

Offeree Name: _____

Copy No. _____

DORONI AEROSPACE, INC.

(A Delaware Corporation)

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, AND HAVE NOT BEEN REGISTERED WITH, OR APPROVED BY, ANY STATE SECURITIES OR BLUE-SKY ADMINISTRATOR OR ANY OTHER REGULATORY AUTHORITY. NO SUCH AUTHORITY HAS PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM, NOR IS IT INTENDED THAT ANY SUCH AUTHORITY WILL DO SO. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

Shares of Series Seed-1 Preferred Stock

Minimum Investment \$4,960
Maximum Offering Amount \$5,000,000
No Minimum Offering Amount

For Accredited Investors Only

April 24, 2023



**2,016,129 Shares of Series Seed-1 Preferred Stock
at \$2.48 per Share (\$5,000,000)**

Doroni Aerospace, Inc. (the “**Company**” or “**Doroni**”), a Delaware corporation, is offering a maximum of two million sixteen thousand one hundred twenty nine (2,016,129) (“**Maximum Offering**”) shares of Series Seed-1 Preferred Stock (each a “**Share**”, collectively “**Shares**”) at \$2.48 per Share. Minimum subscriptions of \$4,960 (2,000 Shares) will be accepted from any one investor, unless waived at the Company’s sole discretion. The offering price has been established by the Company and is not related to the current market price, asset value, net worth, or any other established criteria of value (See “**Risk Factors**”).

The offering will be sold by the Company on a “best-efforts” basis with no minimum on the number of shares required to be sold to “**Accredited Investors Only**” (see “**Investor Suitability Standards**”). Proceeds will be used immediately upon acceptance of a subscription by the Company and will not be held in an escrow or other holding account. (See “Risk Factors,” “Principal Stockholders” and “Description of Securities.”)

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES COMMISSION NOR HAS THE SEC OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE MEMORANDUM. REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES LAWS IN RELIANCE UPON EXEMPTIONS FROM SUCH REGISTRATION FOR TRANSACTIONS NOT INVOLVING ANY PUBLIC OFFERING BECAUSE THEY ARE BELIEVED TO BE EXEMPT FROM REGISTRATION UNDER EITHER REGULATION D OR REGULATION S PROMULGATED THEREUNDER BY THE SEC.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING. AN INVESTMENT IN THESE SECURITIES INVOLVES A HIGH DEGREE OF RISK AND IMMEDIATE SUBSTANTIAL DILUTION OF THE BOOK VALUE OF THE SHARES FROM THE OFFERING PRICE. ACCORDINGLY, THE SECURITIES OFFERED HEREBY SHOULD NOT BE PURCHASED BY ANYONE WHO CANNOT AFFORD A LOSS OF THEIR ENTIRE INVESTMENT.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE SECURITIES OFFERED HEREBY ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK. NO INVESTMENT IN THE OFFERING SHOULD BE MADE BY ANY PERSON NOT FINANCIALLY ABLE TO LOSE THE ENTIRE AMOUNT OF THEIR INVESTMENT. SEE THE “RISK FACTORS” SECTION HEREIN.

The date of this Memorandum is April 24, 2023

DORONI AEROSPACE, INC.

TABLE OF CONTENTS

	Page
GENERAL NOTICES	ii
IRS Circular 230 Disclosure	iv
EXECUTIVE SUMMARY	6
INVESTOR SUITABILITY STANDARDS	10
ACCREDITED INVESTORS	10
THE COMPANY AND ITS BUSINESS	12
FINANCIAL CONDITION AND RESULTS OF OPERATIONS	21
VALUATION	23
MANAGEMENT OF THE COMPANY	25
EXECUTIVE COMPENSATION	26
EQUITY BASED COMPENSATION	27
RISK FACTORS.....	28
USE OF PROCEEDS.....	36
PLAN OF DISTRIBUTION AND TERMS OF THE OFFERING.....	37
FEES AND EXPENSES	37
DESCRIPTION OF SECURITIES	38
SHARES ELIGIBLE FOR FUTURE SALE	40
ACCESS TO INFORMATION	41
CORPORATE INFORMATION	41
 <u>EXHIBITS</u>	
EXHIBIT A - Subscription Agreement	
EXHIBIT B Series Seed-1 Preferred Shares Rights and Preferences	
EXHIBIT C Audited Financial Statements as of December 31, 2021	

GENERAL NOTICES

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (“MEMORANDUM”) CONSTITUTES AN OFFER ONLY TO THE OFFEREE NAMED ON THE COVER PAGE OF THIS MEMORANDUM, AND ONLY IF DELIVERY OF THIS MEMORANDUM IS PROPERLY AUTHORIZED BY DORONI AEROSPACE, INC. (THE “COMPANY”).

THE SHARES OF SERIES SEED 1 PREFERRED STOCK (“SHARES”) IN THE COMPANY ARE OFFERED EXCLUSIVELY TO FINANCIALLY SOPHISTICATED, HIGH NET WORTH INDIVIDUALS, ACCREDITED INVESTORS, INSTITUTIONAL AND/OR QUALIFIED INVESTORS.

THE OFFEREE, BY ACCEPTING RECEIPT OF THIS MEMORANDUM, AGREES NOT TO DUPLICATE OR FURNISH COPIES OF THIS MEMORANDUM TO ANY PERSON OTHER THAN SUCH OFFEREE’S ADVISERS, AND FURTHER AGREES PROMPTLY TO RETURN THIS MEMORANDUM TO THE COMPANY SHOULD THE OFFEREE DECIDE NOT TO ACQUIRE SHARES.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR A SOLICITATION OF AN OFFER TO BUY, NOR WILL THERE BE ANY OFFER, SOLICITATION OR SALE OF THE SHARES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE ANY SUCH OFFER, SOLICITATION OR SALE.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, TAX OR FINANCIAL ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT SUCH PROSPECTIVE INVESTOR’S OWN PROFESSIONAL ADVISERS AS TO THE LEGAL, TAX, FINANCIAL OR OTHER CONSIDERATIONS RELEVANT TO DETERMINING THE SUITABILITY OF THIS INVESTMENT FOR SUCH PROSPECTIVE INVESTOR.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS CONCERNING THE COMPANY OR THE SHARES OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM. SUBSCRIBERS MUST INVEST SOLELY ON THE BASIS OF THE INFORMATION SET FORTH HEREIN. THE COMPANY HAS USED ITS BEST EFFORTS TO OBTAIN AND PROVIDE ACCURATE INFORMATION FOR THIS MEMORANDUM, BUT NO WARRANTY IS MADE WITH RESPECT TO THE ACCURACY OF INFORMATION.

THE SHARES ARE SPECULATIVE, INVOLVE SUBSTANTIAL RISK, AND ARE A SUITABLE INVESTMENT ONLY FOR A LIMITED PORTION OF THE RISK SEGMENT OF AN INVESTOR’S PORTFOLIO. INVESTORS COULD LOSE ALL OR SUBSTANTIALLY ALL OF THEIR INVESTMENT IN THE COMPANY.

NO ONE SHOULD CONSIDER INVESTING IN SHARES WHO IS NOT, EITHER ALONE OR TOGETHER WITH SUCH INVESTOR’S FINANCIAL ADVISERS, FINANCIALLY SOPHISTICATED AND CAPABLE OF EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE COMPANY.

ALL PROSPECTIVE INVESTORS GENERALLY MUST, AT A MINIMUM, BE AN “ACCREDITED INVESTOR” UNDER APPLICABLE SECURITIES AND EXCHANGE COMMISSION (“SEC”) REGULATIONS.

THE SHARES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS THE COMMISSION OR ANY SUCH AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE SHARES ARE BEING OFFERED PURSUANT TO EXEMPTIONS FROM REGISTRATION WITH THE COMMISSION AND STATE SECURITIES REGULATORY AUTHORITIES; HOWEVER, NEITHER THE COMMISSION NOR ANY STATE SECURITIES REGULATORY AUTHORITY HAS MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED HEREIN ARE EXEMPT FROM REGISTRATION.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

FOR RESIDENTS OF FLORIDA

PURSUANT TO THE LAWS OF THE STATE OF FLORIDA, IF SALES ARE MADE TO FIVE (5) OR MORE INVESTORS IN FLORIDA, ANY FLORIDA INVESTOR MAY, AT HIS OPTION, WITHDRAW, UPON WRITTEN (OR TELEGRAPHIC) NOTICE, ANY PURCHASE HEREUNDER WITHIN A PERIOD OF THREE (3) DAYS AFTER (A) THE INVESTOR FIRST TENDERS OR PAYS TO THE COMPANY, AN AGENT OF THE COMPANY OR AN ESCROW AGENT THE CONSIDERATION REQUIRED HEREUNDER, (B) THE INVESTOR DELIVERS HIS EXECUTED SUBSCRIPTION AGREEMENT, OR (C) THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH INVESTOR, WHICHEVER OCCURS LATER.

FORWARD-LOOKING STATEMENTS

CERTAIN STATEMENTS IN THIS MEMORANDUM MAY BE “FORWARD-LOOKING STATEMENTS” THAT ARE NOT BASED ON HISTORICAL FACTS AND THAT REFLECT THE CURRENT VIEWS AND ESTIMATES OF THE COMPANY ABOUT FUTURE ECONOMIC CIRCUMSTANCES, SECURITIES MARKET CONDITIONS AND OPPORTUNITIES AND THE PERFORMANCE OF THE COMPANY. SUCH STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES, INCLUDING THE ABILITY OF THE COMPANY TO IMPLEMENT ITS BUSINESS PLAN THAT COULD CAUSE THE ACTUAL PERFORMANCE OF THE COMPANY TO DIFFER MATERIALLY FROM ANY EXPRESSED OR IMPLIED FROM SUCH FORWARD-LOOKING STATEMENTS. ALTHOUGH THE MANAGEMENT OF THE COMPANY BELIEVES THAT THE EXPECTATIONS IN THE FORWARD-LOOKING STATEMENTS ARE REASONABLE, IT CANNOT GUARANTEE FUTURE PERFORMANCE AND THE COMPANY DOES NOT UNDERTAKE ANY OBLIGATION TO UPDATE OR REVISE ANY SUCH STATEMENTS.

IRS CIRCULAR 230 DISCLOSURE

THIS DISCUSSION WAS WRITTEN ON THE UNDERSTANDING THAT IT MAY BE USED OR REFERRED TO IN THE PROMOTING, MARKETING, AND RECOMMENDING OF THE INVESTMENT DISCUSSED IN THIS MEMORANDUM. THE DISCUSSION WAS NOT WRITTEN AND IS NOT INTENDED TO BE USED BY ANY PERSON, AND CANNOT BE USED BY ANY PERSON, FOR PURPOSES OF AVOIDING PENALTIES UNDER THE CODE. EACH POTENTIAL INVESTOR SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISOR BASED ON THE POTENTIAL INVESTOR’S PARTICULAR SITUATION.

PRIVACY POLICY

THE COMPANY MAINTAINS SAFEGUARDS TO COMPLY WITH FEDERAL AND STATE STANDARDS TO GUARD EACH INVESTOR'S NONPUBLIC PERSONAL INFORMATION. THE COMPANY DOES NOT SHARE ANY NONPUBLIC PERSONAL INFORMATION WITH ANY NONAFFILIATED THIRD PARTIES, EXCEPT IN THE FOLLOWING CIRCUMSTANCES:

- AS NECESSARY TO PROVIDE THE SERVICE THAT THE INVESTOR HAS REQUESTED OR AUTHORIZED, OR TO MAINTAIN AND SERVICE THE INVESTOR'S ACCOUNT;
- AS REQUIRED BY REGULATORY AUTHORITIES OR LAW ENFORCEMENT OFFICIALS WHO HAVE JURISDICTION OVER THE COMPANY, OR AS OTHERWISE REQUIRED BY ANY APPLICABLE LAW; AND
- TO THE EXTENT REASONABLY NECESSARY TO PREVENT FRAUD AND UNAUTHORIZED TRANSACTIONS.

EMPLOYEES OF THE COMPANY ARE PROHIBITED, EITHER DURING OR AFTER TERMINATION OF THEIR EMPLOYMENT, FROM DISCLOSING NONPUBLIC PERSONAL INFORMATION TO ANY PERSON OR ENTITY OUTSIDE THE COMPANY, INCLUDING FAMILY MEMBERS, EXCEPT UNDER THE CIRCUMSTANCES DESCRIBED ABOVE. AN EMPLOYEE IS PERMITTED TO DISCLOSE NONPUBLIC PERSONAL INFORMATION ONLY TO SUCH OTHER EMPLOYEES WHO NEED TO HAVE ACCESS TO SUCH INFORMATION TO DELIVER OUR SERVICES TO THE INVESTOR.

A COPY OF THE COMPANY'S PRIVACY POLICY WILL BE PROVIDED TO EACH INVESTOR UPON EXECUTION OF THE SUBSCRIPTION AGREEMENT AND ANNUALLY THEREAFTER.

DORONI AEROSPACE, INC.

EXECUTIVE SUMMARY

The following is a summary of this Memorandum. This Memorandum contains more detailed information under the captions referred to below, and this summary is qualified in its entirety by the information appearing elsewhere in the Memorandum. This Memorandum should be read in its entirety by the investor before making an investment decision.

THE COMPANY	
THE COMPANY	<p>Doroni Aerospace, Inc. (the “Company”, “Doroni” “we” “us” or “ours”) is a Delaware corporation established October 6, 2021. The Company’s business address is at 11555 Heron Bay Blvd., Suite 200, Coral Springs, FL 33076.</p> <p>The Company is a pre-revenue aerospace engineering and manufacturing company that has developed a practical, efficient, and cost-effective electric vertical takeoff and landing aircraft (“eVTOL”) mobility platform. The Company’s go-to-market product currently under development, the Doroni H1, is a two seater personal eVTOL that is anticipated by the Company to be made available for public purchase which anyone can own, fly, and park in a standard two car garage. In order to get started, the Company anticipates that customers will need a current valid driver’s license and completion of a 20-hour training course provided by the Company. Doroni is targeting a Light Sport Aircraft (“LSA”) certification with the Federal Aviation Administration (“FAA”) ahead of Doroni’s anticipated product launch in the beginning of 2025.</p>
CAPITALIZATION	<p>As of the date of this Memorandum, the Company has (i) 100,000,000 shares of Common Stock authorized, of which 55,524,676 are issued and outstanding, and of which 5,415,000 shares are reserved for issuance to the Company’s employees, consultants, advisors, and directors pursuant to the Company’s 2022 Equity Incentive Plan, (ii) 20,000,000 shares of Class A Common Stock, none of which are issued and outstanding, and of which 3,304,000 are reserved for issuance to the Company’s employees, consultants, advisors, and directors pursuant to the Company’s 2022 Stock Plan, (iii) 10,000,000 Series Seed-1 Preferred Stock with approximately 1,247,041 issued and outstanding (subject to adjustment based</p>

	on ongoing settlements of investments from the StartEngine financing described herein). Assuming all the Series Seed-1 Preferred Shares are sold in this Offering, there will be approximately 3,263,170 shares of Series Seed-1 Preferred Stock outstanding (subject to adjustment based on ongoing settlements of investments from the StartEngine financing described herein) (See “Description of Securities”).
RISKS	An investment in the Company is speculative and involves substantial risks, including, but not limited to, the speculative nature of investing in the Shares. An investment in the Shares is suitable only for investors who have such knowledge and experience in financial and business matters that they are capable of evaluating the risks and merits of this investment. See “ <i>Risk Factors</i> ” on page 26.
THE OFFERING	
SECURITIES OFFERED	The Company is offering up 2,016,129 shares of Series Seed-1 Preferred Shares (“ Shares ”) on a private placement basis to investors who satisfy the suitability standards described below. The Shares are being sold through the DealMaker fundraising platform at \$2.48 per Share.
VOTING RIGHTS	The Shares being offered herein do not offer any voting rights, unless required by law. Further, the number of authorized shares of Class A Common Stock (the “ Class A Common Stock ”) (in which the Shares are convertible) may be increased or decreased by the affirmative vote of the holders of a majority of the votes represented by all outstanding shares of capital stock of the Company entitled to vote, irrespective of the provisions of Section 242(b)(2) of the Delaware General Corporation Law.
DIVIDENDS	In the event dividends are paid on any share of Class A Common Stock, an additional dividend shall be paid with respect to all outstanding shares of Series Seed-1 Preferred Stock in an amount equal per share (on an as-if-converted to Class A Common Stock basis) to the amount paid or set aside for each share of Class A Common Stock. However, this does not apply to (i) a dividend payable in Class A Common Stock, or (ii) the acquisition of shares of any Class A Common Stock in exchange for shares of any other Class A Common Stock.

CONVERSION RIGHTS	Each Share shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Class A Common Stock as is determined by dividing the Original Issue Price for the Series Seed-1 Preferred Stock (which is currently \$2.48) by the Conversion Price (as defined in the Company’s Certificate of Incorporation) in effect at the time of conversion for the Share. The Company’s current Certificate of Incorporation provides that the “Conversion Price” for the “Seed-1 Preferred Conversion Price” shall initially be equal to the “Seed-1 Preferred Original Issue Price” (i.e. the Conversion Price is currently 1:1).
MINIMUM SUBSCRIPTION	The minimum subscription is four thousand nine hundred sixty dollars (\$4,960) per subscriber, which minimum may be waived by the Company in its discretion. Any subscriptions for Shares may be accepted or rejected, in whole or in part, in the discretion of the Company.
ELIGIBLE INVESTORS AND SUITABILITY	<p>Subscriptions for sales of Shares will only be accepted from “Accredited Investors.” Each Accredited Investor who proposes to purchase Shares offered hereby will be required to deliver a Subscription Agreement together with the full purchase price. See “Suitability Standards.”</p> <p>The Shares will not be registered under the Securities Act or the securities laws of any state or any other jurisdiction, nor is any such registration contemplated.</p>
USE OF PROCEEDS	The net proceeds from the sale of the Shares under this Offering are anticipated to be used to pursue the operation milestones described herein. See “Use of Proceeds” on page 34.
SUBSCRIPTION PROCEDURE	<p>In order to purchase Shares, a subscriber must (i) complete, execute and deliver the subscription documents attached hereto as <u>Exhibit A</u> (“Subscription Documents”) and (ii) pay the full amount of the subscription by arranging a wire transfer (or other payment method) in accordance with the instructions in the Subscription Documents and on the DealMaker platform. The Shares are being offered privately, and for a limited time, on the DealMaker platform.</p> <p>The Shares will not be registered under the 1933 Act or the securities laws of any state or any other jurisdiction, nor is any such registration contemplated.</p>
DEALMAKER	The Company is selling the Shares through the DealMaker platform and will be subject to certain fees and expenses associated with such.
RELEASE OF CONFIDENTIAL INFORMATION	Applicable anti-money laundering rules provide that the Company and/or DealMaker may voluntarily release confidential information about the investor and, if applicable,

	about the beneficial owners of the investor, to regulatory or law enforcement authorities if they determine to do so in their sole discretion.
COUNSEL	Procopio, Cory, Hargreaves & Savitch, LLP acts as counsel to the Company. In connection with the proposed offering and in giving ongoing advice to the Company, Procopio, Cory, Hargreaves & Savitch, LLP does not represent any individual Shareholders in the Company.
ADDITIONAL INFORMATION	Interested investors are invited to meet with representatives of the Company for a further explanation of the terms of this Offering. Upon request, to the extent that the Company's management possesses such information or can acquire it without unreasonable effort or expense, management will provide any additional information.
USE OF THIS MEMORANDUM	This Memorandum is important and should be read in its entirety, along with all Exhibits, before an investor decides whether to subscribe for an Interest in the Company. Each investor should consult with its financial, legal or tax advisors, as needed, before making an investment decision.

THE SHARES INVOLVE SIGNIFICANT RISKS.

**YOU MAY LOSE ALL OR SUBSTANTIALLY ALL
OF YOUR INVESTMENT IN THE COMPANY**

SEE "RISK FACTORS."

INVESTOR SUITABILITY STANDARDS

A purchase of Shares in this Offering involves a high degree of risk and is not a suitable investment for all potential investors. See “Risk Factors.” Accordingly, the shares are to be sold to:

- i. An unlimited number of Accredited Investors (as defined in Rule 501 (a)(1), (2), (3) or (7) under Regulation D of the Securities Act);
- ii. Non “U.S. Persons” purchasing in an “offshore transaction” (as defined in Rules 902(k) and 902(n) of Regulation S of the Securities Act), in reliance on the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof which exempts offers and sales of securities not involving a public offering.

The Company has the unconditional right to reject any subscription. If the purchaser is an entity, the person acting on behalf of the entity must certify to the Company in the subscription materials that the entity for which they are acting in a duly authorized representative capacity is one of the types of eligible entities identified by Rule 501(a) of Regulation D under the Securities Act and specify the particular type of eligible entity.

The minimum number of Shares an investor may purchase is 2,000 Shares (\$4,960); however, the Company may, in its sole and absolute discretion, accept subscriptions for less than 2,000 Shares. In addition to restrictions on transfer imposed by the Company, an investor seeking to transfer his shares subsequent to his initial investment will be subject to the provisions of the federal and state securities laws and the transfer restrictions which may be imposed pursuant to said laws.

ACCREDITED INVESTORS

In accordance with the requirements of Regulation D under the Securities Act, the Company will accept subscriptions, subject to the terms of the Offering set forth under “The Offering” and elsewhere in this Memorandum, from “Accredited Investors” as defined under Rule 501(a) under the Securities Act. An investor will be an Accredited Investor only if he/she or it meets at least one of the following tests:

- (1) A natural person who had an individual income¹ in excess of \$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of \$300,000 in each of

¹ In determining income, “individual income” means adjusted gross income as reported for federal income tax purposes, less any income attributable to a spouse or to property owned by a spouse, increased by the following amounts (but not including any amounts attributable to a spouse or to property owned by a spouse): (i) the amount of any interest income received which is tax-exempt under Section 103 of the Internal Revenue Code, as amended (the “Code”); (ii) the amount of losses claimed as a limited partner in a limited partnership (as reported on Schedule E of Form 1040); (iii) any deduction claimed for depletion under Section 611 et

those years and has a reasonable expectation of reaching the same income level in the current year;

- (2) a natural person whose individual net worth², or joint net worth with that person's spouse, at the time of purchase exceeds \$1 million;
- (3) an organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring Common Stock of the Company, with total assets in excess of \$5 million;
- (4) a bank as defined in Section 3(a)(2) of the Securities Act or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity, any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), insurance company as defined in Section 2(13) of the Securities Act, investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act, Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5 million or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- (5) a trust, with total assets in excess of \$5 million, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii);
- (6) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;
- (7) a director or executive officer of the Company;
- (8) an entity in which all of the equity owners are accredited investors; or
- (9) an Individual Retirement Plan (IRA) or Keogh plan wherein the beneficiary satisfies the net worth or income conditions of above;

seq. of the Code; and (iv) any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income pursuant to the provisions of Section 1202 of the Code.

² The term "net worth" means the excess of total assets at fair market value. In calculation of net worth the Purchaser may include equity in personal property and real estate, including Purchaser's cash, short term investments, investment property, stock and securities. The calculation of net worth may not include the Purchaser's primary residence. Equity in investment property and real estate should be based on the fair market value of such property less debt secured by such property.

(10) any other test adopted.

Explanation. Upon the enactment of the Dodd-Frank Act on July 21, 2010, the value of the person's primary residence must be excluded from person's calculation of net worth. The related amount of indebtedness secured by the primary residence up to its fair market value is excluded. Indebtedness secured by the residence in excess of the value of the home should be considered a liability and deducted from the investor's net worth.

The satisfaction of the suitability standards referred to above does not necessarily mean that shares are a suitable investment for a prospective investor. The Company may make or cause to be made such further inquiry and obtain such additional information as it deems appropriate with regard to the suitability of prospective investors. The Company, in its absolute discretion, may reject subscriptions, in whole or in part, or allot to a particular investor fewer than the number of shares subscribed for without liability of any kind to the subscriber. The Company reserves the right to modify or increase the suitability standards with respect to certain investors in order to comply with any applicable state or local laws, rules or regulations, or otherwise.

IF THE COMPANY IS INCORRECT IN ITS ASSUMPTION AS TO THE CIRCUMSTANCES OF A PARTICULAR PROSPECTIVE INVESTOR, THEN THE DELIVERY OF THIS MEMORANDUM TO SUCH PROSPECTIVE INVESTOR SHALL NOT BE DEEMED TO BE AN OFFER, AND THIS MEMORANDUM SHALL BE RETURNED BY THE PROSPECTIVE INVESTOR TO THE COMPANY IMMEDIATELY.

THE SUITABILITY STANDARDS DISCUSSED ABOVE REPRESENT MINIMUM SUITABILITY STANDARDS FOR PROSPECTIVE INVESTORS. EACH PROSPECTIVE INVESTOR SHOULD DETERMINE WHETHER AN INVESTMENT IN THE COMPANY IS APPROPRIATE IN VIEW OF HIS PARTICULAR CIRCUMSTANCES.

THE COMPANY AND ITS BUSINESS

Company Overview

Doroni Aerospace, Inc. (the “Company” or “Doroni” “we” “us” “ours”) is a pre-revenue aerospace engineering and manufacturing company that has developed a practical, efficient, and cost-effective electric vertical takeoff and landing aircraft (“eVTOL”) mobility platform. Doroni’s go-to-market product currently under development, the Doroni H1, is a two seater personal eVTOL that Doroni anticipates will be made available for public purchase which anyone can own, fly, and park in a standard two car garage. In order to get started, Doroni anticipates customers will need a current valid driver’s license and completion of a 20-hour training course provided by the Company. Doroni is targeting a Light Sport Aircraft (“LSA”) certification with the Federal Aviation Administration (“FAA”) ahead of its anticipated product launch in the beginning of 2025.

Doroni was founded in 2016, with the intention of delivering eVTOL technology directly to consumers, offering a safety-centric mobility option that allows people to intuitively transport themselves at a fraction of the time possible with traditional automobiles. With commercial air

taxi operations 2-3 years away, personal eVTOLs represent a paradigm shift in urban transportation with the potential to bring sustainability to our transportation ecosystems and efficiency to the way we commute, ship goods, and respond to emergencies and natural disasters.

Doroni's mission is to democratize the power of flight and ultimately envisions Doroni eVTOLs serving as one of the primary clean transportation solutions for individuals, families, first responders, law enforcement, and the military. Simplicity and safety are among the Company's core guiding principles, informing everything from product design, customer/user experience, to bringing its technology to scale. The H1 eVTOL's easy-to-use control system, intuitive flight design, and quick deployment were engineered to simplify the inherent complexities of helicopter and airplane flight, potentially making it accessible without the need for a traditional, commercial heavy aircraft pilot's license after years of flight training.

Doroni's global team possesses decades of cumulative experience in the aerospace, electronics, software engineering, and battery technology fields and has the ingenuity and drive to help get the industry off the ground. Doroni believes the transportation sector, and the world at large, stands at an inflection point and the Company is positioning itself to deliver a disruptive technological change to commuter transportation with a magnitude similar to the smartphone's impact on the world of telecommunications.

Doroni anticipates that it will operate direct sales channels primarily to first responder and police markets, brand experience stores, pop-up locations in key US and European markets, as well as online sales. Doroni Aerospace, Inc. was initially organized as Doroni Aerospace LLC, a Florida Limited Liability Company on May 3, 2018, and it converted to a Delaware C-Corporation on October 6, 2021.

Prototypes

The Doroni H1 is a two-seat personal eVTOL vehicle. Doroni's team designed, built, tested, and successfully hovered and flew vertically and horizontally, the 1400 lb. full scale H1 P1 prototype.

H1 P1: The H1 P1 ("**H1 P1**") is a full-scale flying model with a fully working cockpit simulator with software avionics and computer systems that are ready for flight integration.

H1 P2: The current H1 P2 eVTOL prototype ("**H1 P2**") under development is the successor to three previous prototypes developed by the company - the Y6, X8 and H1 P1 prototypes.

H1 P3: The H1 P3 will be based on the H1 P2 with modification and advancements. Doroni's target is to submit the H1 P3 to FAA certification and proceed to mass production.

Competitors and industry

A clear and concise overview of Urban Air Mobility ("**UAM**"), Advanced Air Mobility ("**AAM**"), and the eVTOL industry are essential to understand Doroni's new valuation and accompanying strategy.

In 2020, the transportation sector generated the largest share of greenhouse gas emissions in the US, added to the fact that state and local governments spent \$204B on highways and roads the previous year³. Transportation, as it stands, is dealing massive damage to our planet and forces us to rely on infrastructure that is both costly and unsustainable⁴. The White House has taken major steps to combat the problem, committing \$39B to modernize transit and reduce carbon emissions via the Bipartisan Infrastructure Law⁵.

According to Deloitte’s Advanced Air Mobility Report, regarding disrupting the future of mobility- “with urbanization and population growth driving congestion in cities, AAM promises to save passengers time, improve productivity and quality of life, increase accessibility for rural and disadvantaged communities, and expand access to goods and services.”⁶

As defined by the FAA, Urban Air Mobility envisions a safe and efficient aviation transportation system that will use highly automated aircraft that will operate and transport passengers or cargo at lower altitudes within urban and suburban areas. UAM will be composed of an ecosystem that considers the evolution and safety of the aircraft, the framework for operation, access to airspace, infrastructure development, and community engagement.⁷

Advanced Air Mobility builds upon the UAM concept by incorporating use cases not specific to operations in urban environments, such as: commercial inter-city (longer range/ thin haul); cargo delivery; public services; and private/ recreational vehicles.

Market Overview

Commercial air taxi operations are projected to begin between 2024-2025, but the creation of an entirely new eVTOL market is already well underway. Over \$6B was invested in eVTOLs, and 5 of the largest air taxi companies went public for a combined market cap of \$10.7B in 2021.⁸ Morgan Stanley ultimately projects the market to climb to \$1 trillion by 2040.⁹

60 Minutes recently aired a high-profile informative report on the emerging industry, where FAA Acting Administrator Billy Nolen was quoted: “This is real, and this is happening--we’ve

³ See <https://www.urban.org/policy-centers/cross-center-initiatives/state-and-local-finance-initiative/state-and-local-backgrounders/highway-and-road-expenditures>

⁴ See <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions/>

⁵ See <https://www.whitehouse.gov/bipartisan-infrastructure-law/>; and <https://www.whitehouse.gov/briefing-room/statements-releases/2021/11/06/fact-sheet-the-bipartisan-infrastructure-deal/>

⁶ See <https://www2.deloitte.com/us/en/insights/industry/aerospace-defense/advanced-air-mobility.html>

⁷ See https://www.faa.gov/uas/advanced_operations/urban_air_mobility

⁸ See <https://vtol.org/news/press-release-vfs-continues-record-growth-exceeds-160-corporate-members> and <https://www.businessinsider.com/top-startups-evtol-flying-car-industry-urban-air-mobility-2022-4>

⁹ See <https://www.morganstanley.com/ideas/autonomous-aircraft>

come a long way from where we were just a decade ago.”¹⁰ This goes a long way towards validating eVTOL certification processes, especially in light of Joby Aviation receiving its Part 135 Air Carrier Certification- one of three FAA approvals needed for the company to operate in cities and communities across the US in late May 2024.¹¹

The National Aeronautics and Space Administration (“NASA”) is also assisting the FAA in air traffic management solutions for the future of Urban Air Mobility, which include multiple use cases for eVTOL aircraft, including cargo transportation, military and law enforcement, and emergency/natural disaster response. In addition, the US Air Force established the Agility Prime Program, partnering with the commercial eVTOL industry to propel the third revolution in aerospace and start a new class of air mobility systems by 2023. These are just a few of the major changes and initiatives the nascent industry can anticipate in the coming years.

eVTOL Market Segmentation

Electric vertical takeoff and landing aircraft are changing the way the world thinks about air travel and redefining what is possible. In all, it is generally accepted, and we believe that there are over few hundred different eVTOL developers globally at the moment. The market itself is divided into three primary segments, namely: Cargo, Personal, and Air Taxi.

Air Taxi

The Air Taxi segment appears to be the most high-profile, with large commercial developers like Joby, Vertical, Lilium, and Archer in the limelight. These air taxi eVTOLs are much larger 4-6 seater aircraft strictly intended for commercial use (not for personal use) and entail highly complicated technological challenges and complex/lengthy certification processes with the FAA. Although these are potential competitors to Droni, to the Company’s knowledge, none of these developers have publicly announced any plans to offer vehicles for personal purchase and use. As such, Droni sees the tremendous benefit and value of entering the market with a personal eVTOL like the Droni H1.

Droni’s competitors in this space include:

- Joby Aviation¹²
 - Ticker “JOBY”
 - Established in approximately 2009, Santa Cruz, CA;

¹⁰ See <https://www.youtube.com/watch?v=1YUv0AMq0x8> and <https://drive.google.com/file/d/1j2c6sW03ZRBb9HCoNXDQcBZJFZa4tBUS/view>

¹¹ See <https://www.jobyaviation.com/about/>

¹² See <https://ir.jobyaviation.com/news-events/press-releases/detail/16/joby-aviation-announces-closing-of-business-combination#:~:text=Upon%20the%20completion%20of%20the,“JOBY%20WS%2C”%20respectively.;> and https://www.crunchbase.com/organization/joby-aviation/company_financials.

- Maximum range of 150 miles, 200 mph top speed
- Raised total of \$1.7B in 8 rounds, most recently \$835M in a public business combination with post transaction valuation of \$4.5B.
- Archer Aviation¹³
 - Ticker “ACHR”
 - Established in 2018, San Jose, CA.
 - Range of up to 100 miles, 150 mph top speed.
 - Raised total of \$1.1B in 3 rounds, most recently \$857M in a public business combination with a valuation of \$1.7B.
- Volocopter GmbH¹⁴
 - Established in 2011, Karlsruhe, Germany.
 - Range of 35 km, 110 km/h max airspeed.
 - Raised \$170M in Series E at pre-money valuation of \$1.7B, and raised a total of \$579M to date.

Cargo

The cargo market includes developers such as Elroy Air and Metro, in connection with unmanned eVTOLs that only fly cargo. By comparison, the Daroni H1 eVTOL is dual use and can carry up to two passengers, pilot included, and/or cargo with a maximum payload of 500 lbs.

Personal

The personal eVTOL segment is further subdivided into one- and two-seater categories. One-seaters typically have an open frame with exposed propellers, have limited range, and are intended for leisure and recreational use. The Daroni H1 falls under the two-seater + payload category.

¹³ See https://www.crunchbase.com/organization/archer-b2aa/company_financials and <https://investors.archer.com/news/news-details/2021/Archer-Aviation-Announces-Closing-of-Business-Combination-with-Atlas-Crest-Investment-Corp.-to-Become-A-Publicly-Traded-Company/default.aspx>

¹⁴ See <https://www.volocopter.com/newsroom/series-e-financing-round/>

Business Model and Differentiators

Doroni's go-to-market personal eVTOL has multiple use cases across several sectors. The Company's business model consists of building, selling, and leasing the Doroni H1 eVTOL, generating revenue by specifically targeting emergency response, the military, law enforcement, and the purely recreational sports/leisure segment which also include sustainable tourism. The H1 is different than other available eVTOLs on the markets because we designed the H1 with ducted propellers that greatly increase its overall safety, while also enabling a higher thrust efficiency and greatly reduced noise levels. We anticipate that the H1 will also be equipped with airframe parachutes and a variety of sensors, which helps the aircraft maintain its altitude and position in windy conditions and during close maneuvers in crowded environments. This is in addition to order fulfillment of the company's preorders. Doroni Aerospace expects to deliver and lease up to 6 units in its third year and up to 1,132 units by year five.

In the short-term, Doroni anticipates its early adopters and potential customer base to include aviation enthusiasts, who already own a traditional luxury automobile and/or luxury electric vehicle (such as a Tesla), and who are interested in owning a personal eVTOL. In the long-term, the Company believes that the practicality and ease-of-use of flying in an eVTOL aircraft will come to take a significant share of commuter transportation.

Features

The Doroni team designed an intuitive, easy-to-use aircraft control system for the H1 based on an auto-stabilizing, multi-rotor aircraft with 3 axes of movement. The Company's unique patent for design and aerodynamic features (Patent No. US D978,717 S) combine what the Company believes are the best elements of a drone and aircraft to deliver ease of use and quick deployment. The Company believes that this, combined with the H1's propulsion system, will make it an agile vehicle capable of accomplishing a variety of tasks across several target markets.

In terms of pilot control, each of the aircraft's control sticks mirrors the other for right or left-handed uses, with control taken over by the last stick engaged. Pitch, roll, and yaw are all integrated into this single stick and anti-collision sensors will maintain the aircraft's position in the event the pilot remove's his/her hand from the control stick.

The Doroni H1 is expected to have a fast charge time of 15-20 minutes, a cruising speed of 100 mph, a max speed of 140 mph, and a range of 60 miles. As electric vehicle technology and battery management systems continue to advance, the Company projects this range to increase to 100 miles as it nears product launch.

Safety

The customer is at the center of everything that Doroni Aerospace does, and as such every safety consideration possible has been baked into the design and nature of the Doroni H1 eVTOL. From its inception with the Y6 and XS prototypes that came before it, the Doroni H1 was designed to maximize safety and will undergo exhaustive multi-level quality control.

First and foremost, as a flying vehicle capable of landing in a front yard or parking in a standard two car garage, in areas near families and children at play-ducted propellers are an

absolute must. This aesthetically pleasing, patent design (Patent No. US D978,717 S) sets the Doroni H1 apart from its competitors and greatly increases overall safety, while also enabling a higher thrust efficiency and greatly reduced noise levels.

Doroni anticipates that the H1 eVTOL will also be equipped with airframe parachutes and a variety of sensors, including 360° anti-collision sensors, lidar, barometer, and an Optic Flow camera to help the aircraft maintain its altitude and position in windy conditions. This is in addition to a variety of other safety features, namely: multiple redundancy batteries, emergency airbags, increased lift and stability, ten independent propulsion systems, energy dissipating landing gear, and an energy dissipating body.

Current Stage and Roadmap

Current Stage and Development

Doroni has achieved several key milestones within the year, most notably having raised \$1.06M in investments via the Company's first crowdfunding campaign on StartEngine and approximately \$2.4M in the Company's second Regulation CF round. The first campaign, which ran from November 2021 to April 28th, 2022, met its offering maximum early and was oversubscribed. The second campaign closed in March 2023. During the raises, the Company also pivoted from its initial targeted milestone of developing a showroom model – Doroni is now creating a full-scale, fully-functional flying prototype in a relatively short time.

To that end, Doroni procured and moved into a new research and development facility at the end of 2022, where it began production of the H1 eVTOL prototype. The Company has finalized the H1's airframe design and is currently producing fully functional cockpits with software, avionics, and computer systems that are ready for flight integration: one for the purpose of simulations and one for flight tests. Doroni has NOA agreements in place with major Original Equipment Manufacturers ("OEMs") like Honeywell Aerospace, Garmin, and Amphenol to incorporate components into the H1. In addition, Doroni has been coordinating with Space Florida, a state government agency, which is providing resources to bring the Company's operations to scale (i.e. allocating land, building production facility and tooling, leasing, etc.).

Doroni also recently recruited Mr. Eyal Segal as the Company's Chief Financial Officer. Mr. Segal brings more than 20 years of experience in leadership, management and strategic financial analysis, for both public and private companies. Mr. Segal was most recently Director of Financial Planning and Analysis at Teledyne FLIR, a global leader in the design and manufacturing of thermal cameras and sensors for a wide variety of applications, including aircraft. Prior to Teledyne FLIR, Mr. Segal worked for several start-up and private companies in the ad-tech, gaming, apparel and distribution industries. Mr. Segal began his career working for the global accounting firms, PwC and EY. Mr. Segal served six years in the Israeli Defense Forces as an officer in its Logistics Unit. Mr. Segal holds an MBA from Tel Aviv University, a B.A. in Economics and Management from the Technion - Israel Institute of Technology, and a B.A. in Accounting from Tel-Aviv University.

In late March 2023, the Company revealed the H1 P1 model, the most comprehensive look at its go-to-market product it's offered to the public to date. Doroni also presented the H1's cockpit

via a full VR experience as part of the 16th Annual Electric Aircraft Symposium (“EAS”) hosted by the Vertical Flight Society, which took place on July 2022 in Oshkosh, Wisconsin. The Company has received 270 pre-orders from private consumers.

To the best of Droni’s knowledge, the Company has procured nearly all of the technology, components (batteries, motors, etc.), and partnerships necessary to developing the H1 P2. From the Company’s discussions with James E. Wilborn- Manager, Center for Emerging Concepts & Innovation, Federal Aviation Administration, its understanding is that it is further ahead than any other personal eVTOL developer.

Previous Development and Milestones

The H1 P1 eVTOL prototype developed is the successor to two previous prototypes developed by the Company, the Y6 and X8 prototypes. With the more recent of the two, the X8, the Doroni team designed, built, tested, and successfully lifted off the 643 lb. full-scale prototype.

The Company also won 2nd place at the Florida Aerospace 2021 Forum, the sixth annual aerospace-focused conference hosted in partnership with Space Florida, and which was supported by title sponsor Florida Power and Light and its incubator 35 Mules, and also by Foley & Lardner LLP, Haskell, Dysruptek and Spaced Ventures.

Doroni's design and aerodynamic features has been approved with the USPTO, and the company has secured a Letter of Intent ("LOI") from a multinational security company. While achieving these accomplishments, the Company has benefitted from multiple press mentions, including The Vertical Flight Society, Space Florida, the Florida Venture Forum, Green Technology, Aero News Network, eVTOL.com, FutureFlight.com, Ami Magazine, Refresh Miami, and Yahoo! Finance.

We have two patents pending and one patent approved and published; Patent No. US D978,717 S (application no. 29/756587) for the ornamental design for a personal aircraft. The patent was filed October 29, 2020, published February 21, 2023 and has a term of 15 years.

Future Roadmap

The Company projects to have a full-scale, fully-functional flying H1 P2 eVTOL prototype completed within the next several months and is targeting a Light Sport Aircraft certification with the FAA ahead of product launch in the beginning of 2025. Doroni also intends on growing its current intellectual property to include design, aerodynamic, and battery utility patents by the end of 2023.

Currently, Doroni's future development roadmap includes, but is not limited to: completing the full-scale, fully-functional flying H1 P2 prototype; the evolution of system and software architecture including protocols; testing in various conditions, i.e. weather, winds, temperatures, etc.; and working with a Designated Engineering Representative ("DER") to assist the company in securing an LSA certification with the FAA.

The Company is also engaging with local government and law enforcement agencies, and is excited to share its vision for what is possible with flight through Doroni's design and user experience.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Financial Condition

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

Results of Operations

How long can the business operate without revenue:

We have not yet generated revenue. At an approximate \$160,000 monthly burn rate, we believe we can operate for around 5-6 months without revenue generation without this Offering. With an anticipated increase in the burn rate to \$500,000, and assuming we raise the full \$5,000,000 in this Offering, we can operate for approximately 12 months. In March 2023, we closed a Regulation CF raise on StartEngine and raised an aggregate of approximately \$2.4M (the “**Reg CF Offering**”). We are currently utilizing those proceeds for our operations and furthering our goals and milestones.

Our current millstones are: the completion of the H1 P2, to redesign H1 P3, and progression on certification and preparing for mass production. While the amount raised in this offering is not likely to complete the development of the H1 P2, it will significantly further our business plan towards the milestones.

Foreseeable major expenses based on projections:

We estimate the following expenses for 2023: Sales and Marketing: \$600k, Research & Development: \$2.8M and G&A: \$1.4M

Future operational challenges:

The operational challenges we foresee are to build, test, and optimize our design tailored to our target markets. We also understand that the FAA will have specifications and regulations requirements that will have to be incorporated into the H1. Scaling-up according to our milestones is another challenge. We understand that there is a complicated phase, moving from one working certified vehicle to being mass-produced once the tooling is complete.

Future challenges related to capital resources:

The challenge will be to control the cash flow and inject capital at the right timing so the company can progress at the fast pace we anticipate. We also believe current international supply chain issues may present a challenge to capital resources.

Future milestones and events:

Once we raise the \$5,000,000 in this Offering, we can progress on developing the H1 P2.

Liquidity and Capital Resources

As of March 31, 2023, the company had around \$1,000,000 cash on hand.

If we raise the maximum target raise of \$5,000,000, we can operate for approximately 12 months with an increased burn rate of \$500,000. Following our burn rate increase to \$500,000, it is likely that in the future, the Company will seek additional capital to scale up for certification and mass production.

We expect to incur substantial additional research and development costs, administrative expenses to support its research and development operations, and marketing expenses to launch the sale of any commercialized product that may be developed. There can be no assurance that our activities will lead to the development of commercially viable products. Our operations to date have consumed substantial amounts of cash. The negative cash flow from operations is expected to continue in the foreseeable future. We believe it will require substantial additional funds to deploy and commercialize the H1, Simulation Rig, and full-scale flying prototypes, Doroni H1 P2 and P3. Our cash requirements may vary materially from those now planned depending upon outcomes related to the success of its development efforts, achievement of regulatory milestones, the level of resources that we devote to the engagement or development of manufacturing capabilities, and the strategy adopted for marketing its tests, once approval is obtained. In addition, changes in circumstances in the aviation industry and related government and business initiatives may require us to allocate substantially more funds than are currently available or than management intends or is able to raise.

Indebtedness

The Company does not have any material terms of indebtedness.

Related Party Transactions

Other than standard compensation packages with our executive management, the Company has not conducted any related party transactions.

Previous Development and Milestones

The Company also won 2nd place at the Florida Aerospace 2021 Forum, the sixth annual aerospace-focused conference hosted in partnership with Space Florida, and which was supported by title sponsor Florida Power and Light and its incubator 35 Mules, and also by Foley & Lardner LLP, Haskell, Dysruptek and Spaced Ventures.

Doroni's design and aerodynamic features have been published with the USPTO, and the company has secured pre-orders of 25 units from 3 points, a Canadian company. While achieving these accomplishments, the Company has benefitted from multiple press mentions, including The

Vertical Flight Society, Space Florida, the Florida Venture Forum, Green Technology, Aero News Network, eVTOL.com, FutureFlight.com, Ami Magazine, Refresh Miami, and Yahoo! Finance.

Doroni has two patents pending and one patent approved and published; Patent No. US D978,717 S (application no. 29/756587) for the ornamental design for a personal aircraft. The patent was filed October 29, 2020, published February 21, 2023 and has a term of 15 years.

VALUATION

Pre-Money Valuation: \$161,747,378.16

Valuation Details:

The Company determined its pre- money valuation based on an analysis of multiple factors including its growth, an independent third-party valuation report, the current stage of its business, and the amount raised to date.

Doroni Aerospace has achieved several key milestones within the last 12 months, most notably having raised approximately \$3.5M in investments to date via the Company’s first and second crowdfunding campaigns on StartEngine. The first campaign, which ran from November 2021 to April 28th, 2022, met its offering maximum early and was oversubscribed. During the raise, the Company also pivoted from its initial targeted milestone of developing a showroom model-Doroni is now creating a full-scale, fully-functional flying prototype in a relatively short time. The second campaign ran until March 2023 and raised approximately \$2.4M.

To that end, Doroni procured and moved into a new research and development facility at the end of 2022, where it began production of the H1 eVTOL prototype. The Company has finalized the H1’s airframe design and is currently producing fully functional cockpits with software, avionics, and computer systems that are ready for flight integration: one of which is for the purpose of simulations and the other of which is for flight tests. Doroni has NOA agreements in place with major Original Equipment Manufacturers (“OEMs”) like Honeywell Aerospace, Garmin, and Amphenol to incorporate components into the H1. In addition, Doroni has been coordinating with Space Florida, a state government agency, who is providing resources to bring the Company’s operations to scale (i.e. allocating land, building production facility and tooling, leasing, etc.).

Doroni also recently recruited Mr. Eyal Segal as the Company’s Chief Financial Officer. Mr. Segal brings more than 20 years of experience in leadership, management and strategic financial analysis, for both public and private companies. Mr. Segal was most recently Director of Financial Planning and Analysis at Teledyne FLIR, a global leader in the design and manufacturing of thermal cameras and sensors for a wide variety of applications, including aircraft. Prior to Teledyne FLIR, Mr. Segal worked for several start-up and private companies in the ad-tech, gaming, apparel and distribution industries. Mr. Segal began his career working for the global accounting firms, PwC and EY. Mr. Segal served six years in the Israeli Defense Forces as an officer in the Logistic Unit. Mr. Segal holds an MBA from Tel Aviv University, a B.A. in Economics and Management from the Technion - Israel Institute of Technology, and a B.A. in Accounting from Tel-Aviv University.

In late March 2023, the Company revealed the H1 P1 model, the most comprehensive look at its go-to-market product it has offered to the public to date. Droni Aerospace also presented the H1's cockpit via a full VR experience as part of the 16th Annual Electric Aircraft Symposium ("EAS") hosted by the Vertical Flight Society, which took place July 2022 in Oshkosh, Wisconsin. The company has received interest for pre-orders from private consumers, and received over 270 requests for pre orders.

Droni believes that it has procured nearly all of the technology, components (batteries, motors, etc.), and partnerships necessary for the development of the H1 P2.

From the Company's discussions with the Center for Emerging Concepts & Innovation, Federal Aviation Administration, it is Droni's understanding that the Company is further ahead than any other personal eVTOL developer.

Valuation Increase from first Reg CF

Droni settled on its initial \$14M valuation relatively early in the development process prior to the first Reg CF offering on StartEngine, which began in November 2021 and closed on April 28, 2022 ("**First Reg CF Offering**"). The primary intention of the valuation was to deliver the best possible value for the Company's early adopters and supporters based on its concept, team, and company model. This first campaign received a tremendously positive response from investors and the Company was extremely happy to offer a chance to leverage early bird offering valuation and terms. The campaign was ultimately oversubscribed and closed early, meeting the \$1.06M offering max.

Following the close of the First Ref CF Offering, a reputable external valuation company provided a valuation of Droni Aerospace based on information we made available to them. With all factors considered but not limited to market comparable, and the Company's current and past progress and owned intellectual property, the external analysis concurred on raising the company's valuation from \$14M to \$159M.

In March 2023, the Company closed its second Regulation CF Offering on StartEngine and raised approximately \$2.4M ("**Second Reg CF Offering**").

Disclaimers

The pre-money valuation has been calculated on a fully diluted basis. In making this calculation, we have assumed: (i) all preferred stock is converted to Class A Common Stock; (ii) all outstanding options, warrants, and other securities with a right to acquire shares are exercised; and (iii) any shares reserved for issuance under a stock plan are issued. We have also given effect to the bonus shares and commission shares issued in the Second Reg CF Offering, despite the fact the Company did not receive additional consideration for these shares. More specifically, the pre-money valuation is equal to the sum of the fully-diluted capitalization (including the bonus and commission shares) multiplied by \$2.48.

MANAGEMENT OF THE COMPANY

The executive officers, directors and key personnel of the Company are:

Name	Position	Served Since
Doron Merdinger	Founder, Chief Executive Officer, & Sole Director	November 1, 2016
Eyal Segal	Chief Financial Officer	March 15, 2023
Yaakov Werdiger	Chief Operations Officer	March 15, 2023

Doron Merdinger, Founder, Chief Executive Officer, Director.

Mr. Merdinger founded the Company and has been the Chief Executive Officer and Director since November 1, 2016. As CEO of the Company, Mr. Merdinger's responsibilities include overseeing the day-to-day operations of the company and managing all strategy and business decisions. From July 2005 to November 1, 2016 Mr. Merdinger acted as the Chief Executive Officer of Merdinger House of Design where he was responsible for the day to day operations and management. Mr. Merdinger received his Bachelor of Science, International Finance from the NYU Stern School of Business.

Eyal Segal, Chief Financial Officer.

Mr. Segal has served as the Company's Chief Financial Officer since March 15, 2023. As CFO of the Company, Mr. Segal's responsibilities include overseeing the financial planning and analysis, and financial operations of the Company. Since 2015, Mr. Segal has served as either the Corporate Controller, Director of Finance and the Director of Financial Planning and Analysis at Teledyne FLIR, where he developed budgets and quarterly forecasts for a division of a \$800M in revenue. From 2013 to 2015, Mr. Segal served as the Controller of Kenshoo where he managed and directed the finance department in the United States. Mr. Segal received his Bachelor of Arts in Accounting from Tel Aviv University, Bachelor of Arts in Economic and Management from Technion-Israel Institute of Technology, and his Masters of Business Administration from Tel Aviv University. Mr. Segal is a Certified Public Accountant in Israel.

Yaakov Werdiger, Chief Operating Officer.

Mr. Werdiger has served as the Company's Chief Operations Officer since March 15, 2023. From May, 2021, to March, 2023, Mr. Werdiger acted as the Company's Head of Business Development. From 2019 to 2021, Mr. Werdiger founded and operated Champ, and from 2017-2018 he Co-Founded Commerfy. Mr. Werdiger received his Bachelor of Science in Industrial Engineering from Lev Academic Center.

Ownership

The following tables present information, to the best of the Company's knowledge, about the beneficial ownership of its voting Common Stock on March 15, 2023, relating to the beneficial

ownership of the Company's Common Stock by those persons known to beneficially own more than 5% of the Company's capital stock and by its directors and executive officers.

The percentage of beneficial ownership for the following table is based on 60,669,676 shares of voting Common Stock (including contingent issuances) outstanding as of March 15, 2023. The percentage of beneficial ownership after the Offering is based on 60,669,676 shares of voting Common Stock outstanding after the Offering.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and does not necessarily indicate beneficial ownership for any other purpose. Under these rules, beneficial ownership includes those shares of Common Stock over which the stockholder has sole or united voting or investment power. It also includes (unless footnoted) shares of Common Stock that the stockholder has a right to acquire within 60 days after March 15, 2023 through the exercise of any option, warrant or other right. The percentage ownership of the outstanding Common Stock, however, is based on the assumption, expressly required by the rules of the Securities and Exchange Commission, that only the person or entity whose ownership is being reported has converted options or warrants into shares of Common Stock.

Stockholder Name	Number of Securities Owned	Type of Security Owned	Percentage
Doron Merdinger	50,585,000	Common Stock	83.38%

EXECUTIVE COMPENSATION

Our named executive officers, consisting of our principal executive officer and the next two most highly compensated executive officers, as of December 31, 2022, were:

- Doron Merdinger our Chief Executive Officer, co-founder and member of our board of directors.

In March, 2023, we appointed the following executive officers and will enter into standard compensation packages with each:

- Yaakov Werdiger, our Chief Operating Officer; and
- Eyal Segal our Chief Financial Officer.

Summary Compensation Table

The amounts below represent the compensation awarded to or earned by or paid to our named executive officers for the year ended December 31, 2021, 2022 and expected for the year ended December 31, 2023:

Name and Principal Position	Year	Salary/Non-employee compensation (\$)	Bonus (\$)	Stock Awards (\$)	All Other Compensation (\$)	Total (\$)
Doron Merdinger <i>Chief Executive Officer</i>	2023	236,400	—	—	—	236,400
	2022	169,065	—	—	—	169,065
	2021	5,500	—	—	—	5,500
Eyal Segal <i>Chief Financial Officer(1)</i>	2023	110,000	—	—	—	110,000
Yaakov Werdiger <i>Chief Operating Officer(1)</i>	2023	132,000	—	—	—	132,000
	2022	97,000	—	—	(2)	97,000
	2021	4,650	—	—	—	4,650

(1) Mr. Segal and Mr. Werdiger perform their services as independent contractors.

(2) Mr. Werdiger was awarded an option to purchase 700,000 shares of Common Stock at an exercise price of \$1.00 per share. After giving effect to a 1:4 forward split, his option allows him to purchase up to 2,800,000 shares of Common Stock at \$0.25 per share.

EQUITY BASED COMPENSATION

Stock Options

On June 30, 2022, the Company adopted the 2022 Stock Plan (the “**Stock Plan**”) which authorized the issuance of up to 3,304,000 shares of Class A Common Stock.

On March 22, 2022, the Company adopted the 2022 Equity Incentive Plan (the “**Incentive Plan**”) which authorized the issuance of up to 1,353,750 shares of Common Stock. After giving effect to a 1:4 stock split, a total of 5,415,000 shares of Common Stock are allocated to the Incentive Plan.

Between the Stock Plan and Incentive Plan, 8,719,000 shares to be issued pursuant to stock options, reserved but unissued.

The Company may take actions to increase the total number of shares of stock available under either the Stock Plan or Incentive Plan as needed.

RISK FACTORS

THE SHARES OFFERED HEREBY INVOLVE A HIGH DEGREE OF RISK AND SHOULD BE CONSIDERED ONLY BY PERSONS WHO CAN AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT. THE FOLLOWING RISK FACTORS SHOULD BE CONSIDERED CAREFULLY, IN ADDITION TO THE OTHER INFORMATION CONTAINED IN THIS MEMORANDUM, IN EVALUATING THE COMPANY AND ITS BUSINESS PROSPECTS AND AN INVESTMENT IN THE SHARES OFFERED HEREBY. THIS MEMORANDUM CONTAINS FORWARD-LOOKING STATEMENTS, INCLUDING, BUT NOT LIMITED TO THE TIMING OF PLANNED REGULATORY FILINGS, THE COMPANY'S STRATEGIC PLANS, ANTICIPATED EXPENDITURES, THE NEED FOR ADDITIONAL FUNDS, AND OTHER EVENTS AND CIRCUMSTANCES DESCRIBED IN TERMS OF THE COMPANY'S EXPECTATIONS OR INTENTIONS. ACTUAL EVENTS OR RESULTS MAY DIFFER MATERIALLY FROM THOSE DISCUSSED IN THIS MEMORANDUM AS A RESULT OF VARIOUS FACTORS, INCLUDING, BUT NOT LIMITED TO, THE RISKS DISCUSSED UNDER "RISK FACTORS," AND "DESCRIPTION OF BUSINESS," AS WELL AS IN THIS OFFERING GENERALLY. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS RELATING TO THE BUSINESS OF THE COMPANY AND THIS OFFERING, TOGETHER WITH THE INFORMATION SET FORTH ELSEWHERE IN THIS MEMORANDUM, BEFORE INVESTING IN THE SHARES OFFERED HEREBY.

Risk of Loss of Investment

An investment in the Company (also referred to as "we", "us", "our", or "Company") involves a high degree of risk and should only be considered by those who can afford the loss of their entire investment. Furthermore, the purchase of any of the Series Seed-1 Preferred Stock should only be undertaken by persons whose financial resources are sufficient to enable them to indefinitely retain an illiquid investment. Each investor in the Company should consider all of the information provided to such potential investor regarding the Company as well as the following risk factors, in addition to the other information listed in this Memorandum. The following risk factors are not intended, and shall not be deemed to be, a complete description of the commercial and other risks inherent in the investment in the Company.

Lack of prior operating history

There is limited operating history by which investors may evaluate the future performance of the Company and upon which the Company could base financial projections. Furthermore, the Company cannot give any assurance as to what its future financial results might be; the projections contained herein, are merely the Company's best estimates of the Company's likely results. Such projections are based on assumptions that the Company believes are reasonable, but there can be no assurance that those assumptions will prove correct and the Company has no control over many of the assumptions. For example, the Company may not be able to generate revenues sufficient to meet its operating expenses.

Risks of assumptions in, and variance from projections

Projected results of the operations that may be included with this business plan, contain the Company's best estimate of future results based on information available as of the date of this Memorandum. However, no assurance is or can be made as to future operations and any projections regarding the amount of any future income or loss to the Company reflected in the business plan is based on assumptions, most of which involve factors over which the Company will have no control.

Any valuation at this stage is difficult to assess

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

The transferability of the Securities you are buying is limited

Any Series Seed-1 Preferred stock purchased through this Offering is subject to limitations of transfer. For instance, under Rule 144, the stock that you purchase cannot be resold for a period of one year. The exception to this rule is if you are transferring the stock back to the Company, to an "accredited investor," as part of an offering registered with the Commission, to a member of your family, trust created for the benefit of your family, or in connection with your death or divorce.

Your investment could be illiquid for a long time

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

If the Company cannot raise sufficient funds it will not succeed

The Company, is offering Series Seed-1 Preferred Stock in the amount of up to \$5 Million in this offering, and may close on any investments that are made. Even if the maximum amount is raised, the Company is likely to need additional funds in the future in order to grow, and if it cannot raise those funds for whatever reason, including reasons relating to the Company itself or the broader economy, it may not survive. If the Company manages to raise only the minimum amount of funds, sought, it will have to find other sources of funding for some of the plans outlined in "Use of Proceeds."

We may not have enough capital as needed and may be required to raise more capital.

We anticipate needing access to credit in order to support our working capital requirements as we grow. Although interest rates are low, it is still a difficult environment for obtaining credit

on favorable terms. If we cannot obtain credit when we need it, we could be forced to raise additional equity capital, modify our growth plans, or take some other action. Issuing more equity may require bringing on additional investors. Securing these additional investors could require pricing our equity below its current price. If so, your investment could lose value as a result of this additional dilution. In addition, even if the equity is not priced lower, your ownership percentage would be decreased with the addition of more investors. If we are unable to find additional investors willing to provide capital, then it is possible that we will choose to cease our sales activity. In that case, the only asset remaining to generate a return on your investment could be our intellectual property. Even if we are not forced to cease our sales activity, the unavailability of credit could result in the Company performing below expectations, which could adversely impact the value of your investment.

Terms of subsequent financings may adversely impact your investment

We will likely need to engage in common equity, debt, or preferred stock financings in the future, which may reduce the value of your investment in the Series Seed-1 Preferred Stock. Interest on debt securities could increase costs and negatively impact operating results. Other classes of Preferred stock could be issued in series from time to time with such designation, rights, preferences, and limitations as needed to raise capital. The terms of preferred stock could be more advantageous to those investors than to the holders of the Series Seed-1 Preferred Stock. In addition, if we need to raise more equity capital from the sale of preferred or common stock, institutional or other investors may negotiate terms that are likely to be more favorable than the terms of your investment, and possibly a lower purchase price per share.

Management Discretion as to Use of Proceeds

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

The amount raised in this offering may include investments from company insiders or immediate family members

Officers, directors, executives, and existing owners with a controlling stake in the company (or their immediate family members) may make investments in this offering. Any such investments will be included in the raised amount reflected on the campaign page.

Potential conflicts of interest

The interests of the investors may be inconsistent in some respects with the interests of the Board of Directors and the Company's officers. Although the fiduciary obligations of the Board of Directors and the Company's officers require the Board of Directors and the Company's officers to exercise good faith and integrity in resolving any conflicts of interest, no assurances exist that any or all such conflicts will be resolved in a manner favorable to the investors.

We may never have an operational product or service

It is possible that there may never be an operational Daroni H1 or that the product may never be used to engage in transactions. It is possible that the failure to release the product is the result of a change in business model upon Company's making a determination that the business model, or some other factor, will not be in the best interest of the Company and its stockholders/members/creditors.

Some of our products are still in prototype phase and might never be operational products

It is possible that there may never be an operational product or that the product may never be used to engage in transactions. It is possible that the failure to release the product is the result of a change in business model upon the Company's making a determination that the business model, or some other factor, will not be in the best interest of the Company and its stockholders.

Developing new products and technologies entails significant risks and uncertainties. We are currently in the research and development stage and have only manufactured a prototype for our Daroni H1. Delays or cost overruns in the development of our Daroni H1 and failure of the product to meet our performance estimates may be caused by, among other things, unanticipated technological hurdles, difficulties in manufacturing, changes to the design, and regulatory hurdles. Any of these events could materially and adversely affect our operating performance and results of operations.

Minority Holder; Securities with Voting Rights

The Series Seed-1 Preferred stock that an investor is buying has no voting rights attached to them. As such, you will be part of the minority shareholders of the Company with no control over say in the operations in the Company. You are trusting in management discretion in making good business decisions that will grow your investments. Furthermore, in the event of a liquidation of the Company, you will only be paid out if there is any cash remaining after all of the creditors of the Company have been paid out.

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

Insufficient Funds

The Company might not sell enough securities in this Offering to meet its operating needs and fulfill its plans, in which case it will cease operating and you will get nothing. Even if we sell all the Series Seed-1 Preferred Stock we are offering now, the Company will (possibly) need to raise more funds in the future, and if it can't get them, we will fail. Even if we do make a successful offering in the future, the terms of that offering might result in your investment in the Company being worth less, because later investors might get better terms.

This offering involves “rolling closings” which may mean that earlier investors may not have the benefit of information that later investors have.

We may request that DealMaker instruct the escrow agent to disburse offering funds to us immediately upon the company accepting the first investment. There is no minimum investment amount to be reached prior to the funds being transferred to our operating account. At that point, investors whose subscription agreements have been accepted will become our investors. All early-stage companies are subject to a number of risks and uncertainties, and it is not uncommon for material changes to be made to the offering terms or to companies’ businesses, plans or prospects, sometimes on short notice.

Our new product could fail to achieve the sales projections we expected

Our growth projections are based on an assumption that with an increased advertising and marketing budget our products will be able to gain traction in the marketplace at a faster rate than our current products have. It is possible that our new products will fail to gain market acceptance for any number of reasons. If the new products fail to achieve significant sales and acceptance in the marketplace, this could materially and adversely impact the value of your investment.

We face significant market competition

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

We are competing against other recreational activities

Although we are a unique company that caters to a select market, we do compete against other recreational activities. Our business growth depends on the market interest in the Company over other activities.

We are an early stage company and have not yet generated any profits

Doroni was formed on May 3, 2018. Accordingly, the Company has a limited history upon which an evaluation of its performance and future prospects can be made. Our current and proposed operations are subject to all business risks associated with new enterprises. These include likely fluctuations in operating results as the Company reacts to developments in its market, managing its growth and the entry of competitors into the market. We will only be able to pay dividends on any shares once our directors determine that we are financially able to do so. Doroni has incurred a net loss and has had limited revenues generated since inception. There is no assurance that we will be profitable in the next 3 years or generate sufficient revenues to pay dividends to the holders of the shares.

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

The Company has a short history, few customers, and effectively no revenue. If you are investing in the Company, it is because you think that Daroni is a good idea, that the team will be able to successfully market, and sell the product or service, that we can price them right and sell them to enough people so that the Company will succeed. Further, we have never turned a profit and there is no assurance that we will ever be profitable.

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

One of the Company's most valuable assets is its intellectual property. The Company has two patents pending and one approved and published, in addition to trademarks, copyrights, internet domain names, and trade secrets (including issued Patent No. US D978,717 S). Competitors may misappropriate or violate the rights owned by the Company. The Company intends to continue to protect its intellectual property portfolio from such violations. It is important to note that unforeseeable costs associated with such practices may invade the capital of the Company.

We have pending patent approvals that might be vulnerable

One of the Company's most valuable assets is its intellectual property. The Company's intellectual property such as patents (Patent No. US D978,717 S), trademarks, copyrights, Internet domain names, and trade secrets may not be registered with the proper authorities. We believe one of the most valuable components of the Company is our intellectual property portfolio. Competitors may misappropriate or violate the rights owned by the Company. The Company intends to continue to protect its intellectual property portfolio from such violations. It is important to note that unforeseeable costs associated with such practices may invade the capital of the Company due to its unregistered intellectual property.

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

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

The cost of enforcing our trademarks and copyrights could prevent us from enforcing them

Trademark and copyright litigation has become extremely expensive. Even if we believe that a competitor is infringing on one or more of our trademarks or copyrights, we might choose not to file suit because we lack the cash to successfully prosecute a multi-year litigation with an uncertain outcome; or because we believe that the cost of enforcing our trademark(s) or

copyright(s) outweighs the value of winning the suit in light of the risks and consequences of losing it; or for some other reason. Choosing not to enforce our trademark(s) or copyright(s) could have adverse consequences for the Company, including undermining the credibility of our intellectual property, reducing our ability to enter into sublicenses, and weakening our attempts to prevent competitors from entering the market. As a result, if we are unable to enforce our trademark(s) or copyright(s) because of the cost of enforcement, your investment in the Company could be significantly and adversely affected.

The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business

To be successful, the Company requires capable people to run its day to day operations. As the Company grows, it will need to attract and hire additional employees in sales, marketing, design, development, operations, finance, legal, human resources and other areas. Depending on the economic environment and the Company's performance, we may not be able to locate or attract qualified individuals for such positions when we need them. We may also make hiring mistakes, which can be costly in terms of resources spent in recruiting, hiring and investing in the incorrect individual and in the time delay in locating the right employee fit. If we are unable to attract, hire and retain the right talent or make too many hiring mistakes, it is likely our business will suffer from not having the right employees in the right positions at the right time. This would likely adversely impact the value of your investment.

Our ability to sell our product or service is dependent on outside government regulation which can be subject to change at anytime

Our ability to sell product is dependent on the outside government regulation such as the FAA (Federal Aviation Administration), FTC (Federal Trade Commission), U.S. Department of Transportation, FTR (Federal Travel Regulation) and other relevant government laws and regulations. The laws and regulations concerning the selling of product may be subject to change and if they do then the selling of product may no longer be in the best interest of the Company. At such point the Company may no longer want to sell its product and therefore your investment in the Company may be affected.

We rely on third parties to provide services essential to the success of our business. We rely on third parties to provide a variety of essential business functions for us, including manufacturing, shipping, accounting, legal work, public relations, advertising, retailing, and distribution. It is possible that some of these third parties will fail to perform their services or will perform them in an unacceptable manner. It is possible that we will experience delays, defects, errors, or other problems with their work that will materially impact our operations and we may have little or no recourse to recover damages for these losses. A disruption in these key or other suppliers' operations could materially and adversely affect our business. As a result, your investment could be adversely impacted by our reliance on third parties and their performance.

The Company is vulnerable to hackers and cyber-attacks

As an internet-based business, we may be vulnerable to hackers who may access the data of our investors and the issuer companies that utilize our platform. Further, any significant disruption in service on Droni or in its computer systems could reduce the attractiveness of the platform and result in a loss of investors and companies interested in using our platform. Further, we rely on a third-party technology provider to provide some of our back- up technology. Any disruptions of services or cyber-attacks either on our technology provider or on Droni Aerospace could harm our reputation and materially negatively impact our financial condition and business.

Regulatory Risks

Being in the aviation industry, we have to meet the FAA's Light-Sport Aircraft regulation standards. We have already started working with DER which are Designated Engineering Representatives, to approve or recommend technical data to the FAA. Still, the FAA is a governing body and their regulations are subject to change. It is possible that the FAA may institute new regulations which may negatively impact our business and its activities, potentially even rendering our business model unsustainable.

Global Economy

The Company may be affected by economic, political and other factors affecting the United States or global economy. For example, during 2020 and continuing through 2023, there was a significant downturn in the global economy, leading to adverse business conditions and liquidity concerns in the various industries. It is unclear what continuing effect such events will have on the global economy or the Company.

Further, the COVID-19 pandemic has disrupted the global economy and put unprecedented strains on governments, health care systems, educational institutions, businesses, and individuals around the world. The impact and duration of the COVID-19 pandemic are difficult to assess or predict. It is even more difficult to predict the impact on the global economic market, which will depend upon the actions taken by governments, businesses, and other enterprises in response to the pandemic. The pandemic has already caused, and is likely to result in further, significant disruption of global financial markets and economic uncertainty. Adverse market conditions resulting from the spread of COVID-19 could materially adversely affect our business and the value of our assets and investments.

Investments in industries most impacted by the COVID-19 pandemic, including the retail, restaurant, hotel, hospitality, consumer discretionary, airline, and oil and gas industries and companies whose customers operate in impacted industries, may reduce their technology or sales and marketing spending or delay their sales transformation initiatives, which could materially and adversely impact the Company. Further, as a result of the COVID-19 pandemic, we expect we will experience slowed growth or decline in profits. Further, we may face increased competition.

The extent and continued impact of the COVID-19 pandemic on the Company will depend on certain developments, including: the duration and spread of the outbreak; government responses to the pandemic; the impact on our subsidiary(ies), if any, properties and operations; the impact on customer, industry, or employee events; and the effect on the Company and its vendors, supply

chains, and/or joint ventures, or other relationships all of which effect the aviation industry as a whole. Any such risks are uncertain and cannot be predicted.

The duration of the current economic recovery cannot be predicted. If there is a future downturn in the general economy or markets, or if the current recovery efforts are unsuccessful, the Company could be materially and negatively affected.

Legal Representation

Procopio, Cory, Hargreaves & Savitch, LLP, as legal counsel to the Company, rendered legal advice in connection with this offering. Procopio, Cory, Hargreaves & Savitch, LLP does not represent prospective investors in connection with this offering. Prospective investors are advised to consult their own independent counsel with respect to the legal and tax implications of an investment in Shares.

Prospective investors are advised to consult their own independent counsel with respect to the legal and tax implications of an investment in Shares

The representation of the Company by Procopio, Cory, Hargreaves & Savitch, LLP is limited to specific matters with respect to which it has been retained and consulted by the Company. There may exist facts and circumstances which could have a bearing on the Company (including, without limitation, on its financial condition, operations and profitability) as to which Procopio, Cory, Hargreaves & Savitch, LLP has been neither retained nor consulted and for which it expressly disclaims any responsibility.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL OF THE RISKS INVOLVED IN THIS OFFERING. PROSPECTIVE INVESTORS SHOULD READ THE ENTIRE MEMORANDUM AND CONSULT WITH THEIR COUNSEL BEFORE DETERMINING TO INVEST IN THE COMPANY.

USE OF PROCEEDS

The Company intends to use the net proceeds from the Offering to work towards developing a full-scale, fully-functional flying H1 P2 eVTOL prototype completed, together with a Light Sport Aircraft certification with the FAA ahead of Daroni's product launch, anticipated to be in the beginning of 2025. While the full \$5,000,000 raised in this Offering will not ensure the full development of the H1 P2, it is expected to significantly further our business plan.

Amounts allocated to working capital may be utilized for a variety of expenses including general administrative expenses, management salaries, consultant expenses, legal and accounting, and travel. The amount of proceeds devoted to any of these uses will vary and be dependent upon several factors, including the total amount of proceeds raised in the Offering, opportunities that may exist, and current business conditions. Allocation of the uses of the proceeds will be in the sole discretion of the Company's management. Pending utilization, the proceeds of this Offering will be held in the Company's general account.

PLAN OF DISTRIBUTION AND TERMS OF THE OFFERING

The Company is offering to sell to “accredited investors” as defined in Rule 501(a) of Regulation D and to non “U.S. Persons” purchasing in an “offshore transaction” (as defined in Rules 902(k) and 902(n) of Regulation S of the Securities Act) up to 5,000,000 Shares at two dollars forty-eight cents (\$2.48) per Share on a “best-efforts” basis through its officers and directors and the DealMaker platform. The Company will not be paying a commission on any shares sold by its officers and directors. As there is no minimum offering amount to be reached prior to the utilization of offering proceeds, the Company will likely utilize the offering proceeds as they are received. The Shares offered by means of this Memorandum are offered for cash only. The minimum subscription that will be accepted from any investor is \$4,960 (2,000 Shares), unless waived in the Company’s sole discretion.

The price of the shares has been determined by the Company based upon the valuation set forth above. While the Company has considered prevailing market conditions, estimates of its future revenues, business potential, the present state of development, and other factors, the offering price bears no relationship to asset value or net book value of Company.

Upon acceptance of a subscription, proceeds will be processed by DealMaker and then deposited in the Company’s general account and will be available to the Company for all corporate purposes. The Company is not required to accept subscriptions in the order received.

There is no market for Shares purchased under this offering nor is there any assurance that a public market will develop. There is no assurance that all or any of the offered Shares will be sold.

FEES AND EXPENSES

The Company will utilize DealMaker’s platform for the Offering of its Shares. For hosting the online portal for the Company, DealMaker was paid a one-time fee of \$8,000 for Platform setup, hosting and maintenance. Once the portal is setup, the Company will pay DealMaker a \$2,000 monthly Subscription Fee per portal. Following completion of the Offering, the Monthly Subscription Fee will convert into a monthly shareholder communication portal fee for “DealMaker Engage Fee” of \$250.

Other fees include transaction fees, credit card processing and bank to bank payment fees, among other things. These various fees may be paid from the proceeds of the Offering.

DESCRIPTION OF SECURITIES

The Company has authorized Common Stock, Class A Common Stock, and Series Seed-1 Preferred Stock. In this Offering, the Company will be offering up to 2,016,129 shares of Series Seed-1 Preferred Stock.

Common Stock

The amount of Common Stock the Company authorized is 100,000,000 with a total of 55,524,676 outstanding, and 5,415,000 shares reserved for issuance to the Company's employees, consultants, advisors, and directors pursuant to the Company's 2022 Equity Incentive Plan.

Class A Common Stock

The amount of Class A Common Stock the Company authorized is 20,000,000 none of which are outstanding, and of which 3,304,000 are reserved for issuance to the Company's employees, consultants, advisors, and directors pursuant to the Company's 2022 Stock Plan.

Series Seed-1 Preferred Stock

The amount of Series Seed-1 Preferred Stock the Company authorized is 10,000,000 with approximately 1,247,041 issued and outstanding as of the date hereof. The total number of issued and outstanding is subject to change as a result of processing and acceptance of final subscriptions in the Second Reg CF Offering.

Voting Rights

Common: The holders of Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders; unless required by law, no cumulative voting.

Class A Common: The Class A Common shares are non-voting except as may be required by applicable law; unless required by law, no cumulative voting.

Series Seed-1 Preferred Stock: The Series Seed-1 Preferred Stock are non-voting except as may be required by applicable law; unless required by law, no cumulative voting.

Please see voting rights applicable to shares sold in this offering below.

Material Rights

Series Seed-1 Preferred Stock: Each Share shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Class A Common Stock as is determined by dividing the Original Issue Price for the Series Seed-1 Preferred Stock (which is currently \$2.48) by the Conversion Price (as defined in the Company's Certificate of Incorporation) in effect at the time of conversion for the Share. The Company's

current Certificate of Incorporation provides that the “Conversion Price” for the “Seed-1 Preferred Conversion Price” shall initially be equal to the “Seed-1 Preferred Original Issue Price” (i.e. the Conversion Price is currently 1:1).

Voting Rights of Securities Sold in this Offering

The Series Seed-1 Preferred Stock being offered herein do not offer any voting rights, unless required by law. Further, the number of authorized shares of Class A Common Stock (in which the Shares are convertible) may be increased or decreased by the affirmative vote of the holders of a majority of the votes represented by all outstanding shares of capital stock of the Company entitled to vote, irrespective of the provisions of Section 242(b)(2) of the Delaware General Corporation Law.

Stock Options

On June 30, 2022, the Company adopted the 2022 Stock Plan (the “**Stock Plan**”) which authorized the issuance of up to 3,304,000 shares of Class A Common Stock.

On March 22, 2022, the Company adopted the 2022 Equity Incentive Plan (the “**Incentive Plan**”) which authorized the issuance of up to 1,353,750 shares of Common Stock. After giving effect to a 1:4 stock split, a total of 5,415,000 shares of Common Stock are allocated to the Incentive Plan.

Between the Stock Plan and Incentive Plan, 8,719,000 shares to be issued pursuant to stock options, reserved but unissued.

Dividends

In the event dividends are paid on any share of Class A Common Stock, an additional dividend shall be paid with respect to all outstanding shares of Series Seed-1 Preferred Stock in an amount equal per share (on an as-if-converted to Class A Common Stock basis) to the amount paid or set aside for each share of Class A Common Stock. The provisions of this Section I shall not, however, apply to (i) a dividend payable in Class A Common Stock, or (ii) the acquisition of shares of any Class A Common Stock in exchange for shares of any other Class A Common Stock.

What it means to be a minority holder

Shares do not have voting rights and you will be a minority stockholder as the owner of Shares. As such, you will have no rights in regards to the corporate actions of the company, including additional issuances of securities, company repurchases of securities, a sale of the company or its significant assets, or Company transactions with related parties. Further, investors in this offering may have rights less than those of other investors, and will have limited influence on the corporate actions of the company.

Dilution

Investors should understand the potential for dilution. The investor's stake in a company could be diluted due to the company issuing additional shares. In other words, when the Company issues more shares, the percentage of the company that you own will go down, even though the value of the Company may go up. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round, angel investment), employees exercising stock options, or by conversion of certain instruments (e.g. convertible bonds, preferred shares or warrants) into stock. If the Company decides to issue more shares, an investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (though this typically occurs only if the Company offers dividends, and most early-stage companies are unlikely to offer dividends, preferring to invest any earnings into the company).

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this Offering, there has been no public market for the Company's common or preferred stock. Future sales of substantial amounts of common or preferred stock could adversely affect the valuation of the common or preferred shares. Upon completion of this Offering, and assuming all of the two million sixteen thousand one hundred twenty nine (2,016,129) of the Series Seed-1 Preferred Stock are issued, the Company will have issued and outstanding an aggregate of approximately 3,263,170 shares of Series Seed-1 Preferred Stock (subject to adjustment based on ongoing settlements of investments from the StartEngine financing described herein) and 55,524,676 shares of Common Stock.

All of these shares will be classified as "Restricted" shares, as defined by the 1933 Act, and may only be sold if registered under the 1933 Act or sold in accordance with an applicable exemption from registration, such as Rule 144 promulgated under the 1933 Act ("**Rule 144**"). Restricted shares may be sold in the public market only if registered or if they qualify for an exemption from registration under Rule 144 of the Act. As a result of the provisions of Rule 144, additional shares will be available for sale in the public market as follows:

- no restricted shares will be eligible for immediate sale on the date of this Memorandum;
- the remainder of the restricted shares will be eligible for sale from time to time thereafter upon expiration of their respective holding periods, subject to restrictions on sales by affiliates and other vesting provisions.

Sales pursuant to Rule 144 are subject to requirements relating to manner of sale, notice, and the availability of current public information about the Company. A person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of the Company at any time during the 90 days immediately preceding the sale and who has beneficially owned restricted

shares for at least six months, is entitled to sell these shares under Rule 144 without regard to the resale limitations.

ACCESS TO INFORMATION

The management of the Company will answer all reasonable inquiries from prospective investors and/or their designated representatives or advisers concerning the Company, the Shares any other matters relating to the operations of the Company. The management of the Company will afford to prospective investors and/or their purchaser representatives and professional advisers the opportunity to obtain any additional information (to the extent that the management of the Company possesses such information or can acquire it without unreasonable effort or expense) necessary to verify the accuracy of any representations or information set forth in this Memorandum; provided, that the management of the Company will not disclose any confidential proprietary information.

Copies of the audited and unaudited financial statements of the Company will be maintained and available for review upon request.

CORPORATE INFORMATION

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