ARCHER CLOSES PIPE AS PART OF $230M IN CAPITAL RAISED SINCE END OF Q2

News / Finance, Manufacturer

Archer Aviation has now closed on $220M of this $230M of additional capital raised since the end of Q2, with $10M remaining in the form of a committed investment from Stellantis that remains subject to shareholder approval which is expected to occur later this year. When combined with the $360M of cash on hand at the end of Q2'24, Archer now maintains one of the strongest liquidity positions in the industry as it rapidly advances its industrialization and commercialization.

This is United Airlines' third time investing in Archer, originally investing in 2021 in connection with the signing of its conditional aircraft purchase agreement. In 2022, United Airlines made a pre-delivery payment for the first 100 of those aircraft. Along with this additional capital, Archer also recently announced it had reached the key terms of an agreement with Stellantis for the contribution of significant capital in the form of labor and capital expenditures to help scale the manufacturing of Archer's aircraft, Midnight. This strategic funding arrangement is intended to give Archer the ability to access up to an additional $400M in capital in exchange for Archer equity at future stock prices with the goal of minimizing dilution.

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Archer’s high-volume manufacturing facility in Covington, GA, is scheduled to open by the end of the year.

Archer CEO and Founder Adam Goldstein commented: “As we advance towards commercialization, this renewed equity support from partners like United Airlines and Stellantis is a powerful endorsement that solidifies Archer’s position as one of the most well-capitalized in the industry.”

With this capital and the expanded manufacturing partnership with Stellantis, Archer is now well-positioned to execute its planned path to reach commercialization of its electric vertical take-off and landing aircraft, Midnight. Moelis & Company acted as the sole placement agent for the transaction, providing strategic advice and support throughout the process.

This capital raise announcement follows Archer’s planned network in Los Angeles and its recently announced developments with Southwest Airlines and United Airlines. It also follows major milestones, such as a successful transition flight, certification to begin operating as a commercial airline and the recent delivery of its first aircraft to the United States Air Force.

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