Arrive AI Streamlines Workforce, Citing AI, Team Leverage and Ahead-of-Schedule Evolution of its Operating Model

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Company expects approximately $1.5 million in annualized savings as a more focused, AI-enabled operating model allows Arrive AI to streamline its organization; approximately 450,000 unvested shares forfeited

INDIANAPOLIS, IN / ACCESS Newswire / August 19, 2026 / Arrive AI (NASDAQ:ARAI), a physical AI and autonomous logistics infrastructure company enabling drones, robots, autonomous mobile robots (AMRs), autonomous vehicles (AVs) and human couriers to securely exchange goods, today announced a strategic recalibration of its workforce and operating model as the Company moves ahead of schedule toward a leaner, more focused and increasingly AI-enabled organization.

The actions are expected to generate approximately $1.5 million in annualized cost savings while aligning the Company's resources more closely with its current strategic and commercialization priorities.

As part of the initiative, on August 14, 2026, Arrive AI reduced its total workforce by approximately 20%. In connection with the reduction, unvested restricted stock units representing approximately 450,000 shares of the Company's common stock were forfeited and returned to the Company.

Management views the changes as an evolution of Arrive AI's operating model rather than simply a cost-cutting exercise.

During its earlier stages of development, Arrive AI hired rapidly against a staffing model designed around the capabilities, positions and functions management believed would be required to build the Company's technology, intellectual property, platform and go-to-market strategy. As the business evolved, management gained significantly greater clarity around its mission, priorities and the capabilities required for the Company's next phase.

That evolution occurred faster than management initially anticipated.

At the same time, the rapid advancement and adoption of artificial intelligence has materially changed what highly capable, focused teams can accomplish. Arrive AI believes these developments create an opportunity to operate with greater speed, efficiency and leverage than was contemplated when its original staffing model was developed.

"We built our team against the roadmap we believed we would need as an emerging technology company. As Arrive AI evolved, that roadmap became much clearer much faster than we anticipated," said Dan O'Toole, Founder and CEO of Arrive AI. "We have reached a point where a high-level team, aligned around a much more focused mission and amplified by AI, can accomplish substantially more. That allows us to streamline the organization while galvanizing the team around the opportunities directly in front of us."

AI as an Operating Model

For Arrive AI, management believes artificial intelligence must extend beyond the technology incorporated into its products. As a physical AI company, the Company believes AI should be inherent in how it operates.

Arrive AI is therefore increasingly integrating AI into engineering, software development, product development, research, data analysis, marketing, finance, administration and other business functions. Management believes this creates significant operating leverage by allowing talented employees to automate lower-value activities, accelerate analysis and execution, and devote more time to work requiring judgment, creativity and domain expertise.

"AI cannot simply be something in our name or something embedded in our products," O'Toole said. "If we are going to call ourselves an AI company, AI needs to be inherent in all that we do. We believe the combination of exceptional people, a clear mission and increasingly capable AI tools creates an extraordinary tailwind for Arrive AI."

Part of a Broader Transformation in How Leading Companies Operate

Arrive AI's recalibration comes amid a broader transformation in how leading technology and logistics companies structure their organizations as artificial intelligence, automation and increasingly sophisticated software tools reshape workflows, productivity and organizational requirements.

Companies including Amazon, Microsoft, Meta, Intel, Google and UPS have announced significant workforce restructurings while simultaneously investing in and expanding the use of artificial intelligence, automation and related technologies across their businesses.

Management believes these developments illustrate a broader structural change: AI is enabling companies to reconsider traditional assumptions about organizational size, layers, workflows and the relationship between headcount and output.

For Arrive AI, management believes that transformation carries particular significance. As a company building physical AI infrastructure, Arrive AI believes it should demonstrate internally the same technology-enabled efficiency, intelligence and automation it seeks to enable throughout the autonomous logistics ecosystem.

"As a young AI company, we should not wait for the rest of the corporate world to demonstrate how AI changes the way organizations operate and then follow," O'Toole said. "We should be among the companies embracing that change early. Some of the largest and most sophisticated companies in the world are rethinking organizational structure while investing aggressively in AI. We believe Arrive AI should operate with that same mindset."

Rather than measuring organizational strength principally through employee count, management believes the emerging AI economy will increasingly reward companies based on output, execution speed, intellectual capability and the leverage each employee can generate through technology.

"We don't believe the company of tomorrow should automatically be built using the organizational assumptions of yesterday," O'Toole said. "AI is changing the relationship between headcount and capability. Our responsibility to shareholders is to recognize that change early and build Arrive AI accordingly."

Approximately $1.5 Million in Expected Annualized Savings

Management expects the actions announced today to result in approximately $1.5 million in annualized cost savings. The Company believes those savings can provide additional operating leverage while allowing management to concentrate resources on the areas it believes have the greatest potential to create long-term shareholder value.

In addition, approximately 450,000 shares underlying forfeited unvested restricted stock units will return to the Company as a result of the workforce actions.

"Decisions affecting people's jobs are never made lightly, and we are grateful for the contributions of the employees affected by this recalibration," O'Toole said. "They helped Arrive AI reach this stage of its development. Leadership also has an obligation to continuously evaluate what the Company needs for the stage ahead. We believe our evolution has brought us to that point ahead of schedule."

O'Toole concluded, "This is about building the organization Arrive AI needs next, rather than preserving the organization we thought we would need when we began this phase of our journey. Today we have greater clarity, an exceptional and more tightly aligned team, increasingly powerful AI capabilities and a significantly more focused mission. We believe that combination can create tremendous operating leverage as we execute the next phase of Arrive AI."

About Arrive AI

Arrive AI (NASDAQ:ARAI) is building the infrastructure for autonomous logistics through a network of intelligent delivery endpoints that enable secure, asynchronous exchange of goods. The company's platform supports drones, ground robotics, and human couriers, solving the "last inch of the last-mile" challenge across logistics, healthcare, and enterprise delivery.

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SOURCE: Arrive AI Inc.

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