

Archer Q4'21 Earnings Call

Monday, 14 March 2022

Operator: Good afternoon. My name is Hannah and I will be your conference operator today. At this time, I would like to welcome everyone to Archer Aviation Inc fourth quarter and full year 2021 earning conference calls. All mics have been placed on mute to prevent any background noise. After the speakers remarks, there will be a question and answer session. If you would like to ask a question during this time, simply press star followed by the number one on your telephone keypad. If you would like to withdraw your question, please press star followed by two. Thank you. You may now begin your conference.

Andy Missan: Thank you operator. Good afternoon everyone and thank you for joining us today to review Archer's fourth quarter and full year 2021 financial results. My name is Andy Missan, I'm the chief legal officer of Archer Aviation Inc. With us on the call today are Brett Adcock and Adam Goldstein our co-founders and co-CEOs, Mark Mesler our CFO and Tom Muniz our COO.

Andy Missan: We posted a shareholder letter detailing our Q4 and full year 2021 financial results and business overview on our IR website. This call is being recorded and an archive will be available on our IR website. Before we begin, I would like to remind everyone that during today's call, we will make forward looking statements. These forward looking statements are subject to risks and uncertainties that could cause actual events where actual future results to differ materially from those express or implied in the forward looking statements.

Andy Missan: These risks and uncertainties are described in the risk factors section of our filings with the securities and exchange commission available on the SEC's website and on our investor relations website. They accept as required by law, Archer disclaims any obligation to update or make revisions to such forward looking statements. Also, please note that on this call certain financial measures are presented on a non-gap basis.

Andy Missan: Reconciliations of these non-gap financial measures to the most directly comparable gap measures are included in our shareholder letter posted on our investor relations website. We will begin with commentary and then we'll open up the call to questions. And with that, I'd like to turn the call over to Brett Adcock. Brett.

Brett Adcock: Thank you, Andy. We are pleased to be speaking with you today for Q4 and full year 2021 earnings call. As we did in Q3, we have published a shareholder letter to our investor relations website which provides a fulsome update on the company in our Q4 accomplishments. We strongly encourage everyone to review this letter. We want to summarize some of the key highlights. Before we jump into our Q4 update I want to make clear the key elements of a roadmap. Bringing a new product and a new industry to market is complicated and challenging to say the least.

Brett Adcock: This is why we have simplified our business roadmap into four key business areas. These four areas will define success in our industry and dictate the milestones which Archer holds itself most accountable. These four areas are one, aircraft technology. The focus here is advancing the key enabling technologies in design in aircraft capable of moving people in and around urban areas.

Brett Adcock: Two, FAA aircraft certification. Certify our eVTOL aircraft with the FAA to begin operations in the US. Three, manufacturing. Manufacture our eVTOL aircraft at scale and in a cost effective manner. Four, airline operations. Establish commercial eVTOL airline operations. In the outlook to commercialization section of our Q4

Archer Q4'21 Earnings Call

Monday, 14 March 2022

shareholder letter we have laid out our roadmap in these four key business areas and what we'll achieve in these areas in each of the next three years.

Brett Adcock: Additional detail and specifics are worth reviewing. Importantly, Archer achieved all of its stated 2021 goals in our summary business roadmap. We are currently on track to achieving all of our stated 2022 goals. To recap, in 2021 we accomplished receiving assigned G-ONE certification basis from the FAA. Unveiling Maker, which is our full scale eVTOL demonstrator. Completing our conceptual design review for our production aircraft, a piloted for passenger vehicle. In completing Makers' first hover flight.

Brett Adcock: In 2022, we are on track to achieve our G2 means of compliance with the FAA. Notably no other company in the world has achieved this yet. Completing Makers first full transition cruise flight. And lastly to select our manufacturing site and begin the construction process. Before I hand it over, let me give a quick update on a production aircraft progress.

Brett Adcock: As a reminder, Makers are full scale demonstrator aircraft, which we're using to help inform the design in the engineering of our production aircraft. This production aircraft is our piloted four passenger commercial aircraft that we intend to certify and use in our airline operations. After completing our conceptual design review process for our production aircraft in October 2021, we are currently progressing towards our preliminary design review milestone.

Brett Adcock: In order to complete our preliminary design we are working through the very detailed preliminary design process. During this process, engineering is determining final design requirements, completing system and subsystem architectures, integrating those systems through a digital 3d aircraft layout and finalizing predictive performance models for the aircraft.

Brett Adcock: Currently, we also continue to conduct a variety of testing analysis to optimize the various elements of our production aircraft. This testing includes key areas such as the technology of the battery cells, aerodynamics and acoustics. For instance, we are currently conducting some very informative wind tunnel tests to help optimize our electric motor propeller aircraft interactions and in addition, we're conducting some critical acoustic testing with our partners at Stoltantis.

Brett Adcock: Listeners can read more about these tests in our shareholder letter. Ultimately our production aircraft are progressing very well and remain on track for an initial unveiling in 2023. Lastly, I would emphasize the importance of safety at Archer. Safety is the core value of the company and it's in our DNA to conduct all operations at the highest level of care and diligence. From the way we design, to the way we test, to the way we manufacture and everything in between safety is always number one. I will now pass it over to Adam for a more fulsome update on our Q4 and full year 2021 results.

Adam Goldstein: Thanks Brett. In addition to the advancements we made on our production aircraft, there are several other major updates for the fourth quarter. The two most worth noting are our updates on our Maker aircraft and on certification. In terms of our Maker aircraft, over two years ago Archer's goal was set to begin flying in 2021. And we are so proud to have achieved this ambitious goal. In December 2021, our Maker aircraft conducted its first hover flight.

Archer Q4'21 Earnings Call

Monday, 14 March 2022

Adam Goldstein: Critically, the flight results were consistent with our expectations validation for our systems, instruments and acoustics. This was a historic milestone for Archer. As Brett mentioned earlier, we remain on track to conduct Maker's first full transition cruise flight in 2022. With regards to FAA certification, we continue to move efficiently through the process.

Adam Goldstein: We are focused on agreeing upon our means of compliance with our already established certification basis via a G2 issue paper with the FAA. This process remains on track and we continue to anticipate achieving our G2 issue paper in 2022. Some other notable achievements in the quarter include continuing to make progress on the selection of our manufacturing facility.

Adam Goldstein: We are in the final stages of the selection and negotiation process and hope to make an announcement soon. To accommodate Archer's growth, we have recently signed a new lease for a headquarters in north San Jose, California, just a few minutes away from our current headquarters in Palo Alto. This will help all of our employees come together and work under one roof. We've continued to hire incredible world renowned talent, including what we think is a best in class powertrain team led by Dr. Michael Schwekutsch, former VP of engineering at Tesla and senior director on Apple's special projects group.

Adam Goldstein: We hired Mark Mesler as our new CFO. Mark's background is extremely well suited to Archer's needs. He helped lead his former employer, Bloom Energy, through its IPO process, including the expansion of their financial infrastructure to support their transition from a private to public company. He also had excellent experience across hardware, sustainability and aerospace. We are thrilled to have Mark on our team.

Adam Goldstein: We also welcomed Barb Polarski to our board of directors. Barb is the global head of business development at Stantis and she is a seasoned leader with over 35 years experience in the automotive sector across business development, finance and human resources. She's an incredible addition to Archer. In conclusion, we continue to be very proud of our achievements in the fourth quarter and in the entire year of 2021. I will now pass it over to Mark Mesler for additional details on Archer's financial position.

Mark Mesler: Thanks Adam. It's certainly exciting for me to have completed my first five weeks with the Archer team. As I've transitioned into this role, I've had the opportunity to meet some of the best eVTOL, aviation, propulsion, battery and design minds in the world. They have all come together to develop a solution for a transformational problem. Transitioning how we as a society migrate our short distance terrestrial transportation into the air, safely, reliably and sustainably.

Mark Mesler: This is the significant opportunity that Archer affords investors. And it's exciting for me to be a part of that team. My experience at KLA-Tencor, Bloom Energy and most recently Volansi, a private company in the eVTOL logistics space, has given some perspective on strategic financial planning, the challenge of taking emerging growth companies that are disrupting well established business sectors into the public markets and the critical elements of business and financial strategy in the eVTOL to space.

Mark Mesler: And I also very much appreciate the importance of clear, consistent and transparent communication with the financial community that enables our investors and the analysts that cover the company to understand our business strategy, our financial disclosures and the best way to evaluate our success and value our

Archer Q4'21 Earnings Call**Monday, 14 March 2022**

business. With that perspective and after my short time here, I know that we have the right strategy, the right team and a strong balance sheet to deliver on our business outlook that gets us to our goal of achieving certification and commencing commercialization in 2024.

Mark Mesler: I want to share my initial observations and some key data points on these three key areas with you. From a strategy perspective, Archer is laser focused on getting our eVTOL to aircraft certified and into commercial operations. To do that we are executing a capital efficient strategy that includes staying focused on designing and manufacturing an eVTOL aircraft optimized for servicing short distance urban routes, approximately 20 to 30 miles on average.

Mark Mesler: To get to commercial operations in the most expeditious manner our engineering development efforts are focused on certain key technology differentiators such as propulsion, powertrain, batteries, software and aircraft design, while leveraging existing best in class subsystem technologies from our world class vendors that have already been used in aircraft certified under part 23.

Mark Mesler: What that means is that we are not vertically integrating our supply chain. We believe this will allow us to speed our time to certification and commercialization and mitigate the need for larger engineering teams. This strategy allows us to deploy our capital efficiently. You can see our capital efficiency manifesting itself in our recent cash burn relative to our peers in this space.

Mark Mesler: Our annualized cash burn for Q4 21 defined as adjusted EBITDA less CAPEX, multiplied by four was 132 million dollars. Based on publicly available information, we believe we have the lowest annualized cash burn of any publicly traded companies in the sector. Pivoting to our team. We continue to assemble a world class team to deliver on our business outlook. I know that it's easy for a company say but here at Archer, we have some real proof points to validate this position.

Mark Mesler: Just look at the recent new Archer team members, board members and technical advisory board editions this past quarter as outlined earlier by Adam and in our shareholder letter in our recent announcements and you can see the critical experience and technical knowledge we are bringing together to help us achieve our certification and commercialization goals.

Mark Mesler: This team's ability to go from the design of Maker to its first hover in just two years this past December is an extraordinary accomplishment within the sector. This is just one further proof point that we have the team to execute on our business strategy and deliver on our business outlook. As we develop our production aircraft and transition into manufacturing and airline operations, we will continue to add exemplary talent to our team to help us achieve our goals.

Mark Mesler: From a capitalization standpoint, we have one of the strongest balance sheets in the sector with 747 million dollars of cash and cash equivalence on the balance sheet entering fiscal year 2022. We have \$3 and 14 cents of cash per outstanding share as of the end of Q4 21. Further, our Q4 21 cash balance is 5.7 times our Q4 21 annualized cash burn rate as I previously defined it. There's no doubt we are one of the best capitalized companies in the sector.

Archer Q4'21 Earnings Call

Monday, 14 March 2022

Mark Mesler: These are among of the key reasons that when I was deciding whether to join team Archer I had real confidence and also why I'm looking forward to working with the team to execute our business outlook. Switching gears to our financial performance for Q4 21 and FY 21, our Q4 21 non-gap total operating expenses were 33.1 million dollars, which was below the lower end of our outlook range of 35 million, primarily due to the timing of hiring and spending on engineering development with materials.

Mark Mesler: This led to an adjusted EBITDA loss of 32.4 million. For the full year FY 21 our non-gap total operating expenses were 110.4 million dollars. Operating expenses continue to be generally characterized by investments in people materials to develop and mature the technology for our eVTOL aircraft and our focus is now starting to transition from work on our Maker demonstrator aircraft to our production aircraft. In addition, we are making investments across a number of functions to shore up capability needed as we have transitioned to being a public company.

Mark Mesler: On a gap basis, total operating expenses for Q4 21 were 53.3 million dollars, which included 18.9 million dollars of stock based compensation and one 23 million dollars of warrant expenses for our warrants issued to Stoltantis. These results were 11.7 million dollars below the lower end of our Q4 21 outlook of 65 million dollars. Primarily because of 9.8 million dollars less stock based compensation and more on expense driven by lower share price in the quarter.

Mark Mesler: For the full year FY 21 the operating expenses were 358.3 million dollars, which included 123.6 million dollars of stock based compensation related to the [inaudible 00:16:32] transaction and due to the vesting of certain grants to our founders upon achievement of certain milestones, as well as 117.3 million dollars in non cash warrant expenses for achieving two milestones associated with our warrants issued to United and 7 million dollars of Stoltantis warrant expense.

Mark Mesler: We exited after FY 21 with 747 million dollars of cash and cash equivalent on our balance sheet. Although we used 49.3 million dollars in cash for the quarter, approximately 22 million dollars of that was for non-recurring items as we settled expenses related to the [inaudible 00:17:09] transaction, including legal, accounting and insurance fees. There was another half million dollars of capital expenses leaving our normalized cash usage for the quarter at approximately 26.8 million dollars.

Mark Mesler: Again, we are well capitalized as we enter 2022. With FY 21 in the rear view mirror, our efforts are now focused on delivering on our 2022 business outlook milestones. We are purely pleased to begin 2022 with the recent news that the US attorney's office decided not to continue investigation and not to bring charges against our team member Dr. [inaudible 00:17:46] as part of the Boeing joint venture [inaudible 00:17:49] allegations against Archer. This claim was central to [inaudible 00:17:54] allegations.

Mark Mesler: It's not unusual for technology companies to make trade secret claims against others in attempt to stifle competition or slow new product reductions. That said, we believe this outcome continues to support our assertions from the very beginning that [inaudible 00:18:10] claims lack any factual evidence.

Archer Q4'21 Earnings Call

Monday, 14 March 2022

Mark Mesler: We hope to put this issue behind us as we look forward to trial in January 2023. As I look at 2022, I've established some overarching goals for our current and potential investors in Archer to consider. While Archer is currently well capitalized, my focus is to ensure that we continue to remain well capitalized as we mature our business model and execute our business outlook.

Mark Mesler: As we transition from our R and D centric business focus to manufacturing commercialization of our business model, we will create an operating rhythm to Archer. Establishing a successful operating rhythm will ensure that our internal cadence and infrastructure for product development, supply chain procurement, manufacturing operations, and airline service levels are what we need to meet market demand as we transition to commercialization.

Mark Mesler: In terms of investor sentiment, we recognize that the urban air mobility sector is challenging for investors to get their arms around and understand what success means. We believe that ambiguity is keeping many interested investors on the sidelines, not only from Archer, but the urban air mobility space in general. The wide range in valuations that we see in this sector supports this thesis.

Mark Mesler: For example, as of March 9, the 2026 revenue multiples for publicly traded companies in this sector have ranged from 0.4 X to 1.5 X. This is a pretty wide range, given that to the best of our knowledge, only two of us in this sector have achieved a G-ONE certification basis. I note that we are at the lower end of that valuation range. Given this dynamic, over the course of the next year, I want to provide transparency to investors on how we are creating value and tracking towards our business outlook through education on how we define success going forward across critical elements such as the FAA certification process, the operating physics of flight for eVTOL technology and how that impacts choice of design informed factor, key engineering and operational milestones, our business model that we will execute upon commercialization, our unit level economics and any other relevant items that are on investors' minds.

Mark Mesler: This won't be a big bang data dump, but over the course of the next year or so, we will begin providing information to help investors better understand the space and how we believe Archer will excel in it. Finally, coming back to the near term, let's look at our Q1 22 outlook estimates. We anticipate total gap operating expense of 58 million dollars to 64 million dollars and total non-gap operating expense of 33 million dollars to 39 million dollars.

Mark Mesler: This reflects expected stock based compensation and warrant expense of approximately 25 million dollars. In summary, my observations from my first month at Archer are that we have the right strategy, the right team and right capitalization to deliver on our business outlook and achieve certification and commence commercialization of our technology. I'm excited to be a part of this mission and I look forward to helping continue to build this great company. With that operator, let's open it up for questions.

Operator: Certainly. If you would like to ask a question, please press star follow by one on your telephone keypad. If for any reason you would like to remove that question, please press star followed by two. Again, to ask a question press star one. As a reminder, if you are using a speaker phone, please remember to pick up your handset before asking your question. We will pause here briefly as questions are registered. The first question is from the line of Andres Sheppard with Cantor Fitzgerald. You may proceed.

Archer Q4'21 Earnings Call

Monday, 14 March 2022

Andres Sheppard: Hey, good afternoon guys and congrats on the quarter. Can you hear me okay? Oh, great. Thanks guys. Quick question. I'm just wondering if you can maybe provide a little more color on the timeframe and the ramp up regarding the first cruise test flight. So, you've mentioned you expect to conduct it in second half of the year, any chance of maybe doing it beforehand and separately, once the first cruise flight is complete can you talk about the next steps? Can you give us a sense of maybe how many test flights you expect to conduct shortly after or in the year?

Brett Adcock: Yeah, sure. Hey Andres, nice to meet you it's Brett. So the first flight, as you mentioned in December we had for Maker's first hover, went as planned and we were really pleased with the results. We gathered a lot of information and data that we're using to advance the development of our production aircraft and accelerate that timeline to market. Overall, we're taking a very measured, strategic and thoughtful, basically really disciplined approach to our flight testing to make sure we go through the proper steps from hover all the way through the transition flight envelope.

Brett Adcock: But one thing I think might be helpful is I have Tom Muniz, Archer's chief operating officer on the call. Tom has over a decade of eVTOL experience and figured Tom could talk a little bit more about our timing as it relates to the transition envelope expansion, and then further flights from here.

Tom Muniz: Yeah. Thanks Brett. Hey Andres, this is Tom. Brett hit a lot of the high points but just to reiterate, we had a really successful first flight in December. First flights are never easy, but the team did a great job, flight went off as planned. I think it speaks to what Brett mentioned earlier, which is the approach we're taking just very methodical step by step flight test it's a very incremental process, right?

Tom Muniz: You expand the flight envelope in small steps, make sure everything looks good before you keep progressing. So to answer your question, maybe in a bit of a roundabout way, we're on track to get through our first transition flight on Maker this year, but we're going to take the data as it comes and react to it.

Tom Muniz: Everything that we've seen so far looks really good. Validating our own models, validating our flight control laws, really happy with what we've seen so far. So looking forward to continuing to progress through that envelope expansion.

Andres Sheppard: Got it. No, that's great and very helpful. Thanks guys. Maybe one last one if I may, any sense of the timing regarding the selection of the manufacturing facility? I'm just wondering if we can maybe quantify that a bit for further or is all we are saying now that it's expected later this year?

Brett Adcock: Andres this is Brett. Yeah, I'll detail a little bit more here. We put some stuff in our Q4 shareholder letter. We began our manufacturing site selection process several months ago and we have down selected from over 200 possible sites. We're currently in late phase negotiation with a few locations to make our final selection. We remain on track to formally announce both the manufacturing site and beginning construction this year. It's not something we can disclose here on the call, but we're getting very close and we're we're to plan as of today.

Andres Sheppard: Got it. I appreciate that. That's awesome. Thanks guys. Congrats again on the quarter. I'll pass it on.

Archer Q4'21 Earnings Call

Monday, 14 March 2022

Operator: Thank you, Mr. Sheppard. The next question is from the line of David Zazula with Barclays. You may proceed.

David Zazula:

Hey guys, congrats on the first flight and thanks for taking the question. Just to clarify on the prior question, I guess you have not made any success of flights but it sounds like you're really able to leverage the data you gained from that flight and incorporate it into models and really using that to develop plans on future flights, is that what I'm understanding?

Brett Adcock: Yeah. Hey David, it's Brett. So our process for flight testing is really going to follow the same concept of operations that we're going to do in real life operations when we get to market. So from a flight perspective, a flight planning perspective, we do a lot of integration and ground testing work. We then move into hover flights. From there we really work to expand the flight envelope from hover to full cruise flight or full wing born flight on the wing.

Brett Adcock: Our real focus as of today is really getting to full wing born flight. So the whole team and energy around the flight testing group is focused on fully expanding the flight envelope here. Now we expect to do that this year and full flight envelope expansion. It's an important engineering milestone for us to get to as we gather more data about how the aircraft's behaving in full transition flight and full cruise flight environment.

Brett Adcock: And again, we're just using all of this for Maker to help advance our timeline as it relates to our production aircraft, make better engineering decisions, make better decisions around certification. And so far we've gotten a tremendous amount of lessons learned throughout the entire engineering design process for Maker, as well as all the flight testing work that we've done and we'll continue to do this year.

David Zazula: Thanks Brett. Expanding. There was a report out this morning, that question the battery capabilities of one of your competitors. You guys have put out I think the most battery information of anyone in the industry. Can you can maybe discuss any differences that you're expecting in the production aircraft battery, from what you'd put out about Maker, including maybe any changes that you've made as a result of your dialogue with the FAA or as part of the preliminary design review?

Brett Adcock: Yeah, certainly. This is Brett again David. So yeah, I think first is we're not going to be able to comment on other people's technologies and battery areas, but I can say a few things here. First is Archer's serving a market for urban air mobility. We're not doing these longer distance regional transport trips. So we're really focused around in and around cities. We think it's a long term multi-trillion dollar industry.

Brett Adcock: We get really excited about helping to fix the traffic problems that exist today and move passengers around. The second and as you mentioned this, since day one we've worked to design an aircraft using today's technologies with aircraft design being one of our, we call key enabling technologies. We have a really quite large and sophisticated flight sciences and aerodynamics team internally. It's important to note that as it relates to the aircraft design process, we're not taking any bets today on technology advancements.

Archer Q4'21 Earnings Call

Monday, 14 March 2022

Brett Adcock: It's not something we're interested in doing it at all. And even when the business started, I even went as far as publishing the physics of Maker on our website, which shows our assumptions for range and aircraft performance. We tried to be as visible as possible about this map. Third Archer has designed our aircraft around readily available battery technologies that we have today.

Brett Adcock: They're in our labs and we've gone through thousands of cell cycles to verify this. We're verifying this for the adequate amount of power and energy needs that we'll need in our nominal mission and we're also validating this from a safety perspective at the cell reliability side. We really want, it's a requirement for ours, to make sure we're designing our aircraft with batteries that exist today and technologies that exist today.

Brett Adcock: We don't want to take any technology bets. And then lastly, here, I think it's important to call out, this is a very capital intensive space. We feel very well capitalized for the journey we're on in our track for commercialization but I hope that's helpful,

David Zazula: Definitely helpful. If I could just squeeze one more in. We've seen and I know this seems a long way off, we've seen commodity cost expand significantly since you guys had put out your initial estimates on what you thought it was going to take to get up to production I guess, is that calling into question any of assumptions you've put out as far as production or still too far off to say?

Tom Muniz: Hi, this is Tom. I can take that one. We are still in the supplier selection process, working towards our production aircraft so the nice thing is we have time to negotiate these contracts, time to kind of make our way through the current supply chain challenges that we're seeing. You're right, commodity costs have been coming up but honestly, we haven't seen that too strongly in the contracts that we've been working so far.

Tom Muniz: We remain really optimistic and on track to hit our overall business targets and including the overall sort of operating economic model of the business, even with all the data we have today around supply chain. If that makes sense.

David Zazula: Okay. Thanks Tom.

Operator: Thank you, Mr. Zazula. Once again, to ask a question press star one. The next question is from the line of Josh Sullivan with the Benchmark Company. You may proceed.

Josh Sullivan: Hey, good afternoon. How should we think about cash use cadence through the year, can you hold onto your title here with lowest burn in the sector throughout the year? Maybe where are you on engineers or total employee headcount at this point, maybe where would you be at year end and the timing of any other cash needs or large cash needs through the year?

Mark Mesler: Hey, Josh. This is Mark. Thanks for the question good to hear from you. We're agreed to provide quarterly guidance going forward but I think you can think about the pace of growth quarter over quarter consistent with what you saw probably from Q4 to Q1, just to give you a ballpark of how you could potentially model it. You know, clearly there may be some lumpier type expenses with respect of engineering materials et cetera, in any given quarter. But I think on average, that's how you could think about the pace of spending throughout the year. Is that helpful?

Archer Q4'21 Earnings Call

Monday, 14 March 2022

Josh Sullivan: Got it. Yeah, that's helpful. And then just as far as G-TWO progress with the FAA, given you plan to be one of the first [inaudible 00:32:59] to receive the designation, how has the G2 structure evolved with the FAA? Is it a static process at this point or have the FAA changed any of the expectations over the last couple of months?

Brett Adcock: Yeah. Hey, it's Brett. It's a good question. So from the outset, we've gone through a pretty structured process last couple of years with the FAA. We've gotten through the intake board process several years ago with the FAA staffed the Archer project and we've gone through now the full G-ONE certification basis, which the FAA approved for us back in September. We've now been since then working through the G-TWO means of compliance work.

Brett Adcock: None of that process has changed whatsoever. Same status quo. We're working every day, every week with FAA giving supporting issue papers and other documents set up for that process. We fully expect to get through the G-TWO certification as a means of compliance work in 2022. So everything for us is on track. We've had an incredible dialogue with FAA. It's one of our core focuses here at the company is to design around certification, so we really need to listen to the FAA.

Brett Adcock: We need to design around as many existing federal guidelines as possible and we're not trying again, same with the battery comment earlier, we're not trying to take any big bets here. We're trying to design under as many guidelines as possible, and we've been working tirelessly with the FAA here to make sure our aircraft conforms as much as the existing regulatory parts as possible.

Operator: Thank you Mr. Sullivan. There are no additional questions waiting in queue at this time so I will turn the call back to Brett Adcock for any closing remarks.

Adam Goldstein: Hey, this is Adam Goldstein. I'd like to really just end the call today by reiterating a couple of our key points. One is that we do what we say we're going to do. We've accomplished everything that we said are going to do in 2021, including getting our G-ONE certification basis and having a first flight to Maker. Two is we're well capitalized and we have strong financial discipline and we have significant cash in our balance sheet.

Adam Goldstein: We have a disciplined financial plan that we're going to use, to invest against our operational roadmap and that's really going to help us get to market in 2024 and beyond. And then finally we have significant momentum in 2022. We are well on our way to achieve our 22 goals and our operational roadmap. Thank you for joining us today. And we look forward to hearing from you soon.

Operator: That concludes today's call. Thank you for your participation. You may now disconnect your line.