

Risk Factors Comparison 2025-03-13 to 2024-03-12 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

Our operations and financial results are subject to various risks and uncertainties which could adversely affect our business, financial condition, results of operations, cash flows, and the trading price of our common and capital stock. You should carefully consider the risks described below as well as the other information contained in this Annual Report. The risks and uncertainties in this Annual Report are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may become material and adversely affect our business, financial condition, results of operations, cash flows, and the trading price of our common stock and warrants.

Risks Related to Our Business and Growth Strategy We have incurred significant losses since inception. We expect to incur losses in the future, and we may not be able to achieve or maintain profitability. We have incurred significant losses since inception. While we currently generate revenue primarily from the sale of air transportation, it is difficult for us to predict our future operating results. As a result, our losses may be larger than anticipated, and we may not achieve profitability when expected, or at all. Even if we do, we may not be able to maintain or increase profitability. Further, some of our future growth plans are dependent upon the availability of EVA. There can be no assurance that regulatory approval and availability of EVA, or consumer acceptance of EVA, will occur in a timely manner, if at all. In addition, there may be additional costs associated with the initial build out of EVA infrastructure needed to service our routes and we cannot be sure that EVA will result in expected cost savings or efficiencies, which could in turn affect our profitability. Further, our ability to generate revenue sufficient to achieve profitability will depend on the successful commercialization of our Passenger services, our ability to secure new transplant centers, organ procurement organizations and hospital customers (collectively, “ Medical Customers ”), and our ability to effectively integrate acquisitions. We expect to continue to incur net losses for the foreseeable future as we focus on growing our services in both the United States and internationally. The timing and amount of our operating and capital expenditures will depend on many factors, including:

- the amount of net revenue generated by sales of our Passenger and Medical services;
- our decision to purchase **additional** aircraft and / or vehicles;
- our launch of new Medical services, passenger routes and / or products;
- the costs and expenses of expanding our U. S. and international operations;
- the extent to which our urban air mobility services are utilized by fliers in the regions we operate;
- the costs incurred in our efforts to develop our brand and improve awareness;
- the costs, timing and outcomes of any future litigation **or investigations**;
- and
- the level of our selling, general and administrative expenses.

Because of the numerous risks and uncertainties associated with our expansion and commercialization, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve or maintain profitability. **The markets for our Passenger offerings are..... and Human Services (HHS.)** If we experience harm to our reputation and brand, our business, financial condition, and results of operations could be adversely affected. Continuing to increase the strength of our reputation and brand for reliable, experience- driven, and cost- effective urban air mobility and human organ transport is critical to our ability to attract and retain qualified, third- party aircraft operators and fliers. In addition, our growth strategy continues to include international expansion through route acquisition, joint ventures, minority investments, or other partnerships with local companies as well as event activations and cross- marketing with other established brands, all of which benefit from our reputation and brand recognition. The successful development of our reputation and brand will depend on a number of factors, many of which are outside our control. Negative perception of our platform or company may harm our reputation and brand, including as a result of:

- complaints or negative publicity or reviews about us, our third- party aircraft operators, fliers, our air mobility services, other brands or events we associate with, or our flight operations policies (e. g., cancellation or baggage fee policies), even if factually incorrect or based on isolated incidents ;
- **inappropriate and / or unauthorized use of the Company’ s social media channels could cause brand damage**;
- changes to our flight operations, safety and security, privacy or other policies that users or others perceive as overly restrictive, unclear, or inconsistent with their values;
- a failure to enforce our flight operations policies in a manner that users perceive as effective, fair, and transparent;
- illegal, negligent, reckless, or otherwise inappropriate behavior by fliers, our third- party aircraft operators, or other third parties involved in the operation of our business or by our management team or other employees;
- a failure to provide routes and flight schedules sought by fliers;
- actual or perceived disruptions or defects in our platform, such as data security incidents, platform outages, payment processing disruptions, or other incidents that impact the availability, reliability, or security of our offerings;
- litigation over, or investigations by regulators into, our operations or those of our third- party aircraft operators;
- a failure to operate our business in a way that is consistent with our certain values;
- inadequate or unsatisfactory flier support service experiences;
- negative responses by third- party aircraft operators or fliers to new mobility offerings on our platform;
- perception of our treatment of employees, contractors, or third- party aircraft operators and our response to their sentiment related to political or social causes or actions of management;
- a failure to deliver human organs or medical teams to transplant centers on a timely basis;
- mistakes, delays or inconsistency in our evaluation of organ offers for customers of **our** Trinity Organ Placement Services (**TOPS**);
- or
- any of the foregoing with respect to our competitors, to the extent such resulting negative perception affects the public’ s perception of us or our industry as a whole.

In addition, changes we may make to enhance and improve our offerings and balance the needs and interests of our third- party aircraft operators and fliers may be viewed positively from one group’ s perspective (such as fliers) but negatively from another’ s perspective (such as third- party aircraft operators), or may not be viewed positively by either third- party aircraft operators or fliers. If we fail to balance the interests of third- party aircraft operators and fliers or make changes that they view negatively, third- party aircraft operators and fliers may stop using our platform or take fewer flights, any of which could adversely affect our reputation, brand,

business, financial condition, and results of operations. Any failure to offer high- quality customer support may harm our relationships with fliers or Medical Customers and could adversely affect our reputation, brand, business, financial condition, and results of operations. We strive to create high levels of flier satisfaction through the experience we provide in our terminal lounges and the support provided by our Flier Experience team, Medical Logistics Coordinators and Flier Relations representatives. The ease and reliability of our offerings, including our ability to provide high- quality customer support, helps us attract and retain fliers and commercial customers. Fliers depend on our Flier Relations team to resolve any issues relating to our services, such as flight operations policies, flight cancellations, or scheduling changes. Transplant centers depend on our logistics coordinators to monitor and coordinate between multiple operators of air and ground transportation, surgical teams procuring organs, organ procurement organizations providing support at the donor site, and the transplant centers that will ultimately perform the transplant on the recipient. Our ability to provide effective and timely support is largely dependent on our ability to attract and retain skilled employees who can support our fliers and Medical Customers and are sufficiently knowledgeable about our services. As we continue to grow our business and improve our platform, we will face challenges related to providing quality support at scale. Any failure to provide efficient customer support, or a market perception that we do not maintain high- quality support, could adversely affect our reputation, brand, business, financial condition, and results of operations. We are ~~but also from potential insider threats,also pose a significant risk to our passenger and organ transport operations.~~These events could include random acts of violence and could occur in public areas that we cannot control.Terrorist attacks,geopolitical conflict or security events,or the fear or threat of any of these events,even if not made directly on or involving the aviation industry,could have a significant negative impact on us by discouraging passengers from flying,leading to decreased revenue.In addition,potential costs from these types of events include increased security costs,impacts from avoiding flight paths over areas in which conflict is occurring or could occur,such as flight redirections or cancellations,reputational harm and other costs.If any or all of these types of events occur,they could have a material adverse effect on our business,financial condition and results of operations.We may require substantial additional funding to finance our operations,but adequate additional financing may not be available when we need it,on acceptable terms,or at all.In the future,we could be required to raise capital through public or private financing or other arrangements.Such financing may not be available on acceptable terms,or at all,and our failure to raise capital when needed could harm our business.For example,unfavorable economic conditions,whether related to inflation,interest rates,economic instability or otherwise have,resulted in,and may continue to result in,significant disruption and volatility of global financial markets that could adversely impact our ability to access capital.We may sell equity securities or debt securities in one or more transactions at prices and in a manner we may determine from time to time.If we sell any such securities in subsequent transactions,our current investors may be materially diluted.Any debt financing,if available,may involve restrictive covenants and could reduce our operational flexibility or profitability.If we cannot raise funds on acceptable terms,we may not be able to grow our business or respond to competitive pressures.As part of our growth strategy,we may engage in future acquisitions that could disrupt our business and have an adverse impact on our financial condition.We have and intend to continue to explore potential strategic acquisitions of assets and businesses,including partnerships ,aircraft ,route acquisitions or joint ventures with third parties.Our management has limited experience with acquiring and integrating acquired strategic assets and companies into our business,and there is no assurance that any future acquisitions will be successful.We may not be successful in identifying appropriate targets for such transactions.In addition,we may not be able to continue the operational success of such businesses or successfully finance or integrate any assets or businesses that we acquire or with which we form a partnership or joint venture.We have and may continue to have impairment of intangible assets or goodwill related to our acquisitions.For example,during the year ended December 31, **2024 2023** ,the Company recognized an impairment charge for the exclusive rights to air transportation services associated with **the acquisition of Blade Canada Europe** in the amount of \$ **5-20** .8 million,which was included in intangible impairment expense within general and administrative expenses in the consolidated statements of operations and is part of the Passenger segment.The impairment ~~resulted from~~ **was as a result** modification to the November 30,2021 agreement with Helijet,effective June 1,2024,which included an earlier termination date of **adjustments made to the near** August 31,2025 (previously an initial **term projections** of five years with automatic renewals for **successive revenue,expenses and expected EVA introduction, two- to reflect our experience operating Blade Europe since September** -year periods).During the year ended December 31,2024 **2022** ,the termination date was ~~as~~ **subsequently advanced to August 31,2024 well as expected delays in the commercialization of EVA** .Furthermore,the integration of any acquisition may divert management' s time and resources from our core business and disrupt our operations or may result in conflicts with our business.Any acquisition,partnership,or joint venture may reduce our cash reserves,may negatively affect our earnings and financial performance,and,to the extent financed with the proceeds of debt,may increase our indebtedness,and,to the extent acquired or financed through equity issuance,dilute our current investors.We cannot ensure that any acquisition,partnership,or joint venture we make will not have a material adverse effect on our business,financial condition,and results of operations.We may be unable to manage our future growth effectively,which could make it difficult to execute our business strategy.If our operations continue to grow as planned,of which there can be no assurance,we will need to expand our sales,marketing,operations,and the number of aircraft operators with whom we do business.Our continued growth could increase the strain on our resources,and we could experience operating difficulties,including difficulties in hiring,training,and managing an increasing number of employees.These difficulties may result in the erosion of our brand image,divert the attention of management and key employees,and impact financial and operational results.In addition,in order to continue to increase our presence,we expect to incur substantial expenses as we continue to attempt to increase our route offerings,flight frequency,passenger terminal footprint,and employee base.The continued expansion of our business may also require additional space for administrative support.If we are unable to drive commensurate growth,these costs,which include lease commitments,marketing costs and headcount,could result in decreased margins and reduced profitability,which could have a material adverse effect on our business,financial condition,and results of

operations. Our insurance may become too difficult or expensive for us to obtain. Increases in insurance costs or reductions in insurance coverage may materially and adversely impact our results of operations and financial position. We maintain general liability aviation premise insurance and non-owned aircraft liability coverage. We believe our level of coverage is customary in the industry and adequate to protect against claims. However, there can be no assurance that it will be sufficient to cover potential claims or that present levels of coverage will be available in the future at reasonable cost. There is also no assurance that the current coverage is adequate to cover potential claims and that current policies may include certain policy exclusions that could decrease or eliminate coverage. Further, we expect our insurance costs to increase as we add routes, increase flight and passenger volumes and expand into new markets. It is too early to determine what impact, if any, the adoption of EVAs will have on our insurance costs. If we decide to purchase and/or operate aircraft, there could be additional insurance costs related to aviation hull, aviation liability, aviation premises, hangar, product, and/or war risk insurance coverages. There is no assurance that insurance carriers would be able to provide us with sufficient insurance coverage or affordable premiums. If insurance coverage is not available, our insurance costs may increase and may result in our being in breach of regulatory requirements or contractual arrangements requiring that specific insurance be maintained, which may have a material adverse effect on our business, financial condition and results of operations. Regarding other non-aviation insurance policies, we maintain a number of insurance policies, including directors' and officers' liability insurance, general liability insurance, property insurance, employment practices insurance, cyber insurance, and workers' compensation insurance, among others. If the costs of maintaining adequate insurance coverage increase significantly in the future, our operating results could be materially adversely affected. Likewise, if any of our current insurance coverage should become unavailable to us or become economically impractical, we would be required to operate our business without indemnity from commercial insurance providers. If we operate our business without insurance, we could be responsible for paying claims or judgments against us that would have otherwise been covered by insurance, which could adversely affect our results of operations or financial condition.

We are highly dependent on our senior management team and other highly skilled personnel. If we are not successful in attracting or retaining highly qualified personnel, we may not be able to successfully implement our business strategy. Our success depends, in significant part, on the continued services of our senior management team and on our ability to attract, motivate, develop, and retain a sufficient number of other highly skilled personnel, including finance, marketing, sales, technology, legal and support personnel. We believe that the breadth and depth of our senior management team's experience across multiple industries will be instrumental to our success. The loss of any one or more members of our senior management team, for any reason, including resignation or retirement, could impair our ability to execute our business strategy and have a material adverse effect on our business, financial condition, and results of operations. Additionally, our financial condition and results of operations may be adversely affected if we are unable to attract and retain skilled employees to support our operations and growth. Our company culture has contributed to our success, and if we cannot maintain this culture as we grow, our business could be harmed. We believe that our company culture, which promotes accountability, attention to detail, communication, and support for others, has been critical to our success. We face a number of challenges that may affect our ability to sustain our corporate culture, including:

- failure to identify, attract, reward, and retain people in leadership positions in our organization who share and further our culture, values, and mission;
- the increasing size and geographic diversity of our workforce;
- competitive pressures to move in directions that may divert us from our mission, vision, and values;
- the continued challenges of a rapidly-evolving industry;
- the increasing need to develop expertise in new areas of business that affect us;
- negative perception of our treatment of employees or our response to employee sentiment related to political or social causes or actions of management; and
- the integration of new personnel and businesses from acquisitions.

If we are not able to maintain our culture, our business, financial condition, and results of operations could be adversely affected. Our financial results may fluctuate from quarter to quarter, which makes our results difficult to predict and may cause our results to fall short of expectations. Our financial results may fluctuate from quarter to quarter due to a number of factors, including but not limited to the seasonality of our fliers' travel patterns and the demands of our Medical Customers, both of which are unpredictable and could impact the volume of air transportation missions we arrange in any given quarter. Our revenue from sales may fluctuate significantly from quarter to quarter, and our future quarterly and annual expenses as a percentage of our revenue may be significantly different from those we have recorded in the past. Our financial results in some quarters may fall below expectations. Comparing our financial results on a period-to-period basis may not be meaningful, and you should not rely on our past results as an indication of our future performance.

Operation of aircraft involves a degree of inherent risk. We could suffer losses and adverse publicity stemming from any accident involving small aircraft, especially vulnerable to delays, cancellations, or flight rescheduling, as we rely on maintaining a high daily aircraft usage rate, and need to aggregate fliers on our by-the-seat flights to lower direct costs to third-party operators. Our success depends in part on maintaining a high daily aircraft usage rate (i. e., the number of revenue generating hours flown on average in a day), which can be achieved in part by reducing turnaround times at heliports and airports. Aircraft usage rate is reduced by delays caused by a variety of factors, many of which are beyond our control, including adverse weather conditions, security requirements, air traffic congestion, and unscheduled maintenance. Reduced aircraft usage rates may limit our ability to achieve and maintain profitability as well as lead to customer dissatisfaction. In our Passenger segment, our success also depends on our ability to generate more revenue per flight by maintaining high flier utilization rates (i. e., the number of seats purchased on each flight). Flier utilization rates may be reduced by a variety of factors, including the introduction of new routes or schedules. In some cases, we may choose to offer flights with low flier utilization rates to increase or maintain flier satisfaction and brand recognition and for marketing or other purposes. We have utilized certain commuter passes and bulk purchasing options to increase our flier utilization rates in the past; however, these products may be less appealing due to changes in consumer preferences, discretionary spending, and other economic factors. While historically we have maintained daily aircraft and flier utilization rates sufficient to offset the costs we pay to

operators, we may be unable to maintain and increase utilization rates as our business grows and expands. The risk of delays, cancellations, and flight rescheduling, which could negatively impact our utilization rates, may increase as we expand our business to include new markets and destinations, more frequent flights on current routes, and expanded facilities. Our Short Distance **business product line is** concentrated in a small number of metropolitan areas and airports which makes **us our business** particularly susceptible to natural disasters, outbreaks and pandemics, economic, social, **political**, weather, growth constraints, and regulatory conditions or other circumstances affecting these metropolitan areas. We derive a significant portion of our Short Distance revenue from flights that either originate from or fly into heliports and airports located in or near New York, New York, **Vancouver, British Columbia and the South of France and Monaco**. As a result of our geographic concentration, our business and financial results are particularly susceptible to natural disasters, outbreaks and pandemics, economic, social, **political**, weather, growth constraints, and regulatory conditions in each of these metropolitan areas. A significant interruption or disruption in service at one of the **terminals locations** where we have a significant volume of flights could result in the cancellation, **reduction** or delay of a significant portion of our flights and, as a result, could have a severe impact on our business, results of operations, and financial condition. In addition, any changes to local laws or regulations within these key metropolitan areas that affect our ability to operate or increase our operating expenses in these markets would have an adverse effect on our business, financial condition, and operating results. Disruption of operations at the airports or heliports where **we operate our terminal facilities are located**, whether caused by labor relations, utility or communications issues or fuel shortages, could harm our business. Certain **governing bodies**, airports or heliports may regulate flight operations, such as limiting **or restricting** the number of landings **per year**, which could reduce our operations. Bans **or restrictions** on our airport operations or the introduction of any new permitting requirements **would could significantly disrupt similarly impact** our operations **business**. In addition, demand for our urban air mobility services could be impacted if drop-offs or pick-ups of fliers become inconvenient because of airport rules or regulations, or more expensive for fliers because of airport-imposed fees, which would adversely affect our business, financial condition, and operating results. Our concentration in large metropolitan areas and heavily trafficked airports also makes our business susceptible to an outbreak of a contagious disease, such as the Ebola virus, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu, Zika virus, COVID-19, or any other similar illness, both due to the risk of a contagious disease being introduced into the metropolitan area through the high volume of travelers flying into and out of such airports and the ease at which contagious diseases can spread through densely populated areas, as seen with the spread of COVID-19 **in Los Angeles, California and New York, New York**. Natural disasters, including tornados, hurricanes, floods and earthquakes, wildfires and severe weather conditions, such as heavy rains, strong winds, dense fog, blizzards, or snowstorms, may damage or impact our facilities, those of third-party aircraft operators, or otherwise disrupt flights into or out of the airports from which our flights arrive or depart. For example, our Northeast United States operations are subject to severe winter weather conditions, **and our South Florida operations are subject to tropical storms and hurricanes**. Less severe weather conditions, such as rainfall, snowfall, fog, mist, freezing conditions, or extreme temperatures, may also impact the ability for flights to occur as planned, which could reduce our sales and profitability and may result in additional expenses related to rescheduling of flights. The occurrence of one or more natural disasters, severe weather events, epidemic or pandemic outbreaks, terrorist attacks, or disruptive political events in regions where we operate and where our facilities are located, or where our third-party aircraft operators' facilities are located, could adversely affect our business. **We are subject to risks associated....., financial condition and results of operations**. Our business is dependent on the availability of aircraft fuel. Continued periods of significant disruption in the supply of aircraft fuel could have a significant negative impact on consumer demand, our operating results, and liquidity. Although aircraft operators are currently able to obtain adequate supplies of aircraft fuel, we cannot predict the future availability. Natural disasters (including hurricanes or similar events in the U. S. Southeast and on the Gulf Coast where a significant portion of domestic refining capacity is located), political disruptions or wars involving oil-producing countries, economic sanctions imposed against oil-producing countries (for example, the wars in Ukraine and the Middle East) or specific industry participants, changes in fuel-related governmental policy, **tariffs implemented by the U. S. on countries where aircraft fuel is sourced from**, the strength of the U. S. dollar against foreign currencies, changes in the cost to transport or store petroleum products, changes in access to petroleum product pipelines and terminals, speculation in the energy futures markets, changes in aircraft fuel production capacity, environmental concerns and other unpredictable events may result in fuel supply shortages or distribution challenges in the future. Any of these factors or events could cause a disruption in or increased demands on oil production, refinery operations, pipeline capacity, or terminal access and possibly result in diminished availability of aircraft fuel supply for our third-party aircraft operators or our potentially owned aircraft. The impact of such events may limit our ability to expand internationally, attract and retain fliers and commercial customers, and our third-party aircraft operators' ability to perform our by-the-seat flights, which could result in loss of revenue and adversely affect our ability to provide our services. **Our insurance Risks Related to Intellectual Property, Cybersecurity, Information Technology and Data Management Practices** System failures, defects, errors, or vulnerabilities in our **or that of** website, applications, backend systems, or **our** other technology systems or those of third-party technology providers could harm **aircraft operators, may become too difficult our or reputation and brand expensive for us or them to obtain. Increases in insurance costs or reductions in insurance coverage may materially** and adversely impact our **business, results of operations and** financial condition, **position. Hazards are inherent in the aviation industry and may results result in** of operations. Our systems, or those of third parties upon which we rely, may experience service interruptions, outages, or degradation because of hardware and software defects or malfunctions, human error, or malfeasance by third parties or our employees, contractors, or service providers, earthquakes, hurricanes, floods, fires, natural disasters, power losses -- **loss of life**, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks, cyberattacks, or other events. Our insurance may not be sufficient, and **property, potentially exposing** we may not have sufficient remedies available to us **to substantial liability claims arising**

from the operation of aircraft. Safe operation of aircraft is primarily the responsibility of our third- party operators service providers, to cover all of our losses that may result from such interruptions, outages, or degradation. The software underlying our platform is highly complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after the they code has been released. We rely heavily on a software engineering practice known as “continuous deployment,” which refers to the frequent release of our software code, sometimes multiple times per day. This practice increases the risk that errors and vulnerabilities are present in the software code underlying primarily held liable for accidents, thus incidents related to aircraft operation are covered by our platform. The third- party software that operators’ insurance. Meanwhile, we incorporate into our platform may also be subject to errors maintain general liability aviation premise insurance and non- owned aircraft liability coverage. In addition, we maintain a number of non- aviation insurance policies, including directors’ and officers’ liability insurance, general liability insurance, property insurance, employment practices insurance, cyber insurance, and workers’ compensation insurance, among others. A limited number of insurance underwriters provide coverage or for us and vulnerabilities. Any errors or our vulnerabilities discovered in our platform, whether in our proprietary code or that of third- party software on which our software relies,..... our employees, consultants, third party aircraft operators , and other relevant persons and take other measures to protect our intellectual property rights, such as limiting access to our trade secrets and other confidential information. Insurance underwriters are required by various federal We intend to continue to rely on these and other means, including patent protection, in the future state regulations to maintain minimum levels of reserves for known and expected claims . However, the steps we take to protect our intellectual property may be inadequate, and unauthorized parties may attempt to copy aspects of our intellectual property or obtain and use information that we regard as proprietary and, if successful, may potentially cause us to lose market share, harm our ability to compete, and result in reduced revenue. Moreover, our non- disclosure agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our products, and there can be no assurance that our competitors underwriters have established adequate reserves to fund existing and future claims. The number of aviation accidents and the impact of general economic conditions on underwriters may result in increases in premiums above the rate of inflation. Additionally, under the terms of all of or our aircraft operating agreements, our third parties will comply with- party aircraft operators have agreed to indemnify us against liability arising from the terms operation of aircraft and to maintain insurance covering such liability. However, these there agreements, or that we can be no assurance there will be able no challenge to the indemnification rights successfully enforce such agreements or obtain that the aircraft operator will have sufficient remedies if assets or insurance coverage to fulfill its indemnity obligations. We believe our level of coverage is customary in they- the are breached industry and adequate to protect against claims . However, There there can be no assurance that the intellectual property rights we own or our license current level of coverage, or that of our third- party operators, will be sufficient no assurance that the current coverage is adequate to cover potential claims and or that current policies present levels of coverage will be available in the future at reasonable cost. If insurance coverage is not available, we may include certain policy exclusions breach regulatory requirements or contractual arrangements requiring that specific insurance be maintained could decrease or eliminate coverage. Further, we expect our insurance costs to increase as we add routes, increase flight and passenger volumes ,add owned aircraft to our fleet and expand into new markets. It is too early to determine what impact, if any, the adoption of EVAs will have on our insurance costs. If we decide to purchase additional aircraft and /or operate aircraft, there could be additional insurance costs related to aviation hull, aviation liability, aviation premises, hangar, product, and /or war risk insurance coverages. There is no assurance that insurance carriers would be able to provide us with sufficient- provide us with sufficient insurance coverage or affordable premiums. It is too early to determine what impact, if any, the adoption of EVA will have on our insurance costs. If the costs of maintaining adequate insurance coverage increase for us or our third- party operators significantly in the future, our operating results could be materially adversely affected and we may have to increase the prices paid by our fliers, which could adversely affect demand for our services and harm our business. Likewise, if any of our current insurance coverage should become unavailable to us or become economically impractical, we would be required to operate our business without indemnity from commercial insurance providers. If we operate our business without adequate or any insurance, we could be responsible for paying claims or judgments against us which could adversely affect our results of operations or financial condition. Risks Related to our Medical Segment Our reliance on contractual relationships with certain transplant centers, hospitals and Organ Procurement Organizations and other strategic alliances could adversely affect our business. We rely significantly on contractual relationships with certain transplant centers, hospitals and Organ Procurement Organizations and other strategic partners and alliances for portions of our Medical product line business, to expand into new markets and deepen our presence in existing markets. In recent years, we have entered into strategic business relationships with, and responded to requests for proposals for, among others, Organ Procurement Organizations, hospitals and transplant centers to increase opportunities for growth in our Medical product line. Our Medical product line growth is highly dependent on the procurement of human organs for transplant by our Medical Customers. If our Medical Customers cannot procure human organs for transplant or the industry experiences a shortage of human organs, potentially due to the reduction of opioid deaths, motor vehicle deaths, or stricter donor eligibility criteria, we may face challenges in fulfilling our contractual obligations with third- party aircraft and ground operators. This could negatively impact our reputation, ability to generate increased revenue and achieve profitability. Additionally, if new organ preservation technology or the emergence of animal- derived, synthetic, or lab- grown organs makes rapid, dedicated air transportation of human organs unnecessary, our Medical Customers may no longer require our services to successfully complete organ transplants for their patients, which could have a material adverse effect on our business, results of operations, and financial condition. Our Medical product line relies on a concentrated number of key Medical Customers, including transplant centers, hospitals, and Organ Procurement Organizations. A loss of one or

more of our key Medical customers, a reduction in their organ procurement activity, or a shift in their transportation preferences could materially impact our revenue and profitability. Additionally, consolidation within the healthcare industry or changes in procurement practices could further increase our dependency on a limited number of customers, heightening the risks associated with customer concentration. The organ transportation market is highly competitive and some providers benefit from proprietary organ preservation technology or additional capabilities that could put us at a ~~advantages-~~ disadvantage. We compete ~~or for will-~~ organ transportation business primarily on our ability to provide reliable, end- to- end air and ground transportation at competitive pricing. Increasingly, we compete directly with manufacturers of organ preservation equipment that also offer transportation or with providers that offer additional services, such as surgical organ recovery or Normothermic Regional Perfusion, that our customers find valuable. We may face increased competition as our Medical Customers may prefer a streamlined logistics offering, including services or technology that we cannot provide, which could have a material adverse effect on our business, results of operations, and financial condition. Additionally, low- cost transportation alternatives, such as drones or other emerging logistics technologies, could further intensify competition and impact our market position. Furthermore, the organ transportation market is highly regulated and continually evolving. In order to continue to offer competitive organ transport solutions, we have pursued, and may continue to pursue, acquisitions related to our Medical segment. All future acquisitions are subject to various conditions, including regulatory approvals. Acquisitions may encounter intense scrutiny under federal and state antitrust laws. Any delays, injunctions, conditions or modifications by any government agencies could have a negative effect on us and result in the abandonment of all or part of attractive acquisition opportunities. Additionally, as we expand our Medical offerings, we have been in the past, and could be in the future, the subject of anticompetitive litigation by the Federal Trade Commission (“FTC”), the Department of Justice (“DOJ”) and the Department of Health and Human Services (“HHS”). Our business depends on the availability of organ donors and viable donor organs, which are influenced by factors beyond our control, and any decrease in the availability of viable donor organs could have a material adverse effect on demand for our services and results of operations. The success of our medical transport operations relies on the continued availability of organ donors and viable donor organs. The supply of donor organs is subject to numerous factors outside our control, including changes in organ donation rates, advancements in medical technology, legislative, regulatory or policy changes affecting organ procurement and allocation, and shifts in public attitudes toward organ donation. Additionally, unforeseen events such as pandemics, public health crises, or changes in accident rates may impact the availability of donor organs. If the supply of viable organs declines or if legislative, regulatory or policy changes limit our ability to efficiently transport them, our medical transport business could be adversely affected, which could negatively impact our financial condition and growth prospects. Reimbursement and funding for medical transport services may be insufficient, adversely affecting our revenue and profitability. Our ability to generate revenue from our medical transport services, depends on our customers’ ability to secure adequate reimbursement and funding from government programs, private insurers, and other third- party payers. If transplant centers and / or Organ Procurement Organizations are unable to obtain sufficient reimbursement for the costs associated with organ transport, our business could be adversely affected. In the U. S., reimbursement for these services may be influenced by Medicare, Medicaid, and private insurers, which have substantial discretion over what is considered “reasonable and necessary.” A lack of adequate reimbursement could limit demand for our services, particularly if there is insufficient data supporting the benefits of organ transport. In markets where reimbursement for organ transport services is unavailable or limited, hospitals and transplant centers may seek more cost- effective alternatives, reducing our potential revenue. Even if existing reimbursement and funding arrangements from government programs and third- party payers currently make our services or related products cost- effective for hospitals, these laws and regulations are subject to change. Ongoing efforts by governments, insurance companies, and other payers to contain or reduce healthcare costs could result in legislative or regulatory reforms that significantly reduce or eliminate reimbursement for the services we provide, including organ transport or any related devices. If hospitals or transplant centers in the U. S. are unable to obtain sufficient reimbursement or funding for our services, they may lack the economic incentives to continue using them. Additionally, if hospitals or surgeons determine that the benefits of our services do not justify the cost, our business could be ~~challenged-~~ adversely affected, which could negatively impact ~~or our circumvented-~~ financial condition and growth prospects. The transport of organs involves numerous risks and delivery failures could expose us to liability and have a material adverse effect on our business and reputation. Our medical transport operations, rely on precise timing and coordination to ensure the viability of organs for transplantation. Organs have strict ischemic time limits, meaning any delays — whether due to weather conditions, air traffic control restrictions, aircraft availability, maintenance issues, or logistical inefficiencies — could result in compromised organ quality, rendering them unusable. Even minor deviations from planned timelines can significantly reduce the chances of a successful transplant, potentially leading to adverse patient outcomes and reputational damage. Beyond delays, improper handling, temperature deviations, or failure to maintain required storage conditions during transport could further impact organ viability. Malfunctions in equipment, software failures, or human errors in monitoring transport conditions could compromise organs. Any such incidents could result in liability claims, regulatory scrutiny, and financial repercussions. Additionally, failures in organ delivery could damage our reputation and erode trust with hospitals, Organ Procurement Organizations, and transplant centers, potentially jeopardizing future partnerships. While we employ rigorous operational protocols, including redundancies in transport routes, temperature- controlled storage solutions, and close coordination with medical teams, the inherent unpredictability of medical transport presents ongoing risks. Advancements in technology could make ground or commercial air transport of organs more viable, reducing the need for our private air transportation services. Our business depends in part on the demand

for private air transportation of organs for transplant. However, advancements in medical preservation technology or improvements in commercial air logistics could reduce the need for our services. Innovations such as enhanced organ preservation techniques, longer viability windows for donor organs, or dedicated organ transport networks using commercial carriers could shift demand away from private air transport. If these or other technological developments decrease the reliance on our medical transport services, our business, financial condition, and growth prospects could be adversely affected. The provision of healthcare services is a heavily regulated industry and our medical transportation operations and services may be impacted by regulatory changes, legislative reforms, and civil or competitors criminal enforcement actions. Healthcare policy changes, including recently enacted or potential future legislation reforming the U. S. healthcare system, could harm our business, financial condition, and results of operations. The U. S. federal and state governments continue to propose and implement healthcare legislation and regulatory changes that may impact the availability, cost, and reimbursement of medical transportation services, including organ procurement logistics. Ongoing healthcare reform efforts, particularly those related to organ procurement and transplantation, could materially affect our business, financial condition, and results of operations. For example, the Centers for Medicare & Medicaid Services (CMS) issued regulations in 2020 and 2021 revising Medicare conditions of participation for organ procurement organizations and adjusting organ acquisition payment policies for transplant centers, donor hospitals, and organ procurement organizations. Additionally, the 2023 Securing the U. S. Organ Procurement and Transplantation Network Act granted the Health Resources and Services Administration (HRSA) increased oversight over the Organ Procurement and Transplantation Network (OPTN), including establishing an independent board, allowing both for-profit and non-profit entities to participate in contracts, and removing funding caps. Future federal or state healthcare legislation, regulations, and policies may further impact coverage and reimbursement for organ procurement and medical transport services. Any reduction in reimbursement rates, limitations on coverage, or other regulatory changes could decrease demand for our services and exert downward pressure on pricing. Such changes could materially and adversely impact our operations, financial condition, and overall business performance. Current proposals and directives to change or modify the implementation of such laws and regulations, whether legislative, regulatory, or in the form of executive orders or other executive actions, create areas of uncertainty and, if such proposals are enacted or actions are implemented, may create the potential for material adverse impacts on our business. Changes in Medicare reimbursement policies, increased enforcement of healthcare regulations, or modifications to applicable laws could impact our customers' ability to receive reimbursement, which may, in turn, affect demand for our services. Additionally, evolving regulatory interpretations or heightened scrutiny of business arrangements in the healthcare sector could require us to modify our operations, increase compliance costs, or expose us to potential liability. Any failure to comply with applicable laws and regulations, even inadvertently, could result in significant penalties, reputational harm, or other adverse effects on our business. Our business is governed by comprehensive federal, state, and local laws and regulations relating to the healthcare industry. Though we are not directly reimbursed by Medicare for any of our services, our customers — including healthcare providers and organ procurement organizations — are often reimbursed by Medicare for a portion of the services we provide to them. As a result, we may be subject to various healthcare regulations, including the federal Anti-Kickback Statute, the Stark Law, the False Claims Act, and other fraud, waste, and abuse laws. The federal Anti-Kickback Statute prohibits the offer, payment, solicitation, or receipt of any form of remuneration to induce, or in return for, the referral of individuals for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under Medicare or other governmental health programs or in return for the purchase, lease, or order of items or services, or arranging for or recommending the purchase, lease or order of any good, facility, item or service that is covered by Medicare or other federal governmental health programs. The federal Anti-Kickback Statute has been interpreted to apply to, among others, financial arrangements between entities that have the ability to refer and generate business that is subject to healthcare reimbursement. Sanctions for violating federal and state anti-kickback laws may include criminal and civil fines and exclusion from federal and state healthcare programs. While there are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, the exceptions and safe harbors are drawn narrowly and practices that involve remuneration may be subject to scrutiny if they do not qualify for an exception or safe harbor. A person or entity does not need to have specific intent or knowledge to violate in order to have committed a violation, and a claim including an item or a service resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA described below. The federal false claims laws, including the civil FCA, among other things, impose criminal and civil penalties against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment or approval that are false or fraudulent, for knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or for knowingly making or causing to be made a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. We may be subject to audits, reviews and investigation of our practices and arrangements and the federal government might conclude that they violate the FCA, the Anti-Kickback Statute and / or other federal and state laws governing fraud and abuse. Further, the FCA obtaining and maintaining patent, copyright, and trademark protection can be costly, and we may choose not to enforce by private citizens through civil qui tam actions. Risks Related to our Passenger Segment The markets may fail to, pursue or for maintain our Passenger offerings are still in relatively early stages of growth, and if such markets forms of protection for our technology in..... process. The laws of some countries do not continue protect proprietary rights to the same extent grow, grow more slowly than we expect, or fail to grow as large as the laws of the United States, and mechanisms for enforcement of intellectual property rights in some foreign countries may be inadequate to prevent other parties from infringing our proprietary technology. To the extent we expect

expand our international activities, our exposure to unauthorized use of our technologies and proprietary information may increase. We may also fail to detect unauthorized use of our intellectual property, or be required to expend significant resources to monitor and protect our intellectual property rights, including engaging in litigation, which may be costly, time-consuming, and divert the attention of management and resources, and may not ultimately be successful. If we fail to meaningfully establish, maintain, protect, and enforce our intellectual property rights, our business, financial condition, and results of operations could be adversely affected. **We use open source software Blade's Passenger urban air mobility services have grown rapidly since we launched our business in connection 2014,** however, our service offerings are still relatively new, and it is uncertain to what extent market acceptance will continue to grow, if at all. Further, we currently operate our Passenger business in a limited number of metropolitan areas. The success of these markets to date and the opportunity for future growth in these markets may not be representative of the potential market for urban air mobility in other metropolitan areas. Our success will depend to a substantial extent on regulatory approval and availability of EVA technology, as well as the willingness of commuters and travelers to widely adopt urban air mobility as an alternative for ground transportation. If the public does not perceive urban air mobility as beneficial, or chooses not to adopt urban air mobility as a result of concerns regarding safety, affordability, or for other reasons, then the market for our offerings may not further develop, may develop more slowly than we expect, or may not achieve the growth potential we expect, any of which could materially adversely affect our business, financial condition and results of operations. Prior to our offerings, the New York urban air mobility airport transfer market had not been served on a by-the-seat air transportation basis since U.S. Helicopter offered helicopter service in the 2000s. Furthermore, some of the other urban air mobility markets where we plan to expand have never had by-the-seat helicopter services. As a result, the number of potential fliers using our urban air mobility services cannot be predicted **with any** with **any degree** our platform, which may pose risks to our intellectual property. We use open source software in connection with our platform and plan to continue using open source software in the future. Some licenses governing the use of open source software contain requirements that we make available source code for modifications or derivative works we create based upon the open source software. If we combine or link our proprietary source code with open source software in certain **certainty** ways, **and** we may be required, under the terms of the applicable open source licenses, to make our proprietary source code available to third parties. Although we monitor our use of open source software, we cannot provide assurance that **all open** we will be able to operate in a profitable manner in any of our current or targeted future markets. Our **most more** recent entry into **the** European and Canadian markets **market** presents the risk of limited brand recognition in **these this regions** **region**. As a result, the lack of brand recognition may result in difficulties in gaining and retaining fliers and building partnerships with local entities. In addition, competition in **these this** new markets **market** may be strong, with established players and new entrants offering similar services. The potential intense competition and limited brand recognition could make it difficult for us to establish a strong market position and generate profitable returns. Growth of our business will require significant investments in our infrastructure, technology, and marketing and sales efforts. Historically, cash flow from operations has not been sufficient to support these needs. If our business does not generate the level of available cash flow required to support these investments, our results of operations will be negatively affected. Further, our ability to effectively manage growth and expansion of our operations will also require us to enhance our operational systems, internal controls and infrastructure, human resources policies, and reporting systems. These enhancements will require significant capital expenditures and allocation of valuable management and employee resources. The success of our Passenger segment will be highly dependent on our ability to effectively market and sell air transportation as a substitute for conventional methods of transportation. We generate a substantial portion of our revenue from the sale of air transportation. Our success depends, in part, on our ability to **cost** source software is reviewed prior to use in **effectively attract new fliers, retain existing fliers, and increase utilization of** our platform **by existing fliers. Historically, we have made, and expect** that our developers **we will need to continue to make, significant investments and implement strategic initiatives in order to attract new fliers, such as flier acquisition campaigns and the launching of new scheduled routes. These investments and initiatives** have not **incorporated open** always been and may not in the future be effective in generating sales growth or profits. **In addition, marketing campaigns can be expensive and may not result in the acquisition of additional fliers in a cost** source software of additional fliers in a **cost** effective manner, if at all. As our brand becomes more widely known, future marketing campaigns or brand content may not attract new fliers at the same rate as past campaigns or brand content. If we are unable to attract new fliers, our business, financial condition, and results of operations will be adversely affected. Our fliers have a wide variety of options for transportation, including business aviation, commercial airlines, private aircraft operators, personal vehicles, rental cars, taxis, public transit, and ride-sharing offerings. To expand our flier base, we must appeal to new fliers who have historically used other forms of transportation. If fliers do not perceive our urban air mobility services to be reliable, safe, and cost-effective, or if we fail to offer new and relevant services and features on our platform, we may not be able to attract or retain fliers or increase their utilization of our platform. If we fail to continue to grow our flier base, retain existing fliers, or increase the overall utilization of our platform, our business, financial condition, and results of operations could be adversely affected. **Our If we are not able to successfully enter** into new markets and offer new routes and services and enhance our existing offerings, our business, financial condition, and results of operations could be adversely affected. Growth in our Passenger segment will depend in part on our ability to successfully enter into new markets, create and introduce new routes, and expand our existing routes by adding more frequent flights. Significant changes to our existing routes or the introduction of new and unproven routes may require us to obtain and maintain applicable permits, authorizations, or other regulatory approvals. If these new or expanded routes are unsuccessful or fail to attract a sufficient number of fliers to be profitable, or we are unable to bring new or expanded routes to market efficiently, our business, financial condition, and results of operations could be adversely affected. Furthermore, new third-party aircraft operator or flier demands regarding our services, including the availability of superior routes or a deterioration in the quality of our existing routes, could negatively affect the attractiveness of our platform. **If these new or expanded routes are unsuccessful or fail to attract a sufficient number of fliers to be profitable, or we are unable to**

bring new or expanded routes to market efficiently, our business, financial condition, and results of operations could be adversely affected. Furthermore, new third-party aircraft operator or flier demands regarding our services, including the availability of superior routes or a deterioration in the quality of our existing routes, could negatively affect the attractiveness of our platform and the economics of our business and require us to make substantial changes to and additional investments in our routes or our business model. Developing and launching new routes or enhancements to our existing routes involves significant risks and uncertainties, including risks related to the reception of such routes by existing and potential future third-party aircraft operators and fliers, increases in competition from local players who may have a better understanding of the local culture, language and customer preferences, increases in operational complexity, unanticipated delays or challenges in implementing such routes or enhancements, increased strain on our operational and internal resources (including an impairment of our ability to accurately forecast flier demand and the number of third-party aircraft operators using our platform), and negative publicity in the event such new or enhanced routes are perceived to be unsuccessful. We have scaled our business rapidly, and significant new initiatives have in the past resulted in such operational challenges affecting our business. In addition, developing and launching new routes and enhancements to our existing routes may involve significant upfront investment, such as additional marketing and terminal build out, and such investments may not generate return on investment. Any of the foregoing risks and challenges could negatively impact our ability to attract and retain qualified third-party aircraft operators and fliers and our ability to increase utilization of our routes and could adversely affect our business, financial condition, and results of operations.

Operation

We expect to face intense competition in the urban air mobility industry. The urban air mobility industry is still developing and evolving, but we expect it to be highly competitive. Our potential competitors may be able to devote greater resources to the development of aircraft involves their current and future technologies or the promotion and sale of their offerings, or offer lower prices. For example, some multimodal transportation providers and even commercial airlines have expressed interest in air mobility, and Uber Technologies, Inc. has a degree significant investment in a company that is developing EVA aircraft. Moreover, potential manufacturers of EVAs—EVA may choose to develop vertically integrated businesses, or they may contract with competing air mobility service providers rather than entering into operating contracts with us or our third-party operators, which would be a threat to our business. Our potential competitors also may establish cooperative or strategic relationships among themselves or with third parties, including regional or national helicopter or heliport operations that we rely on to offer our urban air mobility services, which may further enhance their resources and offerings. It is possible that domestic or foreign companies or governments, some with greater experience in the urban air mobility industry or greater financial resources than we possess, will seek to provide products or services that compete directly or indirectly with ours in the future. Any such foreign competitor could benefit from subsidies or other protective measures provided by its home country. We believe our ability to compete successfully as an urban air mobility service will depend on a number of factors, which may change in the future due to increased competition, including the price of our offerings, consumer confidence in the safety of our offerings, consumer satisfaction for the experiences we offer, and the routes, frequency of flights, and availability of seats offered through our platform. If we are **unable to compete successfully**, or our **business, financial condition, and results of operations could be adversely affected. Our prospects and operations may be adversely affected by changes in consumer preferences, discretionary spending, and other economic conditions that affect demand for our services. Our Passenger business, comprised of our Short Distance and Jet and Other offerings, are vulnerable to changes in consumer preferences, discretionary spending, and other market changes impacting luxury goods and discretionary purchases. The global economy has in the past, and will in the future, experience recessionary periods and periods of economic instability. During such periods, our current and future users may choose not to make discretionary purchases or may reduce overall spending on discretionary purchases. Such changes could result in reduced consumer demand for air transportation, including our urban air mobility services, or could shift demand from our urban air mobility services to other methods of air or ground transportation for which we do so in the future. Additionally, the terms of open-source licenses have not been extensively interpreted by United States courts, and so there is a risk that open-source software licenses future shift in consumer spending away from urban air mobility, our business, financial condition, and results of operations could be construed adversely affected. Our Jet and Other product line is reliant on certain customers which could impact our Passenger segment revenue. A portion of our revenue in the Jet and Other product is concentrated in a small number of jet charter customers. The jet charter market is vulnerable to changes in consumer preferences, discretionary spending, and other economic factors that imposes unanticipated conditions or restrictions on can affect these customers' decision to charter with us or to pursue our proprietary software. If an author or other transportation methods, including purchasing personal aircraft to meet third-party that distributes such open-source software may contain security vulnerabilities.** If we are unable to obtain and maintain adequate facilities and infrastructure, we may be unable to offer our existing Passenger flight schedule and to expand or change our Passenger route network in the future, which may have a material adverse impact on our operations. In our Passenger segment, in order to operate our existing and proposed flight schedule and, where desirable, add service along new or existing routes, we must be able to maintain or obtain space for passenger terminals. As airports and heliports around the world become more congested, it may not be possible for us to ensure that our plans for new service can be implemented in a commercially viable manner, given operating constraints at airports and heliports throughout our network, including those imposed by inadequate facilities at desirable locations. Additionally, there is no assurance that we will be able to obtain necessary approvals and to make necessary infrastructure changes to enable adoption of EVA. Any limitation on our ability to acquire or maintain space for passenger terminal operations could have a material adverse effect on our business, results of operations, and financial condition. Blade leases and licenses exclusive passenger terminal infrastructure from airport and heliport operators in key markets. These leases, licenses, and permits vary in term, ranging from month-to-month permits to multi-year use and occupancy agreements that are

coterminous with the airport or heliport operator's underlying lease with the municipality that owns the premises. While our experience with these multi-year use and occupancy agreements have led to long-term uninterrupted usage thus far, certain municipalities, including New York, retain the authority to terminate a heliport operator's lease upon as short as 30 days' notice. If a municipality exercised its termination rights, under certain conditions, our agreements with the airport or heliport operator would concurrently terminate. Termination of one or more of our leases could negatively impact our ability to provide services in our existing markets and have a material adverse effect on our business, results of operations, and financial condition.

~~We~~ **The EVA industry** may ~~not continue~~ require substantial additional funding to **develop** finance our operations. ~~EVA~~ but adequate additional financing may not be available when we need it ~~adopted by the market or our third-party aircraft operators~~. **EVA may not be certified by transportation authorities, or EVA may not deliver the expected reduction in operating costs, any of which could adversely affect our prospects, business, financial condition, and results of operations. EVA involves a complex set of technologies, which we rely on acceptable terms original equipment manufacturers ("OEMs") to develop and our third-party aircraft operators to adopt. However, before EVA can fly passengers or cargo, OEMs must receive requisite approvals from federal transportation authorities. No EVA are currently certified by the FAA for commercial operations in the United States, and there is no assurance that OEM research and development will result in government certified aircraft that are market-viable or commercially successful in a timely manner**, or at all. ~~Prior to our recapitalization we financed our operations and capital expenditures primarily through private financing rounds. In order to gain government certification, the performance, reliability, and safety of EVA must be proven, none of which can be assured. Even if EVA are certified, individual operators must conform EVA to their future licenses~~, performance, reliability, and safety of EVA must be proven, none of which can be assured. ~~Even if EVA aircraft are certified, individual operators must conform EVA aircraft to their licenses, which requires FAA approval, and individual pilots also must be licensed and approved by the FAA to fly EVA aircraft, which could contribute to delays in any widespread use of EVA and potentially limit the number of EVA operators available to our business. Additional challenges to the adoption of EVA, all of which are outside of our control, include:~~ • market acceptance of EVA; • **our ability to utilize EVA, some of which are being developed by manufacturers that intend to pursue a business model that is vertically integrated with direct-to-consumer sales and may be competitive with our offerings**; • state, federal, or municipal licensing requirements and other regulatory measures; • necessary changes to infrastructure to enable adoption, including installation of necessary charging equipment; and • public perception regarding the safety of EVA. There are a number of existing laws, regulations, and standards that may apply to EVA, including standards that were not originally intended to apply to electric aircraft. Regulatory changes that address EVA more specifically could delay the ability of OEMs to receive type certification by transportation authorities and thus delay our third-party aircraft operators' ability to utilize EVA for our flights. In addition, there can be no assurance that the market will accept EVA, that ~~we will be able to~~ **will be able to execute on our business strategy, or that our offerings utilizing EVA will be successful in the market. There may be heightened public skepticism of this nascent technology and its adopters. In particular, there could be negative** required to raise capital through public ~~perception surrounding EVA, including the overall safety and the potential~~ or for injuries private financing or other arrangements. Such financing may not be available on acceptable terms, or at all, and our ~~or death occurring as a result of accidents involving EVA failure to raise capital when needed could harm our business. For example, regardless of unfavorable economic conditions, whether~~ **any such safety incidents occur involving Blade or** related to inflation, interest rates, economic instability or ~~our third-party operators. Any~~ otherwise have, resulted in, and may continue to result in, significant disruption and volatility of global financial markets that ~~the foregoing risks and challenges~~ could adversely impact **affect our prospects, business, financial condition, and results of operations, and financial condition. If one** our ~~or more of our third-party aircraft operators were to suffer an accident or lose the~~ ability to **fly certain aircraft due** access capital. ~~We may sell equity securities or debt securities in one or more transactions at prices and in a manner we may determine from time to~~ **safety concerns** time. If we sell any such securities in subsequent transactions, our ~~or~~ **current investors** ~~investigations,~~ **we** may be **required to cancel** materially diluted. Any debt financing, if available, may involve restrictive covenants and could reduce our ~~or delay certain flights until replacement aircraft and personnel are obtained~~ operational flexibility or profitability. If we cannot raise funds on acceptable terms, we may not be able to grow our business or respond to competitive pressures. Our international operations and any future international expansion strategy will subject us to additional costs and risks, and our plans may not be successful. We have started expanding our Passenger segment internationally. In 2019, we entered into a joint venture in India (our "Indian Joint Venture"), in 2021, we expanded into Canada through the acquisition of the exclusive rights to Helijet International, Inc.'s passenger transportation services, in 2022, we expanded into Europe (France, Switzerland and Monaco) through the acquisition of the passenger transportation services of Hélicoptère Sécurité, Azur Hélicoptère and Monacair, and we may continue to expand our international operations into new countries. Operating outside of the United States **has and** may **continue to** require significant management attention to oversee operations across a broad geographic area with varying regulations, customs and cultural norms, in addition to placing strain on our finance, analytics, compliance, legal, engineering, and operations teams. We have, and may, incur significant operating expenses and may not be successful in our international expansion for a variety of reasons, including: • recruiting and retaining talented and capable employees in foreign countries and maintaining our company culture across all of our offices; • competition from local incumbents that better understand the local market, may market and operate more effectively, and may enjoy greater local affinity or awareness; • differing demand dynamics, which may make our offerings less successful; • complying with local laws and regulatory standards, including with respect to data privacy and tax; • obtaining any required government approvals, licenses, or other authorizations; • varying levels of Internet and mobile technology adoption and infrastructure; • costs and exchange rate fluctuations; • operating in jurisdictions that do not protect intellectual property rights to the same extent as the United States; and • limitations on the repatriation and investment of funds as well as foreign currency exchange restrictions. As of December

31, 2023-2024, our European market expansion has incurred integration issues and losses, resulting in an impairment of the carrying values of the purchased intangible assets related to our acquisition of the passenger transportation services of Hélicoptère Sécurité, Azur Hélicoptère and Monacair. **The We made these acquisitions following careful analysis and due diligence to achieve our desired strategic objective to expand internationally in the largest helicopter market globally than are most likely, in our estimation, to be improved following the introduction of EVA; however, the acquisition involved estimates, assumptions, and judgments, which and results have varied from our expectations**, and may continue to vary, due to slower than expected business integration, lower than anticipated operating results of the European expansion and our expectation of delays in the commercialization of EVA for use in Europe. We hold a minority ownership stake in our Indian Joint Venture and do not hold any control rights over the operations of the business. As such, we cannot directly prevent actions which may result in losses or negative publicity. While we have implemented various measures intended to anticipate, identify, and address the risk associated with our lack of control, these measures may not adequately address or prevent all potential risks and may adversely impact our reputation and brand, which could adversely affect our business, financial condition, and results of operations. In the future, we may enter into other joint ventures or licensing agreements that involve a similar lack of control, which could adversely impact our reputation and brand. **We recently exited the Canadian market and fully impaired the value of the acquisition. While our exit agreement includes provisions to seek future collaboration with Helijet International, Inc. following the introduction of eVTOL, such provisions are subject to mutual agreement on business terms, and there is no guarantee that we will reach a satisfactory agreement to re-enter the Canadian market**. Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we undertake may not be successful. If we invest substantial time and resources to expand our operations internationally and are unable to manage these risks effectively, our business, financial condition, and results of operations could be adversely affected. In addition, international expansion may increase our risks related to compliance with various laws and standards, including with respect to anti-corruption, anti-bribery, **trade agreements**, and trade and economic sanctions. **As part of our growth strategy..... as an indication of our future performance**. Risks Related to Our Dependence on Third- Party Providers We rely on our third- party operators to provide and operate aircraft. If such third- party operators do not perform adequately or terminate their relationships with us, our costs may increase and our business, financial condition, and results of operations could be adversely affected. We primarily rely on third- party contractors to own and operate aircraft. Should we experience complications with any of these third- party contractors or their aircraft, we may need to delay or cancel flights. We face the risk that any of our contractors may not fulfill their contracts and deliver their services on a timely basis, or at all. We have experienced, and may in the future experience, operational complications with our contractors. The ability of our contractors to effectively satisfy our requirements could also be impacted by any such contractor's financial difficulty or damage to their operations caused by fire, terrorist attack, natural disaster and public health threats. The failure of any contractors to perform to our expectations could result in delayed or canceled flights and harm our business. Our reliance on contractors and our inability to fully control any operational difficulties with our third- party contractors could have a material adverse effect on our business, financial condition, and results of operations. If our third- party aircraft operators are unable to match our growth in demand or we are unable to add additional third- party aircraft operators to our platform to meet demand, our costs may increase and our business, financial condition, and results of operations could be adversely affected. We are dependent on a finite number of certificated third- party aircraft operators to primarily provide our services. In the event potential competitors establish cooperative or strategic relationships with third- party aircraft operators in the markets we serve, offer to pay third- party aircraft operators more attractive rates or guarantee a higher volume of flights than we offer, we may not have access to the necessary number of aircraft to achieve our planned growth. Though we have successfully incentivized our operators to add aircraft to support our growth in the past, there is no guarantee we will be able to continue doing so without incurring costs. If our third- party aircraft operators are unable or unwilling to add aircraft, or are only able to do so at significantly increased expense, or otherwise do not have capacity or desire to support our growth, or we are unable to add new operators on reasonable terms, or at all, our business and results of operations could be adversely affected. As the urban air mobility market grows, we expect competition for third- party aircraft operators to increase. Further, we expect that as competition in the urban air mobility market grows, the use of exclusive contractual arrangements with third- party aircraft operators, sometimes requiring volume guarantees, may increase, as may the cost of securing their services. Transportation for the hearts, lungs and livers that make up the vast majority of our Medical product line is typically requested only hours before the required departure time. Our ability to successfully fulfill these requests is the primary metric by which Medical Customers evaluate our performance. The short turnaround times required in our Medical product line necessitate dedicated aircraft and crews. Historically, the combination of our Passenger and Medical demand has been enough to incentivize operators to provide dedicated aircraft and crews for this purpose, but there is no guarantee that will continue, particularly if demand for private aircraft continues to increase. As a result, we may need to own and / or operate **additional** aircraft in the future in order to maintain access to the number of aircraft required to support our growing business; ownership and operation of aircraft would result in additional risks. If we encounter problems with any of our third- party aircraft operators or third- party service providers, such as workforce disruptions, our operations could be adversely affected by a resulting decline in revenue or negative public perception about our services. Due to our reliance on third parties aircraft operators, we are subject to the risk of disruptions to their operations, which has in the past and may in the future result from many of the same risk factors disclosed in this "Risk Factors" section, such as the impact of adverse economic conditions and the inability of third parties to hire or retain skilled personnel, including pilots and mechanics. Several of these third- party operators provide significant capacity that we would be unable to replace in a short period of time should that operator fail to perform its obligations to us. Disruptions to capital markets, shortages of skilled personnel and adverse economic conditions in general, such as conditions resulting from the COVID- 19 pandemic, have subjected certain of these third- party regional operators to significant financial and operational pressures, which have in the past and could result in the temporary or

permanent cessation of their operations. We may also experience disruption to our regional operations if we terminate agreements with one or more of our current aircraft operators and transition the services to another provider. Although our third-party aircraft operators are not currently experiencing workforce disruptions, we cannot predict the future actions of their workforce. Union strikes among airport workers or certain pilots of third-party aircraft operators may result in disruptions of our services and thus could have a material adverse effect on our business, financial condition, and results of operations. Any significant disruption to our operations as a result of problems with any of our third-party aircraft operators would have a material adverse effect on our business, results of operations, and financial condition. In addition, we have entered into agreements with contractors to provide various facilities and services required for our operations. Because we rely on others to provide such services, our ability to control the efficiency and timeliness of such services is limited. Similar agreements may be entered into in any new markets we decide to serve. We are also at risk should one of these service providers cease operations, and there is no guarantee that we could replace these providers on a timely basis with comparably priced providers, or at all. Any material problems with the efficiency and timeliness of contract services, resulting from financial hardships or otherwise, could have a material adverse effect on our business, results of operations, and financial condition. ~~Our third-party aircraft operators' insurance may become too difficult or expensive for them to obtain. If our third-party aircraft operators are unable to maintain sufficient insurance coverage, it may materially and adversely impact our results of operations and financial position. Hazards are inherent in the aviation industry and may result in loss of life and property, potentially exposing us to substantial liability claims arising from the operation of aircraft. Safe operation of aircraft is primarily the responsibility of our third-party operators and they are primarily held liable for accidents, thus incidents related to aircraft operation are covered by our third-party operators' insurance. A limited number of hull and liability insurance underwriters provide coverage for our third-party aircraft operators. Insurance underwriters are required by various federal and state regulations to maintain minimum levels of reserves for known and expected claims. However, there can be no assurance that underwriters have established adequate reserves to fund existing and future claims. The number of aviation accidents and the impact of general economic conditions on underwriters may result in increases in premiums above the rate of inflation. If our third-party aircraft operators' insurance costs increase, such operators are likely to pass the increased costs to us, which could cause us to increase the prices paid by our fliers. Such cost increases could adversely affect demand for our services and harm our business. Additionally, under all aircraft operating agreements, our third-party aircraft operators have agreed to indemnify us against liability arising from the operation of aircraft and to maintain insurance covering such liability. However, there can be no assurance there will be no challenge to the indemnification rights or that the aircraft operator will have sufficient assets or insurance coverage to fulfill its indemnity obligations.~~ Illegal, improper, or otherwise inappropriate operation of branded aircraft by our third-party aircraft operators, regardless of whether they are operating aircraft on our behalf, could harm our reputation, business, brand, financial condition, and results of operations. Some of our third-party aircraft operators operate Blade-branded aircraft on a non-exclusive basis, enabling them to utilize Blade-branded aircraft for flight operations unrelated to Blade. If our third-party aircraft operators were to operate Blade-branded aircraft, regardless of whether such aircraft is flying on our behalf, in an illegal, improper, or otherwise inappropriate manner, such as violating local noise-abatement regulations or ignoring suggested noise-abatement flight paths and procedures, we could be exposed to significant reputational harm. While we have implemented various measures intended to anticipate, identify, and address the risk of these types of activities, these measures may not adequately address or prevent all illegal, improper, or otherwise inappropriate activity by our third-party aircraft operators while flying Blade-branded aircraft. Further, any negative publicity related to the foregoing, whether or not such incident occurred while flying on our behalf, could adversely affect our reputation and brand or public perception of the urban air mobility industry as a whole, which could negatively affect demand for platforms like ours and potentially lead to increased regulatory or litigation exposure. Any of the foregoing risks could harm our business, financial condition, and results of operations. We rely on third-party web service providers to deliver our offerings to users on our platform, and any disruption of or interference with our use of third-party web services could adversely affect our business, financial condition, and results of operations. Our platform's continuing and uninterrupted performance is critical to our success. We currently host our platform and support our operations using a third-party provider of cloud infrastructure services. While we have engaged reputable vendors to provide these services, we do not have control over the operations of the facilities used by our third-party provider, and their facilities may be vulnerable to damage or interruption from natural disasters, cybersecurity attacks, human error, terrorist attacks, power outages, and similar events or acts of misconduct. In addition, any changes in our third-party cloud infrastructure provider's service levels may adversely affect our ability to meet the requirements of users. While we believe we have implemented reasonable backup and disaster recovery plans, we have experienced, and expect that in the future we will experience, interruptions, delays, and outages in service and availability from time to time due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions, and capacity constraints. Sustained or repeated system failures would reduce the attractiveness of our offerings. It may become increasingly difficult to maintain and improve our performance, especially during peak usage times, as we expand our service offerings. Any negative publicity or user dissatisfaction arising from these disruptions could harm our reputation and brand and may adversely affect the usage of our offerings, and could harm our business, financial condition, and results of operation. ~~third-party~~ that distributes such open-source software were to allege that we had not complied with the conditions of an open-source license, we could incur significant legal costs defending ourselves against such allegations or remediating any alleged non-compliance with open-source licenses. Any such remediation efforts could require significant additional resources, and we may not be able to successfully complete any such remediation. Further, in addition to risks related to license requirements, use of certain open-source software can lead to greater risks than use of third-party commercial software, as open-source licensors generally do not provide warranties, and the open-source software may contain security **vulnerabilities**. Legal and Regulatory Risks Related to Our Business Our business is subject to a wide variety of extensive and evolving laws and regulations, which may result in increases in our costs, disruptions to our operations, limits on

our operating flexibility, reductions in the demand for air travel, and competitive disadvantages. We are subject to a wide variety of laws and regulations relating to various aspects of our business, employment and labor, health care, tax, privacy and data security, health and safety, and environmental issues. Laws and regulations at the foreign, federal, state, and local levels frequently change, especially in relation to new and emerging industries, and we cannot always reasonably predict the impact from, or the ultimate cost of compliance with, current or future legal or regulatory changes. We monitor these developments and devote a significant amount of management's time and external resources towards compliance. Moreover, changes in law, the imposition of new or additional regulations or the enactment of any new or more stringent legislation that impacts our business could require us to change the way we operate or limit our ability to expand into certain jurisdictions, which could have a material adverse effect on our business, financial condition, and operating results. Further, our business has been adversely impacted when government agencies have ceased to operate as expected including due to partial shut-downs or similar events. These events have resulted in, among other things, reduced demand for air travel, an actual or perceived reduction in air traffic control and security screening resources, and related travel delays, as well as disruption in the ability of the FAA to grant required regulatory approvals, such as those that are involved when a new aircraft is first placed into service. Our results of operations and the manner in which we conduct business may be affected by changes in law and future actions taken by governmental agencies, including:

- changes in law that affect the services that can be offered by us in particular markets and at particular airports, or the types of fares offered or fees that can be charged to fliers;
- restrictions on competitive practices (for example, court orders, or agency regulations or orders, that would curtail our ability to respond to a competitor);
- the adoption of new passenger security standards or regulations that impact customer service standards;
- restrictions on airport operations, such as restrictions on the use of airports ~~or~~, **heliports or aircraft routes**; and
- the adoption of more restrictive locally-imposed noise restrictions.

Each additional regulation or other form of regulatory oversight increases costs and adds greater complexity to operations and, in some cases, may reduce the demand for air travel. There can be no assurance that the increased costs or greater complexity associated with our compliance with new rules, anticipated rules or other forms of regulatory oversight will not have a material adverse effect on us. Any significant reduction in air traffic capacity at and in the airspace serving key airports in the United States or Internationally could have a material adverse effect on our business, results of operations and financial condition. Weaknesses in the National Airspace System and the Air Traffic Control ("ATC") system, such as outdated procedures and technologies **and staffing shortages**, have resulted in short-term capacity constraints during peak travel periods or adverse weather conditions in certain markets, resulting in delays and disruptions of air traffic. Outdated technologies **and staffing shortages** may also cause the ATC system to be less resilient in the event of a failure. For example, an automation failure and an evacuation, in 2015 and 2017 respectively, at the Washington Air Route Control Center resulted in cancellations and delays of hundreds of flights traversing the greater Washington, D. C. airspace. **Regulatory responses to aviation accidents, including route closures or airspace restrictions, could further amplify these challenges. For example, after a 2025 mid-air collision between a military helicopter and a commercial passenger aircraft near Ronald Reagan Airport in Washington, D. C., authorities immediately shut down helicopter routes in the vicinity and announced plans to reassess other helicopter routes near major commercial airports.** Failure to comply with legal and regulatory requirements, such as obtaining and maintaining licenses, certificates, authorizations, and permits critical for the operation of our business, may result in civil penalties or private lawsuits, or the suspension or revocation of licenses, certificates, authorizations, or permits, which would prevent us from operating our business. Even when we believe we are in complete compliance, a regulatory agency may determine that we are not. We could be subject to litigation **or regulatory investigations**, which ~~is~~ **may be** expensive and could divert management attention. ~~Our~~ **We have in the past, and may in the future become, involved in legal actions and claims related in the ordinary course of business related is exposed to various breaches of contracts, wrongful termination, injury, creation of a hostile workplace, discrimination, wage and hour, employee benefits, sexual harassment and other employment issues. Employees and former employees, from time to time, bring lawsuits against us regarding injury, creation of a hostile workplace, discrimination, wage and hour, employee benefits, sexual harassment and other employment issues. Companies that have faced employment or harassment-related lawsuits have had to terminate management or other key personnel and have suffered reputational harm that has negatively impacted their businesses. If we experience significant incidents involving employment or harassment-related claims in the future, we could face substantial out-of-pocket losses and fines if claims are not covered by our insurance coverages, as well as negative publicity. In addition, such claims may give rise to litigation, which may be time-consuming, costly and regulatory risks distracting to our management team.** In the past, following periods of volatility in the overall market and the market prices of particular companies' securities, securities class action or state stockholder lawsuits have often been instituted against publicly traded companies. We have been, and may in the future be, **additional subject to such litigation and as well as other regulatory proceedings, including Section 220 Books and Records Demands, which could be used to file a derivative lawsuit against directors and officers. In addition, we have in the past, and may in the future become, involved in legal actions and claims related in the ordinary course of business related to breaches of contracts, wrongful termination, injury, creation of a hostile workplace, discrimination, wage and hour, employee benefits, sexual harassment and other employment issues.** For additional information about litigation matters, see the section **in this Annual Report** entitled "Business- Litigation". The existence of litigation, claims, investigations and proceedings may harm our reputation, limit our ability to conduct our business in the affected areas and adversely affect the trading prices of our stock and / or other securities. The outcome of any claims, investigations and proceedings is inherently uncertain, and in any event defending against these claims could result in substantial costs and divert our management's attention and resources from other business concerns, which could significantly impact our business. Any adverse determination in any such litigation or any amounts paid to settle any such actual or threatened litigation could require that we make significant payments, incur legal and other costs, limit our ability to conduct business or require us to change the manner in which we operate. **Furthermore, prolonged or complex investigations, even if they do not result in regulatory or**

other proceedings or adverse findings, may result in significant costs that may not be covered by insurance and in diversion of employee resources. We may be blocked from or limited in providing or offering our services in certain jurisdictions, and may be required to modify our business model in those jurisdictions as a result. We face regulatory obstacles, including those lobbied for **in by** local government, which could prevent us from operating our urban air mobility or Medical services. We have incurred, and expect that we will continue to incur, significant costs in defending our right to operate in accordance with our business model in many jurisdictions. To the extent that efforts to block or limit our operations **or the types of services we offer in general** are successful, or we or third- party aircraft operators are required to comply with **more stringent or costly** regulatory **and requirements, or** other requirements applicable to air transportation services, our revenue and growth **would could** be adversely affected. We currently operate passenger terminals out of several airports and heliports throughout the Northeast United States. These facilities are strategically located in close proximity to heavily populated areas. If these airports or heliports were to restrict access for **rotor wing operations certain types of air transportation**, our passenger volume and utilization rates may be significantly impacted and certain existing or planned future routes may cease to be profitable for us to operate. New York has a limited number of hangar and helipad sites, which may limit our ability to expand operations to other locations within the state **or region**. While we do not require hangar space to operate our business, the availability of nearby hangar space is advantageous to allow our third- party aircraft operators to effectively support our business. In addition, **communities some constituents** near certain key heliports and airports, and the elected officials representing them, are concerned about noise generated by helicopters. Some of these communities have proposed new rules and legislation to reduce or eliminate helicopter flights from key Blade service areas, including Manhattan, Cogolin, Gassin, Grimaud, Ramatuelle and St. Tropez. For example, **across the United States, proposed legislation in 2021 at the local, city and state levels in New York has** sought to limit helicopter flights **over cities with certain population and density challenge operations, including proposed legislation at the state level that would assess additional taxes on helicopter and seaplane flights and proposed legislation at the city level that would restrict, though its non- essential helicopter operations at city heliports to helicopters powered fully by electric engines. While we do not anticipate the currently proposed state or view such bills city level legislation becoming effective this year, or at all, there can be no assurance that this or similar legislation** will not **pass be imposed on our operations in the future**. **Local** ~~Between June 1, 2023 and September 15~~ **national regulatory bodies in France, including 2023,** the local governments of Cogolin, Gassin, Grimaud, Ramatuelle and St. Tropez, **have historically, and** will **continue to** impose daily and weekly limitations on the frequency of helicopter movements from landing zones within their respective geographical areas. Moreover, the Town Board of the Town of East Hampton, New York **attempted to place** ~~is considering the temporary closure, or~~ additional restrictions on the use ~~of the East Hampton Airport, following the expiration of FAA grant assurances in September of 2021~~, **including the temporary closure of the airport**. On February 15, 2022, the Company filed and others filed a petition in the Supreme Court of the State of New York, County of Suffolk, alleging that the plan to close the East Hampton Airport violates New York’s Environmental Quality Review Act and Article 78 of New York’s Civil Practice Law and Rules. The court granted a temporary restraining order, which the respondents unsuccessfully tried to modify or partially stay. The court later consolidated this case with two other similar cases and on October 19, 2022 the court granted our and other petitioners’ petitions in their entirety, which led to the respondents filing of Notice of Appeal. **This litigation is still pending** Additionally, the Company and other ~~plaintiffs filed a complaint in the United States District Court, the Southern District of New York, against the County of Westchester, April Gasparri, and Avports for preventing them from operating at Westchester County Airport. The County of Westchester responded with counterclaims against the plaintiffs for violating Westchester County Airport’s terminal use procedures and seeking a permanent injunction. The Company denies violating the terminal use procedures.~~ If these or any similar efforts are successful, our business would be severely impacted and our growth opportunities in such areas may be reduced. Failure to comply with federal, state, and foreign laws and regulations relating to privacy, data protection, and consumer protection, or the expansion of current laws and regulations or the enactment of new laws or regulations in these areas, could adversely affect our business and our financial condition. We are subject to a wide variety of laws in the United States and other jurisdictions related to privacy, data protection, and consumer protection that are often complex and subject to varying interpretations. As a result, these privacy, data protection, and consumer protection laws may change or develop over time through judicial decisions or as new guidance or interpretations are provided by regulatory and governing bodies and such changes or developments may be contrary to our existing practices. This may cause us to expend resources on updating, changing, or eliminating some of our privacy and data protection practices. Laws and regulations relating to privacy and data protection are continually evolving and subject to potentially differing interpretations. These requirements may not be harmonized, may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another, or may conflict with other rules or our practices. As a result, our practices may not have complied or may not comply in the future with all such laws, regulations, requirements, and obligations. The failure to comply with such data protection and privacy regulations can result in fines, penalties, and the enforcement of any non- compliance, which could significantly impact our business operations. The **California Privacy Protection Act of 2018, as amended by the California Privacy Rights Act of 2020 (CPRA- CCPA)**, provides ~~new~~ data privacy rights for consumers in California and ~~new~~ operational requirements for companies doing business in California. Compliance with ~~the these~~ **new obligations imposed by the CCPA** depends in part on how **particular the** regulators **responsible for enforcing the CCPA** interpret and apply them ~~, and because the CCPA is relatively new, there is still some uncertainty about how the CCPA will be interpreted and enforced.~~ If we fail to comply with the CCPA or if regulators assert that we have failed to comply with the CCPA, we may be subject to certain fines or other penalties and litigation, any of which may negatively impact our reputation, require us to expend significant resources, and harm our business. Furthermore, CPRA, which amended and expanded the CCPA, including by providing consumers with additional rights with respect to their personal information took effect applying to information collected by businesses on or after January 1, 2022. We

believe that the personal information we collect from California residents that use our app, the air transportation services we have offered in California in the past, and direct marketing to California residents for those services, as well as our plans to offer future services in California, have made and in the future will make Blade subject to compliance with CCPA. **Many other states have either passed, proposed or are considering privacy laws similar to, and in some respects more stringent than, the CPRA- CCPA. The patchwork of privacy laws in the U. S. heightens the cost of compliance, the risks of noncompliance, and the potential for enforcement actions by individual state attorneys general, regulators, and lawsuits brought by private plaintiffs.** Moreover, as we offer and advertise our services in Europe, ~~Canada,~~ and Monaco, it is important to acknowledge the impact of privacy regulations in these foreign jurisdictions which we are subject to. The **European Union’s General Data Protection Regulation (“GDPR”), PIPEDA, and Monaco’s Act No. 1. 054 on the Protection of Personal Data (“DPA ”) impose** ~~are known for their~~ stringent requirements and can pose significant challenges for companies to comply with. Complying with such privacy regulations requires increased expenditure in human and financial resources which may negatively impact the financial conditions of our foreign operations. We have in the past, and could be in the future, subject to data breaches. A significant data breach or any failure, or perceived failure, by us to comply with any federal, state, or foreign privacy laws, regulations, or other principles or orders to which we may be subject could adversely affect our reputation, brand, and business, and may result in claims, investigations, proceedings, or actions against us by governmental entities, litigation, including class action litigation, from our fliers, fines, penalties, or other liabilities, or require us to change our operations or cease using certain data sets. Depending on the nature of the information compromised, we may also have obligations to notify users, law enforcement, government authorities, payment companies, consumer reporting agencies, or the media about the incident and may be required to expend additional resources in connection with investigating and remediating such an incident, and otherwise complying with applicable privacy and data security laws. Failure to comply with applicable privacy and security laws and regulations could result in a material breach of contract with one or more of our Medical Customers, subject us to enforcement actions and adversely affect our business and our financial condition. The cost of compliance with the laws and regulations is high and is likely to increase in the future as we continue to develop new verticals in the Medical segment, including our Trinity Organ Placement Services product or “TOPS.” Any failure or perceived failure by us to comply with applicable data privacy and security laws or regulations, our internal policies and procedures or our contracts governing our processing of personal information could result in negative publicity, government investigations and enforcement actions, claims by third parties and damage to our reputation, any of which could have an adverse effect on our operations, financial performance and business. HIPAA privacy and security regulations extensively regulate the use and disclosure of **protected health information (“PHI ”)** and require business associates to implement administrative, physical and technical safeguards to protect the security of such information. If we are unable to properly protect the privacy and security of PHI entrusted to us, we could be found to have breached our contracts with our customers and / or be subject to investigation by the HHS Office for Civil Rights (“OCR”). **We may also be required to notify government authorities, individuals, the media, and other third parties in connection with a security incident or breach involving PHI or other personally identifiable information.** In the event OCR finds that we have failed to comply with applicable HIPAA privacy and security standards, we could face civil and criminal penalties. OCR has become an increasingly active regulator and has signaled its intention to continue this trend. OCR has the discretion to impose penalties without being required to attempt to resolve violations through informal means. Further, OCR may require companies to enter into resolution agreements and corrective action plans that impose ongoing compliance requirements. OCR enforcement activity can result in financial liability and reputational harm, and responses to such enforcement activity can consume significant internal resources. In addition to enforcement by OCR, state attorneys general are authorized to bring civil actions under either HIPAA or similar state laws, seeking either injunctions or damages in response to violations that threaten the privacy of state residents. Although we have developed and are implementing policies, processes and a compliance program infrastructure to assist us in complying with these laws and regulations and our contractual obligations, we cannot provide assurance regarding how these laws and regulations will be interpreted, enforced or applied to our Medical segment. Further, the FTC has prosecuted certain uses and disclosures of personal information and data breach cases as unfair and / or deceptive acts or practices under the Federal Trade Commission Act or under the FTC Health Breach Notification ~~Act~~ **Rule.** Environmental regulation and liabilities, including new or developing laws and regulations, may increase our costs of operations and adversely affect us. In recent years, ~~governments have increasingly focused~~ **there has been heightened interest from regulators, investors and other stakeholders on sustainability matters, including carbon emissions and energy use, and related disclosures. New and emerging regulatory initiatives, particularly in the E. U., related to** climate change, ~~carbon emissions,~~ and energy use **sustainability matters, could adversely affect parts of our business.** Laws and regulations that curb the use of conventional energy or require the use of renewable fuels or renewable sources of energy, such as wind or solar power, could result in a reduction in demand for hydrocarbon- based fuels such as oil and natural gas. In addition, governments could pass laws, regulations or taxes that increase the cost of such fuels, thereby decreasing demand for our services and increasing the costs of our operations by us or our third- party aircraft operators. ~~More stringent~~ **Furthermore, expanding expectations for mandatory or voluntary reporting, diligence, and disclosure on topics such as environmental laws impact, could expand the nature, scope, and complexity of matters that we are required to control, assess and report on. These changing rules , regulations , and stakeholder expectations may result in increased expenses and increased management time and attention spent complying with or meeting such regulations and expectations. Risks Related to Ownership of Our Securities and Being a Public Company We have in the past and may in the future identify material weaknesses in or our enforcement policies internal control over financial reporting. In order to maintain effective internal control over financial reporting, we must perform system and process evaluations, document our controls and perform testing of our key controls over financial reporting to allow for management and our independent public accounting firm to report on the effectiveness of our internal control over financial reporting. In**

the past, we have identified material weaknesses in our internal control over financial reporting which we have remedied. If we, or our independent registered public accounting firm, identify deficiencies in our internal control over financial reporting in the future that are deemed to be material weaknesses, our investors could lose confidence in our reported financial information, we may be required to restate those financial statements, the market price of our stock may decline and we could be subject to lawsuits, sanctions or investigations by regulatory authorities, which would require additional financial and management resources and otherwise could have a material adverse effect on our business, financial condition ~~or~~, and results of operations. ~~Risks Related to Ownership of Our Securities and Being a Public Company~~

We have identified material weaknesses in our internal control over financial reporting. If our remediation of these material weaknesses is not effective, or if we experience additional material weaknesses in the future or otherwise fail to maintain effective internal controls in the future, we may not be able to accurately report its financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our common stock. Our management is responsible for establishing and maintaining adequate internal controls over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U. S. GAAP. Our management is likewise required, on a quarterly basis, to evaluate the effectiveness of our internal controls over financial reporting and to disclose any changes and material weaknesses identified through such evaluation of those internal controls. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. In connection with the audit of our consolidated financial statements for the year ended December 31, 2023, management concluded that our internal controls over financial reporting were not effective as of December 31, 2023, due to the existence of two material weaknesses as follows: • The lack of effective IT General Controls in relation to: • user access controls that adequately restrict user access to financial applications, programs and data affecting underlying accounting records, and • the change management controls for certain operational applications that ensure IT program and data changes are identified, tested, authorized and implemented properly. • a number of control deficiencies in relation to the revenue process that, although not individually material in nature, in aggregate constitute a material weakness. These material weaknesses could impact our financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. While we have implemented Sarbanes-Oxley Act (“SOX”) compliance software to assist in the overall evaluation and documentation of the design and operating effectiveness of our internal controls as described under “Item 9A. Controls and Procedures: Management’s Plans for Remediation” and expect to have the two identified material weaknesses remediated during 2024, the work is ongoing, may be time consuming and costly, and there can be no assurance as to when we will successfully remediate these material weaknesses. As discussed above, we have taken, and plan to take, a number of measures to remediate these material weaknesses; however, if we are unable to remediate our continuing material weaknesses in a timely manner or we identify additional material weaknesses, we may be unable to provide required financial information in a timely and reliable manner and we may incorrectly report financial information. Likewise, if our financial statements are not filed on a timely basis, we could be subject to sanctions or investigations by the stock exchange on which our common stock is listed, the SEC or other regulatory authorities. Failure to timely file will cause us to be ineligible to utilize short form registration statements on Form S-3 or Form S-4, which may impair our ability to obtain capital in a timely fashion to execute our business strategies or issue shares to effect an acquisition. In either case, there could result a material adverse effect on our business. The existence of material weaknesses or significant deficiencies in internal control over financial reporting could adversely affect our reputation or investor perceptions of us, which could have a negative effect on the trading price of our stock. In addition, we have and will continue to incur additional costs to remediate material weaknesses in our internal control over financial reporting. If our management is unable to conclude that our internal control over financial reporting is effective, or if Blade’s independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, when required, lenders and investors may lose confidence in the accuracy and completeness of our financial reports and we may face restricted access to various sources of financing in the future. If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired. As a public company, we are subject to the reporting requirements of the Exchange Act, SOX, and the rules and regulations of the applicable listing standards of the Nasdaq. The requirements of these rules and regulations have increased and may continue to increase our legal, accounting, and financial compliance costs, have made some activities more difficult, time-consuming, and costly and have placed significant strain on our personnel, systems, and resources. SOX requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In particular, Section 404 of SOX (“Section 404”) requires us to perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on, and our independent registered public accounting firm potentially to attest to, the effectiveness of our internal control over financial reporting. Any failure to maintain effective disclosure controls and internal control over financial reporting could have a material and adverse effect on our business, results of operations and financial condition and could cause a decline in the trading price of our common stock. If we fail to ~~develop and~~ maintain effective internal control over financial reporting and disclosure controls and procedures, we may be unable to provide financial information and required SEC reports that a U. S. publicly traded company is required to provide in a timely and reliable fashion. Any such delays or deficiencies could penalize us, including by limiting our ability to obtain financing, either in the public capital markets or from private sources and hurt our reputation and could thereby impede our ability to implement our growth strategy. In addition, any such delays or deficiencies could result in our failure to meet the requirements for listing of our common stock on the Nasdaq. ~~We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be~~

disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting. In order to develop, maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related and audit-related costs and significant management oversight. Our Warrants are accounted for as derivative liabilities and are recorded at fair value with changes in fair value for each period reported in earnings, which may have an adverse effect on the market price of our common stock. We are accounting for both the Public Warrants and the Private Placement Warrants as a warrant liability. At each reporting period, the accounting treatment of the Warrants will be re-evaluated for proper accounting treatment as a liability or equity, and the fair value of the liability of the public and private warrants will be remeasured. The change in the fair value of the liability will be recorded as other income (expense) in our consolidated statement of operations. The value of the liability related to the Warrants is determined by the warrants' market price, which is driven mainly by the share price of our common stock. Changes in the warrants' market price may have a material impact on the estimated fair value of the embedded derivative liability. As a result, our consolidated financial statements and results of operations will fluctuate quarterly, based on the share price of our common stock. If our stock price is volatile, we expect that we will recognize non-cash gains or losses on our Warrants or any other similar derivative instruments each reporting period and that the amount of such gains or losses could be material. The impact of changes in fair value on earnings may have an adverse effect on the market price of our common stock. See Note 2, 12 and 13 and 14 to the consolidated financial statements for additional information. The price of our securities may change significantly, and you could lose all or part of your investment as a result. The trading price of our common stock and Warrants has been and in the future may again be volatile. ~~The~~ **Since 2020, the** stock market **has** experienced extreme volatility ~~during part of 2020, 2021, 2022 and 2023~~. This volatility **is** often ~~has been~~ unrelated or disproportionate to the operating performance of particular companies. An investor might not be able to resell shares or Warrants at an attractive price due to a number of factors such as those listed in “Risks Related to Our Business and Growth Strategy”. Broad market and industry fluctuations may adversely affect the market price of our common stock, regardless of our actual operating performance. In addition, price volatility may be greater if the public float and trading volume of our common stock is low. There is no guarantee that the Warrants will ever be in the money, and they may expire worthless. The exercise price for our Warrants is \$ 11.50 per share. There can be no assurance that the Warrants will be in the money prior to their expiration and, as such, they may expire worthless. The terms of our Warrants may be amended in a manner that may be adverse to the holders. The Warrant Agreement between American Stock Transfer and Trust Company, LLC, as warrant agent, and us provides that the terms of the Warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 50% of the then outstanding Warrants to make any change that adversely affects the interests of the registered holders. Accordingly, we may amend the terms of the Warrants in a manner adverse to a holder if holders of at least 50% of the then outstanding Warrants approve of such amendment. Our ability to amend the terms of the Warrants with the consent of at least 50% of the then outstanding Warrants is unlimited. Examples of such amendments could be amendments to, among other things, increase the exercise price of the Warrants, shorten the exercise period or decrease the number of shares of our common stock purchasable upon exercise of a Warrant. We may redeem unexpired Warrants held by former EIC stockholders prior to their exercise at a time that is disadvantageous to those stockholders, thereby making such Warrants worthless. We have the ability to redeem outstanding Warrants at any time prior to their expiration, at a price of \$ 0.01 per Warrant, provided that the last reported sales price of our common stock equals or exceeds \$ 18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations, and the like) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to the date we send the notice of redemption to the Warrant holders. If and when the Warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding Warrants could force you to: (1) exercise your Warrants and pay the related exercise price at a time when it may be disadvantageous for you to do so; (2) sell your Warrants at the then-current market price when you might otherwise wish to hold your Warrants; or (3) accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, is likely to be substantially less than the market value of your Warrants. None of the Private Placement Warrants will be redeemable by us for cash so long as they are held by the Sponsor (Experience Sponsor LLC) or its permitted transferees. In addition, we may redeem Warrants (including Private Placement Warrants) for a number of shares of our common stock determined based on the redemption date and the fair market value of our common stock. Any such redemption may have similar consequences to a cash redemption described above. In addition, such redemption may occur at a time when the Warrants are “out-of-the-money”, in which case you would lose any potential embedded value from a subsequent increase in the value of our common stock had your Warrants remained outstanding. We do not expect to declare any dividends in the foreseeable future. We intend to retain future earnings, if any, for future operations and expansion and there are no current plans to pay any cash dividends for the foreseeable future. The declaration, amount, and payment of any future dividends on shares of our common stock will be at the sole discretion of our Board of Directors (or “Board”). Our Board of Directors may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax, and regulatory restrictions, implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, and such other factors as our Board may deem relevant. As a result, you may not receive any return on an investment in our common stock unless you sell our common stock for a price greater than that which you paid for it. We may issue additional shares of common stock or other equity securities without your approval, which would dilute your ownership interest in us and may depress the market price of our common stock. We may issue additional shares of common stock or other equity securities

in the future in connection with, among other things, future acquisitions, repayment of outstanding indebtedness or grants to our directors, officers, and employees without stockholder approval in a number of circumstances. In addition, exercise of the Warrants would be dilutive. Our issuance of additional common stock or other equity securities could have one or more of the following effects: • our existing stockholders' proportionate ownership interest in us will decrease; • the amount of cash available per share, including for payment of dividends in the future, may decrease; • the relative voting strength of each previously outstanding share of common stock may be diminished; and • the market price of our common stock may decline. We are a "smaller reporting company" within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to "smaller reporting companies," this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies. We are a "smaller reporting company" as defined in Item 10 (f) (1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (i) the market value of our common stock held by non-affiliates is greater than or equal to \$ 250 million as of the end of that fiscal year's second fiscal quarter, OR (ii) our annual revenues are greater than or equal to \$ 100 million during the last completed fiscal year and the market value of our common stock held by non-affiliates exceeds \$ 700 million as of the end of that fiscal year's second fiscal quarter. To the extent we take advantage of such reduced disclosure obligations, it may also make comparison of our financial statements with other public companies difficult or impossible. ~~We may incur significant costs associated with increased regulation as we transition from an "emerging growth company" to accelerated filer status. We are currently an "emerging growth company" within the meaning of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies." As of December 31, 2024, we will no longer be an emerging growth company, as defined under the JOBS Act, and will no longer be able to take advantage of certain exemptions from various reporting requirements that are applicable to emerging growth companies. We will be faced with increased compliance regulation and disclosure requirements as we transition into accelerated filer status from "emerging growth company" status and these rules and regulations contribute to increased legal and financial compliance costs and make some activities time-consuming. In particular, we will be subject to new requirements, including, but not limited to, compliance with the auditor attestation requirements of Section 404, enhanced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, nonbinding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. In addition, we will no longer be able to use the extended transition period for complying with new or revised accounting standards available to emerging growth companies and will be required to adopt new or revised accounting standards as of the effective dates for public companies. Such changes may require us to incur additional costs for compliance.~~ Provisions in our charter and Delaware law may inhibit a takeover of us, which could limit the price investors might be willing to pay in the future for our common stock and could entrench management. Our Certificate of Incorporation contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. These provisions include the ability of our Board to designate the terms of and issue new series of preferred shares, which may make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. These anti-takeover defenses could discourage, delay, or prevent a transaction involving a change in control of the Company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and cause us to take corporate actions other than those you desire. Our Certificate of Incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings and the federal district courts as the sole and exclusive forum for other types of actions and proceedings, in each case, that may be initiated by our stockholders, which could limit our stockholders' ability to obtain what such stockholders believe to be a favorable judicial forum for disputes with the Company or our directors, officers, or other employees. Our Certificate of Incorporation provides that, unless we consent to the selection of an alternative forum, any (i) derivative action or proceeding brought on behalf of the Company; (ii) action asserting a claim of breach of a fiduciary duty owed by, or any other wrongdoing by, any current or former director, officer, or other employee or stockholder of the Company; (iii) action asserting a claim against the Company arising pursuant to any provision of the DGCL or our certificate of incorporation or our bylaws; or (iv) action to interpret, apply, enforce, or determine the validity of any provisions in the certificate of incorporation or bylaws; or (v) action asserting a claim against the company or any director or officer of the Company governed by the internal affairs doctrine, shall, to the fullest extent permitted by law, be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, the federal district court of the State of Delaware. Subject to the foregoing, the federal district courts of the United States are the exclusive forum for the resolution of any action, suit, or proceeding asserting a cause of action under the Securities Act. The exclusive forum provision does not apply to suits brought to enforce any liability or duty created by the Exchange Act. Any person or entity purchasing or otherwise acquiring an interest in any shares of our capital stock shall be deemed to have notice of and to have consented to the forum provisions in our certificate of incorporation. These choice-of-forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that he, she, or it believes to be favorable for disputes with the Company or our directors, officers, or other employees or stockholders, which may discourage such lawsuits. We note that there is uncertainty as to whether a court would enforce these provisions and that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Section 22 of the Securities Act creates concurrent jurisdiction for state and federal courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Alternatively, if a court were to find these provisions of our certificate of incorporation inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may

incur additional costs associated with resolving such matters in other jurisdictions, which could materially adversely affect our business, financial condition, and results of operations and result in a diversion of the time and resources of our management and Board of Directors. Future sales, or the perception of future sales, by us or our stockholders in the public market could cause the market price for the common stock to decline. The sale of shares of our common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. Pursuant to an Investor Rights Agreement, certain stockholders have the right, subject to certain conditions, to require us to register the sale of their shares of common stock under the Securities Act. By exercising their registration rights and selling a large number of shares, these stockholders could cause the prevailing market price of our common stock to decline. If these stockholders exercise their registration rights, the trading price of shares of our common stock could drop significantly if the holders of these shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of shares of common stock or other securities. In addition, the shares of common stock reserved for future issuance under our 2021 Omnibus Incentive Plan will become eligible for sale in the public market once those shares are issued, subject to any applicable vesting requirements, lockup agreements and other restrictions imposed by law. As of December 31, 2023-2024, approximately 9-8, 512-400, 751-498 shares of our common stock were reserved for future issuance under our 2021 Omnibus Incentive Plan. **General Risks** If securities or industry analysts do not maintain coverage of us, if they change their recommendations regarding our common stock, or if our operating results do not meet their expectations, our common stock price and trading volume could decline. The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our businesses. If securities or industry analysts do not maintain coverage of us, the trading price for our common stock could be negatively impacted. If one or more of the analysts who cover us downgrade our securities or publish unfavorable research about our businesses, or if our operating results do not meet analyst expectations, the trading price of our common stock would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our common stock price and trading volume to decline. We incur significant costs and obligations as a result of being a public company. As a publicly traded company, we incur significant legal, accounting, and other expenses that we were not required to incur in the past. These expenses will increase once we are no longer an “emerging growth company” as defined under the JOBS ACT. In addition, new and changing laws, regulations, and standards relating to corporate governance and public disclosure for public companies, including Dodd-Frank, the Sarbanes-Oxley Act, and regulations related thereto and the rules and regulations of the SEC and Nasdaq, have increased the costs and the time that must be devoted to compliance matters. These rules and regulations have increased and may continue to increase our legal and financial costs and divert management time and attention from revenue-generating activities.