



Blockchain.aero

White Paper

*Technology consortium and community
for urban flights*

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One: Blockchain for transport

“Banking and payments aren't the only industries that could be affected by blockchain tech. Law enforcement, ride hailing, and charity also could be transformed.” – said the subtitle of a publication by CBInsights called “Banking Is Only The Start: 27 Big Industries Where Blockchain Could Be Used”.

For car leasing and sales industry the report quoted a use case already developed: “The prospective customer chooses the car they want to lease and the transaction is entered on the blockchain's public ledger; then, from the driver's seat, the customer signs a lease agreement and an insurance policy, and the blockchain is updated with that information as well.”

Another solution “makes its own proprietary digital currency – like bitcoin – which is recorded digitally using blockchain technology. Instead of using a centralized network to call cabs, people may use the [decentralised system for] finding other people traveling similar routes and exchanging coins for the rides. These coins can then be used for future rides. Users earn (or “mine”) these coins by letting the app track their locations.

Two: Blockchain for IoT

IoT was quoted as another industry enabled by blockchain, mentioning use cases developed by several groups:

- in one solution “a blockchain would serve as a public ledger for a massive amount of devices, which would no longer need a central hub to mediate communication between them”
- another solution is “a decentralized network using the blockchain (among other things) for sensors to communicate with each other”

Three: Blockchain for aviation

According to Accenture in its report “Beyond the Buzz: The potential of Blockchain Technology for Airlines”, there is a very strong similarity between the airline industry operations and what blockchain technology has to offer. Therefore “it is fair to say that blockchain and other distributed ledger technology has the ability to improve transactional flows, improve trust and provide immutable record retention”. It further states: “Using blockchain technology for enhanced reconciliation and data sharing is a compelling value proposition for this industry. The most creative and disruptive possibilities go beyond pure financial transactions.”

Capco, the global business and technology consultancy for the financial services industry, has conducted a report for the International Air Transport Association (IATA).

The research focused on determining how blockchain may be used by the airline industry. They have concluded that blockchain can make the industry faster and more cost efficient, enhance customer experience and the value of the industry.

“Blockchain is a disruptive technology and represents a great opportunity for digital innovation. Every single industry, from the financial sector to aviation, is trying to understand where this technology will best fit and where to start the innovation journey. Distributed ledger technology – including blockchain – is already proven to reduce transaction fees when transferring money across borders and currencies,” “That represents a great promise, particularly for global businesses and industries.” Assad Mahmood, senior consultant, Capco.

Three: Blockchain for aviation

“The value of having a single ‘source of truth’ that all business partners trust can dramatically simplify reconciliation, invoicing and settlement in our industry,” commented Juan Iván Martín, IATA head of Innovation, Financial and Distribution Services.

The German Lufthansa has introduced the BC4a initiative to bring together software developers, aircraft builders, MRO (Maintenance, Repair and Overhaul) service providers, logistics, leasing companies and regulators and develop the use cases for blockchain in such areas as identity management, security, ticketing, loyalty, luggage custody-change tracking, maintenance, air cargo, other use cases, such as: in-flight entertainment, traveller compensation, flight planning, etc.

“Blockchain technology will continue to take flight in airlines over the next

decade. Use cases not even conceived of today will become every day, reducing complexity and costs while improving the travel journey with real-time travel experiences,” summarizes Accenture.

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McFly tokens in the decentralized urban flights



You go out on the street and you have got some McFly tokens. Tokens are "flight itself". You use them to order an aerial vehicle (electric vertical take-off and landing, autonomous or semi-piloted) to the nearest landing area or directly to your house roof and you use your mobile device.

At times you will wish to vote to get priority service (for example, in case of a temporary lack of available vehicles in your area). Then you do it in two ways:

- With the number of tokens in your wallet (without spending them, this affects the "class of service")
- By consenting to a higher tariff determined by demand and supply ratio at the moment. (And the decentralized system allows you to see real-time changes in the current demand and supply of network capacity in your area and your fair trading will form the final flight price)

The aerial vehicle then arrives to take you to the desired destination and some tokens are transferred from the client's wallet into the "current" (operational) wallet of the vehicle. From this wallet the vehicle autonomously settles all associated costs of the urban flight and its ecosystem and infrastructure:

- Battery recharge costs
- Landing site (vertiport) rent
- Purchase of media content the passenger opted to enjoy
- Scheduled maintenance
- Air traffic control
- Insurance costs, etc

The vehicle may even track cabin damage and other excessive use of its resources and issues additional bill to the passenger on the smart contract basis.



Upon landing the vehicle settles costs related to its resource consumption by transferring respective amount of tokens into its internal “total flight” counter called “resource wallet”. This is the life time “meter” of each vehicle, much like the odometer is used to measure the lifetime of the automobile. Tokens on the resource wallet represent the total flight that the vehicle has already performed. Therefore, capacity of the resource wallet is the indicator of the remaining life the vehicle has remaining. It is counterfeit-proof as the information is stored on the blockchain.

Total life of the Bartini 4-seater vehicle corresponds to 700,000 McFly tokens on the resource wallet, and of the 2-seater – to 500,000 tokens. As soon as this amount is reached the vehicle is recycled and tokens are then transferred to the manufacturer to pay for the new vehicle for the city.

The exact number of tokens to be transferred from the current wallet to the resource wallet for any particular trip is determined by an open calculation algorithm based on the usage rate of each technical component and of the whole vehicle.

Community, consortium and the McFly token

The community of decentralized urban flights is formed by the several dozen enthusiasts of decentralized urban mass aviation, and the Blockchain.aero business consortium is founded by the industrial blockchain project community and developers (Emer technologies), aircraft developers and manufacturers (Bartini project) and the designers community (CreativeRussia).

The vision of Blockchain.aero is to be the community of customers and businesses bringing closer the imminent future of the shared use of aerial vehicles for mass passenger urban aviation and to accelerate the creation of both aerial vehicles, the community-maintained blockchain solutions and other infrastructure for their use – technological, legal, and social.

Community has created McFly tokens for itself and its members, to share, work for and benefit from a) the common vision of owning urban flights that become a reality within 1-2 years and b) tokens becoming a lasting feature making urban flight mass-affordable.

While many fintech blockchain projects aim to tokenize assets, projects or products, blockchain.aero is the platform to tokenize flight itself, including all parts, functions and values of infrastructure required to make the mass urban flight an affordable commodity. One token shall technically equal to roughly one minute of flight – a unit in which all value across the mass urban flight value chain shall be measured for a decentralized community-backed mass urban aviation system to emerge. Thus it becomes

the common denominator for the community's effort and all involved projects.

In today's world one minute of flight may generally be valued between USD 15 and USD 40 on a chartered helicopter (and Uber estimated the flight tariff to equal initially at Uber-Black service rates and to go down to UberX rates). So the aim of the mass urban aviation community and the blockchain.aero consortium is to make McFly token even more affordable through effective operation and management of the infrastructure and the vehicles and the economic system. Ironically, McFly token may be the only token that aims to reduce in its relative value, while urban flight rebrands itself from exclusive service to a commodity.

Bartini's flight as
the first 'gold reserve'
for the McFly token

Bartini's goal within the Consortium is to develop, manufacture, provide and put in operation the 4-seater and 2-seater urban aerial vehicles. Blockchain technology will be used to make its flights available to holders of McFly tokens. Bartini operates on the Blockchain.aero's premise that one unit of measurement can apply to both the technical lifetime of the vehicle and to value of its function.

There are several considerations behind this. Firstly, conventional lifetime measuring in flight hours or kilometers is hardly applied to a vehicle which is effectively comprised of two – a hover and a cruiser. Therefore a synthetic unit of measurement is required. Secondly, future decentralized use of urban aerial vehicles (ridesharing in a larger sharing economy) in different geographic markets, as well as most current technological

trends, push for keeping all the information across the whole value chain on one blockchain. Finally, blockchain tokens, being an integral part of the blockchain technology, can be used both a) to measure the aerial vehicle's available flying resource and its consumption in different flight modes, under different loads, and b) to be accounted for in wallets held by both passengers and vehicles themselves.

To expedite the future, many developments shall come related to regulation and certification rules, websites, PR and promotion, administration, technological components such as aerial vehicles engineering, fuel cells, interiors, motors, landing sites, autonomy systems, mobile apps, tokens, blockchain, technological solutions for its integration into the entire infrastructure and various commercial solutions.

The community aims to expand and include and develop the required technologies in parallel with the aerial vehicle's engineering and regulation appearing in the key markets, including blockchain technology. To do this, the community created tokens, which are already an integral part of the future technological infrastructure, as well as websites, models, prototypes, drawings, certification requirements, visions of interiors, etc., which are already in existence. Tokens make an integral part of the technology that can already be provided today for the community to maintain it. Blockchain.aero shall become the platform to tokenize the functions along the value chain for the technology developers to integrate them for the mass urban aviation network. Tokens are already an existing unit of the growing technological complex, as other relevant

units to come consequently, and are containers of the system's complicated functionality and business models.

The community has recognized that effective collaboration of various businesses is required to expedite the future of urban aerial vehicles' ridesharing network. So to embrace the business agenda was the Blockchain Aero Consortium established.

The Consortium is created to coordinate the activities of the community members who see themselves as part of the emerging market for the centralized use of decentralized blockchain solutions. The current and future members of the Consortium are:

- Blockchain software developers
- Experimental aircraft developers and manufacturers
- Aircrafts interior designers

- Serial aircraft manufacturers
- IT integrators
- Investment funds
- Research organizations
- Prototyping centers
- Vehicle owners and operators (flight-providers),
- Vertiport owners and operators,
- Traffic operators
- Entrepreneurs for various functions across the value chain
- Legal consultants
- Decentralized communities developing blockchain for various implementations (banks, petrol stations, mileage, property, etc.)

Various tokens valuable among the groups of innovators and startups larger than that of the urban aerial vehicles community may be exchanged for McFly tokens in order to involve this larger number of people into development of the

Blockchain.aero community and consortium. Thus advancing for the decentralized, multifaceted, high-tech and transparent environment of the future urban aviation in our cities.

The new economy and community-based entrepreneurship



Each flight, and even every transaction in the current (operational) wallet shall generate new tokens by the proof-of-flight protocol. Therefore in addition to replacing the depreciated vehicles, which shall be paid for by tokens accumulated on the vehicles' resource wallets, the act of flying from point A to point B shall create new tokens in the system. These tokens shall motivate the additional production of vehicles and their delivery to cities, where more flights happen, i.e. where the network is comparably more loaded.

The volume of tokens accumulated on all resource wallets will adjust the ratio of the proof-of-flight token generation – this is the proof-of-age protocol. In practice that will mean that the system will automatically adjust so that more new vehicles shall deliver to the those cities where

aerial vehicles are on average older.

Every time the new (additional) vehicle is generated through additional tokens in the system, it shall be determined to which city it shall be delivered by a decentralized voting by:

- Tokens on resource wallets (so that additional vehicle tends to be delivered to the city with older vehicles)
- Turnover on current wallets (so that additional vehicle tends to be delivered to the city where the lack of vehicles makes an average flight more expensive and the network more loaded)
- Tokens on passenger wallets (so that additional vehicle tends to be delivered to the city where the weighted demand is higher).



Therefore token-as-a-flights system provides for emergence of new economy, distinguished by several features, which allows aggregators, transportation service providers, and private users to:

- Reserve flights for themselves based on the number of tokens in their possession;
- Secure the vehicles for exclusive personal use;
- Act as flight-providers connecting their secured vehicles for ride-sharing grid use;
- Act as a dispatch center by "providing" passenger orders to vehicles, acquiring their commission in tokens, and subsequently selling tokens to passengers or using them to secure more flight resource;
- Build own vehicle production factory and obtain tokens in exchange for providing replacement or additional vehicles;

- Provide parts of the infrastructure and services in exchange for tokens.

This way, the act of flight is in itself the main part of a decentralized and self-regulating economic system, where flight demand and supply allows the community to shape out all the necessary infrastructure on decentralized principles.

The urban flying car development roadmap

There are several grand tasks to be solved, so the project is comprised of several roadmaps:

- Aerial vehicle development roadmap
- Blockchain development roadmap
- Infrastructure and regulation development roadmap

Aerial Vehicle Development

Engineers from the Russian aerospace industry designed an affordable, easy to mass-produce, urban electric autonomous aircraft (e-VTOL, aka “the flying car”). We have developed the product concept, constructed the small-scale model to flight test the aerodynamics and energy consumption, and established the market availability of the required components (batteries, engines, body materials, etc.).

Founders obtained the patent and set up the company. The project went through rigorous scientific board review and received exemptions from taxes and customs duties for the Russian-based R&D centre located in Skolkovo Aerospace Cluster. Technology and design were validated at Uber’s Elevate Summit.

Personal aviation is non-existent:

helicopters are expensive and unsafe, airplanes need runways, and both need experienced and expensive pilots. The solution is a mass-affordable electric autonomous four passenger VTOL (also known as “the flying car”) priced 3 to 5 times lower than helicopters and covering distances 2 times farther at similar altitudes.

The product is the two and four-passenger self-navigated aircraft (or a cargo aircraft carrying 400kg), sedan-sized, combines quadcopter with carrying wing. Passenger inputs the destination, the vehicle takes-off vertically from any surface, tilt-shifts engines to “airplane” (horizontal) flight mode, which allows to cover distances over 150 km at 300 km/h on one battery charge (over 600 km on hydrogen fuel-cells), then lands vertically on arrival.



Technology and configuration (coaxial variable pitch propellers in a quad copter convertiplane with aerodynamics of the carrying wing, patented) decrease power consumption up to seven times and ensure long-distance flights at altitudes comparable to small helicopters or airplanes. Expected market price may stay within \$100k due to absence of complex components, wings, ailerons, chassis, moving airframe parts, as well as simple assembly processeses. High degree of body-shape variability within the aerodynamic solution, no need for takeoff/landing infrastructure, safety due to 8 motors and coaxial propellers in 4 engine groups and human-factor reduction, noise-levels within urban regulation.

Uber alone has estimated that they will need 500-1000 vehicles per each of 300+ cities. Each manufacturer at

this time estimated the initial price to fall between \$250-450k, which sets Uber's demand at 80 billion USD. It is expected that mass produced vehicles will be priced at ca. \$80-100k (and thereafter even \$40k). There will be increase in private purchasing, as well as more demand will come from other urban public/private transportation organizers. We may compare the market size for that purpose with the market for premium automobiles, which stands to be 360 billion by 2020.

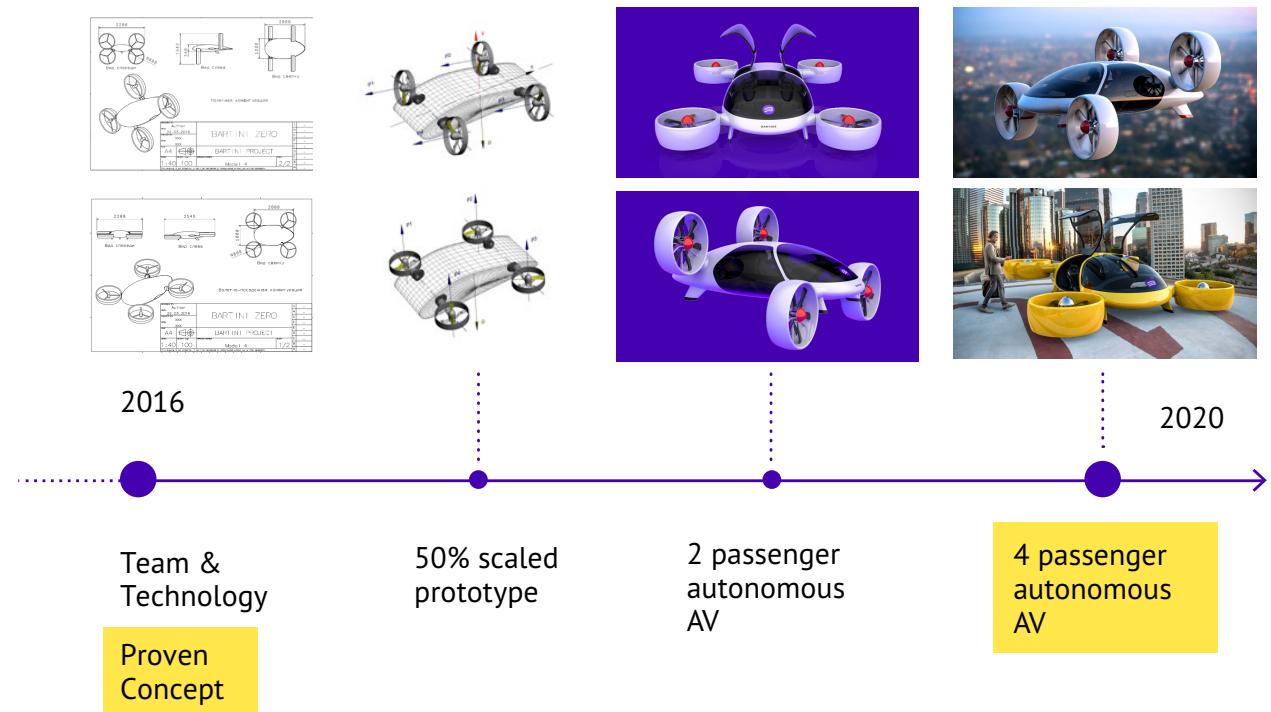
Bartini has committed to the block-chain technology and to measure the lifetime of its vehicles as 700,000 McFly tokens for the 4-seater AAV and as 500,000 McFly tokens for the 2-seater AAV.

The project development timeline is as follows.

The vision for the Bartini project is to have:

- a 2-passenger vehicle by YE2018
- the manufacturing facility producing 150 vehicles p.a. by YE2019
- 4-passenger vehicle by 2Q2020
- mass production facility (50,000 units p.a.) by YE2022

Blockchain.aero consortium expects other aerial vehicle developers join forces to make flight affordable to masses.



Blockchain Development

The blockchain solution is to provide the backbone for the operations support and business support systems for the mass urban flights. A token, mathematically representing one minute of flight, shall become the central container for several systems:

- Distributed database supporting the operation and maintenance of the physical networks, systems, vehicles and infrastructure components
- Tokenization platform of all the value functions across the value chain
- Representation of value flows corresponding to network usage and load, motivating its maintenance and enhancements

The vision for the Blockchain project is to have:

- Separate blockchain solution by YE2018
- Mobile app for passenger <> AAV interaction by YE2018
- Key infrastructure functions and their providers tokenized on the platform by YE2018
- Test flights using McFly tokens to measure system's lifetime and load by YE2019

Infrastructure and Regulation Development

While in some locations development of infrastructure is responsive to technological developments and innovation, in others it is pro-active pre-empting the future developments and challenges, and yet in the third type of locations it is a result of direct political will. By all means the future of mass urban aviation is inevitable and whether it will be a result of a centralized action of a commercial player or a result of decentralized communities pushing for change – is to be seen.

It is largely regarded that while centralization and political will to improve city landscapes may set the scenes and shape the landscape, for the flight to become affordable not only large scale availability is required, but undistorted action of the market forces. Therefore it is in the best interests of all as future

passengers to take the lead in shaping the industry by entrepreneurial effort and community strength.

It is envisioned therefore that strong communities shall develop in key cities that will take the lead in adopting the new technology and systems, and the following developments shall be seen:

- Regulation guidelines (FAA) by YE2018
- Several cities tested the flight networks by YE2019
- Mass adoption of affordable electric VTOLs replacing helicopters by YE2019
- AAV certification requirements cleared out in key locations by YE2019
- Networks come into operations in cities by YE2020

Terms and Conditions

The following Terms and Conditions (“Terms”) describes and govern the Blockchain.Aero cryptographic tokens (“McFly Token”, “MFL”) and the Token Launch.

This document is not a solicitation for investment and does not pertain in any way to an offering of securities in any jurisdiction. Individuals, businesses, and other organizations should carefully weigh the risks, costs, and benefits of obtaining or otherwise acquiring MFL early in Token Launch versus waiting for MFL to become available on open, third-party exchanges.

IMPORTANT

Obtaining, acquisition or ownership of MFL carries no rights express or implied. Any form of acquisition of MFL is non-refundable. By participating in the token launch, distribution, sale, acquisition of MFL, you expressly acknowledge and represent that you have carefully reviewed the Terms and fully understand the risks, costs, and benefits of acquiring or in any other way obtaining MFL and agree to be bound by these Terms. As set forth

below, you further represent and warrant that, to the extent permitted by your law, that you are authorized to acquire or in any other way obtain MFL in your relevant jurisdiction, are of a legal age to be bound by these Terms, and will not hold liable for any losses or any special, incidental, or consequential damages arising out of, or in any way connected to the distribution, sale, ownership, transfer, acquisition or in any other way

obtaining MFL, now or in the future, Blockchain.Aero and its affiliates, the community members, officers, directors, agents, joint ventures, employees, suppliers of Blockchain.Aero or its affiliates.

WARNING: DO NOT ACQUIRE OR IN ANY OTHER WAY OBTAIN MFL IF YOU ARE NOT AN EXPERT IN DEALING WITH CRYPTOGRAPHIC TOKENS AND BLOCKCHAIN-BASED SOFTWARE SYSTEMS

Ownership, acquisition or in any other way obtaining MFL should be undertaken only by individuals, entities, or companies that have significant experience with, and understanding of, the usage and intricacies of cryptographic tokens, like bitcoin (“BTC”), ethereum (“ETH”) and Waves (“WAVES”), and blockchain-based software systems. You must have functional understanding of storage and transmission mechanisms associated with other cryptographic tokens. If you do not have such experience or expertise, then you should not attempt to acquire or in any other way obtain MFL or participate in the MFL token launch.

WARNING: CRYPTOGRAPHIC TOKENS MAY EXPERIENCE EXTREME PRICE VOLATILITY

Blockchain.Aero Consortium tokens do not represent any formal or legally binding investment. The value of MFL which may be denominated in BTC or in any other denominator of value in various jurisdictions, may be subject to extreme fluctuations in price over short periods of time on a regular basis. Blockchain.Aero cannot and does not guarantee market liquidity for MFL. Additionally, due to different regulatory dictates in different jurisdictions and the inability of citizens of certain countries to use service providers located anywhere in the world, the liquidity of MFL may be markedly different in different countries. By acquiring MFL, you expressly acknowledge and represent that you fully understand that MFL may experience volatility in value and will not seek to hold any of the

Blockchain.Aero Consortium parties liable for any losses or any special, incidental, or consequential damages arising from, or in any way connected to, the Token Launch and any subsequent sale, acquisition or ownership of MFL.

WARNING: THE ACQUISITION AND OWNERSHIP OF MFL ENTAILS A NUMBER OF RISKS

The acquisition or in any other way obtaining MFL carries with it a number of risks. Prior to acquiring or in any other way obtaining MFL, you should carefully consider the risks listed below and, to the extent necessary, consult an appropriate lawyer, accountant, or tax professional. By owning MFL you are agreeing not to hold any of the Blockchain.Aero participants liable for any losses or any special, incidental, or consequential damages arising from, or in any way

connected, to the acquisition or ownership of MFL.

The ownership, acquisition, purchase or obtaining in any other way of MFL carries with it significant risk. Prior to making any actions or considerations regarding the MFL, you should carefully consider the below risks and, to the extent necessary, consult a lawyer, accountant, and/or tax professionals.

- A. It is possible that the value of BTC will drop significantly in future, depriving Blockchain.Aero Consortium of sufficient resources to continue to operate.
- B. MFL will be stored in a wallet, which can only be accessed with a password selected by you. If you do not maintain an accurate record of your password, this may lead to the loss of MFL. You must safely store your password in one or more backup

locations that are well separated from the primary location. In order to access your MFL the password that you had entered is required; loss of this may lead to the loss of your MFL.

- C. Any third party that gains access to your Email may be able to gain access to your MFL. You must take care not to respond to any inquiry regarding your ownership of MFL, including but not limited to, email requests purportedly coming from the <http://blockchain.aero> website or <http://wavesplatform.com> or a similar-looking domain.
- D. Cryptocurrencies have been the subject of regulatory scrutiny by various regulatory bodies around the globe. Blockchain.Aero could be impacted by one or more regulatory enquiries or regulatory action, which could impede or limit the ability of Blockchain.Aero to continue to

develop the Blockchain.Aero projects.

- E. It is possible that the Blockchain.Aero products will not be used by a large number of external businesses, individuals, and other organizations and that there will be limited public interest in the use of McFly Tokens for aerial vehicles operation. Such a lack of interest could impact the development of the Blockchain.Aero projects. Blockchain.Aero Consortium cannot predict the success of its own marketing efforts or the efforts of other third parties. There is no guarantee of revenues or profits resulting from the marketing activities of the Blockchain.Aero.
- F. You recognise that the Blockchain.Aero, the Consortium and its projects are currently under development and may undergo significant changes. You acknowledge that any expectations regarding the form and functionality of the Blockchain.Aero

Consortium projects may not be met upon release of any one of the Blockchain.Aero Consortium projects, for any number of reasons including a change in the design and implementation plans and execution of the implementation of the Blockchain.Aero Consortium projects.

G. You understands that while the Blockchain.Aero, the Consortium and its projects will make reasonable efforts to complete the related products, it is possible that completed versions of the products may not be released and projects may never be accomplished.

H. Hackers or other groups or organizations may attempt to steal the tokens from Token Launch, thus potentially impacting the ability of Blockchain.Aero Consortium to promote the Blockchain.Aero Consortium projects.

- I. Advances in code cracking, or technical advances such as the development of quantum computers, could present risks to blockchain technology, cryptocurrencies and the Blockchain.Aero Consortium projects, which could result in theft or loss obsolescence of MFL.
- J. The loss or destruction of a private keys used to access the blockchain by the Blockchain.Aero Consortium may be irreversible. Blockchain.Aero Consortium's loss of access to its private keys or a data loss relating to Blockchain.Aero Consortium could adversely affect the value of the Blockchain.Aero Consortium projects.
- K. Decentralized mass passenger urban aviation is a new product, thus contributing to price volatility that could adversely affect the usability of MFL. The factors affecting the further development of the digital

tokens industry, as well as the Blockchain.Aero Consortium projects, include:

- I. continued worldwide growth in the adoption and use of MFL and other digital tokens;
- II. government and quasi-government regulation of MFL and other digital tokens and their use, or restrictions on or regulation of access to and operation of the Blockchain.Aero Consortium projects or similar digital token systems;
- III. the maintenance and development of the software of the Blockchain.Aero Consortium projects;
- IV. changes in consumer demographics and public tastes and preferences;
- V. the availability and popularity of other similar products;
- VI. general economic conditions and

- the regulatory environment relating to decentralized mass passenger urban aviation.
- L. Intellectual property rights claims may adversely affect the operation of the Blockchain.Aero Consortium projects and their respective products.
- M. Third parties may assert intellectual property claims relating to the holding and transfer of digital tokens, technologies and their source code. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the Blockchain.Aero Consortium projects' long-term viability or the ability of end-users to hold and transfer MFL may adversely affect the usability of MFL.
- N. Cryptocurrency exchanges on which MFL may be listed in future are relatively new and largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for other products. Such cryptocurrency exchange failures may result in a reduction in the usability and can adversely affect the MFL. A lack of stability in the cryptocurrency exchanges and the closure or temporary shutdown of cryptocurrency exchanges due to fraud, business failure, hackers or malware, or government-mandated regulation may reduce confidence in the Blockchain.Aero Consortium projects and their products result in greater volatility in perceived value of the MFL and its usability.
- O. Political or economic crises may motivate large-scale sales of MFL, which could result in a reduction in the perceived value and adversely affect the value and usability of MFL. Digital tokens such as MFL, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralized means of transacting, and it is unclear how such supply and demand will be impacted by geopolitical events.
- P. Larger and larger scale usage of MFL, growth of the blockchain.aero consortium and adoption of its products shall result in a reduction in its price making flight more and more affordable, reducing its price.
- Q. It is possible that a digital token other than MFL could have features that make it more desirable to a material portion of the digital token user base, resulting in a reduction in demand for MFL, which could have a negative impact on the usage, value, price of MFL. It is possible that a comparable product could become materially popular due to either a perceived or exposed short-

coming of the relevant Blockchain.Aero Consortium product that is not immediately addressed by the Blockchain.Aero Consortium, or a perceived advantage of a comparable product that includes features not incorporated into the relevant Blockchain.Aero Consortium product. If this product obtains significant market share, it could have a negative impact on the demand for, and price of, and the usability of the MFL.

R. MFL transactions are irrevocable and stolen MFL or incorrectly transferred MFL shall most likely be irretrievable. As a result, any incorrectly executed MFL transactions could adversely affect the value of MFL. Cryptocurrency transactions are not, from an administrative perspective, reversible without the consent and active participation of the recip-

ient of the transaction or, in theory, control or consent of a majority of the processing power on the host blockchain platform. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of MFL or a theft of MFL generally will not be reversible and there shall be no compensation for any such transfer or theft. Such loss could adversely affect the value and usability of MFL.

S. In the foreseeable future some MFL tokens may be issued on the Ethereum or other blockchain. As such, any malfunction or unexpected functioning of the Ethereum or any such other protocol may impact your ability to transfer or securely hold MFL. Such impact could adversely affect the value and usability of MFL.

- T. A considerable part of MFL tokens shall be issued on the Waves platform. As such, any malfunction or unexpected functioning of the Waves platform may impact your ability to transfer or securely hold MFL. Such impact could adversely affect the value of MFL.
- U. It is possible that, due to any number of reasons, including without limitation the failure of business relationships or marketing strategies, that the Blockchain.Aero Consortium projects and all subsequent marketing any any and all activities in relation to the MFL may fail to achieve success.