challenges in obtaining charging infrastructure, could harm our business. Certain locations may impose restrictions on flight operations, including limits on takeoffs and landings, bans on eVTOL aircraft, new permitting requirements, changes to operating rules, or introduce or increase take-off and landing fees. These restrictions could adversely affect customer demand, as well as our business, financial condition, and operating results.

Our long-term success and ability to significantly grow our revenue will depend, in part, on our ability to differentiate our products and services from our competitors, establish and expand into international markets and/or expand market segments.

Our future results will depend, in part, on our ability to expand into international markets and additional market segments, such as defense or logistics/cargo. Entering into these international markets and market segments may require significant upfront investment, and expenses, and we may not be able to achieve our anticipated returns. Our international expansion will depend upon our ability to, among other things, obtain required government approvals, adapting to local market and technology requirements and, in some cases, working through joint ventures, minority investments, partnerships or co-marketing with established companies. If we are unable to identify suitable partners or negotiate favorable terms, our growth and market penetration may be limited.

Our ability to compete effectively depends on many factors, including: speed to market of our initial aircraft and UAM and other services, effective strategy and execution of aircraft and service offerings, product safety and performance, pricing, and quality of customer support. Competitors with greater scale, more established customer relationships, and resources could limit our market penetration.

If we experience harm to our reputation and brand, our business, financial condition and results of operations could be adversely affected.

Our reputation and brand are critical to our ability to attract customers, partners, talent, and investors. Negative perception of our technology, industry or our company may harm our reputation and brand, including as a result of:

- complaints or negative publicity or reviews about our aircraft or service offerings from our customers or negative publicity reviews about other brands or events we are associated with, even if factually incorrect or based on isolated incidents;

- changes to our operations, safety and security, privacy or other policies that users or others perceive as overly restrictive, unclear or inconsistent with our values;
- misconduct by employees, management, customers, or partners;
- actual or perceived disruptions or defects in our aircraft or technology, such as data security incidents, platform outages, payment processing disruptions or other incidents that impact the availability, reliability or security of our offerings;
- accidents or incidents involving aircraft operated by one of our commercial partners or another member of the aerospace industry;
- litigation, regulatory investigations or certification delays;
- our inability to operate our air taxi operations in the Los Angeles area and for use during the LA28 Olympic Games due to any potential delays in certification;
- perception of our treatment of employees, contractors, customers or our other business partners, including in response to political or social issues; or
- any of the foregoing with respect to our competitors, to the extent such resulting negative perception affects the public's perception of us or our industry as a whole.

In addition, changes we make to improve offerings or balance stakeholder interests may be viewed positively by some and negatively by others, or by none. Failure to balance stakeholder interests or meet customer expectations could reduce adoption and materially harm our business.

Our business may be adversely affected by labor and union activities.

While none of our employees are currently unionized, many aerospace companies have unionized workforces, which can result in higher employee costs and increased risk of work stoppages. We also rely on other companies, such as suppliers and freight providers, that may have unionized employees, and strikes or labor disruptions at these companies could negatively affect our business, financial condition, or operations.

Our customer purchase agreements may include price escalation clauses, which could lead to losses if our costs rise faster than the agreed escalation rates.

Commercial aircraft contracts are often signed years before delivery. To account for economic changes during that period, prices usually include fixed amounts adjusted by escalation formulas based on labor, commodity, and other indices. Our revenue estimates assume certain escalation formulas, but the actual adjustments are outside of our control and can vary significantly, affecting revenue and operating margins. We can make no assurance that any customer, current or future, will exercise purchase options, fulfill existing purchase commitments or purchase additional products or services from us. The final terms and conditions of the United Purchase Agreement, including any price escalation clauses have not yet been determined, and there is no assurance that we will fully mitigate these risks.

We may fail to realize the anticipated benefits from our planned operations at Hawthorne Airport.

We believe that there are significant benefits that may be realized through our planned operations at Hawthorne Airport. However, the efforts to realize these benefits will be a complex process and may disrupt our existing operations if not implemented in a timely manner.

Failure to achieve the anticipated benefits from our planned operations at Hawthorne Airport could adversely affect our business, results of operations, or financial condition, decrease or delay any accretive effect of our acquisition of the Hawthorne Airport, divert the attention of certain personnel and management, adversely affect the price of our Class A common stock and cause our business to not perform as expected. In addition, while we expect key management that has, since 2005, operated the facilities we acquired at Hawthorne Airport to continue operating these facilities following the transaction, there can be no assurance that such individuals will continue to remain employed by us for any period of time. Our management has limited experience operating the properties and the aviation business that we have acquired. If we fail to effectively manage such businesses and the risks and challenges inherent therewith, we may not realize the anticipated benefits of our planned operations at Hawthorne Airport and our operating results and financial condition will be materially and adversely affected. Our ability to generate revenue from these assets will depend, in part, on our abilities to attract and maintain customers to use the airport and hangar facilities and integrate the property into our planned infrastructure for our anticipated air taxi operations.

We are also planning on completing certain capital projects at Hawthorne Airport, including preparing the site for planned air tax operations in the Los Angeles area and for use during the LA28 Olympic Games. The estimated costs of, and the projected schedule for, our planned capital projects are subject to a number of uncertainties. Our ability to complete these

projects within budgets and on expected schedules may be adversely affected by various factors including, but not limited to: errors in our estimated costs and projected schedule; design and engineering errors; cost increases because of demand for labor and materials; cost increases due to instituted or proposed changes in trade policies; contractors' difficulty in predicting costs over a lengthy construction period; changes to the scope of the projects; material and/or labor shortages; adverse weather conditions; contractor defaults and bankruptcy; labor disputes; unanticipated levels of inflation; litigation; certification, licensing, or permitting denials or delays; other regulatory impediments; and environmental issues. We expect to complete the redevelopment of up to 200,000 square feet of hangar space and to build a planned advanced air mobility center of excellence. Eventually, we aim to develop Hawthorne Airport into an AI-powered operations platform with such features as AI-powered air traffic coordination, AI-coordinated ground operations for managing aircraft, crews and turns, VR-based flight simulation with adaptive AI feedback, operational forecasting driven by AI models, machine learning to detect maintenance needs and biometric and AI-enabled screening for more seamless and secure boarding. These efforts to build the airport of the future, including our plans to use Hawthorne Airport as a innovation hub for the next generation of AI-based aviation technologies, will require significant additional capital and other resources for implementation and may require additional authorization from federal, state, or local regulators. If we are unable to access such capital, obtain the necessary regulatory approval, or develop the proper AI models to support this AI-powered operations platform, we may not be able to realize our long term plan for Hawthorne Airport.

Our operations at Hawthorne Airport subject us to additional federal and state regulations that may result in additional costs.

Our operations at Hawthorne Airport subject us to additional regulatory requirements and compliance with those requirements could result in additional costs. For example, the FAA, from time to time, issues directives and other regulations relating to the management, maintenance, operation, and use of airport facilities. Compliance with those requirements may cause us to incur significant expenditures.

In addition, the City of Hawthorne is subject to its own regulatory and contractual obligations as the owner and operator of Hawthorne Airport. The City of Hawthorne has entered into agreements with the FAA or its predecessor agencies that govern, among other things, how the city may operate and manage Hawthorne Airport and use airport revenue. If the FAA were to determine that the City of Hawthorne is noncompliant with any of those agreements, the FAA could order the city to remedy such noncompliance, including in ways that could materially limit our business operations at Hawthorne Airport or the value of our investment in the airport's facilities or services. Additionally, if the FAA found the City of Hawthorne noncompliant with any of those agreements, the FAA could withhold future federal airport grants from the city until the FAA determines that the city has achieved compliance. Such withholding could reduce the funds available for maintenance or improvement of Hawthorne Airport infrastructure, including runways and taxiways, on which we or our tenants at the airport may rely for our respective operations.

Caltrans separately regulates aspects of Hawthorne Airport's maintenance and operations, primarily to ensure airport safety, and Caltrans regularly inspects the airport for compliance with federal and state requirements. If Caltrans were to find the airport noncompliant with those requirements, it could direct the City of Hawthorne to remedy such noncompliance. Those remedies could limit our use or development of facilities at Hawthorne Airport or require the airport's tenants, including us or our subtenants, to pay higher or additional fees to subsidize any required remedial measures.

The aviation business is subject to numerous, often-stringent federal, state, local, and foreign laws, regulations, and ordinances relating to the protection of the environment and noise, including those relating to emissions to the air, discharges, and the use, management, disposal, and release of, and exposure to, hazardous substances and waste materials. There is increasing litigation and regulatory focus in the U.S. concerning the potential health hazards of per- and polyfluoroalkyl substances ("PFAS"), a group of chemical compounds that have been used in various applications, including in firefighting foam at some airports. We have no knowledge of PFAS use or contamination at Hawthorne Airport, but we have no basis to determine whether any airport users have dispensed PFAS-containing firefighting foam or other products at Hawthorne Airport in the past. If PFAS contamination were found at Hawthorne Airport, we could be subject to liability or be required to undertake environmental remediation that could prove costly and materially impact our operations at the airport. In addition, Hawthorne Airport may be required to comply with Title III of the ADA to the extent that it is considered a "public accommodation" as defined under the ADA.

Our master ground lease with the City of Hawthorne for the property on which Hawthorne Airport is located may not be renewed or may be amended on unfavorable terms, potentially limiting our operations and increasing costs.

We do not own the property on which Hawthorne Airport is located. Instead, we have assumed an existing master ground lease with the City of Hawthorne that gives us the right to manage and sublease most of the airport's commercial and hangar facilities consistent with city approvals and subject to FAA requirements. The remaining term of that master ground lease runs through 2055. The master ground lease contains provisions for a fixed rate increase over the life of the lease on the rent to be paid to the City of Hawthorne. The city authorities may choose not to renew a lease at all or to only renew the lease on terms

that are unfavorable to us. At the conclusion of a lease, we may be required to participate in a bidding process to renew the master ground lease, which could require unanticipated capital spending and could divert management's attention during the pendency of the process.

In addition, our master ground lease at Hawthorne Airport is subject to the City of Hawthorne's airport grant agreements with the FAA. If the FAA were to find the master ground lease in conflict with any such grant agreement, the FAA could require the City of Hawthorne to amend the master ground lease to resolve the conflict. Such an outcome could materially limit our use of the master ground lease or otherwise materially limit the value of the master ground lease to us.

The final terms of our proposed manufacturing relationship with Stellantis and its affiliates remain uncertain and are subject to the negotiation of definitive documentation.

We entered into a Memorandum of Understanding effective November 1, 2024 with FCA US LLC, a wholly-owned subsidiary of Stellantis, containing additional detail regarding the terms of the planned manufacturing relationship with Stellantis. We have not yet executed the final agreement and there is no assurance that we will execute the agreement in the near term or at all.

Failure to maintain effective internal controls and disclosure controls could materially harm our business, operating results, and financial condition.

Ineffective controls could lead to inaccurate financial reporting, regulatory noncompliance, restatements, fraud, or loss of investor confidence, which could negatively affect our reputation and the market price of our Class A common stock. Our controls may become inadequate due to changes in our business, and control weaknesses have been identified in the past and may be identified in the future, including through adverse findings by our independent registered public accounting firm. Our independent registered public accounting firm has in the past or may in the future issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating. Compliance with public company reporting requirements, including Section 404 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act"), requires significant management time, resources, and expense, and may divert attention from our core business and increase operating costs.

Public health threats, including epidemics and pandemics, could materially harm our business, prospects, financial condition, and operating results.

We face various risks related to public health issues, including epidemics, pandemics and other outbreaks that could significantly harm our operations and financial results. Such events may disrupt manufacturing, supply chains, and operations, as seen during COVID-19. The impact and duration of these risks are highly uncertain and depend on factors such as severity, government responses, and the pace of economic recovery. Even after these events subside, we may continue to experience adverse effects, including ongoing supply chain disruptions.

A major health or safety incident could adversely affect our reputation, business and results of operations.

Manufacturing lines, airports, and aviation infrastructure are inherently dangerous, and operating in this industry involves certain inherent health and safety risks. Given the regulatory requirements governing health and safety, as well as our operations at Hawthorne Airport and other sites, maintaining strong health and safety performance is critical to the success of all aspects of our business.

Any failure in health and safety performance, whether at our own facilities or those of our contract manufacturers and suppliers, may result in penalties for non-compliance with applicable laws or regulations, regulatory investigations, or litigation. A major or significant health and safety incident could also result in substantial costs, generate negative publicity, and materially harm our reputation and relationships with regulators, governmental authorities, and local communities. Such impacts could have a material adverse effect on our business, and results of operations.

Failure to comply with aviation and eVTOL-related laws and regulations could materially harm our business, financial condition, and operating results.

Our aircraft, UAM operations, and other services are subject to extensive and evolving regulation, including aircraft certification, production certification, passenger and flight operations, airspace use, safety, security, and infrastructure requirements. For example, in October 2024, the FAA published the operational regulations, or SFAR, for eVTOL aircraft. Any other regulatory changes or revisions could delay our ability to obtain type certification, and could delay our ability to launch our UAM and other services.

Rigorous testing and the use of approved materials and equipment are among the requirements for achieving aircraft certification with the FAA and other comparable regulators. Our failure to obtain or maintain certification for our aircraft or infrastructure would have a material adverse effect on our business and operating results. We will also need to obtain and

maintain operational authority necessary to provide our envisioned UAM and other services. A transportation or aviation authority may determine that we cannot manufacture, provide, or otherwise engage in those services as we have contemplated. The inability to implement our envisioned services could adversely affect our results of operations, financial condition, and prospects.

Compliance is costly and time-consuming, and regulatory changes could delay certification, limit operations, postpone or restrict operations and increase costs. If we fail to obtain or maintain required certifications or operating approvals, or if laws change in ways that make compliance impractical or prohibitively expensive, our business and prospects could be adversely affected. As we expand internationally, we will face additional complex regulatory requirements, which could further restrict our operations and increase costs.

Our business and reputation are impacted by information technology system failures and network disruptions.

We and our global supply chain rely on complex information technology systems and are exposed to information technology system failures or network disruptions caused by natural disasters, accidents, power disruptions, telecommunications failures, acts of terrorism or war, computer viruses, physical or electronic break-ins, ransomware or other cybersecurity incidents, or other events or disruptions. These incidents could disrupt our operations; result in the loss, theft or misuse of intellectual property; compromise sensitive, personal or confidential information; jeopardize facility or aircraft security; or impair the performance of aircraft systems and software.

We collect, store, transmit and otherwise process data from our aircraft, customers, employees and others, including personal information or confidential or proprietary information. We also work with partners and third-party service providers or vendors that collect, store and process such data on our behalf and in connection with our aircraft. Although we have implemented security controls, there can be no assurance that our security controls or those of our partners and vendors will prevent all security breaches. A data breach or cybersecurity incident could result in contractual liability, regulatory penalties, remediation costs, loss of customer trust, and reputational damage.

Our aircraft and operational systems have avionics and flight control software services and functionality that utilize data connectivity to monitor aircraft performance and to enhance safety and preventative maintenance. Disruptions, vulnerabilities, unauthorized access, or misuse of these systems and software could negatively affect aircraft performance, safety, operations, and customer acceptance. We intend to use our avionics and flight control software and functionality to log information about each aircraft's use in order to aid us in aircraft diagnostics and servicing. Our customers may object to the use of this data, and applicable laws may restrict data use, retention, or cross-border transfers, increasing compliance costs and limiting operational flexibility.

Our aircraft contain complex information technology systems and built-in data connectivity to share aircraft data with ground operations. We plan to design and implement security measures to protect these systems, they may be vulnerable to unauthorized access, data breaches or cybersecurity incidents. A significant breach of our third-party partners', service providers' or vendors' or our own network security and systems could adversely affect our business and prospects, including possible fines, penalties and damages, reduced customer demand, and reputational harm.

Developing, expanding and upgrading our information technology systems involve inherent risks that could disrupt key business processes, including data management, procurement, production, finance, and supply chain. These risks could impair our ability to manage our data and inventory, procure parts, manufacture, deploy, deliver and service our aircraft, protect intellectual property and comply with legal and contractual requirements. Failure in our systems or those of third-party vendors or suppliers could disrupt our operations and financial reporting, expose intellectual property and require us to expend significant resources to make corrections or find alternative sources for performing these functions.

Cybersecurity threats are evolving rapidly, including phishing, social engineering, and sophisticated attacks by nation-state or state-sponsored actors, particularly during geopolitical conflicts. Laws, regulations, and industry standards governing cybersecurity, data protection, and software security continue to evolve globally, which may increase compliance obligations and costs. Breaches may require disclosure to affected individuals, regulators, or other stakeholders, which could harm our reputation, erode customer trust, and result in substantial remediation expenses. While we maintain cybersecurity insurance, coverage may be insufficient or unavailable for certain claims, and large claims could exceed coverage, increase premiums, or reduce insurance availability, adversely affecting our business and financial condition.

Failure to comply with laws and regulations relating to privacy, data protection and consumer protection, or the expansion of current laws and regulations or the enactment of new laws or regulations in these areas, could adversely affect our business and our financial condition.

We are subject to numerous U.S. and foreign laws, regulations, contractual obligations and industry standards relating to privacy, data protection, and consumer protection, including the California Consumer Privacy Act and the European Union and U.K. General Data Protection Regulations. These laws govern the collection, storage, retention, protection, use, processing,

transmission, sharing and disclosure of personal information and impose obligations such as security safeguards, breach notifications, and rights for individuals to access or control their data. Compliance can be resource-intensive and we may need to implement additional policies, systems, and controls. Non-compliance by us or our third-party vendors, can result in civil or criminal liability, regulatory investigations, fines or penalties, private litigation, and reputational harm.

The regulatory landscape is rapidly evolving. In the U.S., many states have enacted or are considering comprehensive consumer privacy laws, and federal regulatory authorities such as the Federal Trade Commission and state attorneys general continue to interpret and enforce consumer protection and data privacy requirements. Internationally, new cross-border data transfer frameworks, local storage requirements, and differing regulatory interpretations may increase operational complexity, compliance costs, and risk of enforcement. The scope and interpretation of the laws are often uncertain and may be inconsistent across jurisdictions.

We publish privacy policies and other documentation regarding our collection, processing, use and disclosure of personal information and/or other confidential information. Although we endeavor to comply with these policies, we may at times fail or be perceived to have failed to do so. Moreover, despite our efforts, we may not achieve compliance if employees, contractors, service providers or vendors fail to comply with these policies. Such failures can subject us to potential regulatory action if we are found to be deceptive, unfair, or misrepresentative of our actual practices. Claims alleging violations of privacy rights, data protection laws or applicable privacy notices, even if we are not found liable, could be expensive and time-consuming to defend and result in adverse publicity.

Our investment in AI initiatives and use of AI exposes us to risk, which could adversely affect our reputation, business, operating results, and financial condition.

We are making investments in AI initiatives, including with respect to our services and technologies at Hawthorne Airport. AI technologies are complex and rapidly evolving, and we are subject to an evolving regulatory landscape. Our efforts to incorporate AI may result in new or enhanced governmental or regulatory scrutiny, litigation, ethical concerns, or other complications that could adversely affect our business, operating results and financial condition. For example, AI models, training data, outputs, or applications may be inaccurate, biased, harmful, or non-compliant with current or future laws and regulations, including those relating to aviation safety, consumer protection, intellectual property, and privacy, and may expose us to litigation or regulatory liability. Moreover, our use of third-party AI models relies on safeguards implemented by their developers, including with respect to data quality, accuracy, and bias, and these safeguards may be insufficient.

If our AI initiatives result in unintended or controversial outcomes because of their impact on human rights, privacy, employment, or other social, economic, or political issues, or if we fail to maintain effective governance, policies, and controls over AI development and use, we may suffer reputational harm, loss of customer trust, competitive disadvantage, or legal liability. Moreover, our competitors may introduce AI-enabled products or services that achieve greater market acceptance than ours. In our industry, failures, errors, or vulnerabilities in AI systems used in safety, security, or mission-critical workflows (including adversarial attacks, model drift, hallucinations, or data leakage) could result in safety incidents, operational disruptions, service delays, or grounding, and may delay or prevent regulatory approvals or certifications, trigger investigations or enforcement by aviation authorities, increase compliance costs, or expose us to product liability and contractual claims. We may also become subject to new or expanded regulatory and industry requirements, which could require changes to our systems, increase compliance costs, or limit certain uses of AI.

We may also face requirements under emerging AI and safety regulations and sector standards that could necessitate changes to our systems and processes or limit certain uses of AI. Our insurance coverage may not extend to all AI-related risks or losses. Any of these factors could adversely affect our business, operating results, and financial condition.

Our current international operations and our expansion plans could subject us to political, operational and regulatory challenges.

We sell our aircraft and are developing UAM operations outside the United States, and we are continuing to expand our international operations as part of our growth strategy. For example, we have established relationships with suppliers and potential partners in select international markets and have begun working with regulators in other countries to pursue commercialization opportunities in those markets. International operations are subject to risks such as differing or more stringent regulations, political or economic instability, cross-border tensions, import/export compliance, tariffs, trade barriers, privacy and data protection requirements, weaker intellectual property protection, overlapping tax regimes, information security, labor and employment matters, and anti-corruption or anti-bribery liabilities.

Our business is also subject to stringent U.S. import and export control laws and sanctions, which may include the Export Administration Regulations (“EAR”), the International Traffic in Arms Regulations, and economic sanctions administered by the Treasury Department’s Office of Foreign Assets Control. Compliance requires licenses and controls on technology transfers, and changes in laws, classifications, or policies could restrict operations, delay commercialization, impact our ability

to compete successfully, or lead to penalties, debarment, or reputational harm. Changes in U.S. trade control laws and regulations, or reclassifications of our products or technologies, may restrict our operations.

Recent and potential changes in U.S. and foreign trade policies, including tariffs, trade restrictions, and renegotiation or termination of trade agreements, have increased uncertainty and affected the pricing and availability of our products and components. Retaliatory tariffs, further increases in U.S. tariffs, and ongoing trade uncertainties may adversely affect demand for our aircraft and services. Certain aircraft components are difficult or impossible to source domestically. As a result, changes in trade conditions could increase our costs, disrupt supply chains, require significant management attention, and harm our business and operating results if not effectively managed.

Our aircraft operations and infrastructure may be affected by adverse weather and other factors.

Adverse weather conditions, such as storms, floods, fires, high winds, extreme heat, and other climate-related events, could impact our aircraft operations, infrastructure, and financial results. These risks may include damage to facilities or assets, flight cancellations or delays, reduced aircraft availability, increased regulatory or reporting requirements, reputational effects, and costs to enhance climate resiliency. In addition, adverse weather and operational constraints, including airspace congestion, vertiport availability, and local limits, could reduce aircraft utilization and adversely affect our efficiency and ability to scale. We cannot predict the materiality of any potential losses or costs associated with these factors.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain additional executive management and qualified board members.

As a public company, we are required to comply with a number of laws and regulations such as the Exchange Act, Sarbanes-Oxley Act, Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and NYSE listing standards. Compliance with these rules and regulations has increased, and will continue to increase, our legal and financial compliance costs, make some activities more difficult, time-consuming, or costly, and increase demand on our systems and resources. Changes in laws or their interpretation could further increase costs, create uncertainty, or lead to legal action. We may also face higher insurance costs and challenges attracting qualified board members and executives.

As a result of disclosure of information in the filings required of a public company, our business and financial condition is more visible, which may result in threatened or actual litigation, including by competitors. If such claims are successful, our business and operating results could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business and operating results.

We may face legal proceedings, which can be costly and time-consuming.

Pending legal proceedings and other future legal proceedings against us or our employees, regardless of outcome or merit, could be time consuming and expensive to defend or resolve, result in substantial diversion of management and technical resources, delay or prevent commercialization of our aircraft, harm our reputation, or require us to stop using certain intellectual property. In the event of an adverse outcome of litigation, we may have to cease developing and/or using the asserted intellectual property, which could significantly adversely impact our business, financial condition, or results of operation.

Our business may be adversely affected if we are unable to protect our intellectual property rights from unauthorized use by third parties.

Protecting our patents, trade secrets, trademarks, copyrights, and other intellectual property is critical to maintaining competitive advantage. Our success depends, at least in part, on our ability to protect our key technology and intellectual property and to maintain access to intellectual property licensed or acquired from third parties. We will rely on a combination of patents, trade secrets (including know-how), employee and third-party non-disclosure agreements, copyrights, trademarks, intellectual property licenses and other contractual rights to establish and protect our rights in our technology. However, the measures we take may not be effective for various reasons, including: patent applications may not be granted and issued patents may be challenged, invalidated or found too narrow to fully protect our proprietary rights; employees or business partners may breach their confidentiality, non-disclosure and non-use obligations to us; third parties may independently develop similar technologies or design around our patents; and costs associated with enforcing patents, confidentiality and invention agreements or other intellectual property rights may make enforcement impracticable. We also depend on intellectual property that we license or otherwise acquire from third parties. These arrangements may limit our rights to use, modify, sublicense, or commercialize such intellectual property, may contain obligations that increase our operating costs, and may be subject to termination under certain conditions. If these licenses or other agreements are terminated, restricted, or not renewed on favorable terms, or if we are unable to obtain or maintain necessary licenses on commercially reasonable terms, we may be required to redesign our products, delay development or commercialization, or incur substantial additional costs, any of which could materially adversely affect our business.

Also, while we have registered and applied for trademarks in an effort to protect our investment in our brand and goodwill with customers, competitors may challenge the validity of those trademarks and other brand names in which we have invested. Such challenges can be expensive and may adversely affect our ability to maintain the goodwill gained in connection with a particular trademark. Further, intellectual property laws differ across countries and to the extent we expand our international activities, our exposure to unauthorized use of our technologies and proprietary information may increase. Protecting our intellectual property abroad may require the attention of management significant resources, including litigation, and may not always succeed.

Our certificate of incorporation requires, to the fullest extent permitted by law, that derivative actions, fiduciary claims, and certain other lawsuits be brought only in the Delaware Court of Chancery, or in U.S. federal courts for Securities Act claims.

Our amended and restated certificate of incorporation requires, unless we agree otherwise in writing, that certain lawsuits brought by stockholders be filed only in the Delaware Court of Chancery or, for claims under the Securities Act, in federal district courts. This applies to derivative actions, fiduciary duty claims, claims under Delaware law or our governing documents, and other matters related to our internal affairs. Anyone who owns or acquires our stock is deemed to consent to this provision.

This forum selection may limit stockholders' ability to choose a preferred court for disputes and could discourage lawsuits. However, there is no assurance that a court would enforce the choice of forum provision contained in our amended and restated certificate of incorporation. If a court were to find such provision to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

Certain of our warrants are classified as liabilities and changes in their value could materially affect our financial results.

On April 12, 2021, the staff of the SEC expressed its view that certain terms and conditions common to special purpose acquisition company ("SPAC") warrants may require liability classification. As a result, our public and private placement warrants were classified as derivative liabilities at fair value, with changes in fair value reported in its statement of operations for each reporting period. See Note 11 - Warrants in the accompanying notes to our consolidated financial statements included in Part II, Item 8 of this Annual Report for additional information about our public and private placement warrants. Accounting Standards Codification ("ASC") 815-40 provides for the remeasurement of the fair value of such derivatives at each balance sheet date, with a resulting non-cash gain or loss related to the change in the fair value being recognized in the consolidated statements of operations. Because these warrants are remeasured each reporting period, our financial results may fluctuate quarterly due to factors beyond our control, which could be material non-cash gains or losses.

Evolving scrutiny and expectations from regulators and stakeholders regarding our environmental, social and governance (ESG) practices and value proposition could adversely affect our business, brand and reputation.

Evolving expectations from investors, regulators, customers, employees, and other stakeholders regarding ESG practices could affect our business and reputation. If our ESG practices, disclosures, or goals do not meet expectations or comply with regulations, we may face litigation, regulatory enforcement, or criticism. Failures—or perceived failures—could harm our brand, employee retention, and willingness of customers and third parties to work with us. Changes in ESG reporting frameworks, negative public perception, or increased compliance costs could divert management attention and negatively impact our business.

New accounting standards or changes in interpretation could adversely affect our financial results.

Changes in accounting standards or varying interpretations of existing or new accounting pronouncements could adversely affect our financial results. Significant costs may be required to comply with these changes, and misalignment of systems or processes could delay reporting or affect internal controls. Management judgments and assumptions based on these standards may differ from actual outcomes, potentially causing operating results to fall below guidance or analyst expectations, which could lower our stock price.

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

As of December 31, 2025, we had approximately \$1,372.4 million and \$146.8 million of federal and state net operating loss carryforwards ("NOLs") and \$77.2 million and \$45.0 million federal and state research and development tax credits. Federal NOLs after 2017 may be carried forward indefinitely but are limited to 80% of the excess, if any, of current year taxable income (without regard to deductions). Our ability to use NOLs and other tax attributes may be limited by "ownership change" rules under Sections 382 and 383 of the Internal Revenue Code or similar state laws, including past or future stock ownership changes beyond our control. In addition, at the state level, there may be periods during which the use of net operating losses is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. As a

result, even if we attain profitability, we may be unable to use all or a material portion of our net operating losses and other tax attributes, which could have an adverse impact on our business, financial condition and results of operations.

New or revised tax laws could materially affect our business, cash flows, or financial results.

New tax laws, statutes, rules, regulations or ordinances could materially affect our business, cash flows, or financial results. Existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. Changes in corporate tax rates, the realization of net deferred tax assets, taxation of foreign earnings, and expense deductibility could result in significant one-time charges, and could increase our future U.S. tax expense.

Risks Related to Ownership of Our Securities

The price of our Class A common stock and warrants may be volatile, and you could lose all or part of your investment.

The price of our Class A common stock and warrants may fluctuate due to various factors, including changes in macroeconomic, geopolitical, market, and industry conditions; volatility in interest rates, inflation, and currency exchange rates; supply chain disruptions; political events, regulatory developments, and acts of war or terrorism; our financial performance and guidance relative to expectations; actions by us or our competitors; strategic transactions and capital commitments; changes in management; declines in equity markets generally; future issuances or sales of our securities; investor sentiment; litigation or regulatory investigations; accounting changes; actions by significant stockholders; and other events beyond our control.

In the past, following periods of market volatility, stockholders have instituted securities class action litigation. If we were involved in securities litigation, it could have a substantial cost and divert resources and management attention from our business regardless of the outcome of such litigation.

We may be required to take write-downs or write-offs, or incur restructuring, impairment or other charges that could significantly harm our financial condition, results of operations and the price of our Class A common stock, potentially causing you to lose some or all of your investment.

Factors outside of our control may, at any time, arise. As a result of these factors, we may be forced to later write-down or write-off assets, restructure operations, or incur impairment or other charges, resulting in reporting losses. Even if these charges are non-cash and do not immediately affect liquidity, they could contribute to negative market perceptions and may make it more difficult or expensive to obtain financing.

There is no assurance we will maintain compliance with NYSE continued listing standards. If we fail to meet these requirements, the NYSE could delist our securities, limiting investors' ability to trade them and imposing additional trading restrictions.

Our Class A common stock and public warrants are listed on the NYSE under the symbols "ACHR" and "ACHR WS." If delisted and we cannot list on another national exchange, our securities may trade over-the-counter, which could result in: limited market quotations for our securities, reduced liquidity, classification of our Class A common stock as a "penny stock" triggering stricter broker rules and potentially lower trading activity, reduced news and analyst coverage, and decreased ability to issue additional securities or raise financing.

Our Class A common stock price and trading volume may be affected by industry and financial analysts' reports.

If analysts fail to cover us, downgrade us or our sector, or publish inaccurate or unfavorable research, our stock price could decline. In addition, some financial analysts may have limited expertise with our model and operations. Losing analyst coverage could reduce market visibility and further impact stock price and trading volume.

We do not expect to pay cash dividends on our Class A common stock in the foreseeable future. We intend to retain any earnings to fund the growth and development of our business, and as a result, investors may not receive a return on their investment unless they sell their shares, and the value of our common stock may not appreciate.

Future sales, or perceived future sales of our Class A common stock by us or our stockholders could reduce our stock price.

Sales or perceived sales of our Class A common stock by us or other stockholders could also reduce stock price and make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. All shares that were registered on our registration statement on Form S-4, which was declared effective on August 11, 2021, are freely tradable without restriction by persons other than our "affiliates," (as defined under Rule 144 of the Securities Act ("Rule 144")), including our directors, executive officers and other affiliates. Some stockholders are contractually restricted from selling shares for a specified period or have rights, subject to some conditions, to require us to file registration statements for the public resale of shares of Class A common stock or to include such shares in registration statements that we may file for us or other stockholders. Any registration statement we file to register additional shares, whether as a result of registration rights or otherwise, could cause the market price of our Class A common stock to decline or be volatile.

As restrictions on resale end or if these stockholders exercise their registration rights, the market price of our Class A common stock could drop significantly if the holders of these shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of our Class A common stock or other securities.

We have an aggregate of 25,394,997 public and private placement warrants, which entitle the holder thereof to purchase one share of our Class A common stock at a price of \$11.50 per whole share, subject to adjustment. These public and private placement warrants expire in September 2026. Moreover, as of December 31, 2025, we have an additional 19,340,138 outstanding private warrants issued to certain parties, 8,200,162 of which remain subject to vesting conditions. Exercise of these warrants will dilute existing stockholders and increase the number of shares in the public market.

Shares reserved for issuance under our equity incentive plans will also become eligible for public sale once issued, subject to vesting provisions, and, in some cases, limitations on volume and manner of sale applicable to affiliates under Rule 144, as applicable. We have filed, and will continue to file, Form S-8 registration statements to register these shares, making them available for sale in the open market.

We have and may issue our securities as consideration for services and in connection with investments or acquisitions. Such issuances could significantly dilute existing stockholders and increase the number of shares available in the public market.

Anti-takeover provisions in our governing documents could delay or prevent a change of control.

Certain provisions of our amended and restated certificate of incorporation and bylaws have anti-takeover effects and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt or other change of control, even if such transaction may benefit stockholders or offer a premium for their shares.

These provisions provide for, among other things: the board of directors' ability to issue one or more series of preferred stock, a classified board, advance notice requirements for director nominations and stockholder proposals at annual meetings, limits on calling special stockholder meetings, limits on stockholder action by written consent; and our board of directors has the authority to adopt, amend or repeal our amended and restated bylaws.

These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the offer might be considered beneficial by many of our stockholders, which could limit stockholders' ability to obtain a premium for their shares. They could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choice or influence other corporate actions.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

We understand the importance of maintaining an active cybersecurity risk management and strategy program. As an emerging technology company, we understand that we may face cyber threats that range from common cyberattacks, such as ransomware, to more advanced attacks such as advanced persistent threats perpetrated by nation-state actors and other highly organized actors. Our cybersecurity risk management program is guided by industry standards, such as the National Institute of Standards and Technology (“NIST”). We strategically partner with industry leading external vendors to perform cybersecurity assessments, as well as regular penetration testing to better understand our potential vulnerabilities, threat vectors, and impact on critical assets or operations. As part of these processes, our cybersecurity team identifies and prioritizes risks to devise our annual cybersecurity mitigation strategy and address operational risks. Our cybersecurity program is organized around the following key areas:

Risk Management and Strategy

We maintain a cybersecurity risk management program to assess, identify, and address significant cybersecurity risks, incorporating them into our broader enterprise risk management processes. Our program is guided by recognized industry standards and is designed to be risk-based and adaptable as our business, technology, and threat landscape evolve. We rely on a combination of internal resources and, when appropriate, third-party service providers to support activities such as security assessments, vulnerability detection, and testing.

Key elements of our cybersecurity program include:

- Risk assessment and prioritization processes aim to identify cybersecurity risks, including those related to third-party service providers, and to facilitate remediation planning and tracking.
- Employee security awareness and training are designed to improve cybersecurity hygiene and help employees recognize and report suspected threats, such as phishing and social engineering.
- Technical and administrative safeguards to minimize the likelihood and impact of cybersecurity incidents, including endpoint security, identity and access management, and network protection.
- Monitoring and detection practices, including the use of security tooling and, when appropriate, third-party services, are designed to help identify indicators of compromise and support response activities.
- Incident response processes designed to support investigation, containment, remediation, recovery, and escalation, including consideration of cybersecurity incident materiality and related disclosure requirements.

Cybersecurity Service Providers and Third-party Consultants. In addition to our internal cybersecurity team, we engage cybersecurity consultants and other third parties to assess and enhance our information security practices. These third parties conduct assessments, penetration testing, and vulnerability assessments to identify weaknesses and recommend improvements. We also utilize third-party tools and technologies to support our efforts to enhance our cybersecurity functions.

Governance

The Audit Committee of our Board of Directors provides oversight of cybersecurity risks and receives updates from management on cybersecurity matters.

The Chief Information Security Officer (“CISO”) and management team are responsible for the day-to-day operation of our cybersecurity program, including assessing and managing material risks from cybersecurity threats and reporting relevant matters to the Audit Committee and, as appropriate, the full Board.

We may engage third-party service providers and consultants to assist with aspects of our cybersecurity program, and management oversees these relationships consistent with our risk management practices.

In 2025, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. For additional discussion of cybersecurity risks, see the section entitled “Risk Factors — Our business and reputation are impacted by information technology system failures and network disruptions.”

Item 2. Properties

We lease our headquarters in Silicon Valley, California, as well as additional offices, research and development facilities in the San Francisco Bay Area and Huntington Beach, flight test facilities at Salinas Municipal Airport in Salinas, California, and

high-volume manufacturing facilities in Covington, Georgia. We also lease the site on which the Hawthorne Airport is located from the City of Hawthorne, California. We believe our existing leased properties are in good condition and suitable for the conduct of our business.

Item 3. Legal Proceedings

For a description of our material pending legal proceedings, see Note 7 - Commitments and Contingencies in the accompanying notes to our consolidated financial statements included in Part II, Item 8 of this Annual Report, which is incorporated herein by reference. From time to time, we may bring or be subject to other legal proceedings and claims in the ordinary course of 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 can be reasonably estimated.

Item 4. Mine Safety Disclosures

Not applicable.

Part II

Item 5. Market for Registrants’ Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information for Common Stock

Our Class A common stock and warrants trade on the New York Stock Exchange under the symbols “ACHR” and “ACHR WS”.

Holders of Record

As of February 25, 2026, there were 70 stockholders of record of our Class A common stock. The actual number of holders of our Class A common stock is greater than the number of record holders and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers or other nominees. The number of holders of record presented here also does not include stockholders whose shares may be held in trust by other entities.

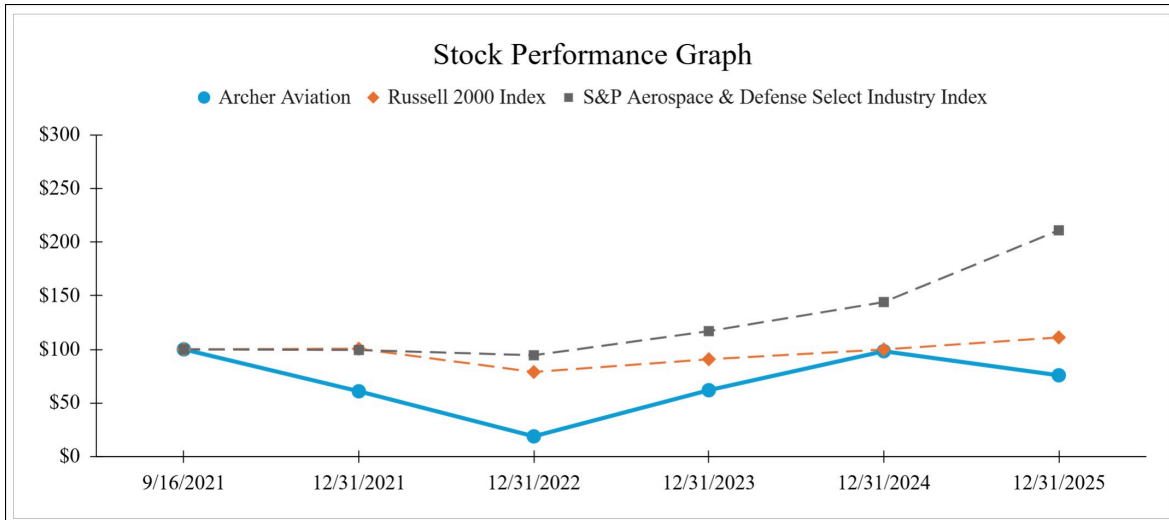
Dividend Policy

We have never declared nor paid any cash dividends on our capital stock. We anticipate that we will retain all of our future earnings, if any, for use in the operation and expansion of our business and do not anticipate paying cash dividends in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the sole discretion of our board of directors and will depend on, among other things, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that our board of directors may deem relevant.

Stock Performance Graph

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

The following graph compares the cumulative total stockholder return of our Class A common stock of \$100 invested in our Class A common stock as of September 16, 2021, the Closing Date of the Business Combination, through December 31, 2025 to the Russell 2000 Index and S&P Aerospace & Defense Select Industry Index.



Recent Sales of Unregistered Securities

None.

Use of Proceeds

None.

Issuer Purchases of Equity Securities

None.

Item 6. [Reserved]

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related accompanying notes included elsewhere in this Annual Report. Refer to [Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations](#) located in our Annual Report on Form 10-K for the year ended December 31, 2024, filed on February 28, 2025, for a comparison of our results of operations for the years ended December 31, 2024 and 2023. The following discussion includes forward-looking statements, which are based on our current expectations and beliefs concerning future developments and the potential effects of such developments on us. There can be no assurance that future developments affecting us will be those that we have anticipated. See the section titled “Special Note Regarding Forward-Looking Statements” in this Annual Report. Our actual results could differ materially from such forward-looking statements. Factors that could cause or contribute to those differences include, but are not limited to, those set forth in Part I, Item 1A, “Risk Factors” in this Annual Report.

Overview

Archer is developing the technologies and aircraft to power the future of advanced aviation. We are building a platform to deliver advanced aircraft, technologies and services to customers worldwide across commercial and defense sectors.

Midnight is our eVTOL aircraft purpose-built for air taxi operations globally. To prepare for commercial operations, we are working with aviation authorities, governments, and strategic partners in key U.S. and international markets to certify Midnight and build out air taxi networks. These planned networks will connect major population and business centers with key transportation hubs in select metropolitan areas through partnerships with airline operators to integrate eVTOL flights into passenger journeys and collaborations with infrastructure partners to develop vertiports.

- In the U.S., we have applied to participate in the eIPP, a White House initiative to accelerate air taxi deployments in American cities. We have partnered with cities across California, Florida, Texas, Georgia, and New York on multiple applications to launch initial air taxi operations under the eIPP later this year. As part of broader commercialization strategy in the U.S., we recently acquired control of the Hawthorne Airport located near Los Angeles International Airport and Downtown Los Angeles. We plan for the airport to serve as the operational hub for our Los Angeles network and an innovation hub for developing and commercializing next-generation AI-powered aviation technologies.
- Outside the U.S., through our Launch Edition program, we are offering aircraft, technologies, and services to governments and customers to support the commercialization of Midnight in select international markets with the UAE leading the way. In the UAE, we have been working closely with the country’s federal aviation regulator, the GCAA, over the past year to establish the optimal regulatory pathway for commercial operations. Following hot weather flight testing last year, we are on track to deliver additional Midnight aircraft this year in preparation for initial passenger operations and are working with strategic partners to build out a vertiport network across Abu Dhabi and the country.

Our commercial readiness progress is driving growing global demand across Europe, Middle East, Africa and Asia-Pacific for this new category of transportation.

We are also advancing a dual-use hybrid-electric, autonomous vertical take-off and landing (“VTOL”) aircraft platform for both defense and commercial customers. Through our strategic partnership with Anduril Industries Inc. (“Anduril”), this aircraft platform is intended to meet the vertical lift needs of the U.S. and its Allies for decades to come. For commercial customers, that aircraft can be tailored for cargo and medical evacuation.

We are currently scaling production of our aircraft and electric powertrain at our “golden manufacturing lines” in Silicon Valley and our high-volume facility in Georgia to support certification and early commercial deployments.

We are also developing artificial intelligence (AI) and autonomy technologies to support the advancement of our air traffic control system from concept to a scalable reality.

Our Planned Lines of Business

By maintaining an innovative and disciplined approach to new product and service development, manufacturing, and commercialization we believe that we can deliver advanced aviation technologies and solutions that can service a broad range of industries and use cases. We intend to operate in the following areas:

- **Commercial:** This is planned to consist of the sale of our commercial aircraft and related technologies and services, as well as providing direct-to-consumer air taxi services in select metropolitan areas worldwide.
- **Defense:** This is planned to consist of the sale of next-generation aircraft and related technologies for defense applications. Our initial product is intended to be the hybrid-electric VTOL aircraft discussed earlier that we are jointly developing with Anduril. Our team is advancing opportunities around at how we can bring the proprietary technologies we’ve built for our commercial aircraft to defense applications, such as our electric battery pack and

electric engines. In November 2025, we announced our first deal for third-party adoption of these technologies in the defense sector, with Anduril and EDGE Group choosing to use our electric powertrain to power their Omen autonomous air vehicle. We have also been continuing to advance our partnership with the DoD, which started in 2021, on a series of projects through the USAF's AFWERX program with the goal of helping the AFWERX Agility Prime program assess the transformational potential of the vertical flight market and related technologies for DoD purposes.

To date, we have not generated significant revenue from these planned areas. We will use our cash and cash equivalents for the foreseeable future as we continue to develop our aircraft, related technologies, manufacturing operations and UAM operations, and work to commercialize both the commercial and defense sectors of our business.

Components of Results of Operations

Revenue

We continue to design, develop, certify, and bring up manufacturing of our aircraft and do not expect to begin generating significant revenues until we complete the design, development, certification, and manufacturing ramp-up of our aircraft, as well as the development of related technologies and services.

We began generating lease revenue from the leasing of hangar space at Hawthorne Airport in the fourth quarter of 2025. The lease income is recognized as earned over each monthly lease period beginning on the lease commencement date. We expect revenue to increase as we develop and bring additional hangar spaces into service and expand offerings.

Operating Expenses

Cost of Revenue

Cost of revenue primarily consists of master ground lease payments to the City of Hawthorne, utilities, property taxes, and insurance associated with the leased hangar space. Master ground lease payments are accounted for in accordance with ASC 842, Leases, while utilities, property taxes, and insurance are recognized as incurred. We expect cost of revenue to increase over time as operations expand.

Research and Development

Research and development activities represent a significant part of our business. Our research and development efforts focus on the design and development of our aircraft, including certain of the systems that are used in it. As part of those activities, we continue to work closely with U.S. and international regulators towards our goal of commercialization. Research and development expenses consist primarily of personnel-related costs (including salaries, bonuses, benefits, and stock-based compensation) for employees focused on research and development activities, costs associated with developing and building prototype aircraft, associated facilities and IT infrastructure costs, and depreciation. We expect research and development expenses to increase significantly as we progress towards commercialization and manufacturing.

We cannot determine with certainty the timing, duration or the costs necessary to complete the design, development, certification, and manufacturing bring up due to the inherently unpredictable nature of our research and development activities. Development timelines, the probability of success, and development costs may differ materially from expectations.

General and Administrative

General and administrative expenses consist primarily of personnel-related costs (including salaries, bonuses, benefits, and stock-based compensation) for employees associated with administrative services such as finance, legal, human resources, information technology, associated facilities and IT infrastructure costs, depreciation, and Technology and Dispute Resolution Agreements (as defined in Note 7 - Commitments and Contingencies in the accompanying notes to our consolidated financial statements) expense. We expect our general and administrative expenses to increase as we hire additional personnel and consultants to support our operations and comply with applicable regulations.

Other Income (Expense), Net

Other income (expense), net consists of miscellaneous income and expense items, including the change in fair value of our warrant liabilities.

Interest Income, Net

Interest income, net primarily consists of interest income from our cash and cash equivalents and short-term investments in marketable securities, net of interest on debt.

Results of Operations

The following table sets forth our consolidated statements of operations for the periods indicated:

	Year Ended December 31,		Change \$	Change %
	2025	2024		
	(In millions)			
Revenue	\$ 0.3	\$ —	0.3	100.0 %
Operating expenses:				
Cost of revenue	0.3	—	0.3	100.0 %
Research and development ⁽¹⁾	493.9	357.7	136.2	38.1 %
General and administrative ⁽¹⁾	235.4	152.0	83.4	54.9 %
Total operating expenses	729.6	509.7	219.9	43.1 %
Loss from operations	(729.3)	(509.7)	(219.6)	43.1 %
Other income (expense), net	58.6	(48.8)	107.4	(220.1)%
Interest income, net	52.8	21.9	30.9	141.1 %
Loss before income taxes	(617.9)	(536.6)	(81.3)	15.2 %
Income tax expense	(0.3)	(0.2)	(0.1)	50.0 %
Net loss	\$ (618.2)	\$ (536.8)	\$ (81.4)	15.2 %

⁽¹⁾ Includes stock-based compensation expense as follows:

	Year Ended December 31,	
	2025	2024
	(In millions)	
Research and development	\$ 95.3	\$ 49.0
General and administrative	128.2	59.8
Total stock-based compensation expense	\$ 223.5	\$ 108.8

Comparison of the Year Ended December 31, 2025 and 2024

Revenue

Revenue increased by \$0.3 million for the year ended December 31, 2025, compared to the year ended December 31, 2024 as we began generating revenue from the sublease of hangar space following the acquisition of Hawthorne Airport.

Cost of Revenue

Cost of revenue increased by \$0.3 million for the year ended December 31, 2025, compared to the year ended December 31, 2024. This primarily consists of master ground lease payments, utilities, property taxes, and insurance associated with the leased hangar space.

Research and Development

Research and development expenses increased by \$136.2 million, or 38.1%, for the year ended December 31, 2025, compared to the year ended December 31, 2024, primarily due to increased investment in people and materials to advance technology development. The increase was primarily due to an increase of \$48.4 million in personnel-related expenses due to a significant increase in our workforce expansion, an increase of \$46.3 million in stock-based compensation expense, an increase of \$23.6 million in professional services and tools and materials to support our increased research and development activities, and an increase of \$22.7 million in facilities, travel, and other operating costs. These increases were partially offset by a decrease of \$4.8 million in research and development warrant expenses related to the warrants issued to Stellantis (Note 11 - Warrants in the accompanying notes to our consolidated financial statements for further details).

General and Administrative

General and administrative expenses increased by \$83.4 million, or 54.9%, for the year ended December 31, 2025, compared to the year ended December 31, 2024. The increase was primarily due to an increase of \$68.3 million in stock-based compensation expense, an increase of \$8.1 million in personnel-related expenses due to an increase in our workforce from the prior year period, and an increase of \$13.8 million in professional services and IT infrastructure expenses. The increase was

partially offset by a decrease of \$8.8 million in the charge for the warrant issued in connection with Technology and Dispute Resolution Agreements expense, which was fully exercised and settled in 2024. See Note 9 - Stock-Based Compensation in the accompanying notes to our consolidated financial statements for further details on our stock-based compensation. The remainder of the increase was made up of other incidental items.

Other Income (Expense), Net

Other income (expense), net increased by \$107.4 million, or 220.1%, for the year ended December 31, 2025, compared to the year ended December 31, 2024. The increase was primarily due to changes in fair value of our warrant liabilities. See Note 11 - Warrants in the accompanying notes to our consolidated financial statements for further details.

Interest Income, Net

Interest income, net increased by \$30.9 million, or 141.1%, for the year ended December 31, 2025, compared to the year ended December 31, 2024. The increase was primarily due to higher interest income from higher average cash, cash equivalents and short-term investments.

Liquidity and Capital Resources

As of December 31, 2025, our principal sources of liquidity were cash, cash equivalents, and short-term investments of \$1,964.7 million. We have incurred net losses since inception and have not generated any significant revenues to date. We expect to incur additional losses and higher operating expenses for the foreseeable future. We believe that our existing cash, cash equivalents, and short-term investments will be sufficient to fund our operations for at least the next 12 months, including meeting our working capital and capital expenditure requirements.

Debt

On October 5, 2023, we entered into a \$65.0 million credit agreement with Synovus Bank to fund the construction of our Covington, Georgia facility (the "Synovus Loan"). The loan bears interest at secured overnight financing rate ("SOFR"), plus 2.0% subject to a SOFR floor of 0.0% and requires interest-only payments for 36 months or through October 2026, followed by monthly principal and interest payments until maturity on October 5, 2033. The obligations are secured by specified cash and financial assets and are guaranteed by certain of our domestic subsidiaries. As of December 31, 2025, the facility was fully drawn at \$65.0 million.

In connection with the Hawthorne Airport acquisition, we assumed a \$16.1 million loan with Banc of California. The loan bears a fixed interest rate of 6.3% and matures in April 2030, with an option to extend to April 2035 at a rate of the five-year U.S. Treasury plus 2.7%. The loan is secured by a leasehold deed of trust on the properties and contains representations, warranties, covenants, and indemnities customary for secured commercial real estate debt.

At-The-Market ("ATM")

In November 2023, we filed a shelf registration statement on Form S-3 with the SEC and a related prospectus supplement pursuant to which we may, from time to time, sell shares of our Class A common stock, having an aggregate value of up to \$70.0 million, pursuant to a Controlled Equity OfferingSM Sales Agreement (the "Sales Agreement") with the placement agent (the "First ATM Program"). During the years ended December 31, 2024 and 2023, we sold 10,275,033 and 3,109,097 shares of Class A common stock, respectively, under the First ATM Program, for net proceeds of \$48.1 million and \$19.5 million, respectively. The First ATM Program was fully utilized in May 2024.

In May 2024, we filed an additional shelf registration statement on Form S-3 with the SEC that permits the offering of an aggregate of up to \$95.0 million of shares of our Class A common stock or preferred stock, debt securities, warrants, and units (the "2024 Shelf Registration Statement"), including a prospectus for the sale under the Sales Agreement of shares of our Class A common stock, having an aggregate value of up to \$70.0 million (the "Second ATM Program"). During the year ended December 31, 2024, we sold 20,644,100 shares of Class A common stock for net proceeds of \$68.0 million. The Second ATM Program was fully utilized in November 2024.

In November 2024, we filed a shelf registration statement on Form S-3ASR with the SEC and a related prospectus for the sale under the Sales Agreement of shares of our Class A common stock, having an aggregate value of up to \$70.0 million (the "Third ATM Program", and together with the First ATM Program and the Second ATM Program, the "ATM Program"). During the year ended December 31, 2024, we sold 2,052,484 shares of Class A common stock for net proceeds of \$21.7 million. During the year ended December 31, 2025, the Third ATM program was fully utilized in July 2025, resulting in the sale of 3,921,875 shares for net proceeds of \$46.3 million.

Forward Purchase Agreement

On June 27, 2024, pursuant to the Forward Purchase Agreement, dated as of January 3, 2023, by and between us and Stellantis N.V. (“Stellantis Forward Purchase Agreement”), we elected to draw down the \$55.0 million remaining available under the Stellantis Forward Purchase Agreement associated with Milestone 3 (as defined in the Stellantis Forward Purchase Agreement). In accordance therewith, on July 1, 2024, we issued 17,401,153 shares of Class A common stock to Stellantis N.V. (“Stellantis”) for gross proceeds of approximately \$55.0 million.

PIPE Financing

On August 8, 2024, we entered into subscription agreements with certain investors providing for the private placement of our Class A common stock at a purchase price of \$3.35 per share (the “First 2024 PIPE Financing”), pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act. A portion of the First 2024 PIPE Financing closed on August 12, 2024 for 49,283,582 shares of our Class A common stock for net proceeds of approximately \$158.0 million, after deducting offering costs. The remaining portion of the First 2024 PIPE Financing covering an aggregate of 2,982,089 shares of our Class A common stock was issued and sold to Stellantis for gross proceeds of approximately \$10.0 million on January 6, 2025.

On December 11, 2024, we entered into subscription agreements with certain investors providing for the private placement of our Class A common stock at a purchase price of \$6.65 per share (the “Second 2024 PIPE Financing”, and together with the First 2024 PIPE Financing, the “2024 PIPE Financings”), pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act. A portion of the Second 2024 PIPE Financing closed on December 13, 2024 for 63,909,776 shares of our Class A common stock for net proceeds of approximately \$407.7 million, after deducting offering costs. The remaining portion of the Second 2024 PIPE Financing covering an aggregate of 751,879 shares of our Class A common stock to be issued and sold to Stellantis for anticipated gross proceeds of approximately \$5.0 million, which remains subject to the satisfaction of certain closing conditions.

Registered Direct Offerings

On February 12, 2025, we closed a registered direct offering in which pursuant to the securities purchase agreement dated February 11, 2025, by and between us and certain institutional investors, we issued and sold 35,500,000 shares of our Class A common stock for gross proceeds of \$301.8 million, after deducting offering costs.

On June 16, 2025, we closed a registered direct offering in which pursuant to the securities purchase agreement dated June 12, 2025, by and between us and certain institutional investors, we issued and sold 85,000,000 shares of our Class A common stock for gross proceeds of \$850.0 million, after deducting offering costs.

On November 10, 2025, we closed a registered direct offering in which pursuant to the securities purchase agreement dated November 6, 2025, by and between the Company and certain institutional investors, the Company issued and sold 81,250,000 shares of our Class A common stock for gross proceeds of \$650.0 million, after deducting offering costs.

Vendor Share Issuances

During the years ended December 31, 2025, and 2024, we issued 15,045,913, and 1,685,994 shares of Class A common stock to certain vendors to satisfy \$126.8 million and \$5.8 million of our current and/or future obligations to those vendors, respectively.

In the long term, our ability to support our working capital and capital expenditure requirements will depend on many factors, including:

- the level of research and development expenses we incur as we continue to develop our aircraft, technologies and services to be provided in our planned business lines;
- capital expenditures needed to bring up our aircraft manufacturing capabilities, including for both the build out of our manufacturing facilities, component purchases necessary to build our aircraft and support the development of our airline operations;
- capital expenditures for vertiport infrastructure, UAM networks, and related facilities, including the transformation of Hawthorne Airport into our flagship Los Angeles hub, airport and hangar redevelopment, and the development and deployment of advanced aviation technologies;
- general and administrative expenses as we scale our operations; and
- sales, marketing and distribution expenses as we build, brand and market our business lines, products and services.

Until such time as we can generate significant revenue from our business operations, we expect to finance our cash requirements primarily through existing cash and cash equivalents, pre-delivery payments, equity issuances, and debt financings.

The following includes our short-term and long-term material cash requirements from known contractual obligations as of December 31, 2025:

Debt

See Note 6 - Debt in the accompanying notes to our consolidated financial statements for further details on our debt.

Leases

We lease office, lab, hangar, manufacturing and storage facilities in the normal course of business. Under our operating leases as noted in Note 7 - Commitments and Contingencies in the accompanying notes to our consolidated financial statements, we have current obligations of \$14.2 million and long-term obligations of \$103.3 million.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Year Ended December 31,	
	2025	2024
(In millions)		
Net cash provided by (used in):		
Operating activities	\$ (432.9)	\$ (368.6)
Investing activities	(1,176.0)	(82.0)
Financing activities	1,796.4	820.4

Cash Flows From Operating Activities

We continue to experience negative cash flows from operations as we are still working to design, develop, certify, and bring up manufacturing of our aircraft and thus have not generated any significant revenues from either of our planned lines of business. Our cash flows from operating activities are significantly affected by our cash investments to support the growth of our research and development activities related to our aircraft, as well as the general and administrative functions necessary to support those activities and operations as a publicly traded company. Our operating cash flows are also impacted by the working capital requirements to support growth and fluctuations in personnel-related expenditures, accounts payable, accrued interest and other current liabilities, and other current assets.

Net cash used in operating activities during the year ended December 31, 2025 was \$432.9 million, resulting from a net loss of \$618.2 million, reflecting our continued investment in the design, development, and certification of our eVTOL aircraft. Specifically, our operational cash requirements increased due to higher research and development expenditures related to our Midnight flight test program and increased personnel costs as we scaled our engineering and manufacturing operations to support our operational targets. The net loss adjustment for non-cash items consisting primarily of \$223.5 million in stock-based compensation expense, a gain of \$59.5 million due to a change in fair value of our warrant liabilities, \$20.0 million in depreciation and amortization, and \$3.3 million of research and development warrant expenses related to the warrants issued to Stellantis (Note 11 - Warrants in the accompanying notes to our consolidated financial statements for further details). The net cash used in changes in our net operating assets and liabilities was \$7.2 million.

Net cash used in operating activities during the year ended December 31, 2024 was \$368.6 million, resulting from a net loss of \$536.8 million, adjusted for non-cash items consisting primarily of \$108.8 million in stock-based compensation expense, a gain of \$49.5 million due to a change in fair value of our warrant liabilities, \$11.7 million in depreciation, amortization and other, \$8.1 million of research and development warrant expenses related to the warrants issued to Stellantis (Note 11 - Warrants in the accompanying notes to our consolidated financial statements for further details), and a \$5.6 million non-cash charge for the Technology and Dispute Resolution Agreements expense. The net cash used in changes in our net operating assets and liabilities was \$17.2 million.

Cash Flows From Investing Activities

Net cash used investing activities during the year ended December 31, 2025 was \$1,176.0 million, driven by purchases of short-term investments of \$1,048.1 million, the acquisition of Hawthorne Airport of \$125.9 million, purchases of intangible assets of \$26.2 million, and purchases of property and equipment of \$78.8 million, partially offset by proceeds from maturities of short-term investments of \$103.0 million

Net cash used in investing activities during the year ended December 31, 2024 was \$82.0 million, driven by driven by purchases of property and equipment.

Cash Flows From Financing Activities

Net cash provided by financing activities during the year ended December 31, 2025 was \$1,796.4 million, driven by \$1,801.8 million in gross proceeds from the registered direct offering, \$10.0 million in gross proceeds from the First 2024 PIPE Financing, \$46.3 million net proceeds from shares issued under the Third ATM Program, \$7.4 million net proceeds from employee purchases under our employee stock purchase plan, partially offset by \$69.1 million in payments of offering costs in connection with financing activities.

Net cash provided by financing activities during the year ended December 31, 2024 was \$820.4 million, driven by \$590.1 million in gross proceeds from the 2024 PIPE Financings, \$138.3 million of proceeds from the total aggregate number of shares issued under the ATM Program, \$57.5 million of proceeds from issuance of debt, and \$55.0 million of gross proceeds from issuance of Class A common stock to Stellantis with an aggregate value, partially offset by payments of offering costs in connection with financing activities for \$24.6 million.

Critical Accounting Policies and Estimates

Our consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, and expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Actual results may differ from these estimates. To the extent that there are material differences between these estimates and our actual results, our future financial statements will be affected.

The SEC has defined a company's critical accounting policies as the ones that are most important to the portrayal of the company's financial condition and results of operations, and which require the company to make its most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain.

We believe that the following critical accounting policies involve a greater degree of judgment or complexity than our other accounting policies. Accordingly, these are the policies we believe are the most critical to a full understanding and evaluation of our consolidated financial statements. For additional information, see Note 2 - Summary of Significant Accounting Policies in the accompanying notes to our consolidated financial statements.

Business Combinations

We allocate the acquisition purchase price to the tangible and intangible assets acquired and liabilities assumed, based on their estimated fair values. The excess of the purchase price over the fair value of these assets acquired and liabilities assumed is recorded as goodwill. Allocation of the purchase price requires significant estimates in determining the fair value of acquired assets and assumed liabilities, especially with respect to intangible assets. Critical estimates include, but are not limited to, future expected cash flows, discount rates and expenses associated with an asset. These estimates are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which may not be later than one year from the acquisition date, we may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding net offset to goodwill.

Stock-Based Compensation

We account for stock-based compensation expense for awards granted to employees and non-employees by recording compensation expense based on each award's grant date estimated fair value over the vesting period, in accordance with ASC 718, *Compensation — Stock Compensation*. We estimate the fair value of restricted stock units ("RSUs") based on the fair value of our common stock on the date of grant.

The fair value of RSUs that vest based on service conditions is determined based on the value of the underlying common stock at the date of grant. The Founder Grants vest when either a market condition or performance condition is satisfied. We determined the fair value of the performance award by utilizing the trading price on September 16, 2021. When the applicable performance milestone is deemed probable of being achieved, we will recognize compensation expense for the portion earned to date over the requisite period. For the market condition award, we estimated the fair value using a Monte Carlo simulation model. We recognize compensation expense for the market award on a straight-line basis over the derived service period. Determining the fair value for the market condition award under this model requires subjective assumptions, including the expected volatility of the price of our common stock. If the applicable performance condition is not probable of being achieved,

compensation cost for the value of the award incorporating the market condition is recognized, so long as the requisite service is provided. If the performance milestone becomes probable of being achieved, the full fair value of the award will be recognized, and any remaining expense for the market award will be cancelled.

Income Taxes

We are subject to income taxes in the United States and other jurisdictions. Our income tax provision 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 the valuation of our deferred tax assets and liabilities, and changes in tax laws.

We recognize tax benefits from uncertain tax positions only if we believe that it is more-likely-than-not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. Although we believe that we have adequately reserved for our uncertain tax positions, we can provide no assurance that the final tax outcome of these matters will not be materially different. We make adjustments to these reserves when facts and circumstances change, such as the closing of issues under audit or expiration of statute of limitation, changes in or interpretations of tax law. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences may affect the provision for income taxes in the period in which such determination is made and could have a material impact on our financial condition and results of operations.

Significant judgment is applied when assessing the need for valuation allowances and includes the evaluation of historical loss adjusted for the effects of non-recurring items. Areas of estimation include consideration of future taxable income. We have placed a full valuation allowance against our federal and state deferred tax assets since the recovery of the assets is uncertain. Should a change in circumstances lead to a change in judgment about the utilization of deferred tax assets in future years, the adjustment related to valuation allowances would be reported as an increase to income.

Recent Accounting Pronouncements

See Note 2 - Summary of Significant Accounting Policies in the accompanying notes to our consolidated financial statements for a discussion about accounting pronouncements recently adopted and recently issued and not yet adopted.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

We are exposed to market risk for changes in interest rates applicable to our borrowings and investments in money market funds. The Synovus Loan accrues interest from and including the date the applicable advance is made but excluding the repayment date at a rate of the SOFR, plus 2.0% subject to a SOFR floor of 0.0%. As of December 31, 2025, we held cash, cash equivalents, and short-term investments totaling \$1,964.7 million, primarily in money market funds, U.S. treasuries and corporate bonds. Our investment objectives are to preserve principal and maintain liquidity; we do not invest for trading or speculative purposes. A hypothetical 100 basis point change in interest rates applicable to the Synovus bank loan or with respect to our investment portfolio would not have had a material impact on the fair value of our portfolio for the periods presented and our future interest income and expense.

Credit Risk

Financial instruments, which subject us to concentrations of credit risk, consist primarily of cash, cash equivalents and short-term investments. Our cash, cash equivalents and short-term investments are held at several long-standing financial institutions located in the United States. At times, cash account balances with any one financial institution may exceed Federal Deposit Insurance Corporation insurance limits (\$250 thousand per depositor per institution). We have not experienced any losses due to these excess deposits and believe this risk is not significant. We have established guidelines regarding diversification of our investments and their maturities that are designed to preserve principal and achieve liquidity requirements. We review these guidelines and modify them as necessary based on updated liquidity needs and changes in our operations and financial position.

Item 8. Financial Statements and Supplementary Data

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Archer Aviation Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Archer Aviation Inc. and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of operations, of comprehensive loss, of stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

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

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

Critical Audit Matters

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

Acquisition of Hawthorne Airport – Valuation of Option to Acquire the FBO Business

As described in Note 4 to the consolidated financial statements, on December 8, 2025, the Company completed the acquisition of certain lease agreements, operating rights, and development rights related to Hawthorne Airport in Hawthorne, California for total purchase consideration of \$127.1 million. As part of the acquisition, the Company acquired an option to purchase seventy-five percent (75.0%) of the fixed base operator (“FBO”) business operating at Hawthorne Airport for a fixed exercise price of \$25.0 million, exercisable at any time prior to December 31, 2026. The option represents a contractual right and was recorded at its estimated fair value of \$44.8 million as of the acquisition date. The fair value of the FBO purchase option was estimated using an income-based valuation approach, which considers the expected future cash flows based on projected revenues, operating margins, and the discount rate.

The principal considerations for our determination that performing procedures relating to the valuation of the option to acquire the FBO business in the acquisition of Hawthorne Airport is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the option to acquire the FBO business; (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating management’s significant assumptions related to projected revenues, operating margin, and the discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the acquisition accounting, including controls over management’s valuation of the option to acquire the FBO business. These procedures also included, among others (i) reading the purchase agreement; (ii) testing management’s process for developing the fair value estimate of the option to acquire the FBO business; (iii) evaluating the appropriateness of the income-based valuation approach used by management; (iv) testing the completeness and accuracy of the underlying data used in the income-based valuation approach; and (v) evaluating the reasonableness of the significant assumptions used by management related to projected revenues, operating margins, and the discount rate. Evaluating management’s assumptions related to projected revenues and operating margins involved considering (i) the current and past performance of the FBO business; (ii) the consistency with external market and industry data; and (iii) whether the assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the income-based valuation approach and (ii) the reasonableness of the discount rate assumption.

/s/ PricewaterhouseCoopers LLP

San Jose, California

March 2, 2026

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

Archer Aviation Inc.
Consolidated Balance Sheets
(In millions, except share and per share data)

	As of December 31,	
	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 1,021.5	\$ 834.5
Restricted cash	7.3	6.8
Short-term investments	943.2	—
Prepaid expenses	47.3	12.5
Other current assets	56.8	4.6
Total current assets	2,076.1	858.4
Property and equipment, net	253.6	126.8
Intangible assets, net	80.2	0.3
Right-of-use assets	40.8	8.1
Goodwill	0.1	—
Other long-term assets	15.1	7.6
Total assets	\$ 2,465.9	\$ 1,001.2
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 30.2	\$ 14.6
Current portion of lease liabilities	5.3	3.7
Accrued expenses and other current liabilities	68.1	52.8
Current portion of debt	0.8	—
Total current liabilities	104.4	71.1
Debt, net of current portion	79.5	64.0
Lease liabilities, net of current portion	36.3	11.3
Warrant liabilities	29.9	89.4
Other long-term liabilities	13.0	12.8
Total liabilities	263.1	248.6
Commitments and contingencies (Note 7)		
Stockholders' equity		
Class A common stock, \$0.0001 par value; 1,400,000,000 and 1,400,000,000 shares authorized as of December 31, 2025 and 2024, respectively; 744,046,194 and 503,777,464 shares issued and outstanding as of December 31, 2025 and 2024, respectively	0.1	0.1
Additional paid-in capital	4,507.9	2,438.4
Accumulated deficit	(2,303.8)	(1,685.6)
Accumulated other comprehensive loss	(1.4)	(0.3)
Total stockholders' equity	2,202.8	752.6
Total liabilities and stockholders' equity	\$ 2,465.9	\$ 1,001.2

See accompanying notes to consolidated financial statements.

Archer Aviation Inc.
Consolidated Statements of Operations
(In millions, except share and per share data)

	Year Ended December 31,		
	2025	2024	2023
Revenue	\$ 0.3	\$ —	\$ —
Operating expenses			
Cost of revenue	0.3	—	—
Research and development	493.9	357.7	276.4
General and administrative	235.4	152.0	168.4
Other warrant expense	—	—	2.1
Total operating expenses	729.6	509.7	446.9
Loss from operations	(729.3)	(509.7)	(446.9)
Other income (expense), net	58.6	(48.8)	(26.9)
Interest income, net	52.8	21.9	16.4
Loss before income taxes	(617.9)	(536.6)	(457.4)
Income tax expense	(0.3)	(0.2)	(0.5)
Net loss	\$ (618.2)	\$ (536.8)	\$ (457.9)
Net loss per share, basic and diluted	\$ (0.99)	\$ (1.42)	\$ (1.69)
Weighted-average shares outstanding, basic and diluted	624,307,768	376,734,395	270,408,132

See accompanying notes to consolidated financial statements.

Archer Aviation Inc.
Consolidated Statements of Comprehensive Loss
(In millions)

	Year Ended December 31,		
	2025	2024	2023
Net loss	\$ (618.2)	\$ (536.8)	\$ (457.9)
Other comprehensive loss:			
Unrealized gain (loss) on available-for-sale securities, net of tax	(1.3)	—	0.8
Foreign currency translation gain (loss)	0.2	(0.3)	—
Total other comprehensive loss	(1.1)	(0.3)	0.8
Comprehensive loss, net of tax	\$ (619.3)	\$ (537.1)	\$ (457.1)

See accompanying notes to consolidated financial statements.

Archer Aviation Inc.
Consolidated Statements of Stockholders' Equity
(In millions, except share data)

	Common Stock				Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Class A		Class B					
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2022	177,900,738	—	63,738,197	—	1,185.0	(690.9)	(0.8)	493.3
Conversion of Class B common stock to Class A common stock	26,449,869	—	(26,449,869)	—	—	—	—	—
Issuance of Class A common stock	1,985,559	—	—	—	11.6	—	—	11.6
Issuance of restricted stock units and restricted stock expense	7,405,542	—	—	—	(6.6)	—	—	(6.6)
Exercise of stock options	1,149,934	—	877,287	—	0.2	—	—	0.2
Issuance of warrants and warrant expense	—	—	—	—	46.0	—	—	46.0
Exercise of warrants	2,942,778	—	—	—	—	—	—	—
Common stock withheld related to net share settlement of equity awards	(1,378,367)	—	—	—	(3.5)	—	—	(3.5)
Common stock issued under employee stock purchase plan	1,228,632	—	—	—	2.9	—	—	2.9
Common stock issued under stock purchase agreement	18,650,273	—	—	—	89.6	—	—	89.6
Common stock issued under at-the-market program	3,109,097	—	—	—	19.5	—	—	19.5
PIPE financing	26,173,286	—	—	—	139.0	—	—	139.0
Stock-based compensation	—	—	—	—	32.2	—	—	32.2
Net loss	—	—	—	—	—	(457.9)	—	(457.9)
Other comprehensive income	—	—	—	—	—	—	0.8	0.8
Balance as of December 31, 2023	265,617,341	—	38,165,615	—	1,515.9	(1,148.8)	—	367.1
Conversion of Class B common stock to Class A common stock	43,434,962	—	(43,434,962)	—	—	—	—	—
Issuance of Class A common stock	1,685,994	—	—	—	5.9	—	—	5.9
Issuance of restricted stock units and restricted stock expense	13,774,204	—	5,002,306	—	46.5	—	—	46.5
Exercise of stock options	732,072	—	267,041	—	—	—	—	—
Issuance of warrants and warrant expense	—	—	—	—	55.2	—	—	55.2

	Common Stock				Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Class A		Class B					
	Shares	Amount	Shares	Amount				
Exercise of warrants	13,242,767	—	—	—	—	—	—	
Common stock issued under employee stock purchase plan	1,723,996	—	—	—	4.8	—	4.8	
Common stock issued under stock purchase agreement	17,401,153	—	—	—	53.5	—	53.5	
Common stock issued under at-the-market program	32,971,617	—	—	—	137.8	—	137.8	
PIPE financing	113,193,358	0.1	—	—	565.7	—	565.8	
Stock-based compensation	—	—	—	—	53.1	—	53.1	
Net loss	—	—	—	—	—	(536.8)	(536.8)	
Other comprehensive loss	—	—	—	—	—	—	(0.3)	
Balance as of December 31, 2024	503,777,464	\$ 0.1	—	\$ —	\$ 2,438.4	\$ (1,685.6)	\$ (0.3)	\$ 752.6
Issuance of Class A common stock	15,045,913	—	—	—	126.8	—	126.8	
Issuance of restricted stock units and restricted stock expense	14,937,101	—	—	—	22.5	—	22.5	
Exercise of stock options	416,394	—	—	—	—	—	—	
Issuance of warrants and warrant expense	—	—	—	—	4.3	—	4.3	
Exercise of warrants	61,000	—	—	—	—	—	—	
Common stock issued under employee stock purchase plan	1,154,358	—	—	—	7.4	—	7.4	
Common Stock issued under at-the-market program	3,921,875	—	—	—	46.4	—	46.4	
PIPE financing	2,982,089	—	—	—	9.6	—	9.6	
Registered direct offerings	201,750,000	—	—	—	1,731.2	—	1,731.2	
Stock-based compensation	—	—	—	—	121.3	—	121.3	
Net loss	—	—	—	—	—	(618.2)	(618.2)	
Other comprehensive loss	—	—	—	—	—	—	(1.1)	
Balance as of December 31, 2025	744,046,194	\$ 0.1	—	\$ —	\$ 4,507.9	\$ (2,303.8)	\$ (1.4)	\$ 2,202.8

See accompanying notes to consolidated financial statements.

Archer Aviation Inc.
Consolidated Statements of Cash Flows
(In millions)

	Year Ended December 31,		
	2025	2024	2023
Cash flows from operating activities			
Net loss	\$ (618.2)	\$ (536.8)	\$ (457.9)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	20.0	11.7	6.5
Debt discount and issuance cost amortization	0.1	—	0.7
Stock-based compensation expense	223.5	108.8	45.2
Change in fair value of warrant liabilities and other warrant costs	(59.5)	49.5	32.9
Gain on issuance of common stock	—	(1.5)	(3.6)
Non-cash lease expense	4.5	3.0	3.8
Research and development warrant expense	3.3	8.1	17.5
General and administrative warrant expense	—	0.2	—
Other warrant expense	—	—	2.1
Technology and dispute resolution agreements expense	—	5.6	70.3
Amortization (accretion) of short-term investments purchased at a premium (discount)	0.6	—	(2.3)
Changes in operating assets and liabilities:			
Prepaid expenses	(12.2)	(4.0)	1.9
Other current assets	(6.2)	(4.1)	0.8
Other long-term assets	(3.1)	(2.4)	(5.0)
Accounts payable	8.8	(0.1)	9.2
Accrued expenses and other current liabilities	16.5	(4.3)	2.3
Operating lease right-of-use assets and lease liabilities, net	(6.1)	(3.3)	2.4
Other long-term liabilities	(4.9)	1.0	1.6
Net cash used in operating activities	(432.9)	(368.6)	(271.6)
Cash flows from investing activities			
Purchase of property and equipment	(78.8)	(82.0)	(44.3)
Purchase of short-term investments	(1,048.1)	—	—
Proceeds from maturities of short-term investments	103.0	—	465.0
Acquisition of intangible assets	(26.2)	—	—
Business acquisition, net	(125.9)	—	—
Net cash provided by (used in) investing activities	(1,176.0)	(82.0)	420.7
Cash flows from financing activities			
Proceeds from issuance of debt	—	57.5	7.5
Repayment of long-term debt	—	—	(10.0)
Payment of debt issuance costs	—	(0.7)	(0.3)
Payments for taxes related to net share settlement of equity awards	—	—	(3.5)
Proceeds from PIPE financing	10.0	590.1	145.0
Proceeds from shares issued under at-the-market program	46.3	138.3	20.7
Proceeds from shares issued under employee stock purchase plan	7.4	4.8	2.9
Proceeds from issuance of common stock	1,801.8	55.0	95.0
Payment of offering costs in connection with financing activities	(69.1)	(24.6)	(7.2)
Net cash provided by financing activities	1,796.4	820.4	250.1
Net increase in cash, cash equivalents, and restricted cash	187.5	369.8	399.2
Cash, cash equivalents, and restricted cash, beginning of period	841.3	471.5	72.3
Cash, cash equivalents, and restricted cash, end of period	\$ 1,028.8	\$ 841.3	\$ 471.5
Supplemental Cash Flow Information:			
Cash paid for interest	\$ 4.1	\$ 2.5	\$ 0.8
Non-cash investing and financing activities:			
Purchases of property and equipment included in accounts payable and accrued expenses	\$ 12.4	\$ 7.8	\$ 10.8

	Year Ended December 31,		
	2025	2024	2023
Purchases of property and equipment in common stock	\$ 7.4	\$ —	\$ —
Purchases of intangible assets in common stock	\$ 9.8	\$ —	\$ —
Payment of offering costs in connection with financing activities in common stock	\$ 1.9	\$ —	\$ —

See accompanying notes to consolidated financial statements.

Archer Aviation Inc.
Notes to Consolidated Financial Statements

Note 1 - Description of Business and Basis of Presentation

Description of Business

Archer Aviation Inc. (the “Company”), a Delaware corporation headquartered in Silicon Valley, California, is an aerospace company focused on the development of advanced aviation technologies and aircraft. The Company’s primary product is an electric vertical take-off and landing (“eVTOL”) aircraft. The Company plans to operate two primary lines of business: (i) a commercial business, which is expected to include the sale of commercial aircraft and related technologies and services, a direct-to-consumer air taxi services in select metropolitan areas worldwide, and aviation hangar leases at Hawthorne Municipal Airport, California (“Hawthorne Airport”); and (ii) a defense business, which is expected to include the sale of aircraft and related technologies for defense applications.

Business Combination

The Company went public through a de-SPAC transaction in September 2021 as a result of the merger agreement that was entered into in February 2021 (the “Business Combination Agreement”) by Archer Aviation Inc., a Delaware corporation (that existed prior to the closing of the Business Combination (as defined below), “Legacy Archer”), Atlas Crest Investment Corp., a Delaware Corporation (“Atlas”) and Artemis Acquisition Sub Inc., a Delaware corporation and a direct, wholly-owned subsidiary of Atlas (“Merger Sub”). A business combination of Legacy Archer and Atlas was effected by the merger of Merger Sub with and into Legacy Archer, with Legacy Archer surviving the merger as a wholly-owned subsidiary of Atlas (collectively with the other transactions described in the Business Combination Agreement, the “Business Combination”). Following the Business Combination on September 16, 2021, Legacy Archer changed its name to Archer Aviation Operating Corp., and Atlas changed its name to Archer Aviation Inc. and it became the successor registrant with the Securities and Exchange Commission (“SEC”). The Company’s Class A common stock and public warrants are listed on the NYSE under the symbols “ACHR” and “ACHR WS,” respectively.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”) on a going concern basis. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Liquidity and Going Concern

Since inception, the Company has devoted substantial capital resources to the design and development of its planned aircraft, urban air mobility networks and business lines. These activities have been funded primarily through the net proceeds received from the sale of preferred and common stock to related and third parties (Note 8 - Preferred and Common Stock), and issuance of debt (Note 6 - Debt).

Through December 31, 2025, the Company has incurred cumulative operating losses, generated negative cash flows from operating activities, and accumulated a deficit of \$2,303.8 million. As of December 31, 2025, the Company had cash, cash equivalents and short-term investments of \$1,964.7 million, which management believes will be sufficient to fund the Company’s current operating plan for at least the next 12 months from the date these consolidated financial statements were issued.

There can be no assurance that the Company will be successful in achieving its business plans, that the Company’s current capital will be sufficient to support its ongoing business plans, or that any additional financing will be available in a timely manner or on acceptable terms, if at all. If the Company’s business plans require it to raise additional capital, but the Company is unable to do so, it may be required to alter, or scale back its aircraft design, development and certification programs, as well as its manufacturing capabilities, or be unable to fund capital expenditures. Any such events would have a material adverse effect on the Company’s financial position, results of operations, cash flows, and ability to achieve the Company’s intended business plans. The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. Actual results could differ from these estimates and assumptions due to risks and uncertainties. Such

Archer Aviation Inc.
Notes to Consolidated Financial Statements

estimates include, but are not limited to (i) realization of deferred tax assets and estimates of tax liabilities, (ii) fair value and useful life of acquired intangible assets, (iii) fair value of assets acquired and liabilities assumed in business combinations, (iv) fair value of share-based payments, (v) fair value and useful lives of long-lived assets, and (vi) incremental borrowing rate used for right-of-use assets and lease liabilities. These estimates are based on historical data and experience, as well as various other factors that management believes to be 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. Such estimates often require the selection of appropriate valuation methodologies and models and may involve significant judgment in evaluating ranges of assumptions and financial inputs. Actual results could materially differ from those estimates due to risks and uncertainties.

Note 2 - Summary of Significant Accounting Policies***Cash, Cash Equivalents, and Restricted Cash***

Cash consists of cash on deposit with financial institutions. Cash equivalents consist of short-term, highly liquid financial instruments that are readily convertible to cash and have maturities of three months or less from the date of purchase. As of December 31, 2025 and 2024, the Company's cash and cash equivalents included money market funds of \$883.3 million and \$729.9 million, respectively.

Restricted cash consists primarily of cash held as security for the Company's standby letters of credit. Refer to Note 7 - Commitments and Contingencies for additional information.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported in the consolidated balance sheets that sum to amounts reported on the consolidated statements of cash flows:

	<u>As of December 31,</u>	
	<i>(in millions)</i>	
	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,021.5	\$ 834.5
Restricted cash	7.3	6.8
Total cash, cash equivalents, and restricted cash	<u>\$ 1,028.8</u>	<u>\$ 841.3</u>

Short-term Investments

The Company classifies investments in marketable securities as available-for-sale investments and records these marketable securities at fair value. The Company determines the appropriate classification of marketable securities at the time of purchase and reevaluates such designation at each balance sheet date. All highly liquid investments with original maturities of 90 days or less from the date of purchase are classified as cash equivalents, while all others are presented within current assets since these investments represent funds available for current operations and the Company has the ability and intent, if necessary, to liquidate any of these investments within one year. Short-term investments are recorded at fair value, with the unrealized gains or losses unrelated to credit loss factors included in accumulated other comprehensive loss, net of tax. Realized gains and losses and declines in value determined to be other than temporary based on the specific identification method are reported in other income (expense), net in the consolidated statements of operations.

The Company periodically reviews whether the securities may be other-than-temporarily impaired, including whether or not (i) the Company has the intent to sell the security or (ii) it is more likely than not that the Company will be required to sell the security before its anticipated recovery. If one of these factors is met, the Company records an impairment loss associated with the impaired investment. The impairment loss will be recorded as a write-down of investments in the consolidated balance sheets and a realized loss within other income (expense), net in the consolidated statements of operations. There were no credit-related impairments recognized on the Company's short-term investments during the periods presented.

For purposes of identifying and measuring impairment, the policy election was made to exclude the applicable accrued interest from both the fair value and amortized cost basis. Applicable interest receivable of \$6.7 million, net of the allowance for credit losses, if any, is recorded in other current assets on the consolidated balance sheet as of December 31, 2025.

Fair Value Measurements

The Company applies the provisions of Accounting Standards Codification ("ASC") 820, Fair Value Measurement, which defines a single authoritative definition of fair value, sets out a framework for measuring fair value and expands on required disclosures about fair value measurements. The provisions of ASC 820 relate to financial assets and liabilities as well as other

Archer Aviation Inc.
Notes to Consolidated Financial Statements

assets and liabilities carried at fair value on a recurring and nonrecurring basis. The standard clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the standard establishes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The carrying amounts of the Company's cash, accounts payable, accrued compensation, and accrued liabilities approximate their fair values due to the short-term nature of these instruments.

The following tables present information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2025 and 2024 and indicate the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value (in millions):

Description	As of December 31, 2025			As of December 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets:						
<i>Cash and cash equivalents:</i>						
Money market funds	\$ 883.3	\$ —	\$ —	\$ 729.9	\$ —	\$ —
<i>Short-term investments:</i>						
U.S. Treasuries	703.8	—	—	—	—	—
Corporate debt securities	—	239.4	—	—	—	—
<i>Other current assets</i>						
Option to acquire FBO	—	—	44.8	—	—	—
Total assets measured at fair value	\$ 1,587.1	\$ 239.4	\$ 44.8	\$ 729.9	\$ —	\$ —
Liabilities:						
<i>Warrant liabilities</i>						
Public warrants	\$ 19.9	\$ —	\$ —	\$ 56.0	\$ —	\$ —
Private placement warrants	—	—	10.0	—	—	33.4
Total liabilities measured at fair value	\$ 19.9	\$ —	\$ 10.0	\$ 56.0	\$ —	\$ 33.4

Cash and Cash Equivalents

The Company classifies its money market funds as Level 1 because they are valued based on quoted market prices in active markets.

Short-term Investments

The Company's short-term investments consist of high quality investment grade marketable securities and are classified as available-for-sale. The Company classifies its investments in U.S. Treasury securities as Level 1 because they are valued using quoted market prices in active markets. The Company classifies its investments in corporate debt securities as Level 2 because they are valued using 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.

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The following tables present a summary of the Company’s cash equivalents and short-term investments as of December 31, 2025 (in millions):

As of December 31, 2025				
Description	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
<i>Cash and cash equivalents:</i>				
Money market funds	\$ 883.3	\$ —	\$ —	\$ 883.3
<i>Short-term investment</i>				
U.S. Treasuries	704.6	—	(0.8)	703.8
Corporate debt securities	239.9	—	(0.5)	239.4
Total	\$ 1,827.8	\$ —	\$ (1.3)	\$ 1,826.5

The following tables present a summary of the Company’s cash equivalents and short-term investments as of December 31, 2024 (in millions):

As of December 31, 2024				
Description	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
<i>Cash equivalents:</i>				
Money market funds	\$ 729.9	\$ —	\$ —	\$ 729.9
Total	\$ 729.9	\$ —	\$ —	\$ 729.9

The unrealized losses related to the Company’s short-term investments were primarily due to changes in interest rates and not due to increased credit risk or other valuation concerns. The Company had no other-than-temporary impairments for the year ended December 31, 2025.

Public Warrants

The measurement of the public warrants as of December 31, 2025 is classified as Level 1 due to the use of an observable market quote in an active market under the ticker “ACHR WS”. The quoted price of the public warrants was \$1.15 and \$3.22 per warrant as of December 31, 2025 and 2024, respectively.

Private Placement Warrants

The Company utilizes a Monte Carlo simulation model for the private placement warrants at each reporting period, with changes in fair value recognized in the consolidated statements of operations. The estimated fair value of the private placement warrant liability is determined using Level 3 inputs. Inherent in a Monte Carlo simulation model are assumptions related to expected volatility, expected exercise term, risk-free interest rate, and dividend yield.

The key inputs into the Monte Carlo simulation model for the private placement warrants are as follows:

Input	December 31, 2025	December 31, 2024
Stock price	\$ 7.52	\$ 9.75
Strike price	\$ 11.50	\$ 11.50
Term (in years)	0.71	1.7
Risk-free rate	3.5 %	4.2 %
Volatility	89.1 %	92.1 %
Dividend yield	0.0 %	0.0 %

Archer Aviation Inc.
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The following table presents the change in fair value of the Company's Level 3 private placement warrants liability during the years ended December 31, 2025 and 2024 (in millions):

Balance as of December 31, 2023	\$ 14.5
Change in fair value	18.9
Balance as of December 31, 2024	33.4
Change in fair value	(23.4)
Balance as of December 31, 2025	\$ 10.0

In connection with the change in fair value of the Company's private placement warrants liability, the Company recognized a gain of \$23.4 million and a loss of \$18.9 million and a loss \$12.0 million during the years ended December 31, 2025, 2024 and 2023, respectively, within other income (expense), net in the consolidated statements of operations. Refer to Note 11 - Warrants for additional information about the private placement warrants.

Option to Acquire FBO

In connection with the acquisition of Hawthorne Airport on December 8, 2025, the Company recorded an option to acquire a 75% ownership interest in the fixed-base operator ("FBO") business operating at the airport for an exercise price of \$25.0 million. The Company utilizes a Black-Scholes model for the valuation of the option at each reporting period, with changes in fair value recognized in the other income (expense), net in the consolidated statements of operations. The estimated fair value of the option is determined using Level 3 inputs. Inherent in a Black-Scholes model are assumptions related to projected future cash flows of the underlying FBO business, expected volatility, expected life, risk-free interest rate, and dividend yield.

As the option was initially recorded near year-end, changes in fair value subsequent to initial recognition were not material as of December 31, 2025. The option is exercisable through December 31, 2026 and is therefore classified within other current assets in the consolidated balance sheet.

The key inputs into the Black-Scholes model for the option to acquire FBO business are as follows:

Input	December 8, 2025
Strike price (in millions)	\$ 25.0
Term (in years)	0.2
Risk-free rate	3.8 %
Volatility	50.0 %
Dividend yield	0.0 %

Financial Instruments Not Recorded at Fair Value on a Recurring Basis

Certain financial instruments, including debt, are not measured at fair value on a recurring basis in the consolidated balance sheets. The fair value of debt as of December 31, 2025 approximates its carrying value (Level 2). Refer to Note 6 - Debt for additional information.

Assets and Liabilities Recorded at Fair Value on a Non-Recurring Basis

Certain assets and liabilities are subject to measurement at fair value on a non-recurring basis if there are indicators of impairment or if they are deemed to be impaired as a result of an impairment review.

Property and Equipment, Net

Property and equipment are stated at historical cost less accumulated depreciation. Expenditures for major renewals and betterment are capitalized, while minor replacements, maintenance, and repairs, which do not extend the asset lives, are charged to operations as incurred. Upon sale or disposition, the cost and related accumulated depreciation is removed from the accounts, and any difference between the selling price and net carrying amount is recorded as a gain or loss in the consolidated statements of operations.

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Depreciation on property and equipment is calculated using the straight-line method over the estimated useful lives of the assets as follows:

	Useful Life (In years)
Building	30-40
Equipment	5
Computer hardware and software	3
Leasehold improvements	Shorter of lease term or the asset standard life

Impairment of Long-Lived Assets

The Company reviews its long-lived assets, consisting primarily of property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Such triggering events or changes in circumstances may include: a significant decrease in the market price of a long-lived asset, a significant adverse change in the extent or manner in which a long-lived asset is being or intended to be used, a significant adverse change in legal factors or in the business climate, the impact of competition or other factors that could affect the value of a long-lived asset, a significant adverse deterioration in the amount of revenue or cash flows expected to be generated from an asset group, an accumulation of costs significantly in excess of the amount originally expected for the acquisition or development of a long-lived asset, current or future operating or cash flow losses that demonstrate continuing losses associated with the use of a long-lived asset, or a current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. The Company performs impairment testing at the asset group level that represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of these assets is determined by comparing the forecasted undiscounted cash flows attributable to such assets including any cash flows upon their eventual disposition to their carrying value. If the carrying value of the assets exceeds the forecasted undiscounted cash flows, then the assets are written down to their fair value. The Company did not identify any events or changes in circumstances that would indicate that the Company's long-lived assets may be impaired and therefore determined there was no impairment of long-lived assets during all periods presented.

Cloud Computing Arrangements

The Company capitalizes certain implementation costs incurred in the application development stage of projects related to its cloud computing arrangements that are service contracts. Capitalized implementation costs are recognized in other long-term assets in the consolidated balance sheets and amortized on a straight-line basis over the fixed, noncancellable term of the associated hosting arrangement plus any reasonably certain renewal periods. Costs related to preliminary project activities and post-implementation activities are expensed as incurred. As of December 31, 2025 and 2024, the net carrying amounts of the Company's capitalized cloud computing implementation costs were \$5.3 million and \$5.9 million, respectively.

Intangible Assets, Net

Intangible assets consist solely of domain names, acquired patents and other purchased intangible assets, and are recorded at cost, net of accumulated amortization, and if applicable, impairment charges. The intangible assets are amortized over their useful lives ranging from 10 to 30 years on a straight-line basis or based on the pattern in which economic benefits are consumed, if reliably determinable. The Company reviews intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company has analyzed a variety of factors to determine if any circumstance could trigger an impairment loss, and, at this time and based on the information presently known, no event has occurred and indicated that it is more likely than not that an impairment loss has been incurred. Therefore, the Company did not record any impairment charges for its intangible assets for the years ended December 31, 2025, 2024 and 2023.

As of December 31, 2025 and 2024, the net carrying amounts for intangible assets were \$80.2 million and \$0.3 million, respectively, and were recorded in the Company's consolidated balance sheets.

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The Company's purchased intangible assets of December 31, 2025 and 2024 were as follows (in millions):

	December 31, 2025				December 31, 2024			
	Gross	Additions	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net	
Intangible assets:								
Domain name	\$ 0.5	\$ —	\$ (0.2)	\$ 0.3	\$ 0.5	\$ (0.2)	\$ 0.3	
Patents	—	36.0	(0.8)	35.2	—	—	—	
Operating rights		44.8	(0.1)	44.7				
Total purchased intangible assets	0.5	80.8	(1.1)	80.2	0.5	(0.2)	0.3	

The weighted-average useful life of the acquired patents and operating rights for the year ended December 31, 2025 was approximately 10 years and 30 years, respectively. The weighted-average useful life of intangible assets in total for the year ended December 31, 2025 was approximately 21 years.

Amortization expense related to intangible assets are as follows:

	Year Ended December 31,	
	2025	2024
Domain name ⁽¹⁾	\$ —	\$ 0.1
Patents	0.8	—
Operating rights	0.1	—
Total amortization expense	\$ 0.9	\$ 0.1

⁽¹⁾ The amortization related to domain name is less than \$0.1 million for the year ended December 31, 2025.

The expected future annual amortization expense of intangible assets as of December 31, 2025 is presented below (in millions):

2026	\$ 5.2
2027	5.2
2028	5.2
2029	5.2
2030	5.2
Thereafter	54.2
Total	\$ 80.2

Business Combinations

The Company allocates the acquisition purchase price to the tangible and intangible assets acquired and liabilities assumed, based on their estimated fair values. The excess of the purchase price over the fair value of these assets acquired and liabilities assumed is recorded as goodwill. Allocation of the purchase price requires significant estimates in determining the fair value of acquired assets and assumed liabilities, especially with respect to intangible assets. Critical estimates include, but are not limited to, future expected cash flows, discount rates and expenses associated with an asset. These estimates are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which may not be later than one year from the acquisition date, the Company may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill.

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Goodwill

Goodwill results from the purchase consideration paid in excess of the fair value of the net assets recorded in connection with business acquisitions. Goodwill is not amortized but is assessed for potential impairment at least annually during the fourth quarter of each fiscal year or between annual tests if an event occurs or circumstances change that would indicate the carrying amount may be impaired. Goodwill is tested at the reporting unit level, which the Company has determined to be the same as the entity as a whole (entity level). The Company first performs qualitative assessment to determine whether it is more likely than not that the fair value of the Company's reporting unit is less than its carrying value. If, after assessing the qualitative factors, the Company determines that it is more likely than not that the fair value of its reporting unit is less than its carrying value, an impairment analysis will be performed.

Contract Liabilities

The Company records contract liabilities related to differences between the timing of cash receipts from the customer and the recognition of revenue. Contract liabilities consisted of the following (in millions):

	Year Ended December 31,	
	2025	2024
Current portion of contract liabilities	\$ 1.3	\$ 0.9
Contract liabilities, net of current portion	10.0	11.8
Total	<u>\$ 11.3</u>	<u>\$ 12.7</u>

Current portion of contract liabilities is recorded in accrued expenses and other current liabilities and contract liabilities, net of current portion is recorded in other long-term liabilities in the Company's consolidated balance sheets. As of December 31, 2025 and 2024, the Company's contract liabilities included a \$10.0 million pre-delivery payment received from United Airlines, Inc. ("United") under the terms of the Amended United Purchase Agreement (defined below) (see Note 11 - Warrants), and installment payments received under a contract order with the United States Air Force (the "USAF") for the design, development, and ground test of the Company's production aircraft, Midnight, of \$0.0 million and \$1.8 million, respectively. No revenue related to these contract liabilities were recognized during the years ended December 31, 2025, 2024 and 2023.

Revenue*Lease Revenue*

The Company accounts for lease arrangements in accordance with ASC 842, Leases. Lease revenue is recognized for arrangements in which the Company is the lessor. The Company's lease arrangements primarily consist of the lease of hangar space at Hawthorne Airport and are classified as operating leases with lease income recognized as earned over each monthly lease period beginning on the lease commencement date as most the leases are month-to-month.

Lease revenue excludes amounts collected from lessees for taxes and other amounts assessed by governmental authorities. The Company does not have lease arrangements classified as sales-type or direct financing leases.

Operating Expenses*Cost of Revenue*

Cost of revenue related to sublease revenue is included within operating expenses and primarily consists of master ground lease payments, utilities, property taxes, and insurance associated with the leased hangar space. Master ground lease payments are accounted for in accordance with ASC 842, Leases, while utilities, property taxes, and insurance are recognized as incurred. These costs are directly attributable to the operation and maintenance of the underlying leased asset used to generate lease revenue.

Research and Development

Research and development ("R&D") costs are expensed as incurred and are primarily comprised of personnel-related costs including salaries, bonuses, benefits, and stock-based compensation expense for employees focused on R&D activities, costs associated with building prototype aircraft, other related costs, depreciation, and an allocation of general overhead. R&D efforts focus on the design and development of the Company's eVTOL aircraft, including certain of the systems that are used in it.

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General and Administrative

General and administrative expenses are primarily comprised of personnel-related costs including salaries, bonuses, benefits, and stock-based compensation expense for employees associated with the Company's administrative services such as finance, legal, human resources, and information technology, other related costs, depreciation, and an allocation of general overhead. General and administrative expenses include charges relating to the Technology and Dispute Resolution Agreements (as defined in Note 7 - Commitments and Contingencies) expense for the years ended December 31, 2025 and 2024, and stock-based compensation expense related to restricted stock units ("RSUs") granted to the Company's founders pursuant to the terms and conditions of the Business Combination Agreement immediately prior to closing (each, a "Founder Grant" and collectively, the "Founder Grants") for the years ended December 31, 2025, 2024 and 2023. Refer to Note 7 - Commitments and Contingencies and Note 9 - Stock-Based Compensation for additional information.

Other Warrant Expense

Other warrant expense consists entirely of non-cash expense related to the warrants issued in conjunction with the execution of the United Purchase Agreement, United Collaboration Agreement, and United Warrant Agreement with United. Refer to Note 11 - Warrants for additional information.

Stock-Based Compensation

The Company's stock-based compensation awards consist of options granted to employees and non-employees and RSUs granted to employees, directors, and non-employees that convert into shares of the Company's Class A common stock upon vesting. The Company recognizes stock-based compensation expense in accordance with the provisions of ASC 718, *Compensation - Stock Compensation*. ASC 718 requires the measurement and recognition of compensation expense for all stock-based compensation awards made to employees, directors, and non-employees to be based on the grant date fair values of the awards.

Fair Value of Common Stock

The fair value of the Company's common stock is based on the closing price of the Company's Class A common stock, as quoted on the NYSE, on the date of grant.

Leases

The Company accounts for leases in accordance with ASC 842, *Leases*, and determines if an arrangement is a lease at its inception. Right-of-use ("ROU") assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company uses its estimated incremental borrowing rate in determining the present value of lease payments considering the term of the lease, which is derived from information available at the lease commencement date. The incremental borrowing rate is the rate of interest the Company would have to pay to borrow, on a collateralized basis, an amount equal to the lease payments for a term similar to the lease term in a similar economic environment as the lease. The lease term includes renewal options when it is reasonably certain that the option will be exercised and excludes termination options. To the extent that the Company's agreements have variable lease payments, the Company includes variable lease payments that depend on an index or a rate and excludes those that depend on facts or circumstances occurring after the commencement date, other than the passage of time.

Lease expense for leases is recognized on a straight-line basis over the lease term. The Company has elected not to recognize ROU assets and lease liabilities that arise from short-term (12 months or less) leases for any class of underlying asset. In addition, the Company has elected as an accounting policy, the practical expedient to not separate lease and non-lease components within a contract and instead treat it as a single lease component. Operating leases are included in ROU assets, current portion of lease liabilities, and lease liabilities, net of current portion in the Company's consolidated balance sheets.

Income Taxes

The Company accounts for its income taxes using the asset and liability method whereby deferred tax assets and liabilities are determined based on temporary differences between the basis used for financial reporting and income tax reporting purposes. Deferred income taxes are provided based on the enacted tax rates in effect at the time such temporary differences are expected to reverse. A valuation allowance is provided for deferred tax assets if it is more-likely-than-not that the Company will not realize those tax assets through future operations. Significant judgment is applied when assessing the need for valuation allowances and includes the evaluation of historical loss adjusted for the effects of non-recurring items. Areas of estimation include consideration of future taxable income. The Company has placed a full valuation allowance against its federal and state deferred tax assets since the recovery of the assets is uncertain. Should a change in circumstances lead to a change in judgment

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about the utilization of deferred tax assets in future years, the adjustment related to valuation allowances would be reported as an increase to income.

The Company utilizes the guidance in ASC 740-10, *Income Taxes*, to account for uncertain tax positions. ASC 740-10 contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more-likely-than-not that the positions will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more-likely-than-not of being realized and effectively settled. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and which may not accurately forecast actual outcomes. The Company's policy is to recognize interest and penalties related to uncertain tax positions, if any, in the income tax provision.

Net Loss Per Share

Basic net loss per share is calculated by dividing net loss attributable to common stockholders by the weighted-average number of common shares outstanding. For all periods presented, the calculation of basic net loss per share excludes shares issued upon the early exercise of stock options where the vesting conditions have not been satisfied. Common stock purchased pursuant to an early exercise of stock options is not deemed to be outstanding for accounting purposes until those shares vest. The Company also excludes unvested shares subject to repurchase in the number of shares outstanding in the consolidated balance sheets and statements of stockholders' equity.

Because the Company reported net losses for all periods presented, diluted loss per share is the same as basic loss per share.

Contingently issuable shares, including equity awards with performance conditions, are considered outstanding common shares and included in the computation of basic net loss per share as of the date that all necessary conditions to earn the awards have been satisfied. Prior to the end of the contingency period, the number of contingently issuable shares included in diluted net loss per share is based on the number of shares, if any, that would be issuable under the terms of the arrangement at the end of the reporting period.

Because the Company reported net losses for all periods presented, all potentially dilutive common stock equivalents are antidilutive and have been excluded from the calculation of net loss per share. The diluted net loss per common share was the same for Class A and Class B common shares because they are entitled to the same liquidation and dividend rights.

The following table presents the number of antidilutive shares excluded from the calculation of diluted net loss per share:

	Year Ended December 31,		
	2025	2024	2023
Options to purchase common stock	1,623,752	2,118,011	3,174,114
Unvested restricted stock units	34,166,124	28,658,246	33,397,483
Warrants	33,595,159	38,347,301	52,011,560
Shares issuable under the Employee Stock Purchase Plan (Note 9)	949,538	527,764	931,412
Total	70,334,573	69,651,322	89,514,569

Segments

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources to an individual segment and in assessing performance. The Company's CODM is its Chief Executive Officer. The Company has determined that it operates as a single operating segment and one reportable segment, as the CODM reviews financial information presented on a consolidated basis. The CODM uses net loss for purposes of making operating decisions, allocating resources, and evaluating financial performance. Given the Company's pre-commercialization operating stage, it currently has no concentration exposure to products, services, or customers. Segment asset information is not regularly provided to the CODM to allocate resources.

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The following table presents significant expenses provided to the CODM (in millions):

	Year Ended December 31,		
	2025	2024	2023
Revenue	\$ 0.3	\$ —	\$ —
Operating expenses			
Cost of revenue	0.2	—	—
Depreciation and amortization expense	20.0	11.7	6.5
Research and development warrant expense	3.3	8.1	17.5
Stock-based compensation expense	223.5	108.8	45.2
Technology and dispute resolution agreements expense	—	12.0	70.3
General and administrative warrant expense	—	0.2	—
Other research and development expense	378.0	290.9	224.6
Other general and administrative expense	104.6	78.0	80.7
Other warrant expense	—	—	2.1
Total operating expenses	729.6	509.7	446.9
Loss from operations	(729.3)	(509.7)	(446.9)
Other income (expense), net	58.6	(48.8)	(26.9)
Interest income, net	52.8	21.9	16.4
Loss before income taxes	(617.9)	(536.6)	(457.4)
Income tax expense	(0.3)	(0.2)	(0.5)
Net loss	\$ (618.2)	\$ (536.8)	\$ (457.9)

Comprehensive Loss

Comprehensive loss includes all changes in equity during the period from non-owner sources. The Company's comprehensive loss consists of its net loss, its unrealized gains or losses on available-for-sale securities and foreign currency translation gains or losses.

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires disclosure of incremental income tax information related to the income tax rate reconciliation and expanded disclosures of income taxes paid, among other disclosure requirements. The Company adopted this standard effective for its Annual Report on Form 10-K for the year ended December 31, 2025 using a prospective approach. Refer to Note 10 - Income Taxes for further information.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires disclosure of additional information about specific expense categories in the notes to the financial statements. The update is effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted. The update can be applied either (1) prospectively to financial statements issued for reporting periods after the effective date or (2) retrospectively to any of all prior periods presented in the financial statements. The Company is currently evaluating the impact of ASU 2024-03 on its disclosures within its consolidated financial statements.

In September 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40), which eliminated the use of software project development stages to align with modern software development methods. Under the ASU, software capitalization for internal-use software will begin when (1) management has authorized and committed to funding the software project, and (2) it is probable that the project will be completed and the software will be used to perform its intended function. The update is

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effective for annual periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. The update can be applied either (1) retrospectively, (2) prospectively, or (3) on a modified prospective basis. The Company is currently evaluating the impact of ASU 2025-06 on its disclosures within its consolidated financial statements.

In December 2025, the FASB issued ASU No. 2025-10, Accounting for Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities (ASU 2025-10) to establish authoritative guidance on the recognition, measurement, and presentation of government grants received by business entities. The guidance will be effective for the annual periods beginning with the year ending December 31, 2028 and for interim periods beginning January 1, 2029. Early adoption is permitted. Upon adoption, the guidance can be applied using a modified prospective, modified retrospective, or under a retrospective approach. The Company is currently evaluating the impact of ASU 2025-10 on its disclosures within its consolidated financial statements.

In December 2025, the FASB issued ASU No. 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements (ASU 2025-11), which clarifies the applicability of interim reporting guidance and reorganizes and clarifies interim disclosure requirements under ASC Topic 270, including the addition of a disclosure principle requiring disclosure of material events occurring since the most recent annual reporting period. The guidance will be effective for interim periods beginning January 1, 2028. Early adoption is permitted. Upon adoption, the guidance can be applied prospectively or retrospectively. The Company is currently evaluating the impact of ASU 2025-11 on its disclosures consolidated financial statements.

Note 3 - Property and Equipment, Net

Property and equipment, net, consisted of the following (in millions):

	As of December 31,	
	2025	2024
Building	\$ 118.4	\$ 64.4
Equipment	49.9	25.6
Computer hardware and software	9.9	7.7
Leasehold improvements	50.7	34.2
Construction in progress	60.0	13.3
Total property and equipment	288.9	145.2
Less: Accumulated depreciation	(35.3)	(18.4)
Total property and equipment, net	<u>\$ 253.6</u>	<u>\$ 126.8</u>

The following table presents depreciation expense included in each respective expense category in the consolidated statements of operations (in millions):

	Year Ended December 31,		
	2025	2024	2023
Cost of revenue	\$ 0.1	\$ —	\$ —
Research and development	16.5	9.8	5.3
General and administrative	0.4	0.5	0.5
Total depreciation expense	<u>\$ 17.0</u>	<u>\$ 10.3</u>	<u>\$ 5.8</u>

Note 4 - Business Combination

Acquisition of Hawthorne Airport

On December 8, 2025, the Company completed the acquisition of certain lease agreements, operating rights, and development rights related to Hawthorne Airport in Hawthorne, California. The acquisition included (i) the master ground lease agreement between Hawthorne Airport, LLC (“HAL”) and the City of Hawthorne covering the lease of the Hawthorne Airport; (ii) certain subleases agreements held by HAL; (iii) certain sublease held by 395 Park Place, LLC (“395 Park Place”) with third parties; (iv) an option to purchase seventy-five per cent (75.0%) of the fixed base operator (“FBO”) business operating at Hawthorne Airport from Advanced Air, LLC (“Advanced Air”) prior to December 31, 2026 for \$25.0 million; and (v) rights to have 395 Park Place develop additional hangar space at the Hawthorne Airport for \$20.4 million with payments to be made in

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installments based on construction progress. HAL, 395 Park Place and Advanced Air, are referred to herein collectively as the “Sellers”.

The acquisition was completed to establish an operational hub to support the Company’s planned Los Angeles air taxi operations and aviation technology development. The acquisition has been accounted for as a business combination under the acquisition method in accordance with ASC 805, as the acquired assets and activities included inputs and substantive processes capable of producing outputs. Accordingly, the purchase consideration was allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their respective estimated fair values as of the acquisition date.

The total purchase consideration for the acquisition was \$127.1 million, which consisted of the following (in millions):

Cash	\$	125.9
Fair value of contingent consideration liability on the acquisition date		1.2
Total purchase consideration	\$	<u>127.1</u>

Further, the Company may be obligated to issue up to approximately \$21.4 million in earn-out shares of the Company’s Class A common stock to certain Seller employees and 395 Park Place upon the achievement of certain performance milestones to be achieved within three years of the acquisition date. Of this amount, approximately \$3.75 million was accounted for as contingent consideration and included in the above table as part of total purchase consideration at its estimated fair value of \$1.2 million as of the acquisition date. The remaining earn-out amounts are accounted for as post-combination expense, as the related earn-out targets are expected to be achieved through the ongoing efforts of the Sellers and such amounts will be recognized ratably over the various estimated completion date presuming earn-out targets will be met.

The assumed loan bears interest at a rate of 6.3% per annum and has an initial maturity date of April 2030, with an option to extend the maturity for an additional five years to April 2035 at an adjusted interest rate equal to the five-year U.S. Treasury rate plus 2.7%. The loan agreement contains provisions, representations, warranties, covenants, and indemnities that are customary for secured commercial real estate debt. See Note 6 - Debt for more details.

The following table summarizes the preliminary estimated fair values of the assets acquired and liabilities assumed at the acquisition date (in millions):

Current assets	\$	0.1
Option to purchase FBO (other current assets)		44.8
Property and equipment, net		50.3
ROU asset		15.6
Intangible assets		44.8
Goodwill		0.1
Current liabilities		(0.2)
Lease liabilities		(11.1)
Other long-term liabilities		(1.2)
Loan assumed (debt)		(16.1)
Total	\$	<u>127.1</u>

The acquired goodwill is tax deductible and represents the excess of the purchase consideration over the aggregate fair value of identifiable net assets acquired at the acquisition date. The goodwill is primarily attributable to the assembled workforce. During the measurement period, which may not be later than one year from the acquisition date, the Company may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding net offset to goodwill.

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The following table shows the fair value of the separately identifiable intangible assets at the time of acquisition and the period over which each intangible asset will be amortized:

	Preliminary Fair Value	Useful Life
	<i>(in millions)</i>	<i>(Years)</i>
Operating rights	\$ 44.8	30
Total identified intangible assets	<u>\$ 44.8</u>	

Identifiable intangible assets recognized consist of operating rights, which represent contractual rights to operate and conduct aviation-related activities, including lease of hangar space at the Hawthorne Airport facilities. The operating rights are amortized on a straight-line basis over their estimated useful lives, which generally correspond to the remaining contractual terms of the master ground lease.

As part of the acquisition, as described above, the Company acquired an option to purchase seventy-five percent (75.0%) of the FBO business operating at Hawthorne Airport for a fixed exercise price of \$25.0 million, exercisable at any time prior to December 31, 2026. The option represents a contractual right and was recorded at its estimated fair value of \$44.8 million as of the acquisition date.

The fair value of the FBO business was estimated using an income-based valuation approach, which considers the expected future cash flows based on projected revenues, operating margins and discount rate. See Note 2 - Summary of Significant Accounting Policies for fair value determination of the option to purchase FBO business.

Unaudited pro forma financial information has not been presented, as the impact to the Company's consolidated financial statements was not material.

The Company incurred immaterial acquisition-related costs, which were expensed as incurred and recorded within general and administrative expenses in the consolidated statements of operations for the year ended December 31, 2025.

Note 5 - Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in millions):

	As of December 31,	
	2025	2024
Accrued engineering services, parts and materials	\$ 13.1	\$ 12.5
Accrued employee costs	29.7	22.2
Accrued professional services	14.8	6.5
Contract liabilities - current	1.3	0.9
Other current liabilities	9.2	10.7
Total	<u>\$ 68.1</u>	<u>\$ 52.8</u>

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Note 6 - Debt

The following table provides information regarding the Company's debt (in millions):

	As of December 31,	
	2025	2024
Synovus Bank loan	\$ 65.0	\$ 65.0
Less: unamortized discount and loan issuance costs	(0.8)	(1.0)
Carrying amount of Synovus loan	64.2	64.0
 Banc of California	 \$ 16.1	 \$ —
Less: unamortized discount and loan issuance costs	—	—
Carrying amount of Banc of California loan	16.1	—
 Total carrying amount of debt	 80.3	
Less: Current portion of Debt	(0.8)	—
Debt, net of current portion	\$ 79.5	\$ 64.0

Synovus Bank Loan

On October 5, 2023, the Company entered into a credit agreement (the "Credit Agreement") with Synovus Bank, as administrative agent and lender, and the additional lenders from time to time (collectively, the "Lenders"). Pursuant to the Credit Agreement, the Company may borrow up to an aggregate principal amount of up to \$65.0 million through multiple term loan advances (together, the "Synovus Loan") to fund the construction and development of the Company's manufacturing facility in Covington, Georgia.

The Company is required to make 120 monthly interest payments from November 14, 2023 until maturity, and 84 equal monthly principal installments from November 14, 2026 until maturity. The Credit Agreement matures on the earlier of October 5, 2033 or the date on which the outstanding Synovus Loan has been declared or automatically becomes due and payable pursuant to the terms of the Credit Agreement.

The interest rate on the Synovus Loan is a floating rate per annum equal to secured overnight financing rate (as defined in the Credit Agreement) plus the applicable margin of 2.0%, which increases by 5.0% per annum upon the occurrence of an event of default.

The Company's obligations under the Credit Agreement are secured by funds in a collateral account and the Credit Agreement is guaranteed by certain domestic subsidiaries of the Company. The Company may prepay with certain premium that links to the passage of time, and in certain circumstances would be required to prepay the Loan under the Credit Agreement without payment of a premium. The Credit Agreement contains customary representations and warranties, customary affirmative and negative covenants, and customary events of default. As of December 31, 2025, the Company was in compliance with all the covenants of the Credit Agreement.

The Company has drawn down full \$65.0 million of the Synovus Loan as of December 31, 2025. The effective interest rate for the draw downs ranged from 6.0% to 6.5% and 6.7% to 7.2% as of December 31, 2025 and 2024, respectively. The Company incurred issuance costs of \$1.0 million related to the loan outstanding as of December 31, 2025. The loan issuance costs will be amortized to interest expense over the contractual term of the Synovus Loan. During the years ended December 31, 2025 and 2024, the Company recognized interest expense of \$4.2 million and \$0.1 million, respectively, including an immaterial amount related to the amortization of issuance costs within interest income, net in the consolidated statements of operations. The carrying value of the Loan, net of unamortized issuance costs of \$0.8 million was \$64.2 million as of December 31, 2025.

Banc of California Loan

In connection with the acquisition of Hawthorne Airport acquisition, the Company assumed the sellers' outstanding loan with a principal balance of \$16.1 million with Banc of California (the "Banc of California Loan"). The Banc of California Loan bears a fixed interest rate of 6.3% per annum and has an initial maturity date of April 2030, with an option to extend the maturity for an additional five years to April 2035 at an adjusted interest rate equal to the five-year U.S. Treasury rate plus

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2.7%. The Banc of California Loan is secured by a leasehold deed of trust on the properties and contains representations, warranties, covenants, and indemnities customary for secured commercial real estate debt.

The future scheduled principal maturities of the Debt as of December 31, 2025 are as follows (in millions):

2026	\$	0.9
2027		3.1
2028		3.1
2029		3.1
2030		16.8
Thereafter		54.1
Total debt payable	\$	<u>81.1</u>

Note 7 - Commitments and Contingencies

Operating Leases

The Company leases office, lab, hangar, and storage facilities under various operating lease agreements with lease periods expiring between 2025 and 2030 and generally containing periodic rent increases and various renewal and termination options.

The Company's lease costs were as follows (in millions):

	Year Ended December 31,		
	2025	2024	2023
Operating lease cost	\$ 7.4	\$ 5.0	\$ 5.7
Short-term lease cost	1.1	0.5	0.6
Total lease cost	<u>\$ 8.5</u>	<u>\$ 5.5</u>	<u>\$ 6.3</u>

The Company's weighted-average remaining lease term and discount rate as of December 31, 2025 and 2024 were as follows:

	2025	2024
Weighted-average remaining lease term (in months)	143	48
Weighted-average discount rate	14.1 %	14.4 %

The minimum aggregate future obligations under the Company's non-cancelable operating leases as of December 31, 2025 were as follows (in millions):

2026	\$	14.2
2027		12.0
2028		11.0
2029		10.4
2030		9.2
Thereafter		60.7
Total future lease payments		<u>117.5</u>
Less: leasehold improvement allowance		(9.4)
Total net future lease payments		<u>108.1</u>
Less: imputed interest		(66.5)
Present value of future lease payments	\$	<u>41.6</u>

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Supplemental cash flow information and non-cash activities related to right-of-use assets and lease liabilities were as follows (in millions):

	Year Ended December 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash outflows from operating leases	\$ 8.1	\$ 5.2
Non-cash investing activities		
Operating lease liabilities from obtaining right-of-use assets	\$ 31.9	\$ 2.1

Finance Lease

In February 2023, the Company entered into a lease arrangement with the Newton County Industrial Development Authority (the “Authority”) for the Company’s manufacturing facilities to be constructed in Covington, Georgia. In connection with the lease arrangement, the Authority issued a taxable revenue bond (the “Bond”), which was acquired by the Company. The arrangement is structured so that the Company’s lease payments to the Authority equal and offset the Authority’s bond payments to the Company. Accordingly, the Company offsets the finance lease obligation and the Bond on its consolidated balance sheets.

Letters of Credit

On February 28, 2023, in conjunction with a project agreement that the Company entered into with the City of Covington and the Authority for the Company’s manufacturing facilities to be constructed in Covington, Georgia, the Company entered into a standby letter of credit in the amount of \$3.5 million in favor of the City of Covington, to guarantee certain performance obligations. The standby letter of credit expires on March 31, 2035.

As of December 31, 2025, the Company had standby letters of credit in the aggregate outstanding amount of \$6.3 million, secured with restricted cash.

Litigation

During the ordinary course of the business, the Company may be subject to legal proceedings, various claims, and litigation. Such proceedings can be costly, time consuming, and unpredictable, and therefore, no assurance can be given that the final outcome of such proceedings will not materially impact the Company’s financial condition or results of operations.

Wisk Litigation and Technology and Dispute Resolution Agreements

On April 6, 2021, Wisk Aero LLC (“Wisk”) brought a lawsuit against the Company in the United States District Court for the Northern District of California alleging misappropriation of trade secrets and patent infringement. The Company filed certain counterclaims for defamation, tortious interference and unfair competition.

On August 10, 2023, the Company, the Boeing Company (“Boeing”) and Wisk entered into a series of agreements that provide for, among other things, certain investments by Boeing into the Company and an autonomous flight technology collaboration between Wisk and the Company, the issuance of certain warrants to Wisk and resolution of the federal and state court litigation between the parties (the “Technology and Dispute Resolution Agreements”).

Pursuant to the Technology and Dispute Resolution Agreements, the Company issued Wisk a warrant to purchase up to 13,176,895 shares of the Company’s Class A Common Stock with an exercise price of \$0.01 per share (the “Wisk Warrant”).

The Company recorded the initial vested tranche of shares underlying the warrant within equity at its fair value and recognized technology and dispute resolution agreements expense for the initial vested tranche of shares upon the issuance of the Wisk Warrant. The Company recorded the unvested portion of shares underlying the Wisk Warrant (the “Second Tranche”) as liabilities at their fair value and adjusted the Wisk Warrant to fair value at each reporting period. This liability was subjected to remeasurement at each balance sheet date until exercised, and any change in fair value was recognized as a gain or loss in the Company’s consolidated statements of operations. The initial offsetting entry to the warrant liability was technology and dispute resolution agreements expense. Upon the issuance of shares underlying the Second Tranche, the warrant liability was reclassified to equity at fair value. During the years ended December 31, 2024 and 2023, the Company recorded \$10.3 million and \$70.3 million, respectively, in general and administrative expenses.

On June 7, 2024, Wisk filed a motion in the United States District Court for the Northern District of California to enforce the Technology and Dispute Resolution Agreements in regards to a dispute between the parties with respect to the Second

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Tranche. The Company filed its opposition on July 10, 2024 and a hearing on Wisk's motion occurred on August 14, 2024. On September 6, 2024, the Court entered an order determining that the shares underlying the Second Tranche were exercisable and that the Company was required to pay Wisk prejudgment interest for the period from March 21, 2024 through the date of the Court's hearing on the issue, which has been paid by the Company. On November 5, 2024, the Court issued an order denying Wisk's motion for partial reconsideration of certain aspects of the Court's August order. The Wisk Warrant was fully vested and exercised in the year ended December 31, 2024.

Delaware Class Action Litigation

On May 17, 2024, two putative stockholders of the Company (and formerly, Atlas) filed class action lawsuits, on behalf of themselves and other similarly-situated stockholders, in the Delaware Court of Chancery against the directors and officers of Atlas, the Company, the Company's co-founders, Moelis & Company Group LP and Moelis & Company LLC.

The complaint asserted claims for breaches of fiduciary duties, aiding and abetting breaches of fiduciary duties, and unjust enrichment, in connection with the merger between Atlas and the Company. The plaintiffs requested damages in an amount to be determined at trial, as well as attorneys' and experts' fees. Relatedly, on June 19, 2024, another putative stockholder of the Company filed a class action lawsuit, on behalf of himself and other similarly-situated stockholders, in the Court asserting similar claims as the aforementioned May 17, 2024 complaint against the same defendants named in that May complaint. The Court subsequently consolidated the related class actions and appointed a lead plaintiff.

All defendants filed motions to dismiss the complaint. In response to such motions to dismiss, the plaintiffs voluntarily dismissed their claims against two Atlas directors. Oral argument on the remaining defendants' motions to dismiss was held on April 17, 2025 and the Court issued a bench ruling on July 21, 2025, granting in part and denying in part the motions to dismiss. The Court dismissed all claims asserted against certain defendants, including among others, the Company's co-founders, an Atlas director, Legacy Archer, Moelis & Company Group LP and Moelis & Company LLC. The Court also addressed the sufficiency of the plaintiffs' allegations concerning the pre-merger disclosures that underlie the plaintiffs' fiduciary duty and unjust enrichment claims, ruling that certain allegations were not adequately pleaded, thereby narrowing the scope of the fiduciary duty and unjust enrichment claims against the remaining defendants, which the Company believes that it has substantial defenses against. Trial is scheduled to begin on May 17, 2027.

Joby Litigation

On November 18, 2025 Joby Aero, Inc. ("Joby") filed a complaint in the Superior Court of California in Santa Cruz County against the Company and one of its employees asserting claims of trade-secret misappropriation, breach of contract, interference with Joby's contracts and prospective economic advantage, and related claims around the Company's recent hiring of a former Joby employee. On December 18, 2025, the Company removed this action to the United States District Court for the Northern District of California. On January 23, 2026, the Company moved to dismiss the complaint. A hearing on this motion has been scheduled for March 24, 2026.

Vertical Litigation

On February 23, 2026, the Company filed a patent infringement lawsuit against Vertical Aerospace Ltd. and Vertical Aerospace Group Ltd. (collectively, "Vertical") in the United States District Court for the Eastern District of Texas. The lawsuit alleges that Vertical's eVTOL Valo aircraft infringes multiple patents owned by Archer relating to its Midnight eVTOL aircraft. The Company seeks, among other things, an injunction to prevent Vertical from continuing its infringing activities, as well as monetary damages for past infringement.

Note 8 - Preferred and Common Stock

On December 26, 2024, the Company filed a Certificate of Amendment to the Company's Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware to increase the total number of authorized shares of capital stock from 1,010,000,000 to 1,710,000,000, consisting of 1,400,000,000 shares of Class A common stock, 300,000,000 shares of Class B common stock and 10,000,000 shares of preferred stock.

Effective December 31, 2024 (the "Final Conversion Date"), pursuant to the terms of the Company's Amended and Restated Certificate of Incorporation providing for the automatic conversion of the Company's Class B common stock on the last trading day of the year during which the number of outstanding shares of Class B common stock represents less than 10.0% of the total number of outstanding shares of the Company's Class A common stock and Class B common stock, each outstanding share of Class B common stock automatically converted into the same number of shares of Class A common stock

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(the “Conversion”). No additional shares of Class B common stock have been or will be issued following the Final Conversion Date.

Preferred Stock

As of December 31, 2025, no shares of preferred stock were outstanding, and the Company currently has no plans to issue any shares of preferred stock.

Common Stock

Voting

Holders of the Company’s Class A common stock are entitled to one vote per share on all matters to be voted upon by the stockholders.

Dividends

Holders of Class A common stock are entitled to receive such dividends, if any, as may be declared from time to time by the Company’s Board of Directors in its discretion out of funds legally available therefor. No dividends on common stock have been declared by the Company’s Board of Directors through December 31, 2025, and the Company does not expect to pay dividends in the foreseeable future.

Preemptive Rights

Stockholders have no preemptive or other subscription rights and there are no sinking fund or redemption provisions applicable to Class A common stock.

Liquidation

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

PIPE Financing

On August 10, 2023, the Company entered into subscription agreements with certain investors providing for the private placement of 26,173,286 shares of the Company’s Class A common stock for net proceeds of approximately \$139.0 million, after deducting offering costs.

On August 8, 2024, the Company entered into subscription agreements with certain investors providing for the private placement of the Company’s Class A common stock at a purchase price of \$3.35 per share (the “First 2024 PIPE Financing”), pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act. A portion of the First 2024 PIPE Financing closed on August 12, 2024 for 49,283,582 shares of the Company’s Class A common stock for net proceeds of approximately \$158.0 million, after deducting offering costs. The remaining portion of the First 2024 PIPE Financing covering an aggregate of 2,982,089 shares of the Company’s Class A common stock to be issued and sold to Stellantis N.V. (“Stellantis”) for gross proceeds of approximately \$10.0 million closed on January 6, 2025.

On December 11, 2024, the Company entered into subscription agreements with certain investors providing for the private placement of the Company’s Class A common stock at a purchase price of \$6.65 per share (the “Second 2024 PIPE Financing”), pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act. A portion of the Second 2024 PIPE Financing closed on December 13, 2024 for 63,909,776 shares of the Company’s Class A common stock for net proceeds of approximately \$407.7 million, after deducting offering costs. The remaining portion of the Second 2024 PIPE Financing covering an aggregate of 751,879 shares of the Company’s Class A common stock to be issued and sold to Stellantis

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for anticipated gross proceeds of approximately \$5.0 million, which remains subject to the satisfaction of certain closing conditions.

At-The-Market Program

In November 2023, the Company filed a shelf registration statement on Form S-3 with the SEC and a related prospectus supplement pursuant to which it may, from time to time, sell shares of its Class A common stock, having an aggregate value of up to \$70.0 million, pursuant to a Controlled Equity OfferingSM Sales Agreement (the “Sales Agreement”) with a placement agent (the “First ATM Program”). The First ATM Program was fully utilized in May 2024. During the years ended December 31, 2024 and 2023, the Company sold 10,275,033 and 3,109,097 shares of Class A common stock, respectively, under the First ATM Program, for net proceeds of \$48.1 million and \$19.5 million, respectively.

In May 2024, the Company filed a shelf registration statement on Form S-3 with the SEC that permits the offering of an aggregate of up to \$95.0 million of shares of the Company’s Class A common stock or preferred stock, debt securities, warrants, and units (the “2024 Shelf Registration Statement”), including a prospectus for the sale under the Sales Agreement of shares of its Class A common stock, having an aggregate value of up to \$70.0 million (the “Second ATM Program”). The Second ATM Program was fully utilized in November 2024, resulting in the sale of 20,644,100 shares of Class A common stock for net proceeds of \$68.0 million during the year ended December 31, 2024.

In November 2024, the Company filed a shelf registration statement on Form S-3ASR with the SEC and a related prospectus for the sale under the Sales Agreement of shares of its Class A common stock, having an aggregate value of up to \$70.0 million (the “Third ATM Program”). During the year ended December 31, 2024, the Company sold 2,052,484 shares of Class A common stock under the Third ATM Program for net proceeds of \$21.7 million. During the year ended December 31, 2025, the Third ATM program was fully utilized, resulting in the sale of 3,921,875 shares for net proceeds of \$46.3 million.

The Company pays the placement agent a commission rate of up to 3.0% of the gross proceeds from any shares of Class A common stock sold through the Sales Agreement.

Vendor Share Issuances

During the years ended December 31, 2025, and 2024, the Company issued 15,045,913 and 1,685,994 shares of Class A common stock to certain vendors to satisfy \$126.8 million and \$5.8 million of the Company’s current and/or future obligations to those vendors, respectively.

Registered Direct Offerings

On February 12, 2025, the Company closed a registered direct offering in which pursuant to the securities purchase agreement dated February 11, 2025, by and between the Company and certain institutional investors, the Company issued and sold 35,500,000 shares of the Company’s Class A common stock for gross proceeds of \$301.8 million, after deducting offering costs.

On June 16, 2025, the Company closed a registered direct offering in which pursuant to the securities purchase agreement dated June 12, 2025, by and between the Company and certain institutional investors, the Company issued and sold 85,000,000 shares of the Company’s Class A common stock for gross proceeds of \$850.0 million, after deducting offering costs.

On November 10, 2025, the Company closed a registered direct offering in which pursuant to the securities purchase agreement dated November 6, 2025, by and between the Company and certain institutional investors, the Company issued and sold 81,250,000 shares of the Company’s Class A common stock for gross proceeds of \$650.0 million, after deducting offering costs.

Note 9 - Stock-Based Compensation

Amended and Restated 2021 Plan

In August 2021, the Company adopted the 2021 Equity Incentive Plan (the “2021 Plan”), which was approved by the stockholders of the Company in September 2021 and became effective immediately upon the closing of the Business Combination. In April 2022, the Company amended and restated the 2021 Plan (the “Amended and Restated 2021 Plan”), which was approved by the stockholders of the Company in June 2022. The aggregate number of shares of Class A common stock that may be issued under the plan increased to 34,175,708. In addition, the number of shares of Class A common stock reserved for issuance under the Amended and Restated 2021 Plan will automatically increase on January 1st of each year following this amendment, starting on January 1, 2023 and ending on (and including) January 1, 2031, in an amount equal to

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the lesser of (i) 5.0% of the total number of shares of Class A and Class B common stock outstanding on December 31 of the preceding year, or (ii) a lesser number of shares of Class A common stock determined by the Board of Directors prior to the date of the increase (the “EIP Evergreen Provision”). The EIP Evergreen Provision is calculated using the number of legally outstanding shares of common stock and includes shares, such as unvested shares pursuant to early exercised stock options, that are not considered outstanding for accounting purposes. In accordance therewith, the number of shares of Class A common stock reserved for issuance under the Amended and Restated 2021 Plan increased by 25,191,478 shares on January 1, 2025. The Amended and Restated 2021 Plan provides for the grant of incentive and non-statutory stock options, stock appreciation rights, restricted stock awards, restricted stock units, performance awards, and other awards to employees, directors, and non-employees.

In connection with the adoption of the 2021 Plan, the Company ceased issuing awards under its 2019 Equity Incentive Plan (the “2019 Plan”). Following the closing of the Business Combination, the Company assumed the outstanding stock options under the 2019 Plan and converted such stock options into options to purchase the Company’s common stock. Such stock options will continue to be governed by the terms of the 2019 Plan and the stock option agreements thereunder, until such outstanding options are exercised or until they terminate or expire.

Annual Equity Awards

Subject to the achievement of certain performance goals established by the Company from time to time, the Company’s employees are eligible to receive an annual incentive bonus that will entitle them to an annual grant of RSUs that are fully vested on the date of grant. Furthermore, all the annual equity awards are contingent and issued only upon approval by the Company’s Board of Directors or the Compensation Committee. During the years ended December 31, 2025, 2024 and 2023, the Company recognized stock-based compensation expense of \$21.1 million, \$17.8 million and \$11.5 million, respectively, related to these annual equity awards.

Stock Options

A summary of the Company’s stock option activity is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (In millions)
Outstanding as of January 1, 2024	3,174,114	\$ 0.12	6.7	\$ 19.1
Exercised	(999,115)	\$ 0.08		\$ 4.5
Expired/forfeited	(56,988)	\$ 0.10		
Outstanding as of December 31, 2024	2,118,011	\$ 0.13	5.8	\$ 20.4
Exercised	(416,394)	0.11		3.7
Expired/forfeited	(77,865)	0.15		
Outstanding as of December 31, 2025	<u>1,623,752</u>	0.14	4.8	12.0
Exercisable as of December 31, 2025	1,613,990	\$ 0.14	4.8	\$ 11.9
Vested and expected to vest as of December 31, 2025	1,623,752	0.14	4.8	12.0

There were no options granted for the years ended December 31, 2025, 2024 and 2023.

The Company recognized stock-based compensation expense of \$2.2 million, \$2.5 million and \$2.8 million for stock options for the years ended December 31, 2025, 2024 and 2023, respectively.

As of December 31, 2025, there was less than \$0.1 million unrecognized stock-based compensation expense related to unvested stock options.

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Restricted Stock Units

A summary of the Company's RSU activity is as follows:

	Number of Shares	Weighted Average Grant Fair Value
Outstanding as of January 1, 2024	31,522,483	\$ 4.99
Granted	18,608,964	\$ 4.78
Vested	(18,837,707)	\$ 4.87
Forfeited	(2,635,494)	\$ 4.06
Outstanding as of December 31, 2024	<u>28,658,246</u>	<u>\$ 5.02</u>
Granted	23,226,161	9.22
Performance based adjustment ⁽¹⁾	190,844	6.39
Vested	(15,418,517)	5.94
Forfeited	(2,490,610)	6.56
Outstanding as of December 31, 2025	<u><u>34,166,124</u></u>	<u>7.36</u>

⁽¹⁾ Represents units adjusted for the vesting of the first tranche of PSUs (defined below) granted in 2024.

During the year ended December 31, 2025, the Company granted 2,425,322 RSUs under the Amended and Restated 2021 Plan, representing the annual equity awards for 2024. The RSUs were fully vested on the date of grant and settled in Class A common stock on a one-for-one basis. In addition, the Company granted 19,918,683 RSUs under the Amended and Restated 2021 Plan, which generally vest over a three- or four-year period with a one-year cliff and remains subject to forfeiture if vesting conditions are not met. Upon vesting, RSUs are settled in Class A common stock on a one-for-one basis. The shares of Class A common stock underlying RSU grants are not issued and outstanding until the applicable vesting date.

During the year ended December 31, 2025, the Company granted 882,156 RSUs under the Amended and Restated 2021 Plan to certain executives, which vest over a three-year period with a payout based on the Company's relative performance of total shareholder return ("TSR") compared with the annualized TSR of certain peer companies for the service period (the "PSUs"). The award payout can range from 0.0% to 200.0% of the initial grant and is measured on each anniversary of the grant date. Upon vesting, the PSUs are settled in Class A common stock on a one-for-one basis. If an executive's employment ends due to disability, death, termination without cause or resignation for good reason, the executive (or beneficiary) remains eligible under the award and, if the award is earned, will receive a proration of the PSUs based on active employment during the annual service periods. In all other cases, the award will not vest and all rights to the PSUs will terminate.

The Company determined the fair value of the PSUs using a Monte Carlo simulation model on the grant date. The Company will recognize compensation expense for the PSUs on a straight-line basis over the three-year performance period.

The following assumptions were used to estimate the fair value, using the Monte Carlo simulation, of the PSUs:

	February 17 2025	July 26 2025
Stock price	\$ 10.35	\$ 11.21
Term (in years)	3.0	3.0
Risk-free interest rate	4.2 %	3.8 %
Volatility	88.2 %	87.2 %
Dividend yield	0.0 %	0.0 %

Immediately prior to closing of the Business Combination, each of the Company's founders was granted 20,009,224 RSUs under the 2019 Plan pursuant to the terms and conditions of the Business Combination Agreement. One-quarter of each of the Founder Grants was intended to vest upon the achievement of the earlier to occur of (i) a price-based milestone or (ii) a performance-based milestone, with a different set of such price and performance-based milestones applying to each quarter of

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each of the Founder Grants and so long as the achievement occurs within seven years following the closing of the Business Combination.

The Company accounts for the Founder Grants as four separate tranches, with each tranche consisting of two award conditions, a performance award condition and market award condition. Each tranche vests when either the market condition or performance condition is satisfied (only one condition is satisfied). The Company determined the fair value of the performance award by utilizing the trading price on the Closing Date. When the applicable performance milestone is deemed probable of being achieved, the Company will recognize compensation expense for the portion earned to date over the requisite period. For the market award, the Company determined both the fair value and derived service period using a Monte Carlo simulation model on the Closing Date. The Company will recognize compensation expense for the market award on a straight-line basis over the derived service period. If the applicable performance condition is not probable of being achieved, compensation cost for the value of the award incorporating the market condition is recognized, so long as the requisite service is provided. If the performance milestone becomes probable of being achieved, the full fair value of the award will be recognized, and any remaining expense for the market award will be canceled.

One-quarter of each of the Founder Grants, totaling 10,004,612 shares of Class B common stock, vested immediately prior to the Closing Date pursuant to the terms and conditions of the Business Combination Agreement. On April 14, 2022, the vested 5,002,306 shares of Class B common stock of the Company's former co-CEO were cancelled. On July 13, 2023, following the expiration of 15 months from the separation of the former co-CEO from the Company on April 13, 2022, the former officer's unvested 15,006,918 shares of Class B common stock for the remaining three tranches were forfeited. The Company then reversed the previously recognized stock-compensation expense of \$59.1 million associated with these shares. During the year ended December 31, 2024, the Company's Board of Directors determined that the performance milestone for the second tranche of the outstanding Founder Grant, covering 5,002,306 shares of Class B common stock, was achieved. As of December 31, 2025, there were 10,004,612 RSUs outstanding, representing the remaining two tranches of the outstanding Founder Grant.

For the years ended December 31, 2025, 2024 and 2023, the Company recorded \$22.6 million, \$33.1 million and \$49.7 million of stock-based compensation expense, respectively, for the remaining two tranches of the outstanding Founder Grant in general and administrative expenses in the consolidated statements of operations. Of the amounts recorded during the years ended December 31, 2023 and 2022, approximately \$17.3 million and \$32.4 million of stock-based compensation expense, respectively, associated with the forfeiture were reversed in July 2023 and recorded during the year ended December 31, 2023.

For the years ended December 31, 2025, 2024 and 2023, the Company recorded \$99.1 million, \$47.4 million and \$27.0 million of stock-based compensation expense, respectively, related to RSUs (excluding the Founder Grants).

As of December 31, 2025, the total remaining stock-based compensation expense for unvested RSUs (including the remaining Founder Grant) was \$177.1 million, which is expected to be recognized over a weighted-average period of 1.0 year.

Employee Stock Purchase Plan

In August 2021, the Company adopted the 2021 Employee Stock Purchase Plan (the "ESPP"), which became effective immediately upon the closing of the Business Combination. The ESPP permits eligible employees to purchase shares of Class A common stock at a price equal to 85.0% of the lower of the fair market value of Class A common stock on the first day of an offering or on the date of purchase. Additionally, the number of shares of Class A common stock reserved for issuance under the ESPP will automatically increase on January 1st of each year, beginning on January 1, 2022 and continuing through and including January 1, 2031, by the lesser of (i) 1.0% of the total number of shares of Class A common stock outstanding on December 31 of the preceding year; (ii) 9,938,118 shares of Class A common stock; or (iii) a lesser number of shares of Class A common stock determined by the Board of Directors prior to the date of increase (the "ESPP Evergreen Provision"). The ESPP Evergreen Provision is calculated using the number of legally outstanding shares of common stock and includes shares, such as unvested shares pursuant to early exercised stock options, that are not considered outstanding for accounting purposes. In accordance therewith, the number of shares of Class A common stock reserved for issuance under the ESPP increased by 4,677,185 on January 1, 2025. As of December 31, 2025, the maximum number of shares authorized for issuance under the ESPP was 15,762,995, of which 11,656,009 shares remained available under the ESPP.

The Company currently offers six-month offering periods, and at the end of each offering period, which occurs every six months on May 31 and November 30, employees can elect to purchase shares of the Company's Class A common stock with contributions of up to 15.0% of their base pay, accumulated via payroll deductions, subject to certain limitations.

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During the year ended December 31, 2025, for the six-month ESPP offering periods that ended on May 31, 2025 and November 30, 2025, employees purchased 618,173 shares at a price of \$6.21 per share and 536,185 shares at a price of \$6.62 per share, respectively.

The Company uses the Black-Scholes option pricing model to calculate the grant date fair value of each award granted under the ESPP. The following table sets forth the key assumptions and fair value results for each award granted in the Company's six-month offering period that started on December 1, 2025:

Input	December 1, 2025	June 1, 2025
Stock price	\$ 7.46	\$ 10.09
Term (in years)	0.5	0.5
Risk-free interest rate	3.7 %	4.3 %
Volatility	89.0 %	122.0 %
Dividend yield	0.0 %	0.0 %
Grant date fair value per share	\$ 2.94	\$ 4.83

During the years ended December 31, 2025, 2024 and 2023, the Company recognized stock-based compensation expense of \$4.5 million, \$2.6 million and \$1.2 million for the ESPP, respectively.

As of December 31, 2025, the total remaining stock-based compensation expense was \$2.3 million for the ESPP, which is expected to be recognized over the current six-month offering period until May 31, 2026.

Vendor Share Issuances

From time to time, the Company issues shares of Class A common stock to certain vendors in exchange for services rendered and/or goods purchased (collectively, the "Vendor Share Issuances"). The Vendor Share Issuances are being consummated by the Company pursuant to the Company's shelf registration statements filed with the SEC and accompanying prospectuses.

During the years ended December 31, 2025, and 2024, the Company recognized stock-based compensation expense of \$73.3 million and \$5.5 million for the Vendor Share Issuances, respectively.

Acquisition-related earn-out stock-based compensation expense

In connection with the acquisition of Hawthorne Airport, during the year ended December 31, 2025, the Company recognized \$0.7 million of stock-based compensation expense related to earn-out shares payable in the Company's Class A common stock. The related performance targets are expected to be achieved through the ongoing efforts of the Sellers; therefore, the earn-out is accounted for as post-combination expense. The expense is recognized over the expected achievement period based on the estimated grant-date fair value of the awards, assuming the performance targets will be met. The expense is included within general and administrative expense in the consolidated statements of operations for the year ended December 31, 2025.

Additional Stock-based Compensation information

The Company records stock-based compensation expense for stock-based compensation awards based on the fair value on the date of grant. The stock-based compensation expense is recognized ratably over the course of the requisite service period.

The Company has elected to account for forfeitures as they occur and will record stock-based compensation expense assuming all stockholders will complete the requisite service period. If an employee forfeits an award because they fail to complete the requisite service period, the Company will reverse stock-based compensation expense previously recognized in the period the award is forfeited.

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The following table presents stock-based compensation expense included in each respective expense category in the consolidated statements of operations (in millions):

	Year Ended December 31,		
	2025	2024	2023
Research and development	\$ 95.3	\$ 49.0	\$ 28.9
General and administrative	128.2	59.8	16.3
Total stock-based compensation expense	<u>\$ 223.5</u>	<u>\$ 108.8</u>	<u>\$ 45.2</u>

Note 10 - Income Taxes

The Company's loss before income taxes consisted of the following (in millions):

	Year Ended December 31,		
	2025	2024	2023
United States	\$ (619.0)	\$ (537.6)	\$ (458.7)
International	1.1	1.0	1.3
Total	<u>\$ (617.9)</u>	<u>\$ (536.6)</u>	<u>\$ (457.4)</u>

The Company recognized foreign current income tax provision of \$0.3 million, \$0.2 million, and \$0.5 million during the years ended December 31, 2025, 2024 and 2023, respectively. The Company did not record any deferred income tax provision for the years ended December 31, 2025, 2024 and 2023. The related increase in the deferred tax assets was offset by the increase in valuation allowance.

As further described in Note 2, Summary of Significant Accounting Policies, the Company has elected to prospectively adopt the guidance in ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Taxes Disclosures (“ASU 2023-09”). In accordance with the guidance in ASU No. 2023-09 the effective income tax rate for the year ended December 31, 2025, differs from the statutory federal income tax rate as follows (in millions, except percentages):

	Year Ended December 31,	
	2025	
Federal income tax at statutory tax rate	\$ (129.8)	21.0 %
Tax credits		
Research and development tax credit	(22.8)	3.7
Change in valuation allowance	163.2	(26.5)
Nontaxable or nondeductible items		
Warrant expense	(12.2)	2.0
Nondeductible officers’ compensation	12.3	(2.0)
Stock-based compensation expense	(12.2)	2.0
Other	1.8	(0.2)
Provision for income taxes and Effective tax rate	<u>\$ 0.3</u>	<u>— %</u>

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As previously disclosed for the years ended December 31, 2024 and 2023, prior to the adoption of ASU 2023-09, the effective income tax rate differs from the statutory federal income tax rate as follows:

	Year Ended December 31,	
	2024	2023
Federal income tax (benefit) at statutory tax rate	21.0 %	21.0 %
State and local income taxes (net of federal benefit)	0.8 %	(2.7)%
Nondeductible expenses	(1.0)%	(0.1)%
Warrant expense	(1.9)%	(1.6)%
Nondeductible officers' compensation	(0.7)%	0.1 %
Credits	5.4 %	4.4 %
Change in valuation allowance	(23.6)%	(21.2)%
Effective tax rate	0.0 %	(0.1)%

Differences between the state statutory rate and state effective tax rate for the years ended December 31, 2025 and 2024 primarily relate to the limitations imposed on certain share-based compensation under Section 162(m), research and development expenses tax credits and an increase in the valuation allowance.

The Company's significant components of its deferred tax assets and liabilities are as follows (in millions):

	As of December 31,	
	2025	2024
Deferred tax assets:		
Net operating loss carryforwards	\$ 296.3	\$ 133.0
Accrued expenses	5.8	4.3
Operating lease liabilities	9.3	3.3
Stock-based compensation expense	5.4	2.1
Warrants	8.6	7.8
Capitalized research and development expenses	116.4	132.3
Credits	107.1	71.5
Depreciation and amortization	1.3	3.7
Other	0.7	0.3
Gross deferred tax assets	550.9	358.3
Less: valuation allowance	(541.8)	(353.3)
Deferred tax assets, net of valuation allowance	9.1	5.0
Deferred tax liabilities:		
Depreciation and amortization	—	(3.2)
Right-of-use assets	(9.1)	(1.8)
Total deferred tax liabilities	(9.1)	(5.0)
Total net deferred tax assets	\$ —	\$ —

In assessing the realizability of deferred tax assets, management considers whether it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the period in which those temporary differences become deductible. Based upon the analysis of federal and state deferred tax balances and future tax projections and the Company's lack of taxable income in the carryback period, the Company recorded a valuation allowance of \$541.8 million against the federal and state deferred tax assets. The valuation allowance increased by \$188.5 million, \$127.0 million, and \$96.6 million during the years ended December 31, 2025, 2024 and 2023, respectively.

As of December 31, 2025 and 2024, the Company has U.S. federal net operating loss ("NOL") carryforwards of \$1,372.4 million and \$616.5 million, respectively, which can be carried forward indefinitely. As of December 31, 2025 and 2024, the

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Company has state NOL carryforwards of \$146.8 million and \$58.2 million, respectively, which will both begin to expire in 2038.

In the ordinary course of its business, the Company incurs costs that, for tax purposes, are determined to be qualified R&D expenditures within the meaning of Section 41 of the Internal Revenue Code of 1986, as amended (the “Code”) and are, therefore, eligible for the Increasing Research Activities credit under Section 41 of the Code. The U.S. federal R&D tax credit carryforward is \$77.2 million and \$53.2 million for December 31, 2025 and 2024, respectively. The U.S. federal R&D tax credit carryforward begins to expire in 2039. The state R&D tax credit carryforward is \$45.0 million and \$27.9 million for December 31, 2025 and 2024, respectively, which can be carried forward indefinitely.

The following table shows the changes in the gross amount of unrecognized tax benefits (in millions):

Balance as of December 31, 2022	\$	1.5
Increases related to prior year tax positions		0.5
Balance as of December 31, 2023		2.0
Increases related to current year tax positions		2.0
Balance as of December 31, 2024		4.0
Increases related to current year tax positions		3.0
Balance as of December 31, 2025	\$	7.0

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate as of December 31, 2025 and 2024 is zero due to the valuation allowance that would otherwise be recorded on the deferred tax asset associated with the recognized position. During the years ended December 31, 2025, 2024 and 2023, the Company recognized no interest and penalties related to uncertain tax positions.

In accordance with Section 382 and Section 383 of the Code, a corporation that undergoes an “ownership change” (generally defined as a cumulative change of more than 50.0% in the equity ownership of certain stockholders over a rolling three-year period) is subject to limitations on its ability to utilize its pre-change NOLs and R&D tax credits to offset post-change taxable income and post-change tax liabilities, respectively. The Company’s existing NOLs and R&D credits may be subject to limitations arising from previous ownership changes, and the ability to utilize NOLs could be further limited by Section 382 and Section 383 of the Code. In addition, future changes in the Company’s stock ownership, some of which may be outside of the Company’s control, could result in an ownership change under Section 382 and Section 383 of the Code. The amount of such limitations, if any, has not been determined.

The Company is subject to taxation and files income tax returns with the U.S. federal government and various state jurisdictions. As a result of the Company’s net operating loss and credit carryforwards all of its years are subject to federal and state examination. The Company is not under audit by any tax jurisdictions at this time. During the year ended December 31, 2025, the Company did not have any significant income tax payments made or refunds received from any jurisdiction.

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Note 11 - Warrants

Equity Classified Warrants

A summary of the Company’s warrant activity is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (In millions)
Outstanding as of January 1, 2025	20,753,630	\$ 0.01	3.5	\$ 202.1
Issued	314,760	0.01		2.4
Exercised	(57,050)	0.01		0.4
Expired	(1,671,202)			
Outstanding as of December 31, 2025	<u>19,340,138</u>	0.01	2.7	145.2
Vested and exercisable as of December 31, 2025	11,139,976	\$ 0.01	1.9	\$ 83.7

United Airlines, Inc.

On January 29, 2021, the Company entered into the United Purchase Agreement, the United Collaboration Agreement, and the United Warrant Agreement with United. Under the terms of the United Purchase Agreement, United has a conditional purchase order for up to 200 of the Company’s aircraft, with an option to purchase an additional 100 aircraft. Those purchases are conditioned upon the Company meeting certain conditions that include, but are not limited to, the certification of the Company’s aircraft by the Federal Aviation Administration (“FAA”) and further negotiation and reaching of mutual agreement on certain material terms related to the purchases. The Company issued 14,741,764 warrants to United to purchase shares of the Company’s Class A common stock. Each warrant provides United with the right to purchase one share of the Company’s Class A common stock at an exercise price of \$0.01 per share. The warrants were initially expected to vest in four installments in accordance with the following milestones: the execution of the United Purchase Agreement and the United Collaboration Agreement, the completion of the Business Combination, the certification of the aircraft by the FAA, and the sale of aircraft to United.

On August 9, 2022, the Company entered into Amendment No. 1 to the United Purchase Agreement (the “Amended United Purchase Agreement”) and Amendment No. 1 to the United Warrant Agreement (the “Amended United Warrant Agreement”). In association with the Amended United Purchase Agreement, the Company received a \$10.0 million pre-delivery payment from United for 100 of the Company’s aircraft (the “Pre-Delivery Payment”), which was recognized as a contract liability in other long-term liabilities in the Company’s consolidated balance sheets. Pursuant to the Amended United Warrant Agreement, the vesting condition of the fourth milestone of the United Warrant Agreement was modified, and the warrants now vest in four installments in accordance with the following sub-milestones: (i) 737,088 warrants vested upon receipt by the Company of the Pre-Delivery Payment on August 9, 2022; (ii) 2,211,264 warrants vested on February 9, 2023 upon the six-month anniversary of the amendment date; (iii) 3,685.45 warrants shall vest upon the acceptance and delivery of each of the Company’s 160 aircraft; and (iv) 22,112.65 warrants shall vest upon the acceptance and delivery of each of the Company’s 40 aircraft.

The Company accounts for the Amended United Purchase Agreement and the United Collaboration Agreement under ASC 606, *Revenue from Contracts with Customers*. The Company identified the sale of each aircraft ordered by United as a separate performance obligation in the contract. As the performance obligations have not been satisfied, the Company has not recognized any revenue as of December 31, 2025.

With respect to the warrant vesting milestones outlined above, the Company accounts for them as consideration payable to a customer under ASC 606 related to the future purchase of aircraft by United. The Company determined that the warrants are classified as equity awards based on the criteria of ASC 480, *Distinguishing Liabilities from Equity* and ASC 718, *Compensation — Stock Compensation*. Pursuant to ASC 718, the Company measured the grant date fair value of the warrants to be recognized upon the achievement of each of the original four milestones and the vesting of the related warrants, which was determined to be \$13.35, based on a valuation of the Company’s Class A common stock on January 29, 2021.

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For the first milestone, issuance of the warrants in conjunction with the execution of the United Purchase Agreement and the United Collaboration Agreement, the Company recorded the grant date fair value of the respective warrant tranche at the vesting date upon satisfaction of the milestone, and the related costs were recorded in other warrant expense due to the absence of historical or probable future revenue. For the second milestone, the completion of the Business Combination transaction, the related costs were also recorded in other warrant expense due to the absence of historical or probable future revenue. A total of 8,845,058 warrants vested from achievement of the first two milestones and were exercised. For the third milestone, the certification of the aircraft by the FAA, the Company will assess whether it is probable that the award will vest at the end of every reporting period. If and when the award is deemed probable of vesting, the Company will begin capitalizing the grant date fair value of the associated warrants as an asset through the vesting date and subsequently amortize the asset as a reduction to revenue as it sells the new aircraft to United.

For the original fourth milestone, the sale of aircraft to United, the Company was initially expected to record the cost associated with the vesting of each portion of warrants within this milestone as a reduction of the transaction price as revenue is recognized for each sale of the aircraft. In connection with the Amended United Warrant Agreement, the Company evaluated the accounting implications associated with the amendment to the fourth milestone in accordance with ASC 606 and ASC 718. For the first sub-milestone, the receipt of the Pre-Delivery Payment, the Company accounted for it as a modification under ASC 718 and recorded the modification date fair value of the associated warrants in other warrant expense upon satisfaction of the sub-milestone on August 9, 2022. For the second sub-milestone, the vesting of warrants on February 9, 2023, the Company accounted for it as a modification under ASC 718 and recorded the modification date fair value of the associated warrants in other warrant expense on a straight-line basis over six months following the amendment date. The modification date fair value of each warrant associated with the first and second sub-milestones was determined to be \$4.37, which was the closing price of the Company's Class A common stock on the modification date. A total of 2,948,352 warrants vested from achievement of the first two sub-milestones under the fourth milestone and were exercised. For the third and fourth sub-milestones, the sale of 160 aircraft and 40 aircraft, respectively, the Company determined that the amendment does not represent a modification under ASC 718. The Company will record the cost associated with the vesting of each portion of the associated warrants as a reduction of the transaction price based on the original grant date fair value as revenue is recognized for each sale of the aircraft.

There was no other warrant expense recognized for the year ended December 31, 2025 and 2024. For the year ended December 31, 2023, the Company recorded \$2.1 million in other warrant expense in the consolidated statements of operations related to the second sub-milestone under the fourth milestone, and a total of 2,211,264 warrants vested from achievement of this milestone.

Stellantis N.V.

On January 3, 2023, the Company entered into a manufacturing and collaboration agreement with Stellantis, pursuant to which the Company and Stellantis will collaborate on the development and implementation of the Company's manufacturing operations for the production of its eVTOL aircraft products (the "Stellantis Collaboration Agreement"). In connection with the Stellantis Collaboration Agreement, the Company entered into a forward purchase agreement (as amended, the "Stellantis Forward Purchase Agreement") and a warrant agreement (the "Stellantis Warrant Agreement") with Stellantis on January 3, 2023.

Under the terms of the Stellantis Forward Purchase Agreement, the Company agreed to issue and sell to Stellantis up to \$150.0 million of shares of the Company's Class A common stock pursuant to terms and conditions of the Stellantis Forward Purchase Agreement. As further described below, the shares pursuant to the Stellantis Forward Purchase Agreement were fully issued in July 2024.

Under the terms of the Stellantis Warrant Agreement, Stellantis is entitled to purchase up to 15.0 million shares of the Company's Class A common stock, at an exercise price of \$0.01 per share (the "Stellantis Warrant"). The Stellantis Warrant will vest and become exercisable in three equal tranches upon 12, 24 and 36 months of the grant date, provided that (i) Stellantis has performed certain undertakings set forth in the Stellantis Collaboration Agreement and/or (ii) the VWAP (as defined in the Stellantis Warrant Agreement) for the Class A common stock exceeding certain specified amounts. Pursuant to the terms and conditions of the Stellantis Collaboration Agreement, Stellantis is deemed to have performed the undertakings if the Stellantis Collaboration Agreement has not been terminated by the Company as of the specified vesting date for each tranche.

As the Company is currently in pre-revenue stage and is not generating any revenue from the Stellantis Collaboration Agreement, all costs incurred with third parties are recorded based on the nature of the costs incurred. The Company accounts for the warrant in accordance with the provisions of ASC 718. The grant date fair value of each warrant was determined to be \$1.93, which was the closing price of the Company's Class A common stock on January 3, 2023. For each tranche of the

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warrant, the Company will recognize compensation costs as the related services are received from Stellantis on a straight-line basis over the associated service period. During the years ended December 31, 2025 and 2024, the Company recorded \$3.3 million and \$8.1 million of research and development expense, respectively, in the consolidated statements of operations in connection with the Stellantis Collaboration Agreement.

On June 23, 2023, the Company issued 6,337,039 shares of Class A common stock to Stellantis in connection with the first milestone under the Stellantis Forward Purchase Agreement and received approximately \$25.0 million in gross proceeds. On August 10, 2023, Stellantis waived certain conditions provided for in the Stellantis Forward Purchase Agreement relating to the Company's actual achievement pursuant to Milestone 2 (as defined in the Stellantis Forward Purchase Agreement). In connection with this waiver, the Company submitted an election notice to draw down upon the \$70.0 million applicable to Milestone 2, which equals 12,313,234 shares of the Company's Class A common stock. This drawdown was completed on October 16, 2023. On June 27, 2024, the Company elected to draw down the \$55.0 million remaining available under the Stellantis Forward Purchase Agreement associated with Milestone 3 (as defined in the Stellantis Forward Purchase Agreement). In accordance therewith, on July 1, 2024, the Company issued 17,401,153 shares of Class A common stock to Stellantis for gross proceeds of approximately \$55.0 million.

During the year ended December 31, 2025, FCA US LLC ("FCA"), a wholly-owned subsidiary of Stellantis, transferred to Stellantis a fully vested warrant to purchase 1,671,202 shares of the Company's Class A common stock at an exercise price of \$0.01 per share. The warrant was not exercised and expired as of December 31, 2025.

Liability Classified Warrants

During the year end December 31, 2025, 3,950 public warrants were exercised and as of December 31, 2025, there were 17,394,997 public warrants that remained outstanding. Public warrants may only be exercised for a whole number of shares. No fractional shares are issued upon exercise of the public warrants. The public warrants became exercisable on October 30, 2021, 12 months after the closing of the initial public offering of Atlas. The public warrants will expire in September 2026 or earlier upon redemption or liquidation.

Once the public warrants become exercisable, the Company may redeem the public warrants:

- in whole and not in part;
- at a price of \$0.01 per public warrant;
- upon not less than 30 days' prior written notice of redemption to each warrant holder; and
- if, and only if, the closing price of the Class A common stock equals or exceeds \$18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period commencing after the warrants become exercisable and ending three business days before the Company sends the notice of redemption to the warrant holders.

If and when the warrants become redeemable by the Company, the Company may exercise its redemption right even if the Company is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

Each public warrant entitles the registered holder to purchase one share of Class A common stock at a price of \$11.50 per share. The exercise price and number of Class A common stock issuable upon exercise of the public warrants may be adjusted in certain circumstances including in the event of a share dividend, extraordinary dividend or recapitalization, reorganization, merger, or consolidation. The public warrants will not be adjusted for issuances of Class A common stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the public warrants.

As of December 31, 2025, there were 8,000,000 private placement warrants outstanding. The private placement warrants are identical to the public warrants underlying the shares sold in the initial public offering of Atlas, except that the private placement warrants and the shares of Class A common stock issuable upon the exercise of the private placement warrants became transferable, assignable, and salable on October 16, 2021, 30 days after the completion of the Business Combination, subject to certain limited exceptions. Additionally, the private placement warrants will be exercisable on a cashless basis and will be non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the private placement warrants are held by someone other than the initial purchasers or their permitted transferees, the private placement warrants will be redeemable by the Company and exercisable by such holders on the same basis as the public warrants.

The warrants are remeasured to fair value at each reporting date, with changes in fair value recognized in other income (expense), net in the consolidated statements of operations. During the year ended December 31, 2025, the Company

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recognized a gain of \$59.5 million. During the years ended December 31, 2024 and 2023, the Company recognized losses of \$49.5 million and \$32.9 million, respectively.

Note 12 - Related Party Transactions

In August 2025, Neon Aero Inc. and its subsidiaries (together “Neon Group”) became related parties of the Company due to the Company’s Chief Executive Officer’s ownership interest and position as a director of Neon Aero Inc. As of December 31, 2025, \$0.6 million was payable to Neon Group. The total purchases of goods and services from Neon Group since August 2025 was \$4.1 million.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of the end of the period covered by this Annual Report, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2025, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria set forth in the *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2025. The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in its report which appears within Item 8 of this Annual Report on Form 10-K.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management, including the Chief Executive Officer and Chief Financial Officer, recognizes that our disclosure controls and procedures or our internal control over financial reporting cannot prevent or detect all possible instances of errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

On or about March 2, 2026, we will issue warrants to a party to purchase an aggregate of 142,602 shares of our Class A common stock (the “Warrant”). The Warrant has an exercise price of \$0.01 per share. The Form of Warrant is filed as Exhibit 10.21 to this Form 10-K.

The Warrant is being offered by us pursuant to our shelf registration statement on Form S-3ASR (File No. 333-284812), which was filed with the SEC on February 11, 2025 and was automatically effective on the same date, including the prospectus supplement dated October 21, 2025, and accompanying prospectus.

A copy of the opinion of Fenwick & West LLP relating to the validity of the Warrant is filed herewith as Exhibit 5.1.

Rule 10b5-1 Trading Plans. During the three months ended December 31, 2025, none of our directors or officers adopted, modified or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement”, in each case as defined in Item 408 of Regulation S-K, except as described below.

On December 1, 2025, Tosha Perkins, Chief Administrative Officer of the Company, adopted a trading arrangement, which expires December 31, 2026, and provides for the sale of up to 166,667 shares of Class A common stock pursuant to the terms of the plan.

On December 23, 2025, Eric Lentell, Chief Legal and Strategy Officer of the Company, amended a trading arrangement entered into on September 3, 2025, which expires on September 1, 2026, and provides for the potential sale of 100,000 shares of Class A common stock pursuant to the terms of the plan.

On December 30, 2025, Michael Spellacy, a member of the Board of Directors of the Company, adopted trading arrangement, which expires on December 31, 2026, and provides for the potential sale of 54,644 shares of Class A common stock held by Mr. Spellacy and 334,244 shares held by Achill Holdings, LLC, which is controlled by Mr. Spellacy, pursuant to the terms of the plan.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

We have established an Insider Trading Policy governing the purchase, sale and other dispositions of our securities that applies to all employees, our officers, non-employee directors and other covered persons. The Insider Trading Policy also provides that Archer will not transact in its own securities unless in compliance with U.S. securities laws. We believe that our Insider Trading Policy is reasonably designed to promote compliance with insider trading laws, rules and regulations, and listing standards applicable to Archer. A copy of the Insider Trading Policy is filed as Exhibit 19.1 to this Annual Report.

The remaining information required by this item is incorporated herein by reference to our Proxy Statement to be filed with the SEC within 120 days of the end of the fiscal year covered by this Annual Report.

Item 11. Executive Compensation

The information required by this item is incorporated herein by reference to our Proxy Statement, and is incorporated herein by reference.

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

The information required by this item is incorporated herein by reference to our Proxy Statement, and is incorporated herein by reference.

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

The information required by this item is incorporated herein by reference to our Proxy Statement, and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated herein by reference to our Proxy Statement, and is incorporated herein by reference.

Part IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this Annual Report:

1. Financial Statements

See Index to Consolidated Financial Statements under Part II, Item 8 of this Annual Report.

2. Financial Statement Schedules

Schedules not listed above have been omitted because they are not required, not applicable, or the required information is otherwise included.

(b) Exhibits

The exhibits listed below are filed as part of this Annual Report or are incorporated by reference as indicated.

Exhibit	Description
2.1††	Amended and Restated Business Combination Agreement, dated as of July 29, 2021, by and among Atlas Crest Investment Corp., Artemis Acquisition Sub Inc. and Archer (incorporated by reference to Exhibit 2.1 to Form 8-K (File No. 001-39668), filed July 29, 2021)
3.1	Amended and Restated Certificate of Incorporation of Archer, as amended and restated (incorporated by reference to Exhibit 3.1 to Form S-3ASR (File No. 333-284812), filed February 11, 2025)
3.2	Amended and Restated Bylaws of Archer, as amended and restated (incorporated by reference to Exhibit 3.2 to Form 8-K (File No. 001-39668), filed December 27, 2024)
4.1*	Description of Archer's Securities
5.1	Opinion of Fenwick & West LLP
10.1	Form of Subscription Agreement (incorporated by reference to Exhibit 10.2 to Form 8-K (File No. 001-39668), filed February 10, 2021)
10.2	Amended and Restated Sponsor Letter Agreement, dated July 29, 2021, by and among Atlas Crest Investment Corp., Atlas Crest Investment LLC, Legacy Archer, and the individuals named therein (incorporated by reference to Annex D-2 to Registration Statement on Form S-4 (File No. 333-254007), filed August 3, 2021)
10.3†	Archer 2019 Equity Incentive Plan (incorporated by reference to Exhibit 10.5 to Form 8-K (File No. 001-39668), filed September 22, 2021)
10.4†	Form of Stock Option Grant Package under Archer 2019 Equity Incentive Plan (incorporated by reference to Exhibit 10.6 to Form 8-K (File No. 001-39668), filed September 22, 2021)
10.5†	Form of RSU Grant Package under Archer 2019 Equity Incentive Plan (incorporated by reference to Exhibit 10.7 to Form 8-K (File No. 001-39668), filed September 22, 2021)
10.6†	Archer Amended and Restated 2021 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to Form 8-K (File No. 001-39668), filed June 15, 2022)
10.7†	Form of Stock Option Grant Package under Archer 2021 Equity Incentive Plan (incorporated by reference to Exhibit 10.9 to Form 8-K (File No. 001-39668), filed September 22, 2021)
10.8†	Form of RSU Grant Package under Archer 2021 Equity Incentive Plan (incorporated by reference to Exhibit 10.10 to Form 8-K (File No. 001-39668), filed September 22, 2021)
10.9†	Form of Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.11 to Form 8-K (File No. 001-39668), filed September 22, 2021)
10.10†	Archer Director Equity Deferral Plan (incorporated by reference to Exhibit 10.2 to Form 10-Q (File No. 001-39668), filed August 10, 2022)
10.11†	Form of Irrevocable Deferral Election under Archer Director Equity Deferral Plan (incorporated by reference to Exhibit 10.3 to Form 10-Q (File No. 001-39668), filed August 10, 2022)
10.12†	Offer Letter, dated September 16, 2021, by and between Archer and Adam Goldstein (incorporated by reference to Exhibit 10.13 to Form 8-K (File No. 001-39668), filed September 22, 2021)
10.13†	Offer Letter, dated November 19, 2019, by and between Legacy Archer and Tom Muniz (incorporated by reference to Exhibit 10.19 to Registration Statement on Form S-4 (File No. 333-254007), filed August 10, 2021)

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Exhibit	Description
10.14††	Sublease Agreement, dated January 14, 2022, between Forescout Technologies, Inc. and Archer (incorporated by reference to Exhibit 10.2 to Form 10-Q (File No. 001-39668), filed May 12, 2022)
10.15	Warrant to Purchase Shares, dated January 3, 2023, by and between Archer and Stellantis N.V. (incorporated by reference to Exhibit 10.3 to Form 8-K (File No. 001-39668), filed January 9, 2023)
10.16	Warrant to Purchase Shares, dated November 6, 2020, by and among FCA US LLC and Legacy Archer (incorporated by reference to Exhibit 10.8 to Registration Statement on S-4 (File No. 333-254007), filed August 10, 2021)
10.17	Warrant to Purchase Shares, dated January 29, 2021, by and among United Airlines, Inc. and Archer (incorporated by reference to Exhibit 10.21 to Form 10-K (File No. 001-39668), filed March 14, 2022)
10.18	Amendment No. 1 to Warrant to Purchase Shares, dated August 9, 2022, by and among United Airlines, Inc. and Archer (incorporated by reference to Exhibit 10.1 to Form 10-Q (File No. 001-39668), filed November 10, 2022)
10.19	Warrant to Purchase Shares, dated February 26, 2021, by and among Mesa Air Group, Inc. and Legacy Archer (incorporated by reference to Exhibit 10.11 to Registration Statement on S-4 (File No. 333-254007), filed August 10, 2021)
10.20	Warrant to Purchase Shares, dated as of July 19, 2021, by and between FCA Italy, S.p.A. and Legacy Archer (incorporated by reference to Exhibit 10.23 to Form 10-K (File No. 001-39668), filed March 14, 2022)
10.21	Form of Warrant to Purchase Shares
10.22	Form of Warrant to Purchase Shares (incorporated by reference to Exhibit 4.1 to Form 10-Q (File No. 001-39668) filed August 11, 2025)
10.23	Form of Subscription Agreement (incorporated by reference to Exhibit 10.1 to Form 8-K (File No. 001-39668), filed August 10, 2023)
10.24	Amended and Restated Registration Rights Agreement, by and between Archer and certain stockholders, dated September 16, 2021 (incorporated by reference to Exhibit 10.2 to Form 8-K (File No. 001-39668), filed September 22, 2021)
10.25	Form of Registration Rights Agreement (incorporated by reference to Exhibit 10.3 to Form 8-K (File No. 001-39668), filed August 10, 2023)
10.26	Registration Rights Agreement, dated January 3, 2023, by and between Archer and Stellantis N.V. (incorporated by reference to Exhibit 10.4 to Form 8-K (File No. 001-39668), filed January 9, 2023)
10.27	Form of Registration Rights Agreement (incorporated by reference to Exhibit 10.4 to Form 8-K (File No. 001-39668), filed August 8, 2024)
10.28	Form of Registration Rights Agreement, by and between Archer and Stellantis N.V. (incorporated by reference to Exhibit 10.5 to Form 8-K (File No. 001-39668), filed August 8, 2024)
10.29	Form of Registration Rights Agreement (incorporated by reference to Exhibit 10.4 to Form 8-K (File No. 001-39668), filed December 10, 2024)
10.3	Form of Registration Rights Agreement, by and between Archer and Stellantis N.V. (incorporated by reference to Exhibit 10.5 to Form 8-K (File No. 001-39668), filed December 12, 2024)
10.31***††	Credit Agreement, dated as of October 5, 2023, by and among Archer, the subsidiary guarantors thereto, and Synovus Bank, as administrative agent and lender (incorporated by reference to Exhibit 10.29 to Form 10-K (File No. 001-39668), filed February 29, 2024)
10.32†	Form of Indemnity Agreement (incorporated by reference to Exhibit 10.26 to Form 8-K (File No. 001-39668), filed September 22, 2021)
10.33†	Form of Change in Control and Severance Agreement (incorporated by reference to Exhibit 10.1 to Form 10-Q (File No. 001-39668), filed May 12, 2022)
10.34	Form of Transaction Support Agreement (incorporated by reference to Annex E to Registration Statement on Form S-4 (File No. 333-254007), filed March 8, 2021)
10.35	Manufacturing Collaboration Agreement, dated January 3, 2023, by and between Archer and Stellantis N.V. (incorporated by reference to Exhibit 10.1 to Form 8-K (File No. 001-39668), filed January 9, 2023)
10.36	Controlled Equity Offering SM Sales Agreement, dated November 9, 2023, by and between Archer and Cantor Fitzgerald & Co. (incorporated by reference to Exhibit 1.2 to Registration Statement on Form S-3 (File No. 333-275465), filed November 13, 2023)
10.37	Transition Letter Agreement, dated July 8, 2025 by and between Mark Mesler and the Company (incorporated by reference to Exhibit 10.2 to Form 10-Q (File No. 001-39668), filed August 11, 2025)

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Exhibit	Description
10.38††	Purchase and Sale Agreement between Hawthorne Airport Ground Lease LLC and Hawthorne Airport, LLC dated November 5, 2025 (incorporated by reference to Exhibit 1.1 to Form 8-K (File No. 001-39668) filed November 12, 2025)
10.39††	Purchase and Sale Agreement between Hawthorne Airport Improvement LLC and 395 Park Place, LLC dated November 5, 2025 (incorporated by reference to Exhibit 1.1 to Form 8-K (File No. 001-39668) filed November 12, 2025)
10.40††	Earnout Agreement between Archer Aviation Inc., certain Seller employees and 395 Park Place, LLC
19.1	Policy Against Insider Trading (incorporated by reference to Exhibit 19.1 to Form 10-K (File No. 001-39668), filed February 28, 2025)
21.1*	List of Material Subsidiaries
23.1*	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm
23.2*	Opinion of Fenwick & West LLP (included in Exhibit 5.1)
24.1*	Power of Attorney (reference is made to the signature page thereto)
31.1*	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
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
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
97.1	Clawback Policy (incorporated by reference to Exhibit 97.1 to Form 10-K (File No.001-39668), filed February 29, 2024)
101.INS*	Inline XBRL Instance 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 (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Portions of this exhibit are redacted pursuant to Regulation S-K Item 601(b)(10)(iv).

† Indicates management contract or compensatory plan or arrangement.

†† Certain of the exhibits and schedules to these exhibits have been omitted in accordance with Regulation S-K Item 601(a)(5). The registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

This certification is deemed not filed for the purpose of section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

(c) Financial Statement Schedules

Reference is made to Item 15(a) 2 above.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

ARCHER AVIATION INC.

March 2, 2026

By: /s/ Priya Gupta
 Priya Gupta
Acting Chief Financial Officer
(Principal Financial Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Adam Goldstein and Priya Gupta, and each of them, as his or her true and lawful attorneys-in-fact, proxies and agents, each with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this report and to file the same, with any exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto such attorneys-in-fact, proxies and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact, proxies and agents, or their or his or her substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
<u>/s/ Adam Goldstein</u> Adam Goldstein	Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	March 2, 2026
<u>/s/ Priya Gupta</u> Priya Gupta	Acting Chief Financial Officer <i>(Principal Financial Officer)</i>	March 2, 2026
<u>/s/ Harsh Rungta</u> Harsh Rungta	Senior Vice President Finance and Chief Accounting Officer <i>(Principal Accounting Officer)</i>	March 2, 2026
<u>/s/ Deborah Diaz</u> Deborah Diaz	Director	March 2, 2026
<u>/s/ Fred Diaz</u> Fred Diaz	Director	March 2, 2026
<u>/s/ Oscar Munoz</u> Oscar Munoz	Director	March 2, 2026
<u>/s/ Barbara J. Pilarski</u> Barbara J. Pilarski	Director	March 2, 2026
<u>/s/ Maria Pinelli</u> Maria Pinelli	Director	March 2, 2026
<u>/s/ Michael Spellacy</u> Michael Spellacy	Director	March 2, 2026

DESCRIPTION OF THE REGISTRANT'S SECURITIES

The following description of capital stock of Archer Aviation Inc. (“Archer,” the “Company,” “we,” “us,” and “our”) and certain provisions of our amended and restated certificate of incorporation (the “Certificate of Incorporation”), amended and restated bylaws (the “Bylaws”), and the agreements governing the warrants described herein are summaries and are qualified in their entirety by reference to the full text of the Certificate of Incorporation, the Bylaws, and the agreements that have been filed with the Securities and Exchange Commission, and applicable provisions of the General Corporation Law of the State of Delaware (the “DGCL”).

As of December 31, 2025, we had two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”): Class A common stock, par value \$0.0001 per share (the “Class A common stock”) and certain warrants to purchase shares of common stock. All shares of our Class A common stock are fully paid and non-assessable. Defined terms used and not defined herein shall have the meaning ascribed to such terms in our Annual Report on Form 10-K.

General

Our Certificate of Incorporation authorizes us to issue up to 1,400,000,000 shares of our Class A common stock and 10,000,000 shares of our preferred stock, par value \$0.0001 per share. As of February 6, 2025, 506,951,713 shares of Class A common stock and no shares of preferred stock were outstanding. Effective December 31, 2024 (the “Final Conversion Date”), pursuant to the terms of our Certificate of Incorporation providing for the automatic conversion of our Class B common stock on the last trading day of the year during which the number of outstanding shares of Class B common stock represents less than 10.0% of the total number of outstanding shares of our Class A common stock and Class B common stock, each outstanding share of our Class B common stock was automatically converted into one share of our Class A common stock. Following the Final Conversion Date, the Company may no longer issue any additional shares of Class B common stock.

Common Stock

Voting Power

Holders of our Class A common stock are entitled to one vote per share on all matters to be voted upon by the stockholders

Dividends

Holders of Class A common stock are entitled to receive such dividends, if any, as may be declared from time to time by our board of directors in its discretion out of funds legally available therefor. We do not anticipate paying any cash dividends in the foreseeable future.

Liquidation, Dissolution and Winding Up

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

Preemptive or Other Rights

Stockholders have no preemptive or other subscription rights and there are no sinking fund or redemption provisions applicable to Class A common stock.

Election of Directors

Our board of directors will remain divided into three classes, Class I, Class II and Class III, with only one class of directors being elected in each year and each class serving a three-year term. There will be no cumulative voting with respect to the election of directors.

Foreign Ownership Limitation

In accordance with applicable U.S. law and related requirements of the U.S. Department of Transportation, our Certificate of Incorporation limits the voting power, ownership and control that may be held or exercised by persons who do not meet the definition of “a citizen of the United States,” as such term is defined in 49 U.S.C. § 40102(a)(15) of Subtitle VII of Title 49 of the United States Code, as amended or interpreted by the Department of Transportation. Such persons (including their predecessors or successors, from time to time) (“Non-U.S. Citizens”) shall at no time own or control more than 25% of the voting interest of the company (the “Foreign Ownership Limitation”). In the event a Non-U.S. Citizen owns or controls or has voting control over shares of our capital stock in excess of the Foreign Ownership Limitation, the voting rights of such Non-U.S. Citizen will be subject to automatic suspension (in reverse chronological order based upon the date of registration in our foreign stock record) to the extent required to ensure we are in compliance with applicable law and regulations relating to the ownership or control of a U.S. air carrier.

Preferred Stock

Under our Certificate of Incorporation, shares of preferred stock may be issued from time to time in one or more series. The board of directors is authorized to fix the voting rights, if any, designations, powers and preferences, the relative, participating, optional or other special rights, and any qualifications, limitations and restrictions thereof, applicable to the shares of each series of preferred stock. The board of directors is able to, without stockholder approval, issue preferred stock with voting and other rights that could adversely affect the voting power and other rights of the holders of the common stock and could have anti-takeover effects. The ability of the board of directors to issue preferred stock without stockholder approval could have the effect of delaying, deferring or preventing a change of control or the removal of existing management. We have no present plans to issue any shares of preferred stock.

Warrants

SVB Warrants

On July 9, 2021, we entered into a Loan and Security Agreement (the “Loan and Security Agreement”), as borrower, with Silicon Valley Bank (“SVB”) and SVB Innovation Credit Fund VIII, L.P. (“SVB Innovation”) as the lenders, and SVB as the collateral agent. In connection with the Loan and Security Agreement, we issued SVB a warrant to purchase 211,642 shares of Legacy Archer common stock, par value \$0.0001 per share (the “Legacy Archer Common Stock”) (such warrant, “SVB Warrant I”). At the effective time of the Merger (the “Effective Time”), SVB Warrant I was automatically exchanged for a warrant to purchase 366,140 shares of Class A common stock at an exercise price of \$11.50 per share.

In connection with the Loan and Security Agreement, the Company and SVB Innovation entered into a warrant to purchase 211,641 shares of Legacy Archer Common Stock (“SVB Warrant II”) per the warrant agreement with SVB Innovation. At the Effective Time, SVB Warrant II was automatically exchanged for a warrant to purchase 366,140 shares of Class A common stock at an exercise price of \$11.50 per share, which can be exercised at any time commencing October 16, 2021 and expiring at 5:00 p.m., New York City time, on September 16, 2026, or earlier upon redemption or liquidation.

Mesa Warrant

On January 29, 2021, we entered into a Purchase Agreement, as amended on August 9, 2022, (the “Purchase Agreement”) and Collaboration Agreement (the “Collaboration Agreement”) with United Airlines, Inc. (“United”). On February 26, 2021, we entered into an Assignment and Assumption Agreement (the “Assignment and Assumption Agreement”) with Mesa Airlines, Inc. (“Mesa”). In connection with the Collaboration Agreement and the Assignment and Assumption Agreement, Legacy Archer issued Mesa a warrant to purchase 1,171,649 shares of Legacy Archer Common Stock at an exercise price of \$0.01 (the “Mesa Warrant”). The Mesa Warrant was adjusted by the application of the Exchange Ratio (as defined in the Business Combination Agreement) at the Effective Time, whereby the number of shares underlying the Mesa Warrant was adjusted to 1,179,381. The Mesa Warrant may be exercised at any time until the earlier of (i) a Liquidation Event (as defined in the Mesa Warrant) and (ii) January 29, 2033.

United Warrant

In connection with the Purchase Agreement and Collaboration Agreement, Legacy Archer issued to United a warrant to purchase up to 14,645,614 shares of Legacy Archer Common Stock at an exercise price of \$0.01 (the “United Warrant”), of which 1,171,649 shares subject to such warrant were assigned to Mesa pursuant to an Assignment and Assumption Agreement between Legacy Archer, United and Mesa. The United Warrant was assigned by United to United Airlines Ventures, Ltd. and shall vest and become exercisable upon the achievement of certain milestones. The United Warrant was adjusted by the application of the Exchange Ratio at the Effective Time, whereby the number of shares underlying the United Warrant was adjusted to 14,741,764. Shares that have vested and become exercisable upon the achievement of certain milestones under the United Warrant may be exercised at any time until the earlier of (i) a Liquidation Event (as defined in the United Warrant) and (ii) January 29, 2033.

FCA Warrant

In July 2021, we entered into a Consulting Agreement (the “Consulting Agreement”) with FCA Italy S.p.A. In connection with the Consulting Agreement, Legacy Archer issued FCA Italy S.p.A. a warrant to purchase up to 1,077,024 shares of Class B common stock at an exercise price of \$0.01 per share (the “Second FCA Warrant”). The Second FCA Warrant shall vest and become exercisable upon the achievement of certain milestones. As of December 31, 2022, both of the milestones have been completed, amounting to 1,077,024 shares that have vested. The Second FCA Warrant was adjusted by the application of the Exchange Ratio at the Effective Time.

Stellantis Warrant

On January 3, 2023, we entered into a Manufacturing Collaboration Agreement (the “Stellantis Collaboration Agreement”) with Stellantis N.V. (“Stellantis”). In connection with the Stellantis Collaboration Agreement, we issued Stellantis a warrant to purchase up to 15,000,000 shares of Class A common stock, at an exercise price of \$0.01 per share (the “Stellantis Warrant”), which shall vest and become exercisable upon the achievement of certain milestones. The number of shares of Class A common stock for which the Stellantis Warrant is exercisable, as well as the exercise price, may be adjusted upon certain qualifying events, including but not limited to a merger, sales of assets, reclassification or recapitalization. The Stellantis Warrant is exercisable until (i) immediately prior to the closing of a Liquidation Event (as defined in the Stellantis Warrant Agreement), and (ii) January 3, 2028.

Vendor Warrants

On August 11, 2025, we issued to a service provider of the Company warrants to purchase up to 314,760 shares of Class A common stock, with an exercise price of \$0.01 per share, in satisfaction of payment to such service provider for services rendered. At the time of issuance, warrants to purchase 62,952 shares of Class A common stock will be vested and exercisable and the remaining warrants to purchase 251,808 shares of Class A common stock shall be eligible to vest in four equal installments subject to the achievement of certain milestones between January 2026 and January 2027.

Redeemable Warrants

In connection with Atlas' initial public offering, Atlas issued: (i) 8,000,000 warrants at a price of \$1.50 per warrant issued to the Sponsor in a private placement (the "Private Warrants") and (ii) and warrants for the issuance of up to 16,666,667 shares of Class A common stock (the "Public Warrants" and, together with the Private Warrants, the "Warrants"). Each Warrant entitles the registered holder to purchase one share of Class A common stock at a price of \$11.50 per share at any time commencing October 16, 2021. The Warrants will expire at 5:00 p.m., New York City time, on September 16, 2026, or earlier upon redemption or liquidation.

Holders of Public Warrants cannot pay cash to exercise their Public Warrants unless we have an effective and current registration statement covering the issuance of the shares underlying such Warrants and a current prospectus relating thereto. Notwithstanding the foregoing, if a registration statement covering the Class A common stock issuable upon exercise of the Public Warrants is not effective within a specified period following the consummation of the Business Combination, Warrant holders may, until such time as there is an effective registration statement and during any period when we will have failed to maintain an effective registration statement, exercise Public Warrants on a cashless basis pursuant to the exemption provided by Section 3(a)(9) of the Securities Act, provided that such exemption is available. If that exemption, or another exemption, is not available, holders will not be able to exercise their Public Warrants on a cashless basis. In the event of such cashless exercise, each holder would pay the exercise price by surrendering the Warrants for that number of shares of Class A common stock equal to the quotient obtained by dividing (x) the product of the number of shares of Class A common stock underlying the Public Warrants, multiplied by the difference between the exercise price of the Public Warrants and the "fair market value" (defined below) by (y) the fair market value. The "fair market value" for this purpose will mean the average reported last sale price of the shares of Class A common stock for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to holders of Warrants. As used herein, "Public Warrants" refers to the 16,666,667 warrants included as a component of the Atlas units sold in the Atlas IPO, each of which is exercisable for one share of Class A common stock, in accordance with its terms.

The Private Warrants are identical to the Public Warrants except that such Public Warrants will be exercisable for cash or on a cashless basis, at the holder's option, and will not be redeemable by us, in each case so long as they are still held by the initial stockholders of Atlas, including Atlas' officers and directors, or their permitted transferees.

We may call the Public Warrants for redemption, in whole and not in part, at a price of \$0.01 per Public Warrant:

- at any time after the Public Warrants become exercisable;
- upon not less than 30 days' prior written notice of redemption to each Public Warrant holder;
- if, and only if, the last reported sale price of the shares of Class A common stock equals or exceeds \$18.00 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations) for any 20 trading days within a 30-trading day period commencing at any time after the Public Warrants become exercisable and ending on the third business day prior to the notice of redemption to Public Warrant holders; and
- if, and only if, there is a current registration statement in effect with respect to the shares of Class A common stock underlying such Public Warrants.

The right to exercise will be forfeited unless the Warrants are exercised prior to the date specified in the notice of redemption. On and after the redemption date, a record holder of a Warrant will have no further rights except to receive the redemption price for such holder's Warrant upon surrender of such Warrant.

The redemption criteria for our Warrants was established at a price which is intended to provide Warrant holders a reasonable premium to the initial exercise price and provide a sufficient differential between the then-prevailing share price and the Warrant exercise price so that if the share price declines as a result of our redemption call, the redemption will not cause the share price to drop below the exercise price of the Warrants.

If we call the Warrants for redemption as described above, our management will have the option to require all holders that wish to exercise Warrants to do so on a “cashless basis.” In such event, each holder would pay the exercise price by surrendering the Warrants for that number of shares of Class A common stock equal to the quotient obtained by dividing (x) the product of the number of shares of Class A common stock underlying the Warrants, multiplied by the difference between the exercise price of the Warrants and the “fair market value” (defined below) by (y) the fair market value. The “fair market value” for this purpose shall mean the average reported last sale price of the shares of Class A common stock for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of Warrants.

The Warrants were issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that the terms of the Warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval, by written consent or vote, of the holders of at least a majority of the then outstanding Public Warrants and Private Warrants, if such modification or amendment is being undertaken prior to, or in connection with, the closing of the Business Combination, or Warrants, if such modification or amendment is being undertaken after the closing of the Business Combination, in order to make any change that adversely affects the interests of the registered holders. The exercise price and number of shares of Class A common stock issuable upon exercise of the Warrants may be adjusted in certain circumstances including in the event of a stock dividend, extraordinary dividend or our recapitalization, reorganization, merger or consolidation. The Warrants will not be adjusted for issuances of shares of Class A common stock at a price below their respective exercise prices.

The Warrants may be exercised upon surrender of the Warrant certificate on or prior to the expiration date at the office of the warrant agent, with the subscription form, as set forth in the Warrant, duly executed, accompanied by full payment of the exercise price, by certified or official bank check payable to the order of the warrant agent, for the number of Warrants being exercised. The Warrant holders do not have the rights or privileges of holders of shares of Class A common stock and any voting rights until they exercise their Warrants and receive shares of Class A common stock. After the issuance of shares of Class A common stock upon exercise of the Warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by stockholders.

Anti-Takeover Provisions

Section 203 of the DGCL

We are subject to Section 203 of the DGCL, which generally prohibits a publicly held Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding, but not the outstanding voting stock owned by the interested stockholder, those shares owned (1) by persons who are directors and also officers and (2) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines a “business combination” to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines an “interested stockholder” as an entity or person who, together with the person’s affiliates and associates, beneficially owns or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

A Delaware corporation may “opt out” of these provisions with an express provision in its original certificate of incorporation or an express provision in its amended and restated certificate of incorporation or amended and restated bylaws resulting from a stockholders’ amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

Certificate of Incorporation and Bylaws

Among other things, our Certificate of Incorporation and our Bylaws:

- permit our board of directors to issue up to 10,000,000 shares of preferred stock, with any rights, preferences and privileges as they may designate, including the right to approve an acquisition or other change of control;
 - provide that the authorized number of directors may be changed only by resolution of our board of directors;
 - provide that Non-U.S. Citizens shall not own or control more than 25% of the voting power of our capital stock and that such stock owned and controlled in excess of the Foreign Ownership Limitation will be subject to automatic suspension of voting rights in reverse chronological order based upon the date of registration in the Company’s foreign stock record;
 - provide that, subject to the rights of any series of preferred stock to elect directors, directors may only be removed with or without cause, which removal may be effected, subject to any limitation imposed by law, by the holders of at least a majority of the voting power of all of our then-outstanding shares of capital stock entitled to vote generally at an election of directors;
 - provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
 - require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent or electronic transmission;
 - provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide advance notice in writing, and also specify requirements as to the form and content of a stockholder’s notice;
 - provide that special meetings of our stockholders may be called only by the chairperson of our board of directors, our chief executive officer or by our board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors; and
 - do not provide for cumulative voting rights, therefore allowing the holders of a majority of the shares of Class A common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose.
-

The amendment of any of these provisions would require approval by the holders of at least 66 $\frac{2}{3}$ % of the voting power of all of our then-outstanding capital stock entitled to vote generally in the election of directors, voting together as a single class.

The combination of these provisions may make it more difficult for our existing stockholders to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Since our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change our control.

These provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to reduce our vulnerability to hostile takeovers and to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and may have the effect of delaying changes in our control or management. As a consequence, these provisions may also inhibit fluctuations in the market price of our stock.

Our Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternate forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for the following types of actions or proceedings brought under Delaware statutory or common law:

- any derivative action or proceeding brought on our behalf;
- any action or proceeding asserting a claim of a breach of fiduciary duty owed by any current or former director, officer or other employee of the Company or any stockholder of the Company, to the Company or the Company's stockholders;
- any action or proceeding asserting a claim against us or any current or former director, officer or other employee of the Company or any stockholder arising pursuant to any provision of the DGCL, our Certificate of Incorporation or our Bylaws (as each may be amended from time to time);
- any action or proceeding to interpret, apply, enforce or determine the validity of our Certificate of Incorporation or our Bylaws (including any right, obligation or remedy thereunder);
- any action or proceeding as to which the DGCL confers jurisdiction to the Court of Chancery of the State of Delaware; and
- any action asserting a claim against us or any director, officer or other employee of the Company or any stockholder, governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court having personal jurisdiction over the indispensable parties named as defendants.

Our Certificate of Incorporation further provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision of our Certificate of Incorporation will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, a court may determine that this provision is unenforceable, and to the extent it is enforceable, the provision may have the effect of discouraging lawsuits against our directors and officers, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder and therefore may bring a claim in another appropriate forum. Additionally, we cannot be certain that a court will decide that this provision is either applicable or enforceable, and if a court were to find the choice of forum provision contained in our Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

Limitations of Liability and Indemnification

Our Certificate of Incorporation limits a director's liability to the fullest extent permitted under the DGCL. The DGCL provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability:

- for any transaction from which the director derives an improper personal benefit;
- for any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- for any unlawful payment of dividends or redemption of shares; or
- for any breach of a director's duty of loyalty to the corporation or its stockholders.

If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of the directors will be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Delaware law and our Bylaws provide that we will, in certain situations, indemnify our directors and officers and may indemnify other employees and other agents, to the fullest extent permitted by law. Any indemnified person is also entitled, subject to certain limitations, to advancement, direct payment, or reimbursement of reasonable expenses (including attorneys' fees and disbursements) in advance of the final disposition of the proceeding.

In addition, we have entered into separate indemnification agreements with our directors and officers. These agreements, among other things, require us to indemnify our directors and officers for certain expenses, including attorneys' fees, judgments, fines, and settlement amounts incurred by a director or officer in any action or proceeding arising out of their services as one of our directors or officers or any other company or enterprise to which the person provides services at our request.

Registration Rights Agreements

In connection with the closing of the Business Combination, we entered into that certain amended and restated Registration Rights Agreement, dated September 16, 2021, with certain securityholders who are parties thereto (the "2021 Registration Rights Agreement") pursuant to which the holders of Registrable Securities (as defined therein) became entitled to, among other things, customary registration rights, including demand, piggy-back and shelf registration rights. The 2021 Registration Rights Agreement also provides that we will pay certain expenses relating to such registrations and indemnify the registration rights holders against (or make contributions in respect of) certain liabilities which may arise under the Securities Act. The registration rights terminate seven years after the closing date of the Business Combination.

In December 2024, we also entered into a subscription agreement with Stellantis, pursuant to which we agreed to sell and issue, in a private placement transaction (the "December Stellantis Private Placement"), 751,879 shares of Class A common stock at a purchase price of \$6.65 per share. In connection with the December Stellantis Private Placement, we granted to Stellantis certain registration rights with respect to the shares of Class A common stock issued in the December Stellantis Private Placement pursuant to the a registration rights agreement.

Transfer Agent

The transfer agent for our securities is Continental Stock Transfer & Trust Company. The transfer agent's address is One State Street Plaza, 30th Floor New York, NY 10004.

March 2, 2026

Archer Aviation Inc.
190 West Tasman Drive
San Jose, California 95134
Re: Registration Statement on Form S-3ASR

Ladies and Gentlemen:

As counsel to Archer Aviation Inc., a Delaware Corporation (the “**Company**”), we deliver this opinion with respect to certain matters in connection with the offering by the Company of warrants (the “**Warrants**”) to purchase up to an aggregate of \$5,000,000 of shares of the Company’s Class A common stock, \$0.0001 par value per share (“**Class A Common Stock**”), at an exercise price of \$0.01 per share (such shares of Class A Common Stock issuable upon exercise of the Warrants, the “**Warrant Shares**” and together with the Warrants, the “**Securities**”) to be issued and sold pursuant to that certain letter agreement, dated October 16, 2025, by and between the Company and a service provider. The Securities were registered pursuant to the Registration Statement on Form S-3ASR (File No. 333-284812) filed by the Company with the Securities and Exchange Commission (the “**Commission**”) on February 11, 2025 (the registration statement at the time it automatically became effective, including the documents or portions thereof incorporated by reference therein, as modified or superseded as described therein, and the information deemed to be a part thereof pursuant to Rule 430B under the Securities Act of 1933, as amended (the “**Securities Act**”), the “**Registration Statement**”) under the Securities Act, including the prospectus dated February 11, 2025 included therein (the “**Base Prospectus**”) as supplemented by the final prospectus supplement dated October 21, 2025, filed with the Commission pursuant to Rule 424(b) under the Securities Act (the “**Prospectus Supplement**” and, collectively with the Base Prospectus, the “**Prospectus**”). The offering of the Securities by the Company pursuant to the Registration Statement, the Prospectus and the Warrants is referred to herein as the “**Offering**.” This opinion is being furnished in connection with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act, and no opinion is expressed herein as to any matter pertaining to the contents of the Registration Statement or related Prospectus, other than as expressly stated herein with respect to the issue of the Securities.

As to matters of fact relevant to the opinions rendered herein, we have examined such documents, certificates and other instruments which we have deemed necessary or advisable, including a certificate addressed to us and dated the date hereof executed by the Company (the “**Opinion Certificate**”). We have not undertaken any independent investigation to verify the accuracy of any such information, representations or warranties or to determine the existence or absence of any fact, and no inference as to our knowledge of the existence or absence of any fact

should be drawn from our representation of the Company or the rendering of the opinions set forth below. We have not considered parol evidence in connection with any of the agreements or instruments reviewed by us in connection with this letter.

In our examination of documents for purposes of this letter, we have assumed, and express no opinion as to, the genuineness and authenticity of all signatures on original documents, the authenticity and completeness of all documents submitted to us as originals, that each document is what it purports to be, the conformity to originals of all documents submitted to us as copies or facsimile copies, the absence of any termination, modification or waiver of or amendment to any document reviewed by us (other than as has been disclosed to us), the legal competence or capacity of all persons or entities (other than the Company) executing the same and (other than the Company) the due authorization, execution and delivery of all documents by each party thereto. We have also assumed the conformity of the documents filed with the Commission via the Electronic Data Gathering, Analysis and Retrieval System (“**EDGAR**”), except for required EDGAR formatting changes, to physical copies submitted for our examination.

The opinions in this letter are limited to the existing General Corporation Law of the State of Delaware now in effect and, as to the Warrants constituting valid and binding obligations of the Company, the existing internal laws of the State of New York now in effect (the “**Applicable Laws**”). We express no opinion with respect to any other laws.

In connection with our opinions expressed below, we have assumed that (i) at the time of each exercise of the Warrants, the Company will have a sufficient number of authorized and unissued shares of the Common Stock available for issuance under the Company’s current certificate of incorporation (as amended from time to time, the “**Certificate of Incorporation**”) to permit full exercise of each of the Warrants in accordance with their terms without the breach or violation of any other agreement, commitment or obligation of the Company, (ii) at or prior to the time of the delivery of any Warrants or Warrant Shares, there will not have occurred any change in the law or the facts affecting the validity of the Warrant Shares, (iii) at the time of the offer, issuance and sale of the Warrants or Warrant Shares, no stop order suspending the Registration Statement’s effectiveness will have been issued and remain in effect, (iv) no future amendments will be made to the Certificate of Incorporation and the Company’s Amended and Restated Bylaws (the “**Bylaws**” and, together with the Certificate of Incorporation, the “**Charter Documents**”) that would be in conflict with or inconsistent with the Company’s right and ability to issue the Warrant Shares and (v) the purchaser of the Warrant Shares will timely pay in full to the Company all amounts they have agreed to pay to purchase such Warrant Shares, as approved by the Board or a duly authorized committee thereof, and that the purchase price of any Warrant Shares will not be less than the par value thereof.

This opinion is qualified by, and is subject to, and we render no opinion with respect to, the following limitations and exceptions to the enforceability of the Warrants:

- (1) The effect of the laws of bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance, assignment for the benefit of creditors, and other similar laws now or hereinafter in effect relating to or affecting the rights and remedies of creditors, including the effect of statutory or other laws regarding fraudulent transfers or preferential transfers.
- (2) The effect of general principles of equity and similar principles, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, public policy and unconscionability, and the possible unavailability of specific performance, injunctive relief, or other equitable remedies, regardless of whether considered in a proceeding in equity or at law.

We express no opinion regarding the effectiveness of any waiver or stay, extension or of unknown future rights. Further, we express no opinion regarding the effect of provisions relating to indemnification, exculpation or contribution to the extent such provisions may be held unenforceable as contrary to federal or state securities laws or public policy.

Based upon the foregoing, and subject to the qualifications and exceptions contained herein, we are of the following opinions:

1. the Warrants, when issued, sold and delivered in the manner and for the consideration stated in the Registration Statement and the Prospectus and in accordance with the resolutions adopted by the Board, will be valid and binding obligations of the Company, enforceable against the Company in accordance with their terms; and
2. the Warrant Shares, when issued and delivered by the Company upon exercise of the Warrants, in accordance with the terms thereof, will be validly issued, fully paid and non-assessable.

We consent to the use of this opinion as an exhibit to the Annual Report on Form 10-K to be filed by the Company with the Commission in connection with the offering of the Securities and further consent to all references to us, if any, in the Registration Statement, the Prospectus and any amendments thereto. In giving this consent we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

[Concluding Paragraph Follows on Next Page]

This opinion is intended solely for use in connection with the issuance and sale of the Securities subject to the Registration Statement and is not to be relied upon for any other purpose. In providing this letter, we are opining only as to the specific legal issues expressly set forth above, and no opinion shall be inferred as to any other matter or matters. This opinion is rendered on, and speaks only as of, the date of this letter first written above, is based solely on our understanding of facts in existence as of such date after the aforementioned examination and does not address any potential changes in facts, circumstance or law that may occur after the date of this opinion letter. We assume no obligation to advise you of any fact, circumstance, event or change in the law or the facts that may hereafter be brought to our attention, whether or not such occurrence would affect or modify any of the opinions expressed herein.

Very truly yours,

/s/ Fenwick & West LLP

FENWICK & WEST LLP

Issued:

WARRANT TO PURCHASE SHARES
of
ARCHER AVIATION INC.

THIS WARRANT TO PURCHASE SHARES (this “Agreement”) is entered into by and between ARCHER AVIATION INC, a Delaware corporation (“Company”), and _____ (“Holder”, and together with the Company, the “Parties”).

Subject to the terms and conditions set forth herein, this Agreement entitles the Holder to purchase from the Company the Shares (as defined below), in the amounts, at the times, and at the price per share specified herein. The term “Warrant” as used herein shall include this Warrant and any warrants issued in substitution for, or exchange of this Warrant as provided herein.

1. Purchase of Shares. Subject to the terms and conditions herein and the _____ between the Parties dated ____, the Holder is entitled, upon surrender of this Warrant to the Company, to purchase from the Company __ the number of shares of the Company’s Class A Common Stock (such type of shares, the “**Common Stock**”, and such number and actual shares as adjusted pursuant to Section 8 hereof, the “**Shares**”).

2. Exercise Price and Exercise Period.

2.1 Exercise Price. The exercise price for the Shares shall be \$0.01 per Share (as adjusted pursuant to Section 8 hereof, the “**Exercise Price**”).

2.2 Vesting of Shares; Exercisability. Subject to Section 2.3 below, the Shares issuable under this Warrant will become vested and exercisable as set out in EXHIBIT B attached hereto.

2.3 Expiration Date. This Warrant shall be exercisable, in whole or in part, but solely with respect to the Shares which have become vested in accordance with Section 2.2, at any time and from time to time on or before the earliest of (i) immediately prior to the occurrence of (subject to Section 4 hereof) a Liquidation Event or (ii) 5:00 p.m. Eastern time on the 5th anniversary of the date hereof (the “**Expiration Date**”).

2.4 Warrant Shares. For the avoidance of doubt, the exercisability of the Shares shall be at the sole discretion of the Holder and shall not constitute an obligation of the Holder. The timing of any such exercise shall also be determined solely by the Holder, subject to the terms and conditions set forth in this Agreement. If all or any portion of a Warrant is exercised at a time when there is an effective registration statement to cover the issuance or resale of the Warrant Shares or if the Warrant is exercised via Net Issue Exercise, the Warrant Shares issued pursuant to any such exercise shall be issued free of all

legends. If at any time following the date hereof the Registration Statement on Form S-3 (File Number 333-284812) filed with the Securities and Exchange Commission on February 11, 2025 and became effective on the same date (the “Registration Statement”) (or any subsequent registration statement registering the sale or resale of the Warrant Shares) is not effective or is not otherwise available for the sale or resale of the Warrant Shares, the Company shall immediately notify the Holder in writing that such registration statement is not then effective and thereafter shall promptly notify such Holder when the registration statement is effective again and available for the sale or resale of the Shares (it being understood and agreed that the foregoing shall not limit the ability of the Company to issue, or any Holder to sell, any of the Shares in compliance with applicable federal and state securities laws). The Company shall use best efforts to keep a registration statement (including the Registration Statement) registering the issuance or resale of the Shares effective during the term of the Warrant.

2.5 Definitions. As used herein:

(i) **“Affiliate”** shall mean a person or entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the entity specified. For purposes of this definition, “control” (including the terms “controlled by” and “under common control with”) shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise, for so long as the control exists.

(ii) **“Liquidation Event”** means the occurrence of any of the following: (i) the consolidation of the Company with, or the merger of the Company with or into, another “person” (as such term is used in Rule 13d-3 and Rule 13d-5 of the Exchange Act), or the sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Company and its subsidiaries taken as a whole, or the consolidation of another “person” with, or the merger of another “person” into, the Company, other than in each case pursuant to a transaction in which the “persons” that “beneficially owned” (as such term is defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act), directly or indirectly, the Voting Shares (as defined below) of the Company immediately prior to the transaction “beneficially own”, directly or indirectly, Voting Shares representing at least a majority of the total voting power of all outstanding classes of voting stock of the surviving or transferee person; (ii) the adoption by the Company of a plan relating to the liquidation or dissolution of the Company; (iii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any “person” becomes the “beneficial owner” directly or indirectly, of more than 50% of the Voting Shares of the Company (measured by voting power rather than number of shares) *provided* that for the purposes of this clause (iii), any outstanding shares of the Company’s Class B Common Stock shall be treated as shares of Common Stock on an as-converted basis and no effect shall be given to the voting power of outstanding shares of the Company’s Class B Common Stock in excess of the voting power of such Common Stock; or (iv) the first day on which a majority of the members of the Company’s Board of Directors (the “Board”) does not consist of Continuing Directors (as defined below). For the purposes of this Section 2.5, (i) “Voting Shares” of any person shall mean capital shares or capital stock of such person which ordinarily has voting power for the election of

directors (or persons performing similar functions) of such person, whether at all times or only so long as no senior class of securities has such voting power by reason of any contingency, and (ii) “Continuing Director” shall mean, as of any date of determination, any member of the Board who (i) was a member of the Board on the date hereof or (ii) was nominated for election or elected to the Board with the approval of a majority of the Continuing Directors who were members of the Board at the time of such nomination or election and who voted with respect to such nomination or election; provided that a majority of the members of the Board voting with respect thereto shall at the time have been Continuing Directors.

3. Method of Exercise.

(a) Cash Exercise. The purchase rights represented by this Warrant may be exercised by the Holder, in whole or in part, by the surrender of this Warrant (with the notice of exercise form attached hereto as EXHIBIT A of this Agreement duly executed) at the principal office of the Company, and by the payment to the Company, by certified, cashier’s or other check acceptable to the Company or by wire transfer to an account designated by the Company, of an amount equal to the aggregate Exercise Price of the Shares being purchased.

(b) Net Issue Exercise. In lieu of exercising this Warrant, the Holder may elect to receive Shares equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant (with the notice of exercise form attached hereto as EXHIBIT A of this Agreement duly executed) at the principal office of the Company, in which event the Company shall issue to the Holder a number of Shares computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where: X = the number of the Shares to be issued to the Holder.

Y = the number of the Shares purchasable under this Warrant.

A = the fair market value of one Share on the date of determination.

B = the per share Exercise Price (as adjusted to the date of such calculation).

(c) Automatic Cashless Exercise. To the extent that there has not been an exercise by the Holder pursuant to Section 3(a) or 3(b) hereof, any portion of the Warrant that remains vested and exercisable but unexercised shall be exercised automatically to the extent vested and exercisable, upon the Expiration Date (including a Liquidation Event) pursuant to the mechanics described in Section 3(b).

(d) Fair Market Value. For purposes of Section 3(b), the per share fair market value of the Shares shall mean: (i) If the Company’s Common Stock is publicly traded, the per share fair market value of the Shares shall be equal to the volume weighted average trading price for a share of the Company’s Class A Common Stock during the ten (10) consecutive trading day period ending on (and including) the last

trading day occurring immediately prior to the applicable date the Holder delivers a notice of exercise form, as reported by Bloomberg on page ACHR <Equity>VWAP for such period (as adjusted for share splits, reverse splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like). ; (ii) if the Common Stock is not so publicly traded, the per share fair market value of the Shares shall be such fair market value as is determined in good faith by the Board after taking into consideration factors it deems appropriate, including, without limitation, recent valuations undertaken by the Company, recent bona fide offers to acquire the Company or make a substantial equity investment and/or sale and offer prices of the capital stock of the Company in private transactions negotiated at arm's length.

4. Treatment of Warrant Upon a Liquidation Event. In the event of a Liquidation Event, either (a) Holder shall affirmatively exercise or convert this Warrant in full with respect to all remaining Shares for which the Warrant is then exercisable and such exercise or conversion will be deemed effective immediately prior to the consummation of such Liquidation Event or (b) if Holder affirmatively elects not to exercise or convert the Warrant, this Warrant will expire upon the consummation of such Liquidation Event; provided, however, should Holder not affirmatively elect option (a) or (b), then the Warrant will automatically convert in full with respect to all remaining Shares for which the Warrant is then exercisable and such conversion will be deemed effective immediately prior to the consummation of such

Liquidation Event with payment owed on the full exercise price on a cashless basis pursuant to Section

3(b). The Company shall provide Holder with written notice of the foregoing (together with such information as Holder may reasonably request in connection with such contemplated Liquidation Event giving rise to such notice), which is to be delivered to Holder not less than ten (10) days prior to the closing or occurrence, as applicable, of the proposed Liquidation Event.

5. Certificates for Shares. As soon as practicable upon the exercise of this Warrant, the Company shall issue the Holder a certificate (or book-entry entitlement through the Direct Registration System) for the number of Shares so purchased and, if such exercise is in part, a new warrant (dated the date hereof) of like tenor representing the remaining number of Shares purchasable under this Warrant. Holder shall be deemed to own and have all of the rights associated with any Shares or other securities or property to which it is entitled pursuant to this Warrant upon the exercise or conversion of the Warrant in accordance with Section 3. The Shares issuable upon exercise of this Warrant shall be Class A Common Stock of the Company, which shall be issued in book-entry form and registered in the name of the Holder through the Direct Registration System (DRS) at the Company's transfer agent

6. Replacement of Warrants. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company or, in the case of mutilation on surrender and cancellation of this Warrant, the Company shall promptly execute and deliver, in lieu of this Warrant, a new warrant of like tenor.

7. Issuance of Shares. The Company covenants that the Shares, when issued pursuant to the exercise of this Warrant, will be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issuance thereof.

8. Adjustment of Exercise Price and Number of Shares. The number of and kind of securities purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows (but not so as to result in any double adjustment and only as to preserve relative present value):

8.1 Merger, Consolidation or Sale of Assets. If at any time there shall be a merger or a consolidation of the Company with or into another entity when the Company is not the surviving entity, or a sale of all or substantially all of the assets of the Company in one or a series of related transactions, then, as part of such merger, consolidation or sale of assets, lawful provision shall be made so that the Holder shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified herein and upon payment of the aggregate Exercise Price then in effect, the number of shares of stock or other securities or property (including cash) of the successor entity resulting from such merger, consolidation or sale, to which the Holder as the holder of the Common Stock deliverable upon exercise of this Warrant would have been entitled in such merger, consolidation or sale if this Warrant had been exercised immediately before such merger, consolidation or sale. In any such case, appropriate adjustment shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder after the merger, consolidation or sale. This provision shall apply to successive mergers or consolidations.

8.2 Reclassification, Recapitalization, etc. Upon any reclassification, exchange, substitution, or other event that results in a change of the number and/or class of the securities issuable upon exercise or conversion of this Warrant (other than a Liquidation Event which is subject to the provisions of Section 4), Holder shall be entitled to receive, upon exercise or conversion of this Warrant the number and kind of securities and property that Holder would have received for the Shares if this Warrant had been exercised immediately before such reclassification, exchange, substitution, or other event. The Company or its successor shall promptly issue to Holder an amendment to this Warrant setting forth the number and kind of such new securities or other property issuable upon exercise or conversion of this Warrant as a result of such reclassification, exchange, substitution or other event that results in a change of the number and/or class of securities issuable upon exercise or conversion of this Warrant. The amendment to this Warrant shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 8 including, without limitation, adjustments to the Exercise Price and to the number of securities or property issuable upon exercise of the new Warrant. The provisions of this Section 8 shall similarly apply to successive reclassifications, exchanges, substitutions, or other events.

8.3 Split, Subdivision or Combination of Shares. If the Company at any time while this Warrant remains outstanding and unexpired shall split, subdivide or combine the securities as to which purchase rights under this Warrant exist, the Exercise Price shall be proportionately decreased in the case of a split or subdivision or proportionately increased in the case of a combination.

8.4 Common Stock Dividends. If the Company at any time while this Warrant is outstanding and unexpired pays a dividend with respect to Common Stock payable in shares of Common Stock, or make any other distribution with respect to Common Stock payable in shares of Common Stock, then the

Exercise Price shall be adjusted, from and after the date of determination of the shareholders entitled to receive such dividend or distribution, to that price determined by multiplying the Exercise Price in effect immediately prior to such date of determination by a fraction (i) the numerator of which shall be the total number of shares of Common Stock outstanding immediately prior to such dividend or distribution, and (ii) the denominator of which shall be the total number of shares of Common Stock outstanding immediately after such dividend or distribution.

8.5 Other Dividends. In case the Company at any time pays a dividend or makes a distribution on its Common Stock (other than a dividend or distribution in shares of Common Stock), the Holder shall receive the cash, other securities or property which the Holder would have been entitled to receive if the Holder had exercised this Warrant immediately prior to the record date for the determination of stockholders entitled to receive such dividend or distribution; provided that with respect to any portion of the Shares that are unvested as of such record date, the Holder shall receive such cash, other securities or property upon the vesting of such Shares under this Warrant. The amount of any such other securities and property which the Holder shall thereafter be entitled to receive upon the exercise of this Warrant shall be subject to adjustment from time to time, in a manner and on terms as nearly equivalent as practicable to those contained herein with respect to the Common Stock of the Company. The provisions of this Section 8.5 shall similarly apply to successive dividends or distributions of the character specified above.

8.6 Adjustment of Number of Shares. Whenever an adjustment is made in the Exercise Price pursuant to any of Section 8.1 through 8.5, the total number of shares of Common Stock acquired upon exercise of this Warrant shall also be adjusted, to the nearest whole Share, to the product obtained by multiplying the number of shares of Common Stock purchasable immediately prior to such adjustment in the Exercise Price by a fraction (i) the numerator of which shall be the Exercise Price immediately prior to such adjustment, and (ii) the denominator of which shall be the Exercise Price immediately after such adjustment.

8.7 Other Adjustment Events. If any event occurs of the type contemplated by the provisions of this Section 8 but not expressly provided for by such provisions, then the Board will make an appropriate adjustment in the Exercise Price and the number of Shares so as to achieve the intended result of the Warrant; provided that no such adjustment pursuant to this Section 8.7 will increase the Exercise Price or decrease the number of Shares as otherwise determined pursuant to this Section 8.

8.8

8.9 Notice of Adjustments; Other Notices. Whenever the Exercise Price or number or type of securities issuable hereunder shall be adjusted pursuant to any provision of this Section 8, the Company shall issue and provide to the Holder, subject to the following sentence, prior written notice setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated and the Exercise Price and number of shares of Common Stock purchasable hereunder after giving effect to such adjustment. In addition, so long as this Warrant shall be outstanding, (i) if the Company shall declare any dividend or make any distribution upon the Common Stock or (ii) if any capital reorganization of the Company, reclassification of the capital stock of the

Company, consolidation or merger of the Company with or into another entity, sale, lease or transfer of all or substantially all of the property and assets of the Company, or voluntary or involuntary dissolution, liquidation or winding up of the Company shall be effected, where such aforementioned events are not within the Liquidation Event, then in each such case, the Company shall cause to be mailed to the Holder, at least fifteen (15) days prior to the date specified in (x) or (y) below, as the case may be, a notice containing a brief description of the proposed action and stating the date on which (x) a record is to be taken for the purpose of such dividend or distribution, or (y) such reclassification, reorganization, consolidation, merger, conveyance, lease, dissolution, liquidation or winding up is to take place and the date, if any is to be fixed, as of which the holders of Common Stock or other securities shall receive cash or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up.

9. Reservation of Stock. The Company agrees during the term the rights under this Warrant are exercisable to reserve and keep available from its authorized and unissued shares of Common Stock for the purpose of effecting the delivery upon exercise of this Warrant such number of validly issued, fully paid and nonassessable shares of Common Stock as shall from time to time be deliverable upon the exercise of this Warrant.

10. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional Shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional Shares the Company shall make a cash payment therefor on the basis of the Exercise Price then in effect.

11. Representations and Warranties of the Company. The Company represents and warrants to the Holder as follows:

(a) the execution and delivery of this Warrant have been duly and properly authorized by all requisite corporate action of the Company, and no consent of any other person is required as a prerequisite to the validity and enforceability of this Warrant that has not been obtained. The Company has the full legal right, power and authority to execute and deliver this Warrant and to perform its obligations hereunder.

(c) the Company is not a party to or otherwise subject to any contract or agreement that restricts or otherwise affects its right to execute and deliver this Warrant or to perform its obligations hereunder (including the issuance of Shares), except where all necessary consents or waivers have been obtained. Neither the execution, delivery nor performance of this Warrant (including the issuance of Shares) will conflict with, result in a breach of the terms, conditions or provisions of, constitute a default under, result in any violation of, result in the creation of any lien upon any properties of the Company under, require any consent, approval or other action by or notice to or filing with any court or governmental body pursuant to, the Company's certificate of incorporation or bylaws, any award of any arbitrator or any agreement, instrument or law to which the Company is subject or by which it is bound.

(d) The execution, delivery and performance by the Company of the Warrant, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with

or result in a violation or breach of, or default under, any provision of the organizational documents of Company; (b) conflict with or result in a violation or breach of any provision of any law or governmental order applicable to Company; or (c) require the consent of any person or entity under any contract to which the Company is a party. No consent, approval, permit, governmental order, declaration or filing with, or notice to, any governmental authority or stock exchange is required by or with respect to the Company in connection with the execution and delivery of the Warrant and the consummation of the transactions contemplated hereby and thereby other than (i) ordinary course securities filings including with respect to any 'blue sky' qualifications, (ii) any consents, approvals, permits, governmental orders, declarations or filings required by the NYSE or (iii) any consents, approvals, permits, governmental orders, declarations or filings that have been previously been obtained or made by the Company.

(e) CFIUS. the issuance of this Warrant and the Shares issuable upon exercise hereof are not subject to the jurisdiction of the the Committee on Foreign Investment in the United States (CFIUS) under Section 721 of the Defense Production Act of 1950, as amended (the "CFIUS regulations"), and that no filing or clearance under the CFIUS regulations is required in connection with the transactions contemplated herein.

12. Representations and Warranties by the Holder. The Holder represents and warrants to the Company as follows:

(a) Own Account. The Holder has been duly formed or incorporated and is validly existing and is in good standing under the laws of its jurisdiction of formation or incorporation, with power and authority to enter into, deliver and perform its obligations under this Agreement. In no event is the Holder acting as an underwriter of the Shares.

(b) Disclosure of Information. The Holder has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. The Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to the Holder or to which the Holder has access.

13. Warrants Nontransferable. This Warrant is nontransferable, except for transfers by a Holder (i) that is a partnership transferring to its partners or former partners in accordance with partnership interests, (ii) that is a corporation transferring to a wholly-owned subsidiary or parent corporation that owns all of the capital stock of the Holder, (iii) that is a limited liability company transferring to its members or former members in accordance with their interests in the limited liability company, (iv) that is an individual transferring to a family member or trust for the benefit of the Holder, (v) to an Affiliate of such Holder or member of the Holder group, and (vi) to any successor to all or substantially all of the Holder's business, whether by sale of stock, or assets, merger, consolidation or otherwise. Any attempted assignment or transfer in violation of this Section shall be null and void. The

Company may not assign this Agreement without the prior written consent of the Holder, except in connection with a merger or sale of substantially all of its assets.

14. Notices. All notices hereunder shall be effective when given, and shall be deemed to be given upon receipt or, if earlier, (a) five (5) days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by first class mail, postage prepaid, (b) upon delivery, if delivered by hand, (c) one business day after the business day of deposit with Federal Express or similar overnight courier, freight prepaid or (d) one business day after the business day of facsimile or email transmission,

if delivered by facsimile or email transmission with copy by first class mail, postage prepaid, and shall be addressed at such address as the Holder or the Company (as applicable) shall have furnished in writing.

All communications sent to the Company shall be sent to: Archer Aviation Inc. 190 W. Tasman Drive, San Jose, CA 95134, Attention: General Counsel, email: [***], with a copy to the Company's counsel at Fenwick & West LLP, 801 California Street, Mountain View, CA 94041, Attention: Patrick Grilli, email: [***].

All communications sent to the Holder shall be sent to: []

15. Material Non-public Information Controls. The Holder acknowledges that any transaction involving the Shares shall be conducted in compliance with applicable securities laws and, to the extent applicable, during an open trading window under the Company's insider trading policy. In the event that any concern or allegation arises regarding potential possession of material non-public information (MNPI) by the Holder, the Holder shall, upon reasonable request by the Company or its counsel, provide a written statement confirming that it does not possess any MNPI and, if necessary, provide additional reasonable documentation or assistance to support such confirmation.

16. Governing Law, Jurisdiction, Waiver of Jury Trial. This Warrant shall be governed by and interpreted in accordance with the laws of England and Wales. All disputes between the parties in connection with or arising out of the existence, validity, construction, performance and/or termination of this Warrant (or any terms thereof), which the parties are unable to resolve amicably between themselves, shall be finally settled by arbitration. The arbitration shall be held in Singapore in accordance with the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said rules. The proceedings shall be conducted in the English language.

ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY CLAIM OR ACTION ARISING OUT OF THIS WARRANT IS HEREBY WAIVED.

17. Amendments and Waivers. No modification of or amendment to this Warrant, nor any waiver of any rights under this Warrant, will be effective unless in a writing signed by both parties. Waiver by the Holder of a breach of any provision of this Warrant will not operate as a waiver of any other or subsequent breach.

18. No Impairment. The Company shall not, by amendment of its Certificate of Incorporation or through a reorganization, transfer of assets, consolidation, merger, dissolution, issue, or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Warrant by the Company, but shall at all times in good faith assist in carrying out of all the provisions of this Warrant and in taking all such action as may be necessary or appropriate to protect the Holder's rights under this Warrant against impairment.

19. Counterparts. The Warrant may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Facsimile copies or pdf copies of signature pages shall be binding originals.

20. No Partnership or Agency. Nothing in this Agreement shall be construed to create a partnership, joint venture, or agency relationship between the Parties. Neither Party shall have authority to bind the other in any respect.

[*Signature page follows*]

The Company has caused this Warrant to be issued as of the date first written above.

ARCHER AVIATION INC.

By: __
Name: Title:

ACKNOWLEDGED AND AGREED
(and the Holder hereby makes the representations and
warranties by the Holder set forth above):

HOLDER:

[]

By: __

Name:
Title:

EXHIBIT A NOTICE OF
EXERCISE

TO: Archer Aviation Inc. 190 W. Tasman
Drive San Jose, CA 95134

Capitalized terms used but not defined in this Notice of Exercise have the meanings set forth in the attached Warrant.

1. The undersigned hereby elects to purchase ___ Shares pursuant to the terms of the attached Warrant.
2. Method of Exercise (Please initial the applicable blank):

The undersigned elects to exercise the attached Warrant by means of a cash payment, and tenders herewith or by concurrent wire transfer payment in full for the Exercise Price of the Shares being purchased, together with all applicable transfer taxes, if any.

___ The undersigned elects to exercise the attached Warrant by means of the net exercise provisions of Section 3(b) of the Warrant.

3. Please issue a certificate or certificates representing said Shares in the name of the undersigned or in such other name as is specified below:

(Name)

(Address)

EXHIBIT B VESTING TERMS

[The warrant is fully vested and exercisable as of the Issuance Date.]

[***] = Certain identified information has been excluded from the exhibit because it is both not material and is the type that the registrant treats as private or confidential. Certain schedules, exhibits and similar attachments to this exhibit, have been omitted pursuant to Item 601(a)(5) of Regulation S-K.

EXECUTION VERSION

EARNOUT AGREEMENT

This Earnout Agreement (this “Agreement”) is entered into as of December 4, 2025, by and between Archer Aviation Inc., a Delaware corporation (the “Company”), [***], [***], and 395 Park Place, LLC, a limited liability company organized and existing under the laws of the California (each, a “Recipient” and collectively, the “Recipients”).

RECITALS

WHEREAS, contemporaneously with the execution of this Agreement, the Company, and Recipients are entering into: (i) a series of asset purchase agreements to acquire control of the Hawthorne Airport; and (ii) an option to acquire a controlling stake in the fixed-based operator (“FBO”) currently operating at the Hawthorne Airport.

WHEREAS, the parties hereto wish to enter into this Agreement, pursuant to which the Company shall issue to Recipients certain shares of Company’s Class A Common Stock, par value \$0.0001 (“Common Stock”) upon achievement by the applicable Recipients of certain milestones as set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises, representations, warranties and mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

Definitions.

- a. “Agreement” shall have the meaning set forth in the preamble.
 - b. “Common Stock” shall have the meaning set forth in the recitals.
 - c. “Company” shall have the meaning set forth in the preamble.
 - d. “Earnout Consideration” shall mean the USD value ascribed below to each Recipient in Section 2 below.
 - e. “Earnout Shares” means the aggregate number of shares of Common Stock that are issued upon achievement of an applicable Milestone by the applicable Recipient.
 - f. “FBO” shall have the meaning set forth in the recitals.
 - g. “Hangar Development Project” means [***].
-

- h. “Milestone(s)” refers to the performance milestones listed in Exhibit A-1, Exhibit A-2 and Exhibit A-3.
- i. “Recipient(s)” shall have the meaning set forth in the preamble.
2. **Earnout Consideration.**
- a. Earnout Consideration to 395 Park Place, LLC. On the terms and subject to the conditions of this Agreement, 395 Park Place, LLC shall be eligible to receive from Company up to [***] in Earnout Consideration in the form of Earnout Shares, subject to the achievement of the milestone(s) listed in Exhibit A-1.
- b. Earnout Consideration to [***]. On the terms and subject to the conditions of this Agreement, [***] shall be eligible to receive from Company up to [***] in Earnout Consideration in the form of Earnout Shares, subject to the achievement of the milestone(s) listed in Exhibit A-2.
- c. Earnout Consideration to [***]. On the terms and subject to the conditions of this Agreement, [***] shall be eligible to receive from Company up to [***] in Earnout Consideration in the form of Earnout Shares, subject to the achievement of the milestone(s) listed in Exhibit A-3.
3. **Determination of Milestone Achievement.** For purposes of determining whether any Milestone has been achieved and Earnout Consideration shall become due and Earnout Shares issuable under this Agreement, the parties shall do so in accordance with this Section as follows:
- a. Each Recipient shall deliver prompt notice to Company upon the Recipient’s determination in good faith that it has achieved a Milestone (each a “Milestone Achievement Notice”). Each Milestone Achievement Notice shall indicate the date of the Milestone Achievement Notice (which date shall be the actual date on which Recipient submits such Milestone Achievement Notice to Company) and the applicable Milestone, and shall contain sufficiently detailed documentation and other evidence reasonably requested by the Company to confirm the achievement of such Milestone.
- b. Following Company’s receipt of a Milestone Achievement Notice, Company may either confirm such Milestone Achievement Notice, or may dispute Recipient’s determination that the applicable Milestone has been achieved (a “Milestone Dispute”) by delivering to Recipient written notice of such dispute (a “Milestone Dispute Notice”) on or before the 15th calendar day following the date of such Milestone Achievement Notice. If Company confirms such Milestone Achievement Notice in writing, or if the Company does not deliver to Company a Milestone Dispute Notice on or before the 15th calendar day following the date of such Milestone Achievement Notice, then such Milestone Achievement Notice shall be deemed confirmed for purposes of this Agreement.
- c. If Company delivers to Recipient a Milestone Dispute Notice on or before the 15th calendar day following the date of such Milestone Achievement Notice, then Company and

Recipient shall engage in good faith discussions regarding the Milestone Dispute with the goal of resolving any dispute as quickly as possible. If such Milestone Dispute is resolved within ten (10) calendar days of the Milestone Dispute Notice (as mutually agreed in writing by Company and Recipient), and such resolution is in favor of (x) Recipient, then such Milestone Achievement Notice shall be deemed confirmed for purposes of this Agreement, or (y) Company, then such Milestone Achievement Notice shall be deemed not confirmed for purposes of this Agreement (and any Milestone Achievement Notice shall be null and void *ab initio*), and Recipient will remain entitled to deliver a future Milestone Achievement Notice as to the applicable Milestone upon a future good faith determination by Recipient of such Milestone achievement.

d. If such Milestone Dispute is not resolved within ten (10) calendar days of the Milestone Dispute Notice, and Recipient does not otherwise withdraw the applicable Milestone Achievement Notice, then the parties shall submit such Milestone Dispute to an independent third party arbitrator mutually selected by Company and Recipient (the "Arbitrator") and otherwise governed by the Federal Arbitration Act for determination as to whether the Milestone that is the subject of the Milestone Dispute has been achieved. The parties shall work together in good faith to select such Arbitrator. Such determination by the Arbitrator shall be final and binding on the parties as to the achievement of such Milestone for purposes of this Agreement.

e. If the Arbitrator determines that such Milestone has been achieved, then such Milestone Achievement Notice shall be deemed confirmed for purposes of this Agreement.

f. If the Arbitrator determines that such Milestone has not been achieved, then such Milestone Achievement Notice shall be deemed not confirmed for purposes of this Agreement (and any Election Notice delivered and corresponding to such Milestone Achievement Notice shall be null and void *ab initio*), and Recipient will remain entitled to deliver a future Milestone Achievement Notice as to the applicable Milestone upon a future good faith determination by Recipient of such Milestone achievement.

4. **Issuance of Earnout Shares.** If any Milestone has been determined to have been achieved pursuant to Section 3 above, the Company shall issue the corresponding number of Earnout Shares to the Recipient as promptly as practicable, but in no event later than the 90th day following the date upon which the Milestone Achievement Notice is confirmed, with the number of shares being determined in accordance with Section 5 below. If the Company fails to issue the Earnout Shares with respect to any Milestone by the 90th day following the date upon which the relevant Milestone Achievement Notice is confirmed, then the Company shall instead pay the Earnout Consideration for that Milestone in cash not later than the 91st day following the date upon which the relevant Milestone Achievement Notice is confirmed.
5. **Registration of Shares.** In the event that the Shares are issued as unregistered securities in compliance with applicable securities laws, then the Company shall use commercially reasonable efforts to register the Shares for resale on the

Company's Registration Statement on Form S-3 as promptly as practicable. If registration has not occurred within 45 days of issuance of Shares, then Company shall: (i) either promptly register the Shares for resale on the Company's Registration Statement on Form S-3 or (ii) if such registration is commercially unreasonable, the parties shall cooperate in good faith to determine, and Company shall effectuate, a commercially reasonable option for providing any Recipient with liquidity with respect to the Shares.

6. **Share Calculation.** The number of shares of Common Stock to be issued in connection with each Milestone achievement will be determined by dividing the Earnout Consideration value applicable to such Milestone by the volume-weighted average price for a share of Company's Common Stock during the five (5) consecutive trading days following the date of the Milestone Achievement Notice, as reported by Bloomberg on page ACHR <Equity>VWAP for such period (in all cases as adjusted for share splits, reverse splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like), rounded to the nearest whole share.

7. **Acknowledgements.**

a. Notwithstanding anything to the contrary herein but subject to this Agreement, the Recipients acknowledge and agree that: (A) Company may operate its business and the businesses of its affiliates as it determines in its sole discretion is in their best interests, subject to compliance with applicable law, including business decisions with respect to (1) the ownership and operation of the assets used in connection with the business of the Company, and (2) allocation of corporate resources (including personnel and budgets) across its business; (B) the obligations of Company in respect of the Earnout Shares are only those expressly provided for in this Agreement, and no other express or implied covenants or duties shall apply; (C) no Person has made, and the Company has not relied upon, any representations or warranties regarding the Earnout Shares; and (D) any actions taken following the closing date of the transactions contemplated in the recitals by Company with respect to the operation of its business which are reasonably required in order to comply with applicable law, shall in no event be deemed to be a, or form the basis of a claim for, breach by Company of this Agreement.

b. The Recipients hereby acknowledge and agree, that: (A) the right to receive Earnout Shares if and when earned in accordance with the terms hereof: (I) does not represent any ownership or equity participation interest in Company or any of their respective affiliates and does not entitle any Recipient to voting rights or rights to dividend payments, (II) is solely represented by this Agreement and is not represented by any certificate, instrument or other delivery and (III) is solely a contractual right and is not a security for purposes of any securities laws, and confers upon Recipients only the rights of a general unsecured creditor under applicable law, (B) the Earnout Consideration is speculative, subject to numerous factors outside the control of Company and its affiliates and there is no assurance that any Milestone will be achieved, (D) neither Company nor its affiliates owe, by virtue of their obligations under this Agreement, a fiduciary duty or any implied duties to the Recipients and (E) Company and the

other parties hereto intend solely the express provisions of this Agreement to govern their contractual relationship with respect to the Earnout Consideration and Earnout Shares.

c. The right of any Recipient to receive any portion of an Earnout Consideration will not be assignable or transferable except, by operation of law or the laws of descent and distribution, divorce or community property, will or intestate succession, and any attempted or purported transfer in violation of this sentence will be null and void.

8. **General Provisions.**

a. **Notices.** All notices sent to the Company pursuant to this Agreement shall be sent as follows: to Archer Aviation Inc. 190 W. Tasman Drive, San Jose, CA 95134, Attention: Legal, with an email copy to: [***]. All notices sent to the Recipients pursuant to this Agreement shall be sent as follows: to [***] at [***], with an email copy to: if to [***] for 395 Park Place, LLC: [***], and if to [***]: [***].

b. **Assignments.** Except as otherwise specifically provided herein, no party hereto may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other party.

c. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

d. **Headings.** The section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

e. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed in and to be performed in that State.

f. **Jurisdiction.** All legal actions and proceedings arising out of or relating to this Agreement shall be heard and determined exclusively in any Delaware Chancery Court; provided, that if jurisdiction is not then available in the Delaware Chancery Court, then any such legal action may be brought in any federal court located in the State of Delaware or any other Delaware state court. The parties hereto hereby (a) irrevocably submit to the exclusive jurisdiction of the aforesaid courts for themselves and with respect to their respective properties for the purpose of any action arising out of or relating to this Agreement brought by any party hereto, and (b) agree not to commence any action relating thereto except in the courts described above in Delaware, other than actions in any court of competent jurisdiction to enforce any judgment, decree or award rendered by any such court in Delaware as described herein. Each of the parties further agrees that notice as provided herein shall constitute sufficient service of process and the parties further waive any argument that such service is insufficient. Each of the parties hereby irrevocably and unconditionally waives, and agrees not to assert, by way of

motion or as a defense, counterclaim or otherwise, in any action arising out of or relating to this Agreement or the transactions contemplated hereby, (a) any claim that it is not personally subject to the jurisdiction of the courts in Delaware as described herein for any reason, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (c) that (i) the action in any such court is brought in an inconvenient forum, (ii) the venue of such action is improper or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

g. Waiver of Jury Trial. The parties hereto hereby waive any right to a jury trial in connection with any litigation pursuant to this Agreement and the transactions contemplated hereby.

h. Amendments. This Agreement may not be amended, modified or waived as to any particular provision, except with the prior written consent of the Company and the Recipients.

i. Severability. The provisions of this Agreement will be deemed severable and the invalidity or unenforceability of any provision will not affect the validity or enforceability of the other provisions hereof; provided that if any provision of this Agreement, as applied to any party hereto or to any circumstance, is adjudged by a governmental authority, arbitrator, or mediator not to be enforceable in accordance with its terms, the parties hereto agree that the governmental authority, arbitrator, or mediator making such determination will have the power to modify the provision in a manner consistent with its objectives such that it is enforceable, and/or to delete specific words or phrases, and in its reduced form, such provision will then be enforceable and will be enforced.

j. Waiver. No waiver by any party hereto of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, may be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising because of any prior or subsequent occurrence.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the date first set forth above.

COMPANY:

ARCHER AVIATION INC.

Signature: /s/ Eric Lentell

Name: Eric Lentell

Title: Authorized Person

RECIPIENTS:

395 PARK PLACE, LLC

Signature: /s/ Levi Stockton

Name: Levi Stockton

Title: Manager

[***]

Signature: /s/ [***]

[***]

Signature: /s/ [***]

*****] = Certain identified information has been excluded from the exhibit because it is both not material and is the type that the registrant treats as private or confidential. Certain schedules, exhibits and similar attachments to this exhibit, have been omitted pursuant to Item 601(a)(5) of Regulation S-K.**

Archer Aviation Inc.
List of Material Subsidiaries

Subsidiary	Jurisdiction
Archer Aviation Operating Corp.	Delaware
Archer Air LLC	Delaware
Hawthorne Airport Ground Lease LLC	Texas

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-273996, 333-281517, 333-283784 and 333-284812) and Form S-8 (Nos. 333-261547, 333-263544, 333-265955, 333-270569, 333-277551 and 333-285458) of Archer Aviation Inc. of our report dated March 2, 2026 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
San Jose, California
March 2, 2026

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Adam Goldstein, certify that:

1. I have reviewed this report on Form 10-K for the year ended December 31, 2025 of Archer Aviation Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer 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: March 2, 2026

/s/ Adam Goldstein

Adam Goldstein

Chief Executive Officer

(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Priya Gupta, certify that:

1. I have reviewed this report on Form 10-K for the year ended December 31, 2025 of Archer Aviation Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer 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: March 2, 2026

/s/ Priya Gupta

Priya Gupta
Acting Chief Financial Officer
(Principal Financial Officer)

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

In connection with the Annual Report of Archer Aviation Inc. (the “Company”) on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of 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: March 2, 2026

/s/ Adam Goldstein

Adam Goldstein

Chief Executive Officer

(Principal Executive Officer)

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.

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

In connection with the Annual Report of Archer Aviation Inc. (the “Company”) on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of 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: March 2, 2026

/s/ Priya Gupta

Priya Gupta

Acting Chief Financial Officer

(Principal Financial Officer)

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.