

FROST & SULLIVAN

ARCHER AVIATION

**2022
COMPANY
OF THE
YEAR**

*NORTH AMERICAN
URBAN AIR MOBILITY INDUSTRY*

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Archer Aviation excels in many of the criteria in the urban air mobility space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

A Unique Ridesharing Experience with UAM

Founded in 2018 and headquartered in Santa Clara, California, Archer Aviation (Archer) is a developer and provider of electric vehicle takeoff and landing (eVTOL) aircraft for urban air mobility (UAM) travel. The company’s aerial ridesharing service enables easier intercity travel, shortening commute times and easing traffic congestion on city infrastructure. Archer’s goal is to provide a safe, reliable, cost-effective, and quiet alternative ridesharing service that integrates seamlessly into the foundations of cities.

Midnight: Delivering Safety, Efficiency, and Reliability

Archer’s vision centers on safety, efficiency, and transparency with the stated purpose of advancing the benefits of sustainable air mobility, unlocking the skies and freeing people to reimagine how they live and spend time. It connects deep-seated domain and operational knowledge with advanced technologies to facilitate the development of its full-scale, four-passenger eVTOL aircraft. The company’s Midnight aircraft can travel up to 150 miles per hour, at an altitude of 1,500 to 2,000 feet, and range of up to 100 miles. Operating with 12 motors for independent power and propulsion optimizes the aircraft’s safety. Archer’s lithium-ion battery thermal management system is ideal for fast charging and extends its life cycle for powerful, reliable, and safe flights. Additionally, Midnight is practically inaudible at 45 decibels A-weighted, ideal for inner-city flights with almost no noise pollution.

To eliminate any single point of failure within the aircraft, the company incorporates extensive redundancies. Each critical system has two or more modes of functioning and operation for ultimate safety. For example, if one of the eVTOL's multiple electric motors fails, the aircraft is still capable of safe flight. Redundant avionics include four flight control computers, fly-by-wire systems, pilot displays, and communication links between sensors, actuators, and flight controls. Additionally, multiple inertial

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navigation, global navigation satellite systems, and above-ground level sensors optimize data and operations for pilots and aircraft. The aircraft also includes sensors, a radar and laser altimeter, for measuring the height above ground. These multiple fail-safe measures ensure passengers enjoy a secure and reliable flight.

Archer collaborates closely with a range of stakeholders to ensure the unparalleled safety of its eVTOL aircraft

and UAM service. Since its beginning, the company has continued to work closely with the Federal Aviation Administration to design its eVTOL aircraft based on existing certifications and regulations, ensuring safe flight operations. This approach enables the company to streamline the development of its aircraft and launch its UAM service ahead of competitors, who may seek certifications for their aircraft and delay their launch. To improve safe flight further, Archer utilizes a lightweight carbon design ideal for stiffness and strength to support passenger loads.

With a legacy of UAM leadership, the company's compelling value proposition underpins its sustained success. Archer's long-term aim is to create an end-to-end UAM ecosystem, providing passengers with a seamless eVTOL journey, including booking a flight via a mobile application (app), vertiport take-off, eVTOL flight, and landing at the desired destination. The company's UAM service enables quick intercity travel that bypasses traffic congestion, cutting hour-long commutes to minutes. Archer's commitment to safety, redundant system operations, close collaborations, and an end-to-end UAM experience ensure the company's future success.

A Customer-centric Approach Driving Unmatched Passenger Experiences

With its customer-centric corporate philosophy, Archer operates on the central tenet that its success depends on an outstanding passenger experience. Through the years, the company has earned a sterling reputation among supporters on its path towards a sustainable eVTOL aircraft. With safety as a primary focus, the company's redundant fail-safes eliminate single points of failure in the aircraft's critical systems. These safety principles give passengers peace of mind when flying in an Archer aircraft.

In addition to safety, Archer aims to provide an easy and seamless flight experience. Similar to other ridesharing services, the passenger journey begins with purchasing a flight via the company's mobile app. Through the app, customers book their flight destination; flight costs are in line with luxury rates of ridesharing services at \$3.30 per mile. Archer is looking to partner with last-mile services so passengers can get to and from vertiports to final destinations, eliminating the need to book additional transportation. During the flight, passengers can integrate their consumer devices with the aircraft's technologies, enabling a personalized and interactive experience.

Archer's focus on a safe and end-to-end passenger journey positions it as a leader in the UAM industry.

Earning Clients' Trust and Loyalty through Customer-centric Practices

Since its inception, Archer's vision for sustainable UAM and innovative eVTOL design led to its coveted preferred partner status. Over the years, it added a range of new partners to its established base. The company's partnership with United Airlines (United) provides passengers first and last-mile travel with eVTOL aircraft at major United hubs. United has a \$1 billion purchase order with Archer and will integrate its service as part of the passenger journey. Archer's eVTOL UAM service is part of United's commitment to be 100% carbon neutral by 2050 and estimates reducing passenger's carbon emissions by 50%.

Archer values honesty and authenticity in developing its reputation and public perception. The company continually strives to demonstrate the safety of eVTOL aircraft to build trust and excitement for future UAM. The company maintains regular engagement with the public to educate them on the progress of its

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eVTOL aircraft and the broader UAM landscape. For example, Archer provided a behind-the-scenes look at how its Maker demonstrator aircraft was assembled, building the public's interest before its first hover flight in 2021. When the Maker was successful in its first hover flight, supporters shared and cheered the company's progress. Archer also partners with social media influencers in aviation and the automotive space, developing supporter engagement.

Frost & Sullivan believes the company is well-positioned to drive the UAM space into its next growth phase, capturing market share and sustaining its leadership in the coming years.

A Purpose-filled Mission and Vision

Archer's focus on safe and efficient UAM flight incorporates industry expertise that streamlines the company's time to market, aligning with its goals for long-term expansion and development of a complete UAM ecosystem. For example, the company's collaborative relationship with United gives it access to United's deep aeronautical knowledge to design intuitive and consistent control systems, develop pilot training, and ensure best practices for maintenance and operations of its eVTOL aircraft and UAM service. Archer is also leveraging Hexcel's expertise as a leading supplier and manufacturer of carbon fiber and composite material in the aerospace industry to supply its high-performance carbon fiber material for its production aircraft. Additionally, the company's partnership with the automotive manufacturer Stellantis ensures it can manufacture its eVTOL aircraft affordably at scale to speed up its time to market, expansion, and supply chain and production reliability. The company is also teaming up with REEF, North America's largest mobility hub operator, to retrofit existing parking garages with vertical takeoff and landing pads and fast-track UAM operations at scale.

Archer is working closely with high population cities that experience dense commuter traffic and have difficulty expanding their transportation infrastructure. These collaborative efforts work towards alleviating traffic issues by exploring alternative transportation services such as UAM services. The

company's early launch cities include Los Angeles, Miami, New York, San Francisco, Dallas, and Austin. The company aims to begin UAM services from late 2024 to early 2025, targeting inner-city travelers and passengers traveling to and from airports initially. Beyond this, Archer plans to provide UAM services for micro explorers, for those whose city traffic makes it difficult to explore destinations a few miles beyond their city.

Archer's strategic initiatives to streamline its time to market and collaborations with high-density cities will alleviate traffic problems with a safe and seamless UAM experience and propel it to the forefront of the UAM industry.

Conclusion

High-density cities cause traffic congestion, making inner-city travel difficult and tiring. Additionally, ensuring the public's perception of the benefits, safety, and seamless integration of electric vehicle take-off and landing (eVTOL) for urban air mobility (UAM) presents more challenges. Overall, Archer Aviation addresses these unmet needs with a strong leadership focus that incorporates customer-centric strategies and exemplifies best practice implementation. Archer Aviation connects deep-seated domain and operational knowledge with advanced technologies to facilitate the development of its full-scale, four-passenger eVTOL aircraft. Redundant avionics are incorporated into each critical system, removing single points of failure and providing passengers with peace of mind during flights. Through transparent engagements with the public, Archer Aviation is actively raising positive public perception of its eVTOL and UAM services. The company remains a trusted partner, earning a reputation for offering the overall best in the UAM industry.

With its strong overall performance, Archer Aviation earns Frost & Sullivan's 2022 North American Company of the Year Award in the urban air mobility industry.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios through Mega Trends:

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

