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Presentation

Operator

Hello, everyone. Thank you for joining us, and welcome to the Archer Aviation Third Quarter 2026 Financial Results Conference Call. [Operator Instructions]

I will now hand the conference over to Kate Kiewel, Head of Investor Relations. Please go ahead.

Kate Kiewel
Head of Investor Relations

Welcome to Archer's earnings call. This is Kate Kiewel, Archer's Head of IR.

Today, we will be making forward-looking statements that are based on current assumptions. We don't undertake any obligation to update those assumptions for new information or future events. Risks and uncertainties may cause our actual results to differ materially from those contemplated by these statements. For more information about potential risks and uncertainties, review the risk factors in our SEC filings.

Today, we will also be discussing both GAAP and non-GAAP financial measures. A reconciliation of those measures is included in today's earnings release.

Now I'll turn it over to Adam. Adam?

Adam D. Goldstein
Founder, CEO & Chairman

Thanks, Kate. Last quarter, I told you that we would begin flying Midnight in American cities this year. In September, we launched Midnight's No Roads flight tour in Northern California in close coordination with the FAA. Over several weeks, Midnight gave the region the longest look yet at what electric aviation will mean for life in our cities. The tour opened with a round trip between Salinas and Hollister, a trip that takes 40 minutes or more in traffic and that Midnight made in about 12 minutes each way.

From there, Midnight worked its way north through 7 Northern California cities, flying hundreds of miles across dozens of piloted city-to-city flying at speeds of over 130 miles per hour. The highlight was the Bay itself. Multiple flights around San Francisco Bay out of Oakland International Airport through airspace shared with 3 international airports with the Golden Gate and Bay bridges as a backdrop.

One of my favorite shots from the tour is Midnight passing over Apple HQ in Cupertino, home to so much of the technology that changed daily life. For a few weeks this fall, the people who built that technology could look up and watch the next one, an electric aircraft that will change how they move around their cities, fly over their heads.

And today, our Midnight aircraft is now in Los Angeles at Hawthorne Airport. And this morning, we announced that Midnight has received its Market Survey Special Airworthiness Certificate from the FAA, which unlocks our ability to begin flying Midnight in LA and progressing to passenger carrying operations in LA and other major U.S. cities ahead of type certification. This is undoubtedly our most important commercialization milestone to date.

In 2026, you've seen Midnight progress from piloted test flights over open country to piloted flights over densely populated cities in some of the busiest airspace in America. This is how trust with the FAA is built, and it is what resulted in Midnight receiving its market survey certificate. This now allows us to begin Midnight's operations in Los Angeles and mature into carrying passengers as part of the DOT's eVTOL Integration Pilot Program and the LA28 Games, each a building block towards type certification and routine urban air mobility operations at scale.

None of this happened by accident. We have been preparing LA for more than 2 years since we announced our planned LA route network in August 2024. In May of last year, LA28 selected Archer as the Official

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Air Taxi Provider of the 2028 Olympic Games. And 3 weeks later, after working closely with industry leaders on its design, the White House established the eVTOL Integration Pilot Program and a pathway for accelerated launch in American cities. Together, they set the strategy for bringing Midnight into service, fly in American cities through 2027 and showcase air taxi operations at the games in 2028. That is why we chose LA as our launch city.

At this time last year, we acquired the master lease and control of Hawthorne Airport, minutes from LAX and the major LA sports and entertainment venues. And we have now operated the airport and its fixed-based operator for almost a year, which has given us real-world operational experience that no one else in our industry has, and a platform for working through air taxi airspace compatibility with the FAA. And under a year, we have upgraded the terminal building, brought electric aircraft charging to the airport and begun construction on 11 new hangars.

This morning, we announced that we have delivered the first midnight to LA for the next part of the No Roads tour, which we expect to begin in the coming weeks. It is based out of a hangar at Hawthorne that was once the world headquarters of Jack Northrop Corporation, a company that helped write the last century of American aviation, and I can think of no better place from what to launch the next one. The timing works out in our favor as well, with LA hosting the Super Bowl in February and the LA28 Games opening in a little over 600 days.

Our commercial and infrastructure teams are assembling the Los Angeles network piece by piece with planned vertiports connecting SoFi Stadium, USC and FBOs across the region and as we announced in August, a downtown vertiport at LA Live with AEG. Over the coming quarters in LA, you can expect us to progress from piloted CTOL into VTOL operations and then on to pilot plus passenger operations in coordination with the FAA and in parallel with type certification. Los Angeles is where we are writing the blueprint for every city that follows.

On certification, as we've talked about before, Midnight is in the fourth and final phase of the FAA's type certification process, the implementation phase, where every compliance finding is made against the means of compliance and test plans we agreed with the agency. It is the most rigorous stretch of the program. The FAA team is working alongside us on compliance approvals spanning structures, aircraft level systems and the other key design features of the aircraft with systems and equipment testing underway and we continue to make meaningful progress quarter-over-quarter. On piloted transition, we are in the final push. The aircraft is flying faster with each flight, and we are closing in on completing that milestone by the end of the year.

That progress, together with the success of the No Roads tour, gives us the confidence to keep ramping manufacturing output. And today, we showed 3 additional Midnight aircraft in final assembly getting ready to move into flight testing. Air taxis are here, and as they scale, they will change how we move around our cities.

We continue to plan with the FAA to bring the No Roads tour to Texas, Florida and New York. Across these regions, we've announced route networks well ahead of our operations, so regulatory and infrastructure partners have time to get ready alongside us. Last month, we announced planned Texas networks across Dallas, Houston and Austin, 11 vertiports connecting destinations from Frisco Station to Galveston to the Circuit of the Americas and ACES, our charging consortium with BETA and Macquarie Capital, is already working on charging at those sites.

Now let me turn to our pending acquisition of Wisk, SkyGrid and Insitu from Boeing. When we announced the transaction in August, we said we expected to close by the end of the year. Since then, the team has worked through nearly 20 governmental and third-party approvals and one remains, and we believe closing will be soon. As I discussed in detail last quarter, Wisk and SkyGrid are about accelerating the development, commercialization and scaling of our air taxi business. And our plan for Wisk's autonomy technology has not changed, harden it in our Halo platform first, then bring it to air taxi when the FAA is ready to certify it.

Insitu is about near-term revenue and profitability on the unmanned aircraft systems side. It is one of the most trusted names in intelligence, surveillance and reconnaissance drones profitable with over $200

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million in annual revenue across 35 countries, more than 4,000 Group 2 and Group 3 UAS built and fielded with nearly 2 million flight hours and one of the largest operational data sets of its kind.

Our goal going into 2027 is to rapidly grow that revenue base, which can then meaningfully offset our continued spend to bring Midnight to market. Expect to hear a lot more from us on that strategy once we're on the other side of closing. As a reminder, on structure, Boeing is taking all stock with warrants struck at multiples of where we trade today and will become our largest shareholder at closing.

In parallel, we continue to deepen our strategic relationship with Anduril. In July at Farnborough, we unveiled the aircraft we are building together, a Group 5 hybrid electric autonomous aircraft. This quarter, we began testing the turboshaft engine for that platform. The turbo generator is one of the central new technologies in the aircraft, extending the electric powertrain we have proven on Midnight into a new class of range, speed and payload and with multiple full-scale surrogate test flights behind us, the program remains on track to begin full-scale flight testing next year.

We have also delivered the initial battery packs and electric engines to Anduril for Omen, the autonomous air vehicle they are building with EDGE Group in the UAE. As I said last quarter, I continue to believe deploying our technology early in defense will deliver value across the whole business.

Our progress and the world's excitement for our products continue to attract new partners around the world. ITA Airways, Italy's flag carrier and a member of the Lufthansa Group, became the first European airline to join our network in October, with plans to bring Midnight to Italy's major cities. But the biggest new partner announcement is one we are jointly announcing tomorrow, a multiyear partnership with Formula 1 to bring air taxi service to Grand Prix weekends.

We envision dedicated air taxi locations at the circuits, integration into F1's hospitality and ticketing and VIPs and fans flying to and from the track in 10 to 20 minutes aboard Midnight, many of F1's key markets around the world aligned with our priority commercial markets across the U.S., Middle East, Asia and Europe. Midnight was on display in the fan zone and the F1 Paddock in Austin last month and will be at the Las Vegas Grand Prix later this year.

We are executing all this from a position of financial strength with $1.4 billion in liquidity at the end of the quarter, adjusted EBITDA within our guidance and our first revenue from powertrain deliveries.

I started Archer to unlock the skies, and we are now doing that across both commercial and defense. Eight years ago, Archer was a concept. Today, it is an aircraft in Los Angeles with FAA authorization to begin operations there, a defense program with Anduril and a transaction that will make Boeing our largest shareholder. I have never been more confident in the work we are doing at Archer.

With that, I'll turn it over to Priya.

Priya Gupta
Acting CFO, Acting Principal Financial Officer & VP of Finance

Thanks, Adam, and good afternoon, everyone. Today, I'll cover 3 things in the call with you: our third quarter financial results; an update on our planned acquisition of Wisk, SkyGrid and Insitu; and lastly, our outlook for the fourth quarter.

Starting with the results. We delivered a strong third quarter. Revenue was $5.1 million, beating consensus. That beat was driven by the first engine deliveries to Anduril for Omen. Adjusted EBITDA was a loss of $178.5 million, which is at the lower end of our guided range of $170 million to $200 million and better than consensus. We told you we would stay disciplined while investing across our air taxi, UAVs and software platforms and we continue to do exactly that.

We ended the quarter with $1.4 billion in cash, cash equivalents and short-term investments. So as we look towards our operations post-closing of our pending acquisitions from Boeing, we entered this next chapter for the company with a strong liquidity position.

Now let's turn to those acquisitions. As Adam mentioned, we anticipate the close timing of the acquisition of Wisk, SkyGrid and Insitu from Boeing to be very close. The HSR waiting period expired and all but one

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of the remaining regulatory closing conditions have been satisfied. When we announced this deal, we told you we believe it would change the profile of Archer. After months of detailed integration planning work with the leadership teams at these companies, I can tell you that our conviction has only grown. Insitu will immediately change that with its established ISR drone business, historically achieving more than $200 million of annual revenue and positive operating cash flows. Combined with our airport operations, early commercial activity and the platforms we're building, that will bring a step change.

Going forward, the U.S. side of the business will anchor Archer in a programmatic revenue base in the hundreds of millions per year. And revenue is only one part of the value Insitu brings to us. With operations in more than 35 countries and over 3 decades of field experience, Insitu gives Archer an established global footprint with deep operational expertise. When we announced the transaction, we set a goal of keeping net cash burn post close relatively flat from where it is today to ensure we are properly managing liquidity. The integration planning work of the last few months has given us a clear execution path to realizing our expected synergies from the deal.

For the fourth quarter, we will continue to provide guidance on a stand-alone basis, that is excluding the impact of the planned acquisitions. We anticipate revenue to grow in Q4 from Q3 and to be in the range of $5 million to $6 million as we pick up our pace of operations at Hawthorne and continue to deliver additional engines and batteries for Omen. We expect an adjusted EBITDA loss in the range of $185 million to $205 million as we continue to mature our Midnight certification and flight test program, begin Midnight operations in LA, advance our Halo development program and develop and launch our AI products.

To bring it together, our third quarter results beat consensus on both revenue and adjusted EBITDA, and we're ending the quarter with $1.4 billion in liquidity. We are tracking well to close the acquisitions, and we're confident they will transform Archer into a more mature operating business.

Thank you for joining us today, and we look forward to taking your questions.
With that, I'll turn it back to the operator.

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Question and Answer

Operator

[Operator Instructions] Your first question comes from the line of Anthony Valentini with Barclays.

Anthony Valentini
Barclays PLC

I wanted to ask you, I think that it's kind of evolved over time a little bit in the industry of how the different companies are looking to monetize their aircraft. So I'm curious how you guys are currently thinking about the split of OEM sales versus operating the aircraft yourself? And what opportunities there are for aftermarket sales once the fleet grows, given you guys kind of went the route of outsourcing most of the parts to speed up the certification time line?

Adam D. Goldstein
Founder, CEO & Chairman

We still look at this as an interesting application to sell aircraft. And I think we have to earn our way into the operating side. And so the early years of post-certification, I think we'll be very focused on selling aircraft. We still will certainly have some fleet that we want to operate ourselves to learn and ultimately to grow. But I think we're going to have to earn our way into the air taxi side.

I also think the aftermarket will be attractive with things like battery packs that will ultimately be replaced on a regular cadence and things like engines that will be on a longer time scale. I think there's more to dig into over time, but ultimately, sales will be a big driver of that. I also think that on the defense side, that's going to drive a lot of the early revenues as well. And so there will be similar types of dynamics there, too.

Anthony Valentini
Barclays PLC

Adam, on that, are you saying that you think that there's going to be aftermarket opportunity on the defense side? Or are you just saying -- maybe if you can just help me understand what you mean by that, that'd be great. And is there a way for us to think about in the quarter, how many engines you guys delivered on Omen and maybe like what the ASP is of that going forward?

Adam D. Goldstein
Founder, CEO & Chairman

Yes. I think I was referring to partnerships like we have with Anduril on Omen. That's a great example of selling parts. But I'll let Tom give a little bit more color on Omen.

Thomas Paul Muniz
Chief Technology Officer

Yes, not too much more to add. Obviously, we've mentioned we started to deliver against our engine and battery supply contract with Anduril. I can't get into too much color there just given the nature of the agreement. But I think the exciting thing is it's a great proof point for the core tech that we've developed over the last several years here, that we have been applying and certifying on Midnight, but obviously, it's applicable much more broadly if you think about Halo platform, Anduril platform and as well as Insitu platforms coming up post transaction close.

Operator

Your next question comes from the line of Andres Sheppard with Cantor Fitzgerald.

Unknown Analyst

This is Peter on for Andres. Congrats on the quarter. First, Adam, I'm hoping to touch on big picture. It's clear that Archer is now much more than the eVTOL company. So I guess the question here is, how should

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we think about the company big picture and the near-term priorities with Insitu, Midnight, eIPP and then Thunder and Halo?

Adam D. Goldstein
Founder, CEO & Chairman

Well, if you look at the core capabilities of what we've built, we have incredible design expertise, an in-house powertrain capability, a full stack software team, and this really enables us to build large and small aircraft, both manned and unmanned. And the Midnight platform is allowing us to go after the large $1 trillion air taxi TAM that we -- set the company up to go after and chase. The Halo platform really uses that same powertrain and the flight control software stack to go after the multi-deca-billion-dollar defense Group 5 vertical lift products. And the Insitu platform with customers in 35 countries is already generating revenue and ripe for new products that can allow the company to dramatically scale revenue in the near term.

And so post-closing of the transaction, Archer will have a diversified revenue stream coming from both civil and defense applications across manned and autonomous platforms. And I think that really uniquely positions us as a diversified next-gen A&D company.

Unknown Analyst

Got it. Very helpful. And maybe as a follow-up, can you expand on the flight test campaign opportunities in LA and latest on production plans and timeline for Midnight and Thunder?

Benjamin Lyon
President of Aircraft OEM

Sure, Peter. This is Benjamin. Just a quick update on flight test. This quarter has been a record quarter for us. We're talking over 118 test flights, up to 16 flights a week. And really, all of that culminated in our FAA approval to operate Midnight under that Market Survey Special Airworthiness Certificate.

And we had to do a lot for that. Like we had to demonstrate that the aircraft performance was kind of substantiated through its entire flight envelope. We could build 50 hours of testing in that stable configuration. And then after that, the FAA reviewed all of our data and energy management and range predictions to make sure that the aircraft did what we said it was going to do. And all of that led to them authorizing us to do flight not only over densely populated areas, but in a really busy airspace.

And so with our No Roads tour, that kind of kicked off this big test of our operational capability. So think 28 flights in just 13 days across 8 airports in Silicon Valley, Oakland and San Francisco metropolitan areas. And what that kind of took us to really get to is that our investment in developing Midnight for this really high-tempo urban operation works out. It's really, really smooth. So we're going to take that forward in the further flight testing in LA and then the rest of the No Roads tour.

Operator

Your next question comes from the line of Savanthi Syth with Raymond James.

Savanthi Nipunika Prelis-Syth
Raymond James & Associates, Inc., Research Division

Just on the builds, could you provide a update on kind of how many aircraft have been built and what are flying? Just my understanding is that the -- kind of the survey -- market survey flying can only be done by a certain aircraft and those cannot be used for other kind of R&D purposes or at least not certification purposes. So kind of curious how you allocate then the flying between what you produced?

Benjamin Lyon
President of Aircraft OEM

Sure. Savi, it's Benjamin. So we're currently building 9 Midnight to use in-flight test in eIPP and in LA as well as multiple Halo aircraft across our manufacturing facilities. And we're also ramping up in the supply base to accelerate the next set of aircraft.

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Savanthi Nipunika Prelis-Syth
Raymond James & Associates, Inc., Research Division

I guess, then Benjamin, how are you allocating those -- how many aircraft are going to be just doing market survey? Is that just the non-piloted Midnight that you have built today? Or are these Midnights going to be ready for -- to allocate between market survey and certification?

Benjamin Lyon
President of Aircraft OEM

Yes. So we will definitely be able to use those Midnight across those multiple purposes, and these are piloted midnights.

Operator

Your next question comes from the line of Edison Yu with Deutsche Bank.

Xin Yu
Deutsche Bank AG, Research Division

Hello? Can you hear me?

Adam D. Goldstein
Founder, CEO & Chairman

Yes, Edison.

Xin Yu
Deutsche Bank AG, Research Division

Sorry, I had some technical difficulty. Yes. So just 2 quick questions for me. One, what do you see as sort of the next important test for the program with Anduril? I know you mentioned the hybrid turboshaft propulsion system. What are sort of the next kind of key milestones? And then separately, you mentioned some of the revenue projections for the Boeing assets. Can you give us a flavor of maybe what your targets might be for revenue next year?

Thomas Paul Muniz
Chief Technology Officer

Edison, this is Tom. I'll do the first part of your question. I guess I'll just give you an update on progress for Halo. So Adam mentioned on the call, we've already started running the turboshaft engine. That's basically like the heart of the new hybrid powertrain that we're developing. And that's really the main thing, gives Halo its differentiated payload rate and speed versus Midnight.

We've also started spinning first electric motors that are going to drive the rotors on that vehicle. And like we've talked about before, those are really built off the same core tech that we've already developed for Midnight, those electric motors. And so that's how we're able to get through the development so quickly as we're using a lot of that same hardware and software.

So all of that has put us on track to fly next year. Between now and then, obviously, you'll see hardware coming together, tests being completed, all working up towards that milestone, but things are looking great.

Priya Gupta
Acting CFO, Acting Principal Financial Officer & VP of Finance

And Edison, your second question. So regarding revenue for Insitu, right, I think you've heard us talk about it. Insitu is like operating historically in revenues north of $200 million a year. And what we're going through right now as part of the integration planning activities is to understand and -- that core base that they have with the real programmatic revenues across the globe and then see opportunities to potentially grow that in the future. So again, we really look forward to sharing that -- more of that with you as we get to the other side of close.

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Operator

Your next question comes from the line of Chris Pierce with Needham.

Christopher Alan Pierce
Needham & Company, LLC, Research Division

Congrats on the progress. Can you just sort of help me understand -- I just want to understand on the market survey certificate from the FAA. Is this a specific market survey for Midnight in CTOL form? And then can this be grandfathered over once the Midnight is flying pilot transition to VTOL? Like or -- I just want to make sure I'm following what you guys have actually achieved here specific to what you can do next with what aircraft in the sky?

Benjamin Lyon
President of Aircraft OEM

Chris, this is Benjamin. Thanks for the question. So that's correct. We unlocked market survey for our CTOL aircraft. And we also built the kind of the playbook for how to roll through this entire process and do it efficiently and quickly. So we're going to roll that same playbook on the VTOL platform, which we expect to do very much in the near future here. So we'll get through our pilot transition campaign, build the 50 hours, transparently share all that data with the FAA, just like we did it on the CTOL campaign and roll through in a market survey on VTOL.

Christopher Alan Pierce
Needham & Company, LLC, Research Division

Okay. And should we be thinking that this is a CTOL aircraft that you're going to certify and you might sell this to potential customers? Or this is just a step on the way to VTOL market survey and VTOL OEM operations?

Benjamin Lyon
President of Aircraft OEM

Yes. I think you can think about it as a step along the way. It's not something we intend to sell as a CTOL-only aircraft.

Christopher Alan Pierce
Needham & Company, LLC, Research Division

Okay. Perfect. And then just one more, if I could. Can you -- when you talk about pilot transition by year-end, I guess I'd love to just hear what's different now versus previous conference with that same milestone. Is it something different on the hardware side that the S4? Is it software that's been updated, batteries? Like I'd just love to hear what's different now and giving you confidence in the year-end for piloted transition?

Benjamin Lyon
President of Aircraft OEM

Yes, sure. I'll take that for you. So first off, we've done over 260 piloted test flights at this point, of which 100 -- over 100 have actually been part of that piloted transition campaign. So we're well on our way. But remember, while we previously transitioned with our autonomous Midnight, in our piloted campaign, that bar for rigor in safety is much higher and in particular in software verification as, again, we've previously talked about. So the good news is that we've gotten through that software verification process. and we're in good shape. So we're continuing with the campaign. There aren't any surprises so far with that new software. So we're on track for the end of this year, and we'll keep you informed.

Operator

Your next question comes from the line of James Kirby with JPMorgan.

James Marshall Kirby

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JPMorgan Chase & Co, Research Division

Maybe just on the Z and SkyGrid update. I think last call you mentioned there'd be some near-term revenue opportunities. Just maybe how -- any update on that into year-end? And maybe what -- is there any hurdles or regulatory obstacles that would prevent you from scaling that as we enter 2027?

Thomas Paul Muniz
Chief Technology Officer

Thanks, James. So just as a reminder, these are our foundation model that we launched back in July, and we've trained it on a whole host of different data, including locations, comms, weather, terrain. And we're leveraging third-party data for that as well as creating our own proprietary data sets that we collect worldwide. And the products that we're building range from airline ops, airspace management, pilot assistance and we're currently in discussion with several different groups around pilot programs. This is across groups like governments and airlines. So a lot to stay tuned there for more on this. So we'll provide more on that in the near term.

SkyGrid has built a certifiable ATM platform that is in use today and the products are common operating picture, flight plan validations, surveillance, deconfliction. And so we're also seeing demand from governments for that, also demand from ANSPs, airports, airlines globally. So full tight, and we'll provide more on that here in the near future.

James Marshall Kirby
JPMorgan Chase & Co, Research Division

Okay. Got it. Sounds good. And then second question, maybe just on the ITA Airways. I know it seems like a smaller announcement, but Adam, any color on how that came to be? And if there's any certification, I guess, in Europe that you need to go through to get that going as well as any update on kind of international activity, that would be great?

Adam D. Goldstein
Founder, CEO & Chairman

Yes. So if you look at how it's played out in the U.S., we spent a lot of time educating the regulators, the government, the overall community, which I think has gone very, very well. It's gone through us talking. It's gone through flight demonstration. It's gone through building an entire new industry, right? It's the first new category that the FAA has put out there in many, many decades. And so when the airlines get involved, it's very helpful in really expanding that description and understanding of what we're doing. And so all we're doing is doing that on a much broader scale, on a global scale now.

So we spent a lot of time in the Middle East and now we're starting to do that in Europe as well. And so it's the same campaign that we're doing really to help the different governments, to help the regulators, to help the consumers understand what we're doing, and having a large flag carrier like ITA is a really good way in Europe to help bring that data abroad. We are doing this in close coordination with EASA. And so that is going to be the regulator that we will deal with there. And of course, the FAA and EASA have spent a lot of time together also working to try to align their certification frameworks.

Operator

Your next question comes from the line of Austin Moeller with Canaccord Genuity.

Austin Nathan Moeller
Canaccord Genuity Corp., Research Division

So if we think about the products from Insitu, are you focused more on DoW, NATO or Middle East allies to create and widen a sales channel there? And what do you view the revenue mix as being between the core UAS products and the payloads?

Adam D. Goldstein
Founder, CEO & Chairman

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Austin, the good news is that Insitu has been operating for 3 decades and has customers in 35 countries. So the answer is really all of the above. So they have customers all over the world. Of course, post the acquisition closing, we'll have more information and understanding, the depth of those relationships and our ability to go expand those relationships and agreements.

We've spent a lot of time, as you know, on the civil side talking to many different countries and setting up a lot of the frameworks to bring the eVTOL side. And now we're going to have to do the same thing on the defense side. There are a lot of opportunities on both the core aircraft and the payload side as well as new products that we've been working on. So Archer today has built some of the most complex vertical lift aircraft that exists between Midnight and the Halo platform. So our ability to go use our existing stack powertrain and software and our autonomy capability will be very exciting to go develop new products and ultimately sell that across the existing channel that they have.

Austin Nathan Moeller
Canaccord Genuity Corp., Research Division

Okay. And I understand we've got transition by end of year. Some of your competitors have indicated that once FAA pilots begin flying themselves in TIA, that they don't always opt to do all the flights that they're considering. How do you view this as potentially accelerating the TC process for Archer?

Adam D. Goldstein
Founder, CEO & Chairman

I'm not sure exactly what our competitors are referring to. I think there's a very rigorous flight test plan that we are planning on going through. And so I think each company might have their own approach to it, but I think we're pretty -- we're confident in the approach that we're taking.

Operator

Your next question comes from the line of Amit Dayal with H.C. Wainwright & Co.

Amit Dayal
H.C. Wainwright & Co, LLC, Research Division

Adam, just with respect to all of the networks coming up in Texas and other states, does Archer need to commit any of its balance sheet to help develop some of this infrastructure?

Adam D. Goldstein
Founder, CEO & Chairman

Thanks for the question. So we have been working across so far 5 U.S. networks, LA, New York, the Bay Area, Miami and Texas. And really, we announced these networks in early partnership with regulators, airports and landlords, and we do that also with key partners like Signature and Atlantic. The sort of -- the reason we really do that is to help bring everybody along for that journey to make sure that we're educating groups along the way and really to make sure that we can find these new partners that will help us ultimately finance a lot of this.

We've partnered with BETA and Macquarie to launch what we call our ACES network, which is all about interoperability, so we can bring low-cost charging to the industry. But it's really about creating the network, bringing in lots of partners, and we do not expect it to be a significant use of our capital.

Amit Dayal
H.C. Wainwright & Co, LLC, Research Division

Understood. And then once this Boeing deal closes, do you get the $55 million at that point? Or is that at some later investment stage or investment round, I'm sorry, if -- whenever that materializes?

Adam D. Goldstein
Founder, CEO & Chairman

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Yes. The $55 million, I think you're referring to is a forward equity purchase agreement, which gives us the ability to tap if we would want in the future. So it's not something that we'll just automatically take where we're effectively selling them stock. It's an ability to take that in the future.

Operator

Your next question comes from the line of Chris Pierce with Needham.

Christopher Alan Pierce
Needham & Company, LLC, Research Division

Just want to make sure in the letter, you talked about passenger trials along with the market survey. I just want to make sure I'm following, like what should be our expectation? Could we see you fly passengers in -- as part of CTOL flight? Or when you're talking about passengers, should we expect that the [indiscernible] is the -- flow is CTOL, VTOL transition, VTOL gets market survey, VTOL passengers? Is there a way to sort of know what is coming down via the pipe there? Or is it all sort of up in the air at this point based on how things go as you kind of get more aircraft in sky?

Adam D. Goldstein
Founder, CEO & Chairman

Yes. Thanks, Chris. So -- the answer is we will be able to do both. That's the plan. And so we have -- we brought a plane down to LA. So our plane is sitting at Hawthorne today. And over the coming weeks, you'll see us flying in and around Hawthorne across our previously announced network. We also do plan on taking the additional aircraft through the transition campaign and then ultimately through market survey as well and flying passengers in '27. So that is still within our plans of expectations.

In '27, I plan to be Archer's first passenger in Midnight. And then we look forward to bringing on additional passenger flights under market survey certification. In LA, I do think it is super important, though, to demonstrate this and to really learn about integrating into America's -- some of America's most complex airspace, and we'll do that, of course, hand-in-hand with the FAA. And then we're going to obviously continue evolving the Hawthorne Airport into this future mobility hub that we've been building, and that means building out rapid charging, working together with the communities. But ultimately, all of this is refining operations ahead of the 2028 Olympic Games. So that's largely how we're viewing it.

Operator

I would now like to turn the call over to Adam for retail questions. Adam, please go ahead.

Adam D. Goldstein
Founder, CEO & Chairman

So the question we have here is, you're going to be the official air taxi of the 2028 LA Olympics. Will you have air taxi services up and running before that? Or will you be -- will this be your public debut?

So as I just mentioned, we have the Midnight aircraft in LA already, and we're going to begin operations in the next couple of weeks. We are now doing all the work with the FAA to chart out all the flight plans, corridors, takeoff and landing locations, charging. All of this is about enabling operations for the event. So within the next couple of weeks, people will start to see Midnight flying overhead in LA as they're stuck in traffic. And we are trying to bring the community along for this journey, especially as we work towards developing Hawthorne into the central hub of this operation over the next 600 days.

And operator, I think that's it.

Operator

There are no further questions at this time. I will now turn the call back to Adam for closing remarks.

Adam D. Goldstein
Founder, CEO & Chairman

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All right. I'd like to thank everybody for joining this call. We'll see you next time.

Operator
This concludes today's call. Thank you for attending. You may now disconnect.

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