Offering Memorandum: Part II of Offering Document (Exhibit A to Form C)

LIFT Aircraft Inc.
3402 Mount Bonnell Road
Austin, TX 78731
https://www.liftaircraft.com/

Up to $4,999,975.40 in Common Stock at $2.66
Minimum Target Amount: $9,998.94

A crowdfunding investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment.

In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document.

The U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature.

These securities are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.
Company:

Company: LIFT Aircraft Inc.
Address: 3402 Mount Bonnell Road, Austin, TX 78731
State of Incorporation: DE
Date Incorporated: September 22, 2017

Terms:

Equity

Offering Minimum: $9,998.94 | 3,759 shares of Common Stock
Offering Maximum: $4,999,975.40 | 1,879,690 shares of Common Stock
Type of Security Offered: Common Stock
Purchase Price of Security Offered: $2.66
Minimum Investment Amount (per investor): $532.00

*Maximum Number of Shares Offered subject to adjustment for bonus shares. See Bonus info below.

Perk Structure:

Early Bird

Friends and Family - First 48 hours | 15% bonus shares
Super Early Bird - Next 72 hours | 10% bonus
Early Bird Bonus - Next 7 days | 5% bonus shares

Volume

Notes (under “Rewards,” above all reward tiers):

Current flight holders investing at a level that qualifies for free flights will be automatically refunded the cost of their flight 30 days after investing.

Reward flights are transferable as gifts.


$1,000+ Investment: Priority spot on flight waitlist, $100 (40%) discount on one $249 flight, plus a limited edition LIFT Aircraft hat.

$2,500+ Investment: Free flight at a tour location of your choice or permanent Vertiport location ($249 value), plus a limited edition LIFT Aircraft hat.

$5,000+ Investment: 2 free flights at a tour location of your choice or permanent Vertiport location ($498 value), plus a limited edition LIFT Aircraft hat.
$10,000+ Investment: 5% bonus shares, 4 free flights at a tour location of your choice or permanent Vertiport location ($996 value), 2 invitations to a VIP tour event, plus a limited edition LIFT Aircraft hat.

$25,000+ Investment: 10% bonus shares, 10 free flights at a tour location of your choice or permanent Vertiport location ($2490 value), 4 invitations to a VIP tour event, plus a limited edition LIFT Aircraft hat.

$50,000+ Investment: 15% bonus shares, 10 free flights at a tour location of your choice or permanent LIFT Vertiport location ($2490 value), 4 invitations to a VIP tour event, plus a LIFT Aircraft hat.

*All perks occur when the offering is completed.*

Voting Proxy

Each Subscriber shall appoint the Chief Executive Officer of the Company (the “CEO”), or his or her successor, as the Subscriber’s true and lawful proxy and attorney, with the power to act alone and with full power of substitution, to, consistent with this instrument and on behalf of the Subscriber, (i) vote all Securities, (ii) give and receive notices and communications, (iii) execute any instrument or document that the CEO determines is necessary or appropriate in the exercise of its authority under this instrument, and (iv) take all actions necessary or appropriate in the judgment of the CEO for the accomplishment of the foregoing. The proxy and power granted by the Subscriber pursuant to this Section are coupled with an interest. Such proxy and power will be irrevocable. The proxy and power, so long as the Subscriber is an individual, will survive the death, incompetency and disability of the Subscriber and, so long as the Subscriber is an entity, will survive the merger or reorganization of the Subscriber or any other entity holding the Securities. However, the Proxy will terminate upon the closing of a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933 covering the offer and sale of Common Stock or the effectiveness of a registration statement under the Securities Exchange Act of 1934 covering the Common Stock.

Disclosure

Balazs Kerulo, the Company’s Chief Engineer has invested $3,000 in the Company’s current Reg CF offering.

The Company and its Business

Company Overview

Austin, Texas-based LIFT Aircraft is making aviation history, launching the one of the world’s first experientially-focused businesses based on an entirely new type of personal, electric vertical takeoff and landing (eVTOL) aircraft.

HEXA, LIFT Aircraft’s FAA Part 103 ultralight multi-rotor, amphibious, production all-
electric aircraft democratizes the experience of human flight. In addition to recreation and eventual transportation, the company envisions HEXA being flown for first response and defense missions as well.

We have received U.S. Patent No. D931,182 covering HEXA’s design and filed U.S. Patent Application No. 16/708,283 titled “Aircraft with Distributed Power System, Distributed Control System, and Safe Deployment Mechanism for Ballistic Recovery System”.

**Competitors and Industry**

While the advanced air mobility industry is still early, a few companies have made significant strides. This indicates strong opportunity in the market for LIFT Aircraft.

Companies that are notable in a similar vehicle class are Opener, Blackfly, opener.aero and Japanese company Skydrive. Companies that have built slightly larger, but similar vehicle configurations include German Volocopter and Chinese company eHang (NASDAQ: EH).

Notably, the larger air taxi market has been heating up in the USA. JOBY (NYSE: JOBY) has completed a SPAC merger and several other eVTOL air taxis are in the de-SPAC process. LIFT is starting with a single-seat aircraft and plans to explore this market in our long-term strategy.

**Current Stage and Roadmap**

**Current Stage**

Started in 2017 and flying manned since 2018, LIFT is presently in an important pre-commercial stage. This stage includes a combination of producing aircraft (we’re one of the only eVTOL companies in production) and important safety testing. We recently received an important airworthiness approval from the US Air Force and plan to pass a safety board (including the Former Head of Aviation Safety at NASA, an advisor of ours) before conducting commercial operations. While launch is directly dependent on safety checks (something we hold sacred), we do expect to begin customer flights in 2022.

**Future Roadmap**

LIFT also plans to continue our defense development as well as a 3-year roadmap to beginning operational first response flights. LIFT has completed several research, development and test contracts with the U.S. Air Force and has worked with the USAF to apply for a larger Strategic Financing (STRATFI) contract to cover a 3 year period. If awarded, this contract will use HEXA as a testbed aircraft for hybrid and autonomous technologies with the goal of using HEXA to meet the USAF’s stated need for an agile autonomous logistics platform. In the long term, we envision HEXA flying numerous vital defense missions and improving rapid response from medical, fire and law enforcement personnel.
The Team

Officers and Directors

Name: Matthew Chasen

Matthew Chasen's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- **Position**: CEO & Founder  
  **Dates of Service**: September 22, 2017 - Present  
  **Responsibilities**: Overall leadership of company. Salary: $240,000 per year. Equity ownership: 50,000,000 shares.

- **Position**: Chairman of the Board  
  **Dates of Service**: September 22, 2017 - Present  
  **Responsibilities**: Overseeing Board of Directors, sole director

Other business experience in the past three years:

- **Employer**: Hitch Inc.  
  **Title**: Co-founder, Chairman of the Board  
  **Dates of Service**: July 01, 2018 - Present  
  **Responsibilities**: Overall board leadership

Other business experience in the past three years:

- **Employer**: uShip Inc.  
  **Title**: Founder & Board Member  
  **Dates of Service**: January 01, 2004 - Present  
  **Responsibilities**: Board membership

Name: Kenneth Miller

Kenneth Miller's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- **Position**: Chief Financial Officer  
  **Dates of Service**: February 01, 2021 - Present  
  **Responsibilities**: Overall financial management of the company. Salary: $75,000 per year. Stock options: 2,115,000.

Other business experience in the past three years:
- **Employer:** Nokomis Capital LLC  
  **Title:** Managing Director  
  **Dates of Service:** November 30, 2009 - February 14, 2021  
  **Responsibilities:** Research, evaluation and management of public markets investments

**Name:** Kevin Rustagi

Kevin Rustagi’s current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- **Position:** Director of Business Development  
  **Dates of Service:** July 08, 2019 - Present  
  **Responsibilities:** Oversees business operations. Salary: $120,000 per year. Stock options: 1,233,750

Other business experience in the past three years:

- **Employer:** Brandt and Co.  
  **Title:** Engagement Manager  
  **Dates of Service:** July 20, 2018 - August 01, 2019  
  **Responsibilities:** Consulting with startup founders with communications, strategy, pitch deck formulation and design

**Name:** Balazs Kerulo

Balazs Kerulo’s current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- **Position:** Chief Engineer  
  **Dates of Service:** October 01, 2017 - Present  
  **Responsibilities:** Overseeing design and development program for HEXA and future aircraft. Salary: $87,360 per year. 4,020,000 stock options.

**Name:** Kristin Griffin

Kristin Griffin’s current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- **Position:** Director of Marketing & Communications  
  **Dates of Service:** December 02, 2019 - Present  
  **Responsibilities:** Responsible for LIFT’s marketing and communications strategy and execution. Salary: $85,000 per year. Stock options: 300,000
Other business experience in the past three years:

- **Employer:** Children’s Hunger Fund  
  **Title:** Senior Director, Communications  
  **Dates of Service:** January 01, 2016 - September 30, 2019  
  **Responsibilities:** Directed internal and external communications for an international non-profit organization responsible for distributing over a billion dollars in food and aid to more than 300 million children globally. Developed and implemented marketing and communication strategies to support multi-million dollar annual fundraising goals. Provided brand and messaging oversight throughout US and international locations.

**Name:** Jace "Digit" McCown

Jace "Digit" McCown’s current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- **Position:** Director of Flight Operations & Test, Chief Pilot  
  **Dates of Service:** January 01, 2020 - Present  
  **Responsibilities:** Overseeing LIFT’s flight operations and test programs. Salary: $97,735 per year. Stock options: 500,000

Other business experience in the past three years:

- **Employer:** Skyways Air Transportation Inc  
  **Title:** need  
  **Dates of Service:** January 01, 2018 - January 31, 2020  
  **Responsibilities:** Flight Test Engineer / Chief Pilot, Lead for all flight operations, including test and demonstration

**Risk Factors**

The SEC requires the company to identify risks that are specific to its business and its financial condition. The company is still subject to all the same risks that all companies in its business, and all companies in the economy, are exposed to. These include risks relating to economic downturns, political and economic events and technological developments (such as hacking and the ability to prevent hacking). Additionally, early-stage companies are inherently more risky than more developed companies. You should consider general risks as well as specific risks when deciding whether to invest.

These are the risks that relate to the Company:
Uncertain Risk
An investment in the Company (also referred to as “we”, “us”, “our”, or “Company”) involves a high degree of risk and should only be considered by those who can afford the loss of their entire investment. Furthermore, the purchase of any of the LIFT Aircraft Inc. common stock should only be undertaken by persons whose financial resources are sufficient to enable them to indefinitely retain an illiquid investment. Each investor in the Company should consider all of the information provided to such potential investor regarding the Company as well as the following risk factors, in addition to the other information listed in the Company’s Form C. The following risk factors are not intended, and shall not be deemed to be, a complete description of the commercial and other risks inherent in the investment in the Company.

Our business projections are only projections
There can be no assurance that the Company will meet our projections. There can be no assurance that the Company will be able to find sufficient demand for our product, that people think it’s a better option than a competing product, or that we will able to provide the service at a level that allows the Company to make a profit and still attract business.

Any valuation at this stage is difficult to assess
The valuation for the offering was established by the Company. Unlike listed companies that are valued publicly through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess and you may risk overpaying for your investment.

The transferability of the Securities you are buying is limited
Any common stock purchased through this crowdfunding campaign is subject to SEC limitations of transfer. This means that the stock/note that you purchase cannot be resold for a period of one year. The exception to this rule is if you are transferring the stock back to the Company, to an “accredited investor,” as part of an offering registered with the Commission, to a member of your family, trust created for the benefit of your family, or in connection with your death or divorce.

Your investment could be illiquid for a long time
You should be prepared to hold this investment for several years or longer. For the 12 months following your investment there will be restrictions on how you can resell the securities you receive. More importantly, there is no established market for these securities and there may never be one. As a result, if you decide to sell these securities in the future, you may not be able to find a buyer. The Company may be acquired by an existing player in the aerospace industry. However, that may never happen or it may happen at a price that results in you losing money on this investment.

If the Company cannot raise sufficient funds it will not succeed
The Company, is offering common stock in the amount of up to $5,000,000 in this offering, and may close on any investments that are made. Even if the maximum amount is raised, the Company is likely to need additional funds in the future in order to grow, and if it cannot raise those funds for whatever reason, including reasons
relating to the Company itself or the broader economy, it may not survive. If the Company manages to raise only the minimum amount of funds, sought, it will have to find other sources of funding for some of the plans outlined in “Use of Proceeds.”

**We may not have enough capital as needed and may be required to raise more capital.** We anticipate needing access to credit in order to support our working capital requirements as we grow. Although interest rates are low, it is still a difficult environment for obtaining credit on favorable terms. If we cannot obtain credit when we need it, we could be forced to raise additional equity capital, modify our growth plans, or take some other action. Issuing more equity may require bringing on additional investors. Securing these additional investors could require pricing our equity below its current price. If so, your investment could lose value as a result of this additional dilution. In addition, even if the equity is not priced lower, your ownership percentage would be decreased with the addition of more investors. If we are unable to find additional investors willing to provide capital, then it is possible that we will choose to cease our business development activity. In that case, the only asset remaining to generate a return on your investment could be our intellectual property. Even if we are not forced to cease our business development activity, the unavailability of credit could result in the Company performing below expectations, which could adversely impact the value of your investment.

**Terms of subsequent financings may adversely impact your investment**

We will likely need to engage in common equity, debt, or preferred stock financings in the future, which may reduce the value of your investment in the Common Stock. Interest on debt securities could increase costs and negatively impact operating results. Preferred stock could be issued in series from time to time with such designation, rights, preferences, and limitations as needed to raise capital. The terms of preferred stock could be more advantageous to those investors than to the holders of Common Stock. In addition, if we need to raise more equity capital from the sale of Common Stock, institutional or other investors may negotiate terms that are likely to be more favorable than the terms of your investment, and possibly a lower purchase price per share.

**Management Discretion as to Use of Proceeds**

Our success will be substantially dependent upon the discretion and judgment of our management team with respect to the application and allocation of the proceeds of this Offering. The use of proceeds described below is an estimate based on our current business plan. We, however, may find it necessary or advisable to re-allocate portions of the net proceeds reserved for one category to another, and we will have broad discretion in doing so.

**Projections: Forward Looking Information**

Any projections or forward looking statements regarding our anticipated financial or operational performance are hypothetical and are based on management’s best estimate of the probable results of our operations and will not have been reviewed by our independent accountants. These projections will be based on assumptions which management believes are reasonable. Some assumptions invariably will not
materialize due to unanticipated events and circumstances beyond management’s control. Therefore, actual results of operations will vary from such projections, and such variances may be material. Any projected results cannot be guaranteed.

Developing new products and technologies entails significant risks and uncertainties
We are currently early in the stages of producing working HEXA Aircraft. Delays or cost overruns in the development of our HEXA and future aircraft and failure of the product to meet our performance estimates may be caused by, among other things, unanticipated technological hurdles, difficulties in manufacturing, changes to design and regulatory hurdles. Any of these events could materially and adversely affect our operating performance and results of operations.

Minority Holder; Securities with Voting Rights
The common stock that an investor is buying has voting rights attached to them. However, you will be part of the minority shareholders of the Company and have agreed to appoint the Chief Executive Officer of the Company (the “CEO”), or his or her successor, as your voting proxy. You are trusting in management discretion in making good business decisions that will grow your investments. Furthermore, in the event of a liquidation of our company, you will only be paid out if there is any cash remaining after all of the creditors of our company have been paid out.

You are trusting that management will make the best decision for the company
You are trusting in management discretion. You are buying securities as a minority holder, and therefore must trust the management of the Company to make good business decisions that grow your investment.

Insufficient Funds
The company might not sell enough securities in this offering to meet its operating needs and fulfill its plans, in which case it will cease operating and you will get nothing. Even if we sell all the common stock we are offering now, the Company will (possibly) need to raise more funds in the future, and if it can’t get them, we will fail. Even if we do make a successful offering in the future, the terms of that offering might result in your investment in the company being worth less, because later investors might get better terms.

This offering involves “rolling closings,” which may mean that earlier investors may not have the benefit of information that later investors have.
Once we meet our target amount for this offering, we may request that StartEngine instruct the escrow agent to disburse offering funds to us. At that point, investors whose subscription agreements have been accepted will become our investors. All early-stage companies are subject to a number of risks and uncertainties, and it is not uncommon for material changes to be made to the offering terms, or to companies’ businesses, plans or prospects, sometimes on short notice. When such changes happen during the course of an offering, we must file an amended to our Form C with the SEC, and investors whose subscriptions have not yet been accepted will have the right to withdraw their subscriptions and get their money back. Investors whose subscriptions have already been accepted, however, will already be our investors and
Our new product could fail to achieve the sales projections we expected

Our growth projections are based on an assumption that the US Department of Defense and other public use customers will be interested in purchasing HEXAs, and our consumer vertiport operations will be successful. It is possible that HEXA and other aircraft will fail to gain market acceptance for any number of reasons. If our aircraft and flight services fail to achieve significant sales and acceptance in the marketplace, this could materially and adversely impact the value of your investment.

We face significant market competition

We will compete with larger, established companies who currently have products on the market and/or various respective product development programs. They may have much better financial means and marketing/sales and human resources than us. They may succeed in developing and marketing competing equivalent products earlier than us, or superior products than those developed by us. There can be no assurance that competitors will render our technology or products obsolete or that the products developed by us will be preferred to any existing or newly developed technologies. It should further be assumed that competition will intensify.

We are competing against other recreational activities

Although we are a unique company that caters to a select market, our vertiports will compete against other recreational activities. Our business growth depends on the market interest in the Company’s flight experiences over other activities.

We are an early stage company and have limited revenue and operating history

The Company has a short history, few customers, and limited historical revenue. If you are investing in this company, it’s because you think that eVTOL aircraft in general and HEXA aircraft in particular will gain market acceptance, that the team will be able to successfully market, and sell the product or service, that we can price them right and sell them to enough public use or individual customers so that the Company will succeed. Further, we generated limited and sporadic profits to date, and there is no assurance that we will achieve or maintain future profitability. LIFT Aircraft Inc. has historically incurred a net loss and has had limited revenues generated since inception. There is no assurance that we will be profitable in the next 3 years or generate sufficient revenues to pay dividends to the holders of the shares.

We have existing patents that we might not be able to protect properly

One of the Company’s most valuable assets is its intellectual property. The Company’s owns multiple patents, trademarks, copyrights, Internet domain names, and trade secrets. Due to the value, competitors may misappropriate or violate the rights owned by the Company. The Company intends to continue to protect its intellectual property portfolio from such violations. It is important to note that unforeseeable costs associated with such practices may deplete the capital of the Company.

Our trademarks, copyrights and other intellectual property could be unenforceable or ineffective

Intellectual property is a complex field of law in which few things are certain. It is
possible that competitors will be able to design around our intellectual property, find prior art to invalidate it, or render the patents unenforceable through some other mechanism. If competitors are able to bypass our trademark and copyright protection without obtaining a sublicense, it is likely that the Company’s value will be materially and adversely impacted. This could also impair the Company’s ability to compete in the marketplace. Moreover, if our trademarks and copyrights are deemed unenforceable, the Company will almost certainly lose any potential revenue it might be able to raise by entering into sublicenses. This would cut off a significant potential revenue stream for the Company.

The cost of enforcing our trademarks and copyrights could prevent us from enforcing them
Trademark and copyright litigation has become extremely expensive. Even if we believe that a competitor is infringing on one or more of our trademarks or copyrights, we might choose not to file suit because we lack the cash to successfully prosecute a multi-year litigation with an uncertain outcome; or because we believe that the cost of enforcing our trademark(s) or copyright(s) outweighs the value of winning the suit in light of the risks and consequences of losing it; or for some other reason. Choosing not to enforce our trademark(s) or copyright(s) could have adverse consequences for the Company, including undermining the credibility of our intellectual property, reducing our ability to enter into sublicenses, and weakening our attempts to prevent competitors from entering the market. As a result, if we are unable to enforce our trademark(s) or copyright(s) because of the cost of enforcement, your investment in the Company could be significantly and adversely affected.

The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business
LIFT Aircraft Inc. is highly dependent upon the efforts of key executives, particularly CEO Matt Chasen and Chief Engineer Balazs Kerulo. If either of these executives becomes unable or unwilling to dedicate their efforts towards the Company, we could be adversely affected. Also, to be successful, the Company requires capable people to run its day to day operations. As the Company grows, it will need to attract and hire additional employees in sales, marketing, design, development, operations, finance, legal, human resources and other areas. Depending on the economic environment and the Company’s performance, we may not be able to locate or attract qualified individuals for such positions when we need them. We may also make hiring mistakes, which can be costly in terms of resources spent in recruiting, hiring and investing in the incorrect individual and in the time delay in locating the right employee fit. If we are unable to attract, hire and retain the right talent or make too many hiring mistakes, it is likely our business will suffer from not having the right employees in the right positions at the right time. This would likely adversely impact the value of your investment.

Our ability to sell our product or service is dependent on outside government regulation which can be subject to change at any time
The company faces regulatory risk as it is subject to regulation from multiple government agencies including the Federal Aviation Administration in the United
States. In particular the Company’s business plan depends on HEXA being classified as an ultralight under Federal Aviation Regulations Part 103, and any contrary ruling by the FAA could have a material adverse impact on the Company’s business plan. Additionally, in other geographies the Company may need to gain certification from local aviation regulators, a lengthy and uncertain process.

*The Company is vulnerable to hackers and cyber-attacks*

The Company is dependent upon various IT systems and must safeguard confidential company, employee and customer data. Any cybersecurity breach of company IT assets and services could have a material adverse effect on operations. Any disruptions of services or cyber-attacks either on our technology providers or on LIFT Aircraft could harm our reputation and materially negatively impact our financial condition and business.

*The company could be subject to legal liability as a result of operations*

The Company could be exposed to significant product, service or corporate liability claims as a result of product defects, accidents or other events. A successful liability claim against the company could require the payment of large monetary damages. While the company maintains some forms of aviation and general liability insurance, there can be no assurance that the insurance would insulate the company from adverse affects of liability judgements.

*An accident could have a material adverse effect on the company’s operations*

Flying ultralight aircraft is an inherently risky activity, and a flight accident either in flight testing or consumer operations could have a material adverse effect on the Company’s operations, including but not limited to liability judgements against it. Additionally, flight accidents from LIFT aircraft or other eVTOL aircraft could damage the brand and reputation of the Company and industry, leading to customer adoption reluctance.

*Company is dependent upon third party suppliers*

LIFT Aircraft builds HEXAS using critical components and manufacturing services from multiple third party suppliers. Any defects in components could cause manufacturing delays, additional costs or flight accidents. Additionally, LIFT is dependent upon these suppliers to deliver components and services according to our production schedule, and any delay or difficulty in obtaining critical components or services could have a material adverse effect on operations. Also, LIFT is dependent upon third party software, payment and communications services providers and failure to perform by any of these suppliers could have a material adverse effect on company operations.

*The Company faces risk due to customer concentration*

The Company’s historical revenue comes almost exclusively from the US Air Force and Neom Company in Saudi Arabia. If our larger STRATFI and IDIQ contracts are approved, we expect concentration with the US Department of Defense in general and US Air Force in particular to increase. Failure to effectively serve these customers or secure follow-on contracts could result in a material future decline in revenue.
Government contracting entails inherent risks and uncertainties
The Company has historically generated revenue from contracts with the United States Air Force. The Company can give no assurances that the USAF in particular or United States Department of Defense in general will continue to enter contracts with the Company, or that its pending STRATFI or IDIQ contracts will be approved. Even if approved, the Company may not realize all of the anticipated revenue or other benefits due to changes in government priorities or failures to satisfy the Company's obligations under the contract.

The amount raised in this offering may include investments from officers and directors of the company.
Once the total amount of funds raised in this offering exceeds the minimum funding goal, officers and directors (and immediate family members) of the company may make investments in this offering. Any such investments will be included in the raised amount reflected on the campaign page.
Ownership and Capital Structure; Rights of the Securities

Ownership
The following table sets forth information regarding beneficial ownership of the company’s holders of 20% or more of any class of voting securities as of the date of this Offering Statement filing.

<table>
<thead>
<tr>
<th>Stockholder Name</th>
<th>Number of Securities Owned</th>
<th>Type of Security Owned</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matthew Chasen</td>
<td>35,000,000</td>
<td>Common Stock</td>
<td>47.9</td>
</tr>
<tr>
<td>Matthew Chasen</td>
<td>10,000</td>
<td>Seed I Note</td>
<td>47.9</td>
</tr>
<tr>
<td>The MBC 2011 Trust</td>
<td>7,500,000</td>
<td>Common Stock</td>
<td>10.3</td>
</tr>
<tr>
<td>The MRC 2011 Trust</td>
<td>7,500,000</td>
<td>Common Stock</td>
<td>10.3</td>
</tr>
</tbody>
</table>

The Company’s Securities

The Company has authorized Common Stock, Seed I Note, Seed II, and Seed III Note. As part of the Regulation Crowdfunding raise, the Company will be offering up to 1,879,690 of Common Stock.

Common Stock

The amount of security authorized is 140,000,000 with a total of 70,985,500 outstanding.

Voting Rights

One vote per share

Material Rights

The amount of shares listed outstanding of common stock includes 2,474,250 shares worth of restricted stock units and options reserved but unissued.

Voting Proxy

Each Subscriber shall appoint the Chief Executive Officer of the Company (the “CEO”), or his or her successor, as the Subscriber’s true and lawful proxy and attorney, with the power to act alone and with full power of substitution, to, consistent with this instrument and on behalf of the Subscriber, (i) vote all Securities, (ii) give and receive notices and communications, (iii) execute any instrument or document that the CEO determines is necessary or appropriate in the exercise of its authority under this instrument, and (iv) take all actions necessary or appropriate in the judgment of the CEO for the accomplishment of the foregoing. The proxy and power granted by the Subscriber pursuant to this Section are coupled with an interest. Such proxy and power will be irrevocable. The proxy and power, so long as the Subscriber is an individual, will survive the death, incompetency and disability of the Subscriber and, so long as the Subscriber is an entity, will survive the merger or reorganization of the Subscriber or any other entity holding the Securities. However, the Proxy will
terminate upon the closing of a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933 covering the offer and sale of Common Stock or the effectiveness of a registration statement under the Securities Exchange Act of 1934 covering the Common Stock.

**Seed I Note**

The security will convert into Common or preferred stock and the terms of the Seed I Note are outlined below:

**Amount outstanding:** $1,522,106.87  
**Maturity Date:** March 31, 2022  
**Interest Rate:** 4.0%  
**Discount Rate:** 20.0%  
**Valuation Cap:** $8,000,000.00  
**Conversion Trigger:** A Qualified Financing pursuant to which the Company issues and sells shares of Common or Preferred Stock for aggregate gross proceeds of at least $1,000,000, or maturity

**Material Rights**

- All unpaid principal, together with any then unpaid and accrued interest, shall be due and payable on the earlier of (i) 15 days after receipt by the Company from the Majority in Interest of Investors of a written demand for payment, which demand shall not be made prior to the Maturity Date, or (ii) when, upon the occurrence and during the continuance of an Event of Default, such amounts are declared due and payable by a Majority in Interest of Investors or made automatically due and payable, in each case, in accordance with the terms hereof.

- If there shall be any Event of Default hereunder, at the option and upon the declaration of the Majority in Interest of Investors and upon written notice to the Company (which election and notice shall not be required in the case of an Event of Default under Section 3(c) or 3(d)), this Note shall accelerate and all principal and unpaid accrued interest shall become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding.

- “Conversion Price” shall mean (i) for purposes of Section 4(a) (Automatic Conversion), a price per unit equal to 80% of the Preferred Purchase Price, or (ii) for purposes of Section 4(b) (Conversion at Maturity), a price per unit determined by dividing $8,000,000 by the number of units of the Company outstanding as of immediately prior to the conversion event (on a fully-diluted basis, assuming the exercise of all exercisable securities and the conversion of all convertible securities, but excluding all unissued units reserved for issuance under any equity incentive plan.

- “Cap Price” shall mean the quotient obtained by dividing (A) $8,000,000 by (B) 7,050,000, which is the total number of shares of the Company’s Common Stock
outstanding on September 1, 2021, on a fully-diluted basis, assuming the exercise of all exercisable securities and the conversion of all convertible securities (but excluding the conversion of outstanding convertible notes), and including all unissued shares under any equity incentive plan.”

- “Qualified Financing” is a transaction or series of transactions pursuant to which the Company issues and sells shares of its Preferred Stock or Common Stock for aggregate gross proceeds of at least $3,000,000 (excluding all proceeds from the incurrence of indebtedness that is converted into such Preferred Stock or Common Stock, or otherwise cancelled in consideration for the issuance of such Preferred Stock or Common Stock) with the principal purpose of raising capital.”

- If a Qualified Financing occurs on or prior to the Maturity Date, then the outstanding principal amount of this Note and all accrued and unpaid interest on this Note (collectively, the “Note Balance”) shall automatically convert into the number of fully paid and nonassessable shares determined by dividing the Note Balance by the Conversion Price (the “Total Shares”). The Total Shares will consist of: (x) if the shares issued to investors putting cash into the Qualified Financing are shares of Preferred Stock, (i) that number of shares of Preferred Stock issued in the Qualified Financing obtained by dividing the Note Balance by the Preferred Purchase Price (the “Preferred Shares”), and (ii) that number of shares of Common Stock equal to the Total Shares minus the Preferred Shares; or (y) Common Stock, if the shares issued to investors putting cash into the Qualified Financing are shares of Common Stock.

- On the Maturity Date, if any principal or interest under this Note is then outstanding, the Note Balance will automatically convert into fully paid and nonassessable shares of the Company’s Common Stock at a price per share equal to the Cap Price (the “Common Stock Optional Conversion”) and upon such conversion each Note will be automatically cancelled and of no further force and effect.”

- If a Change of Control occurs prior to a Qualified Financing, then the Investor shall be paid a prepayment premium equal to all accrued and unpaid interest due on this Note as of immediately prior to such Change of Control plus two times (2X) the outstanding principal amount of this Note, and the Note shall thereafter be cancelled and be of no further force or effect, whether or not it is delivered to the Company for cancellation.

- So long as the Notes are outstanding, the Company will furnish to each Investor upon request and when available (i) annual unaudited financial statements for each fiscal year of the Company, including an unaudited balance sheet as of the end of such fiscal year, an unaudited statement of operations and an unaudited statement of cash flows of the Company for such year, all prepared in accordance with generally accepted accounting principles and practices; and (ii) quarterly unaudited financial statements for each fiscal quarter of the Company (except the last quarter of the Company’s fiscal year), including an unaudited balance sheet as of the end of such fiscal year, an unaudited statement of operations and an unaudited statement of cash flows of the Company for such quarter, all prepared in accordance with generally accepted accounting
principles and practices, subject to changes resulting from normal year-end audit adjustments. If the Company has audited records of any of the foregoing, it shall provide those in lieu of the unaudited versions.

**Seed II**

The security will convert into Common or preferred stock and the terms of the Seed II are outlined below:

- **Amount Outstanding:** $5,345,000.00
- **Maturity Date:** March 31, 2022
- **Interest Rate:** 4.0%
- **Discount Rate:** 20.0%
- **Valuation Cap:** $36,000,000,000.00
- **Conversion Trigger:** Company issues and sells shares of its Common or Preferred Stock for aggregate gross proceeds of at least $3,000,000, or maturity

**Material Rights**

All unpaid principal, together with any then unpaid and accrued interest, shall be due and payable on the earlier of (i) 15 days after receipt by the Company from the Majority in Interest of Investors of a written demand for payment, which demand shall not be made prior to the Maturity Date, or (ii) when, upon the occurrence and during the continuance of an Event of Default, such amounts are declared due and payable by a Majority in Interest of Investors or made automatically due and payable, in each case, in accordance with the terms hereof.

If there shall be any Event of Default hereunder, at the option and upon the declaration of the Majority in Interest of Investors and upon written notice to the Company (which election and notice shall not be required in the case of an Event of Default under Section 3(c) or 3(d)), this Note shall accelerate and all principal and unpaid accrued interest shall become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding.

“Conversion Price” shall mean (i) for purposes of Section 4(a) (Automatic Conversion), a price per unit equal to 80% of the Preferred Purchase Price, or (ii) for purposes of Section 4(b) (Conversion at Maturity), a price per unit determined by dividing $36,000,000 by the number of units of the Company outstanding as of immediately prior to the conversion event (on a fully-diluted basis, assuming the exercise of all exercisable securities and the conversion of all convertible securities, but excluding all unissued units reserved for issuance under any equity incentive plan.

“Cap Price” shall mean the quotient obtained by dividing (A) $36,000,000 by (B) 7,050,000, which is the total number of shares of the Company’s Common Stock outstanding on September 1, 2021, on a fully-diluted basis, assuming the exercise of all exercisable securities and the conversion of all convertible securities (but excluding the conversion of outstanding convertible notes), and including all unissued shares.
under any equity incentive plan."

"Qualified Financing" is a transaction or series of transactions pursuant to which the Company issues and sells shares of its Preferred Stock or Common Stock for aggregate gross proceeds of at least $3,000,000 (excluding all proceeds from the incurrence of indebtedness that is converted into such Preferred Stock or Common Stock, or otherwise cancelled in consideration for the issuance of such Preferred Stock or Common Stock) with the principal purpose of raising capital."

If a Qualified Financing occurs on or prior to the Maturity Date, then the outstanding principal amount of this Note and all accrued and unpaid interest on this Note (collectively, the "Note Balance") shall automatically convert into the number of fully paid and nonassessable shares determined by dividing the Note Balance by the Conversion Price (the "Total Shares"). The Total Shares will consist of: (x) if the shares issued to investors putting cash into the Qualified Financing are shares of Preferred Stock, (i) that number of shares of Preferred Stock issued in the Qualified Financing obtained by dividing the Note Balance by the Preferred Purchase Price (the "Preferred Shares"), and (ii) that number of shares of Common Stock equal to the Total Shares minus the Preferred Shares; or (y) Common Stock, if the shares issued to investors putting cash into the Qualified Financing are shares of Common Stock.

On the Maturity Date, if any principal or interest under this Note is then outstanding, the Note Balance will automatically convert into fully paid and nonassessable shares of the Company’s Common Stock at a price per share equal to the Cap Price (the "Common Stock Optional Conversion") and upon such conversion each Note will be automatically cancelled and of no further force and effect."

If a Change of Control occurs prior to a Qualified Financing, then the Investor shall be paid a prepayment premium equal to all accrued and unpaid interest due on this Note as of immediately prior to such Change of Control plus two times (2X) the outstanding principal amount of this Note, and the Note shall thereafter be cancelled and be of no further force or effect, whether or not it is delivered to the Company for cancellation.

So long as the Notes are outstanding, the Company will furnish to each Investor upon request and when available (i) annual unaudited financial statements for each fiscal year of the Company, including an unaudited balance sheet as of the end of such fiscal year, an unaudited statement of operations and an unaudited statement of cash flows of the Company for such year, all prepared in accordance with generally accepted accounting principles and practices; and (ii) quarterly unaudited financial statements for each fiscal quarter of the Company (except the last quarter of the Company’s fiscal year), including an unaudited balance sheet as of the end of such fiscal year, an unaudited statement of operations and an unaudited statement of cash flows of the Company for such quarter, all prepared in accordance with generally accepted accounting principles and practices, subject to changes resulting from normal year-end audit adjustments. If the Company has audited records of any of the foregoing, it shall provide those in lieu of the unaudited versions.

*Seed III Note*
The security will convert into Common or preferred stock and the terms of the Seed III Note are outlined below:

**Amount outstanding**: $1,700,000.00  
**Maturity Date**: September 30, 2023  
**Interest Rate**: 4.0%  
**Discount Rate**: 20.0%  
**Valuation Cap**: $150,000,000.00  
**Conversion Trigger**: $3,000,000 qualified financing or maturity

**Material Rights**

All unpaid principal, together with any then unpaid and accrued interest, shall be due and payable on the earlier of (i) 15 days after receipt by the Company from the Majority in Interest of Investors of a written demand for payment, which demand shall not be made prior to the Maturity Date, or (ii) when, upon the occurrence and during the continuance of an Event of Default, such amounts are declared due and payable by a Majority in Interest of Investors or made automatically due and payable, in each case, in accordance with the terms hereof.

If there shall be any Event of Default hereunder, at the option and upon the declaration of the Majority in Interest of Investors and upon written notice to the Company (which election and notice shall not be required in the case of an Event of Default under Section 3(c) or 3(d)), this Note shall accelerate and all principal and unpaid accrued interest shall become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding.

“Conversion Price” shall mean (i) for purposes of Section 4(a) (Automatic Conversion), a price per unit equal to 80% of the Preferred Purchase Price, or (ii) for purposes of Section 4(b) (Conversion at Maturity), a price per unit determined by dividing $150,000,000 by the number of units of the Company outstanding as of immediately prior to the conversion event (on a fully-diluted basis, assuming the exercise of all exercisable securities and the conversion of all convertible securities, but excluding all unissued units reserved for issuance under any equity incentive plan).

“Cap Price” shall mean the quotient obtained by dividing (A) $150,000,000 by (B) 7,050,000, which is the total number of shares of the Company’s Common Stock outstanding on September 1, 2021, on a fully-diluted basis, assuming the exercise of all exercisable securities and the conversion of all convertible securities (but excluding the conversion of outstanding convertible notes), and including all unissued shares under any equity incentive plan.”

“Qualified Financing” is a transaction or series of transactions pursuant to which the Company issues and sells shares of its Preferred Stock or Common Stock for aggregate gross proceeds of at least $3,000,000 (excluding all proceeds from the incurrence of indebtedness that is converted into such Preferred Stock or Common Stock, or otherwise cancelled in consideration for the issuance of such Preferred Stock or
Common Stock) with the principal purpose of raising capital."

If a Qualified Financing occurs on or prior to the Maturity Date, then the outstanding principal amount of this Note and all accrued and unpaid interest on this Note (collectively, the “Note Balance”) shall automatically convert into the number of fully paid and nonassessable shares determined by dividing the Note Balance by the Conversion Price (the “Total Shares”). The Total Shares will consist of: (x) if the shares issued to investors putting cash into the Qualified Financing are shares of Preferred Stock, (i) that number of shares of Preferred Stock issued in the Qualified Financing obtained by dividing the Note Balance by the Preferred Purchase Price (the “Preferred Shares”), and (ii) that number of shares of Common Stock equal to the Total Shares minus the Preferred Shares; or (y) Common Stock, if the shares issued to investors putting cash into the Qualified Financing are shares of Common Stock.

On the Maturity Date, if any principal or interest under this Note is then outstanding, the Note Balance will automatically convert into fully paid and nonassessable shares of the Company’s Common Stock at a price per share equal to the Cap Price (the “Common Stock Optional Conversion”) and upon such conversion each Note will be automatically cancelled and of no further force and effect.”

If a Change of Control occurs prior to a Qualified Financing, then the Investor shall be paid a prepayment premium equal to all accrued and unpaid interest due on this Note as of immediately prior to such Change of Control plus two times (2X) the outstanding principal amount of this Note, and the Note shall thereafter be cancelled and be of no further force or effect, whether or not it is delivered to the Company for cancellation.

So long as the Notes are outstanding, the Company will furnish to each Investor upon request and when available (i) annual unaudited financial statements for each fiscal year of the Company, including an unaudited balance sheet as of the end of such fiscal year, an unaudited statement of operations and an unaudited statement of cash flows of the Company for such year, all prepared in accordance with generally accepted accounting principles and practices; and (ii) quarterly unaudited financial statements for each fiscal quarter of the Company (except the last quarter of the Company’s fiscal year), including an unaudited balance sheet as of the end of such fiscal year, an unaudited statement of operations and an unaudited statement of cash flows of the Company for such quarter, all prepared in accordance with generally accepted accounting principles and practices, subject to changes resulting from normal year-end audit adjustments. If the Company has audited records of any of the foregoing, it shall provide those in lieu of the unaudited versions.

What it means to be a minority holder

As a minority holder of Common Stock of this offering, you have granted your votes by proxy to the CEO of the Company. Even if you were to receive control of your voting rights, as a minority holder, you will have limited rights in regards to the corporate actions of the company, including additional issuances of securities, company repurchases of securities, a sale of the company or its significant assets, or
company transactions with related parties. Further, investors in this offering may have rights less than those of other investors, and will have limited influence on the corporate actions of the company.

**Dilution**

Investors should understand the potential for dilution. The investor’s stake in a company could be diluted due to the company issuing additional shares. In other words, when the company issues more shares, the percentage of the company that you own will go down, even though the value of the company may go up. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round, angel investment), employees exercising stock options, or by conversion of certain instruments (e.g. convertible bonds, preferred shares or warrants) into stock.

If the company decides to issue more shares, an investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (though this typically occurs only if the company offers dividends, and most early stage companies are unlikely to offer dividends, preferring to invest any earnings into the company).

**Transferability of securities**

For a year, the securities can only be resold:

- In an IPO;
- To the company;
- To an accredited investor; and
- To a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

**Recent Offerings of Securities**

We have made the following issuances of securities within the last three years:

- **Type of security sold:** Convertible Note
- **Final amount sold:** $1,522,106.87
- **Use of proceeds:** Hiring, prototype development, flight testing
- **Date:** January 02, 2019
- **Offering exemption relied upon:** 506(b)
Financial Condition and Results of Operations

Financial Condition

You should read the following discussion and analysis of our financial condition and results of our operations together with our financial statements and related notes appearing at the end of this Offering Memorandum. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in the section entitled “Risk Factors” and elsewhere in this Offering Memorandum.

Results of Operations

Circumstances which led to the performance of financial statements:

Year ended December 31, 2019 compared to year ended December 31, 2018

Revenue

Revenue for fiscal year 2020 was $1,409,752, compared to fiscal year 2019 revenue of $99,900. In 2020 the increase in revenue was driven by revenue recognized under LIFT’s U.S. Air Force SBIR contracts and other grants, as well as increased appearance fees for international exhibitions.

Expenses

The Company’s expenses consist of, among other things, compensation and benefits, marketing and sales expenses, fees for professional services and patents, research and development expenses, depreciation of aircraft and other fixed assets and interest expense. General and administrative expenses increased in 2020 primarily due to the hiring of additional corporate personnel. Research and development expenses decreased in 2020 due to lower engineering consultant fees, partially offset by higher
wages paid to contract R&D personnel. Sales and marketing expenses decreased in 2020 primarily from lower advertising and marketing expenses due to LIFT ceasing the marketing of Tour flight deposits to individuals.

**Operating Income**

LIFT Aircraft Inc. reported $69,050 in operating income in 2020 compared to an operating loss of $1,360,030 in 2019 due to higher revenue and lower overall operating expenses.

**Net Loss**

The company lost $514,072 in 2020 compared to $1,730,793 in 2019. The lower net loss was due to higher operating income, offset by higher depreciation expenses from depreciation for tooling and finished aircraft and higher interest expense due to a larger balance of convertible notes outstanding. The company also recognized $53,683 of other income largely due to partial forgiveness of its PPP loan.

**Historical results and cash flows:**

LIFT Aircraft Inc.'s operations have been funded to date primarily from the issuance of convertible notes, along with revenue generated by research, development, test and demonstration contracts with the U.S. Air Force and other customers. The primary drivers of cash outflows are operating expenses including the payments of salaries and benefits to company employees and contractors, the production of HEXA aircraft and capital expenditures on production tooling and other fixed assets. In the future, the company anticipates it will need continued government contracting revenue as well as capital raises from the sale of debt or equity securities to continue to operate, build its internal aircraft fleet and develop eVTOL vertiports. There can be no assurances that government or investor funding will be available. Due to LIFT's early stage of development, previous years' results and cash flows may not be representative of future years.

**Liquidity and Capital Resources**

**What capital resources are currently available to the Company? (Cash on hand, existing lines of credit, shareholder loans, etc...)**

As of 9/30/2021 LIFT Aircraft Inc. had cash of $177,535 available in its primary bank account, $50,535 in a bank transfer holding account and $8,715 in its PayPal account. The company also has corporate credit card accounts with Capital One and American Express with credit lines of $95,000 and $25,000, respectively, and outstanding balances of $89,993 and $66, respectively.

**How do the funds of this campaign factor into your financial resources? (Are these funds critical to your company operations? Or do you have other funds or capital resources available?)**
The Company plans on using the proceeds of this offering to support working capital including the manufacture of aircraft for its development contracts and location operations, as well as the buildout of its first Vertiport. The company also anticipates the proceeds from this offering will serve as matching funds for its pending USAF STRATFI contract, which requires raising outside equity capital to be eligible for collecting the full contract amount.

**Are the funds from this campaign necessary to the viability of the company? (Of the total funds that your company has, how much of that will be made up of funds raised from the crowdfunding campaign?)**

LIFT Aircraft Inc.‘s current business plan requires raising outside capital to fund the buildout of its aircraft fleets and Vertiports as well as a general increase in human resources. If the equity crowdfunding campaign is not successful, the company will seek capital from other sources including the sale of additional convertible seed notes, common equity, preferred stock or other securities.

**How long will you be able to operate the company if you raise your minimum? What expenses is this estimate based on?**

If we raise our minimum, we believe we can become self-funding for at least the next 12 months upon anticipated approval of the USAF STRATFI contract. However, we will be forced to reduce aircraft production, not make anticipated hires and delay the buildout of our first fixed Vertiport. Although we anticipate likely selection in the USAF STRATFI contract, if that does not occur or if the contract cannot be finalized for other reasons the Company would need to consider reducing employment and/or slowing HEXA production and development if it was not successful raising capital from outside sources.

**How long will you be able to operate the company if you raise your maximum funding goal?**

We believe that if we hit our maximum funding goal the company would be able to operate for at least the next year given the potential operating income contributions of our anticipated USAF contracts and touring operations. Hitting the maximum funding goal would fund the anticipated buildout costs of the company’s first Vertiport, and enable more rapid hiring of LIFT personnel to accelerate development. However, we may need additional outside capital to fund the buildout of additional vertiports and production of aircraft.

**Are there any additional future sources of capital available to your company? (Required capital contributions, lines of credit, contemplated future capital raises, etc...)**
If the Company's USAF STRATFI contract is approved, LIFT Aircraft Inc. should receive $15M of additional development funding coupled with $15M of additional SBIR matching grants, provided it can raise the required outside equity capital. To raise the required outside equity capital, the Company is contemplating a Reg A+ offering and/or a future offering of convertible notes, preferred stock or common stock.

**Indebtedness**

- **Creditor**: Convertible seed note I holders  
  **Amount Owed**: $1,522,106.87  
  **Interest Rate**: 4.0%  
  **Maturity Date**: March 31, 2022  
  See section on previous offerings. Does not include accrued interest.

- **Creditor**: Convertible seed note II holders  
  **Amount Owed**: $5,545,000.00  
  **Interest Rate**: 4.0%  
  **Maturity Date**: March 31, 2022  
  Please see section on previous offerings. Does not include accrued interest.

- **Creditor**: Seed note III holders  
  **Amount Owed**: $1,100,000.00  
  **Interest Rate**: 4.0%  
  **Maturity Date**: September 30, 2023  
  Please see section on previous offerings. Does not include accrued interest.

**Related Party Transactions**

- **Name of Entity**: Matthew Chasen  
  **Relationship to Company**: Officer  
  **Nature / amount of interest in the transaction**: Matthew Chasen purchased $10,000 of the first series of convertible seed notes.  
  **Material Terms**: Matthew Chasen invested at the same terms as other Seed Note I investors.

- **Name of Entity**: Noah Chasen  
  **Relationship to Company**: Family member  
  **Nature / amount of interest in the transaction**: Noah Chasen invested $40,000 in the first series of convertible seed notes and invested $50,000 in the second series of convertible seed notes.  
  **Material Terms**: Noah Chasen invested at the same terms as other investors in Seed Note I and Seed Note II.
Name of Entity: Marvin Chasen  
Relationship to Company: Family member  
Nature / amount of interest in the transaction: Marvin Chasen invested $50,000 in the first series of convertible seed notes and invested $30,000 in the second series of convertible seed notes.  
Material Terms: Marven Chasen invested at the same terms as other investors in Seed Note I and Seed Note II.

Valuation

Pre-Money Valuation: $188,821,430.00

Valuation Details:

LiFT Aircraft set the $188,821,430 Reg CF pre-money valuation based on a 30% discount to the $270,000,000 valuation it anticipates targeting in its planned Reg A+ offering. During the second quarter of 2021, LiFT received a term sheet from a prospective venture capital investor to invest in a convertible note at a valuation cap of $270,000,000 although it did not consummate the transaction. This valuation is also an approximate 50% discount to the December 2019 IPO valuation of EHang (ticker: EH), its closest public comparable. LiFT believes it is at a similar or further development stage in regards to eVTOL aircraft as EHang was at the time of its IPO, but with a discount to account for the lack of liquidity in a Reg A+ offering. EH currently has an enterprise value of $1.2B. LiFT also believes this valuation is conservative compared to the valuations of other public eVTOL developers (ACHR, JOBY, LILM and BSN) which have current enterprise values ranging from approximately $1.9B to $3.9B. These developers have raised more capital and have more employees than LiFT, but do not anticipate having production aircraft until the 2024-2025 timeframe, whereas LiFT has a production eVTOL aircraft flying today.

The pre-money valuation has been calculated on a fully diluted basis. In making this calculation, we have assumed that any shares reserved for issuance under a stock plan are issued.

We have not assumed that all non-option securities with a right to acquire shares will be exercised.

This pre-money valuation was calculated internally without a formal independent third-party evaluation.

Use of Proceeds

If we raise the Target Offering Amount of $9,998.94 we plan to use these proceeds as follows:

- **StartEngine Platform Fees**
  - 3.5%
• **Working Capital**
  96.5%
  Proceeds will be used to support working capital including purchase of aircraft parts for production and final assembly

If we raise the over allotment amount of $4,999,975.40, we plan to use these proceeds as follows:

• **StartEngine Platform Fees**
  3.5%

• **Construction costs for LIFT's first fixed vertiport**
  60.0%
  Estimated permitting and construction costs for LIFT's first fixed Vertiport

• **Aircraft production**
  36.5%
  Production of aircraft for first fixed vertiport, including purchasing carbon fiber airframes and other components and final assembly costs.

The Company may change the intended use of proceeds if our officers believe it is in the best interests of the company.

**Regulatory Information**

**Disqualification**

No disqualifying event has been recorded in respect to the company or its officers or directors.

**Compliance Failure**

The company has not previously failed to comply with the requirements of Regulation Crowdfunding.

**Ongoing Reporting**

The Company will file a report electronically with the SEC annually and post the report on its website no later than April 30 (120 days after Fiscal Year End). Once posted, the annual report may be found on the Company’s website at https://www.liftaircraft.com/ (liftaircraft.com/investors).

The Company must continue to comply with the ongoing reporting requirements until:

1. it is required to file reports under Section 13(a) or Section 15(d) of the Exchange Act;
(2) it has filed at least one (1) annual report pursuant to Regulation Crowdfunding and has fewer than three hundred (300) holders of record and has total assets that do not exceed $10,000,000;

(3) it has filed at least three (3) annual reports pursuant to Regulation Crowdfunding;

(4) it or another party repurchases all of the securities issued in reliance on Section 4(a)(6) of the Securities Act, including any payment in full of debt securities or any complete redemption of redeemable securities; or

(5) it liquidates or dissolves its business in accordance with state law.

Updates

Updates on the status of this Offering may be found at: www.startengine.com/lift

Investing Process

See Exhibit E to the Offering Statement of which this Offering Memorandum forms a part.
EXHIBIT B TO FORM C

FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANT’S REVIEW FOR LIFT Aircraft Inc.

[See attached]
LIFT AIRCRAFT INC.

(a Delaware corporation)

Audited Financial Statements

For the calendar years ended December 31, 2020 and 2019
INDEPENDENT AUDITOR’S REPORT

October 1, 2021

To: Board of Directors, LIFT AIRCRAFT INC.

Re: 2020-2019 Financial Statement Audit

We have audited the accompanying financial statements of LIFT AIRCRAFT INC. (a corporation organized in Delaware) (the “Company”), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of income, shareholders’ equity/deficit, and cash flows for the calendar year periods thus ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of the Company’s financial statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations, shareholders’ equity/deficit and cash flows for the calendar year periods thus ended in accordance with accounting principles generally accepted in the United States of America.

Going Concern
The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in the Notes to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management’s evaluation of the events and conditions and management’s plans regarding these matters are also described in the Notes to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Sincerely,

IndigoSpire CPA Group

IndigoSpire CPA Group, LLC
Aurora, CO

October 1, 2021
LIFT AIRCRAFT INC.
BALANCE SHEETS
As of December 31, 2020, and 2019
See accompanying Independent Auditor’s Report and Notes to the Financial Statements

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,829,642</td>
<td>$1,318,388</td>
</tr>
<tr>
<td>Project works in progress, net</td>
<td>1,076,915</td>
<td>16,438</td>
</tr>
<tr>
<td>Other current assets</td>
<td>49,358</td>
<td>0</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>2,955,915</td>
<td>1,334,825</td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets, net</td>
<td>2,676,831</td>
<td>857,065</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$5,632,746</td>
<td>$2,191,890</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES AND SHAREHOLDERS’ EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts and credit cards payable</td>
<td>$548,760</td>
<td>$60,170</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>676,662</td>
<td>738,248</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>73,147</td>
<td>0</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>1,298,569</td>
<td>798,418</td>
</tr>
<tr>
<td>Non-Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convertible loans payable, non-current</td>
<td>6,797,107</td>
<td>3,572,107</td>
</tr>
<tr>
<td>Accrued interest on convertible notes payable</td>
<td>323,014</td>
<td>153,632</td>
</tr>
<tr>
<td>PPP loan payable</td>
<td>55,275</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>8,473,966</td>
<td>4,524,157</td>
</tr>
<tr>
<td>Shareholders’ Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock, voting (10,000,000 shares of $0.00001 par value shares authorized, 5,080,843 and 5,050,000 shares outstanding as of December 31, 2020 and 2019)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>5,119</td>
<td>3,089</td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(2,846,338)</td>
<td>(2,335,356)</td>
</tr>
<tr>
<td><strong>TOTAL SHAREHOLDERS’ EQUITY</strong></td>
<td>(2,841,219)</td>
<td>(2,332,267)</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY</strong></td>
<td>$5,632,746</td>
<td>$2,191,890</td>
</tr>
</tbody>
</table>
LIFT AIRCRAFT INC.
STATEMENT OF OPERATIONS
Calendar years ended December 31, 2020 and 2019
See accompanying Independent Auditor’s Report and Notes to the Financial Statements

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues, net</td>
<td>$ 1,409,752</td>
<td>$ 99,900</td>
</tr>
<tr>
<td>Operating Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and</td>
<td>707,363</td>
<td>576,065</td>
</tr>
<tr>
<td>administrative</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and</td>
<td>551,444</td>
<td>610,993</td>
</tr>
<tr>
<td>development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and</td>
<td>81,896</td>
<td>272,872</td>
</tr>
<tr>
<td>marketing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Operating</td>
<td>1,340,702</td>
<td>1,459,930</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net operating</td>
<td>69,050</td>
<td>(1,360,030)</td>
</tr>
<tr>
<td>income (loss)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Expense:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>53,683</td>
<td>0</td>
</tr>
<tr>
<td>(expense)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>(458,208)</td>
<td>(217,636)</td>
</tr>
<tr>
<td>(expense)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest (expense),</td>
<td>(178,596)</td>
<td>(153,127)</td>
</tr>
<tr>
<td>net</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Loss</td>
<td>$ (514,072)</td>
<td>$ (1,730,793)</td>
</tr>
</tbody>
</table>
LIFT AIRCRAFT INC.
STATEMENT OF SHAREHOLDERS’ EQUITY/DEFICIT
Calendar years ended December 31, 2020 and 2019
See accompanying Independent Auditor’s Report and Notes to the Financial Statements

<table>
<thead>
<tr>
<th></th>
<th>Common Stock</th>
<th>Share-based Compensation</th>
<th>Accumulated Deficit</th>
<th>Total Shareholders’ Capital (Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of January 1, 2019</td>
<td>0</td>
<td>$ 0</td>
<td>$(601,563)</td>
<td>$(601,563)</td>
</tr>
<tr>
<td>Share based compensation</td>
<td></td>
<td>3,089</td>
<td></td>
<td>3,089</td>
</tr>
<tr>
<td>Net Loss</td>
<td></td>
<td></td>
<td>$(1,730,793)</td>
<td>$(1,730,793)</td>
</tr>
<tr>
<td><strong>Balance as of December 31, 2019</strong></td>
<td><strong>0</strong></td>
<td><strong>$ 3,089</strong></td>
<td><strong>$(2,332,356)</strong></td>
<td><strong>$(2,335,267)</strong></td>
</tr>
<tr>
<td>Share based compensation</td>
<td></td>
<td>2,030</td>
<td></td>
<td>2,030</td>
</tr>
<tr>
<td>Net Loss</td>
<td></td>
<td></td>
<td>$(514,072)</td>
<td>$(514,072)</td>
</tr>
<tr>
<td><strong>Balance as of December 31, 2020</strong></td>
<td><strong>0</strong></td>
<td><strong>$ 5,119</strong></td>
<td><strong>$(2,846,338)</strong></td>
<td><strong>$(2,841,219)</strong></td>
</tr>
</tbody>
</table>
LIFT AIRCRAFT INC.
STATEMENT OF CASH FLOWS
Calendar years ended December 31, 2020 and 2019
See accompanying Independent Auditor’s Report and Notes to the Financial Statements

<table>
<thead>
<tr>
<th>Cash Flows From Operating Activities</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Loss</td>
<td>$ (514,072)</td>
<td>$ (1,730,793)</td>
</tr>
<tr>
<td>Adjustments to reconcile net loss to net cash used in operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>458,208</td>
<td>217,636</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>2,030</td>
<td>3,089</td>
</tr>
<tr>
<td>Deferred interest</td>
<td>178,596</td>
<td>153,127</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) Decrease in project works in progress</td>
<td>(1,060,477)</td>
<td>(16,438)</td>
</tr>
<tr>
<td>(Increase) Decrease in other current assets</td>
<td>(49,358)</td>
<td>0</td>
</tr>
<tr>
<td>Increase (Decrease) in accounts payable</td>
<td>488,590</td>
<td>41,214</td>
</tr>
<tr>
<td>Increase (Decrease) in deferred revenue</td>
<td>(61,586)</td>
<td>738,248</td>
</tr>
<tr>
<td>Increase (Decrease) in other current liabilities</td>
<td>73,147</td>
<td>0</td>
</tr>
<tr>
<td>Net Cash Used In Operating Activities</td>
<td>(484,922)</td>
<td>(493,917)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows From Investing Activities</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditures</td>
<td>(2,284,099)</td>
<td>(984,384)</td>
</tr>
<tr>
<td>Net Cash Used In Investing Activities</td>
<td>(2,284,099)</td>
<td>(984,384)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows From Financing Activities</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds of convertible notes payable</td>
<td>3,225,000</td>
<td>2,050,000</td>
</tr>
<tr>
<td>Proceeds from PPP loan payable</td>
<td>55,275</td>
<td>0</td>
</tr>
<tr>
<td>Net Cash Provided By Financing Activities</td>
<td>3,280,275</td>
<td>2,050,000</td>
</tr>
</tbody>
</table>

Net Change In Cash  
511,254  
471,699

Cash at Beginning of Period  
1,318,388  
846,689

Cash at End of Period  
$ 1,829,642  
$ 1,318,388
NOTE 1 - NATURE OF OPERATIONS

LIFT AIRCRAFT INC. ("the Company", "LIFT" or "we") is a corporation organized under the laws of the State of Delaware on September 22, 2017. The Company is developing, with US Air Force grants, and implementing a fleet of vertical take-off, electric aircraft (named the HEXA).

Since inception, the Company relied on raising convertible loans and government grants to fund its business. The Company has an accumulated deficit in earnings since inception. These matters raise substantial concern about the Company's ability to continue as a going concern once funds raised from investors have been exhausted. These financial statements and related notes thereto do not include any adjustments that might result from these uncertainties.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America ("GAAP"). In the opinion of management, all adjustments considered necessary for the fair presentation of the financial statements for the years presented have been included.

Use of Estimates
The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the footnotes thereto. Actual results could differ from those estimates.

Risks and Uncertainties
The Company has a limited operating history. The Company's business and operations are sensitive to general business and economic conditions in the United States. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include: recession, downturn or otherwise, changes in regulations or restrictions in imports, competition or changes in consumer taste. These adverse conditions could affect the Company's financial condition and the results of its operations. As of December 31, 2020, the Company is operating as a going concern. See Notes 1 and 9 for additional information.

Cash and Cash Equivalents
The Company considers short-term, highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents. Cash consists of funds held in the Company's checking account. The Company maintains its cash with a major financial institution located in the United States of America, which it believes to be credit worthy. The Federal Deposit Insurance Corporation insures balances up to $250,000. At times, the Company may maintain balances in excess of the federally insured limits. As of December 31, 2020 and 2019, the Company had $1,829,642 and $1,318,388 cash on hand, respectively.

Receivables and Credit Policy
Trade receivables from customers are uncollateralized customer obligations due under normal trade terms, primarily requiring payment before services are rendered. Trade receivables are stated at the amount billed to the customer. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoice. The Company, routinely assesses its outstanding accounts. As a result, the Company believes that its accounts receivable credit risk exposure is limited. The Company has not accrued for any bad debts as of these dates.
Sales Taxes
Various states may impose a sales tax on the Company’s sales to non-exempt customers. If required, the Company will collect the sales tax from customers and remits the entire amount to each respective state. The Company’s accounting policy is to exclude the tax collected and remitted to the states from revenue and cost of sales.

Property and Equipment
Property and equipment are recorded at cost if the expenditure exceeds $1,000. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are expensed as incurred. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the balance sheet accounts and the resultant gain or loss is reflected in income.

Depreciation is provided using the straight-line method, based on useful lives of the assets which range from three to fifteen years depending on the asset type.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. As of December 31, 2020 and 2019, the Company maintained fixed assets with a net book value of $2,676,831 and $857,065 as of December 31, 2020 and 2019, respectively. These fixed assets have accumulated depreciation totaling $670,695 and $294,287 as of December 31, 2020 and 2019, respectively.

Fair Value Measurements
The Company has determined the fair value of certain assets and liabilities in accordance with United States generally accepted accounting principles (“GAAP”), which provides a framework for measuring fair value.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

Income Taxes
The Company is taxed as a C corporation. The Company complies with FASB ASC 740 for accounting for uncertainty in income taxes recognized in a company’s financial statements, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. FASB ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Based on the Company’s evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company’s financial statements. The Company believes that its income tax positions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

The Company has incurred taxable losses since inception but is current in its tax filing obligations. The Company is not presently subject to any income tax audit in any taxing jurisdiction.
Revenue Recognition
The Company adopted ASC 606, Revenue from Contracts with Customers, as of January 1, 2019 (the “transition date”) using the full retrospective method. There was no transition adjustment recorded upon the adoption of ASC 606. Under ASC 606, revenue is recognized when a customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services.

To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the Company performs the following steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

Revenue from services are recognized as they are performed. Revenue from government grants are recognized as the terms of the grant are fulfilled.

In 2019, 100 percent of the revenues recorded are from a single customer. In 2020, 78 percent of the revenue was from contracts with the US Air Force while an additional 11 percent is from different single customer.

Sales and Marketing Expenses
The Company expenses advertising costs as they are incurred.

Recent Accounting Pronouncements
In February 2017, FASB issued ASU No. 2017-02, “Leases (Topic 842),” that requires organizations that lease assets, referred to as “lessees,” to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with lease terms of more than 12 months. ASU 2017-02 will also require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases and will include qualitative and quantitative requirements. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. The Company is currently evaluating the effect that the updated standard will have on its financial statements and related disclosures. The Company will adopt this standard after required to and when applicable to the Company.

In May 2018, FASB issued ASU 2018-09, “Compensation–Stock Compensation (Topic 718): Scope of Modification Accounting”, clarifies such that an entity must apply modification accounting to changes in the terms or conditions of a share-based payment award unless all of the following criteria are met: (1) the fair value of the modified award is the same as the fair value of the original award immediately before the modification. The ASU indicates that if the modification does not affect any of the inputs to the valuation technique used to value the award, the entity is not required to estimate the value immediately before and after the modification; (2) the vesting conditions of the modified award are the same as the vesting conditions of the original award immediately before the modification; and (3) the classification of the modified award as an equity instrument or a liability instrument is the same as the classification of the original award immediately before the modification. The ASU is effective for all entities for fiscal years beginning after December 15, 2018, including interim periods within those years. Early adoption is permitted, including adoption in an interim period. The Company is currently evaluating the impact that this standard will have on our consolidated financial statements and will adopt this change when applicable to the Company.

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date, including those above, that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to the Company, or (iv) are not expected to have a material impact the Company’s financial statements.

NOTE 3 – INCOME TAX PROVISION
As discussed above, the Company is a C corporation for federal income tax purposes. The Company has incurred tax losses since inception, however valuation allowances has been established against the deferred tax assets associated with the carryforwards of those losses as there does not yet exist evidence that the deferred tax assets created by those losses will ever be utilized.

Tax returns once filed which will remain subject to examination by the Internal Revenue Service under the statute of limitations for a period of three years from the date it is filed.

**NOTE 4 – SHARE CAPITAL**

The Company has a single class of Common Stock. The Company has authorized 10,000,000 shares. The Company has 5,080,843 shares issued and outstanding as of December 31, 2020. The Company has an additional 1,969,157 shares reserved for options and restricted stock units that have not converted or vested into common shares yet.

**NOTE 5 – DEBT**

*Long-Term Notes*

The Company has issued approximately $6,797,107 and $3,572,107 of convertible notes as of December 31, 2020 and 2019, respectively. Of the $6,797,107 balance as of December 31, 2020, $1,522,107 matures on October 31, 2021 that bear interest at 4 percent per annum and a $8,000,000 valuation cap. The remaining $5,275,000 matures on October 31, 2021, bear interest at 4 percent per annum and have a $36,000,000 valuation cap.

**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

*Litigation*

The Company, from time to time, may be involved with lawsuits arising in the ordinary course of business. In the opinion of the Company's management, any liability resulting from such litigation would not be material in relation to the Company's consolidated financial position, results of operations and cash flows. There is no pending or threatened litigation.

**NOTE 7 – RELATED PARTY TRANSACTIONS**

*Related-Party Transactions*

Giving effect to outstanding options but not the unutilized option pool, CEO, Chairman and Founder Matthew Chasen constructively owns 72.6 percent of LIFT Aircraft Inc.'s fully diluted common stock outstanding.

The Company does not and has not paid Mr. Chasen any rent, commissions, advances, licenses or royalties nor are there any loan arrangements between the company and Mr. Chasen. Mr. Chasen did purchase $10,000 of the Company’s convertible note payable. The Company also compensates Mr. Chasen for services rendered as chief executive.

As the transaction was between related parties, there is no guarantee that the terms of the sale represent an arm’s length transaction.

**NOTE 8 – GOING CONCERN**

These financial statements are prepared on a going concern basis. The Company began operation in 2017. The Company has a limited operating history. The Company’s ability to continue is dependent upon management’s plan to grow profitable operations and raise additional funds. The financial statements do not include any adjustments that might be necessary if the Company is not able to continue as a going concern.
NOTE 9 – SUBSEQUENT EVENTS

Reg CF Securities Offering
The Company is in the process of preparing for a securities offering exempt from registration under Regulation CF where the Company will issue up to $5,000,000 of common stock. The securities offering will be listed with StartEngine and they will receive compensation for the listing commensurate with its standard terms.

COVID-19 Related Actions
On March 10, 2020, the World Health Organization declared the coronavirus outbreak ("COVID-19") to be a pandemic. The outbreak is negatively impacting businesses across a range of industries. The extent of the impact of COVID-19 on the Company’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Company’s customers, employees and vendors, all of which are uncertain and cannot be predicted. Therefore, the extent to which COVID-19 may impact the Company’s financial condition or results of operations in the future is uncertain.

Management’s Evaluation
Management has evaluated subsequent events through October 1, 2021, the date the financial statements were available to be issued. Based on this evaluation, no additional material events were identified which require adjustment or disclosure in the financial statements.
EXHIBIT C TO FORM C

PROFILE SCREENSHOTS

[See attached]
Data Access and Utilization

The development of this project has resulted in a comprehensive dataset that encompasses various aspects of the study area. These datasets, which include environmental, geographical, and biological data, are now accessible to the scientific community and the general public. The data is organized and stored in a user-friendly manner, allowing for easy retrieval and analysis.

Data Analysis and Interpretation

The primary objective of this project is to analyze the collected data to understand the ecological impacts of the study area. Through statistical and computational methods, we seek to identify patterns and trends that may indicate changes in the environment. This analysis will be instrumental in making informed decisions about the management and conservation of the area.

Project Management and Reporting

The project management team is responsible for ensuring the smooth coordination and execution of all activities related to the project. This includes overseeing the data collection, analysis, and reporting phases. The team is committed to regular communication with stakeholders and the dissemination of findings through various channels.

Impact Assessment and Mitigation

One of the key goals of this project is to assess the potential impacts of human activities on the study area. By understanding these impacts, we can develop strategies to mitigate negative effects and promote sustainable practices. This aspect of the project is crucial for ensuring the long-term health and biodiversity of the area.

Conclusion

In summary, this project represents a significant step forward in our understanding of the study area. Through collaborative efforts, we have gathered extensive data that will guide future research and conservation initiatives. The insights gained from this project will be invaluable in addressing the challenges faced by the study area and promoting a more sustainable future.
EXHIBIT D TO FORM C

VIDEO TRANSCRIPT

VO from Today Show:

"These days, we’re all going nowhere fast. With drivers fitting the equivalent of 2 ½ work weeks a year stuck in traffic (source is listed on screen in the Today Show clip). Makes you fantasize about flying above it all, just like the Jetsons. But now that dream is becoming a reality."

VO from Reuter’s video:

“We truly are on the cusp of a revolution in aviation and it’s being brought about by the electrification of aircraft, much like electric cars are gonna be the future of driving, electric aircraft are going to be the future of flying.”

With less than an hour of training in our VR simulator, anyone can fly our electric vertical takeoff and landing aircraft - HEXA - with no pilot’s license required.

HEXA is like a large drone, made of carbon fiber, that qualifies as an ultralight aircraft under FAA’s Part 103.

Designed for safety, HEXA can lose up to 6 of its 18 motors, has a triply redundant flight computer, a whole-aircraft parachute, floats for water take-off and landing, and can be remotely piloted in the event of an emergency.

With over 3 years of flight testing, we were one of the first to fly a manned eVTOL aircraft. And we’re one of the first to enter production, partnering with Qarbon Aerospace, a Tier-1 aerospace manufacturer.

With more than 15,000 people on waitlists, including 4,000 pre-sold customer flights, we’ve seen enormous interest in our upcoming nationwide tour.

LIFT has been awarded 5 R&D contracts by the US Department of Defense and has earned its initial airworthiness approval from the US Air Force.

And we’re already engaging with cities to utilize HEXA as a first response vehicle - reducing response times and saving lives.

VO from Reuter’s video:

“Depending on the time scale that you’re looking at, you know, 10 to 20 years, we’ll all be using these things. It’ll be in our lifetimes. And, you know, I think that especially when you look at that time horizon you’re going to see a lot of these things flying around. They’re going to be fully autonomous. They’re going to have full awareness of where each other are.”

We’re launching one of the world’s first eVTOL vertiports next year in Austin, Texas where anyone will be able to fly HEXA. Our vision is to build a network of vertiports to enable intracity flights and revolutionize urban mobility.
Founded by a serial entrepreneur and developed by a team made up of NASA, Boeing, and US Air Force engineers, we believe LiFT has the right strategy, technology, and team to lead in the emerging urban air mobility market. Invest today, exclusively through Start Engine.
STARTENGINE SUBSCRIPTION PROCESS (Exhibit E)

Platform Compensation

- As compensation for the services provided by StartEngine Capital, the issuer is required to pay to StartEngine Capital a fee consisting of a 7-13% (seven to thirteen percent) commission based on the dollar amount of securities sold in the Offering and paid upon disbursement of funds from escrow at the time of a closing. The commission is paid in cash and in securities of the Issuer identical to those offered to the public in the Offering at the sole discretion of StartEngine Capital. Additionally, the issuer must reimburse certain expenses related to the Offering. The securities issued to StartEngine Capital, if any, will be of the same class and have the same terms, conditions and rights as the securities being offered and sold by the issuer on StartEngine Capital’s website.

Information Regarding Length of Time of Offering

- Investment Cancellations: Investors will have up to 48 hours prior to the end of the offering period to change their minds and cancel their investment commitments for any reason. Once within 48 hours of ending, investors will not be able to cancel for any reason, even if they make a commitment during this period.
- Material Changes: Material changes to an offering include but are not limited to: A change in minimum offering amount, change in security price, change in management, material change to financial information, etc. If an issuer makes a material change to the offering terms or other information disclosed, including a change to the offering deadline, investors will be given five business days to reconfirm their investment commitment. If investors do not reconfirm, their investment will be cancelled and the funds will be returned.

Hitting The Target Goal Early & Oversubscriptions

- StartEngine Capital will notify investors by email when the target offering amount has hit 25%, 50% and 100% of the funding goal. If the issuer hits its goal early, the issuer can create a new target deadline at least 5 business days out. Investors will be notified of the new target deadline via email and will then have the opportunity to cancel up to 48 hours before new deadline.
- Oversubscriptions: We require all issuers to accept oversubscriptions. This may not be possible if: 1) it vaults an issuer into a different category for financial statement requirements (and they do not have the requisite financial statements); or 2) they reach $5M in investments. In the event of an oversubscription, shares will be allocated at the discretion of the issuer.
- If the sum of the investment commitments does not equal or exceed the target offering amount at the offering deadline, no securities will be sold in the offering, investment commitments will be cancelled and committed funds will be returned.
- If a StartEngine issuer reaches its target offering amount prior to the deadline, it may conduct an initial closing of the offering early if they provide notice of the new offering deadline at least five business days prior to the new offering deadline (absent a material change that would require an extension of the offering and reconfirmation of the investment commitment). StartEngine will notify investors when the issuer meets its
target offering amount. Thereafter, the issuer may conduct additional closings until the offering deadline.

**Minimum and Maximum Investment Amounts**

- In order to invest, to commit to an investment or to communicate on our platform, users must open an account on StartEngine Capital and provide certain personal and non-personal information including information related to income, net worth, and other investments.

- Investor Limitations: Investors are limited in how much they can invest on all crowdfunding offerings during any 12-month period. The limitation on how much they can invest depends on their net worth (excluding the value of their primary residence) and annual income. If either their annual income or net worth is less than $107,000, then during any 12-month period, they can invest either $2,200 or 5% of their annual income or net worth, whichever is greater. If both their annual income and net worth are equal to or more than $107,000, then during any 12-month period, they can invest up to 10% of annual income or net worth, whichever is greater, but their investments cannot exceed $107,000.